



2018
BUDGET
ESTIMATES OF NATIONAL
EXPENDITURE

VOTE
07

NATIONAL TREASURY



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure 2018

National Treasury

Republic of South Africa



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The 2018 Estimates of National Expenditure is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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

Foreword

When the Estimates of National Expenditure (ENE) publication was launched in 2001, we referred to it as “a significant step forward in national budget transparency”. Since then, even though the national budget has undergone many reforms, the ENE publications remain a key indicator and embodiment of the candour of the budgeting process.

The publications provide the media, civil society, the public, Parliament, departments, public entities and ministers with information about how taxpayers’ money is being spent: what it buys and for what purpose. Do not be concerned by the magnitude of this publication. Instead, let us use it as a reference to keep government institutions accountable and ensure that the expenditure of public funds achieves its intended policy outcomes to improve the welfare of citizens.

In the current economic climate, spending priorities and the sequencing of programme implementation are subject to a number of trade-offs. The focus of the 2018 Budget has solely been on the reprioritisation of existing baseline funding. The abridged ENE provides a coherent and summarised account of the priorities, spending plans and service delivery commitments of all 40 national votes and of government agencies. The e-publications for each vote contain more detail on, for example, goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

The ENE’s presentation of the detailed expenditure estimates of departments are the result of a lengthy executive and administrative process involving wide-ranging intergovernmental consultation. This process is led by a committee of senior officials in central government departments, under the political guidance of the Ministers’ Committee on the Budget. A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team that worked tirelessly to produce a document of which we are rightly proud.

The independent Open Budget Survey assessment of budget transparency commenced in 2006. It is conducted every two years to measure the accessibility and comprehensiveness of key budget documents and information across the world. In 2010, South Africa was ranked first out of 94 countries surveyed, scoring 92 per cent. In the latest iteration of the survey, which measured 115 countries, South Africa was ranked first again, tied with New Zealand, with a score of 89 per cent. Our country is one of only 11 that publish comprehensive, timely information in all the required budget documents.

Budgets link the outcomes targeted by government with the services that are ultimately delivered. In addition to South African budgets having become more transparent, recent efforts to increase public participation in budgeting are gaining momentum. South Africans are invited to scrutinise budget information and provide opinions on government service delivery. We rely on this participation to strengthen our budgeting system and make it even more reliable.



Dondo Mogajane
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2018 MTEF period is from 2018/19 to 2020/21.

The ENE publications contain information on how government institutions have spent their budgets in previous years. They explain how these institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes their spending is expected to lead to. The publications include tables depicting non-financial performance indicators and targets, departmental receipts, personnel, significant as well as detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. Summary data tables at the end of each vote contain data on provincial and municipal conditional grants, public private partnerships, donor funding, infrastructure, and expenditure at the level of site service delivery, where applicable.

A separate 2018 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2018 ENE Overview contains a narrative explanation and budget-wide summary tables; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

National Treasury

National Treasury

Republic of South Africa



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Vote 7

National Treasury

Budget summary

R million	2018/19					2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	484.7	445.5	3.9	35.3	–	555.8	590.7
Economic Policy, Tax, Financial Regulation and Research	141.0	106.9	33.2	0.9	–	148.0	158.1
Public Finance and Budget Management	290.1	236.1	51.8	2.2	–	308.9	330.5
Asset and Liability Management	110.4	109.9	–	0.5	–	111.5	119.4
Financial Accounting and Supply Chain Management Systems	1 196.6	1 085.9	104.3	6.4	–	1 080.7	1 144.3
International Financial Relations	5 402.1	51.5	972.8	0.5	4 377.3	5 745.1	6 061.4
Civil and Military Pensions, Contributions to Funds and Other Benefits	5 163.8	68.9	5 094.9	–	–	5 574.5	5 881.2
Technical Support and Development Finance	2 798.8	407.8	2 391.1	–	–	2 987.8	3 726.9
Revenue Administration	9 007.2	–	9 007.2	–	–	9 130.3	9 630.9
Financial Intelligence and State Security	4 763.5	–	4 763.5	–	–	4 951.1	5 223.2
Subtotal	29 358.4	2 512.5	22 422.8	45.8	4 377.3	30 593.7	32 866.5
Direct charge against the National Revenue Fund							
Provincial equitable share	470 286.5	–	470 286.5	–	–	505 019.7	542 446.9
Debt-service costs	180 124.0	180 124.0	–	–	–	197 663.6	213 859.0
General fuel levy sharing with metropolitan municipalities	12 468.6	–	12 468.6	–	–	13 166.8	14 026.9
National Revenue Fund payments	135.1	–	–	–	135.1	–	–
Total expenditure estimates	692 372.5	182 636.5	505 177.8	45.8	4 512.3	746 443.7	803 199.3
Executive authority	Minister of Finance						
Accounting officer	Director General of the National Treasury						
Website address	www.treasury.gov.za						

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

Vote purpose

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

Mandate

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

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

Selected performance indicators

Table 7.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive growth	41% (R1.6tr)	44.2% (R1.8tr)	45.6% (R2tr)	48.6% (2.3tr)	50.3% (R2.5tr)	51.4% (R2.8tr)	52.2% (R3.0tr)
Value of government gross annual borrowing	Asset and Liability Management		R215.3bn	R200.4bn	R240.6bn	R246.0bn	R224.1bn	R301.5bn	R282.3bn
Cost to service debt as a percentage of GDP	Asset and Liability Management		3% (R114.8bn)	3.1% (R128.8bn)	3.3% (R146.5bn)	3.5% (R163.2bn)	3.6% (R180.1bn)	3.7% (R197.7bn)	3.7% (R213.9bn)
Number of active training providers delivering the municipal regulated minimum competency levels programme per year	Financial Accounting and Supply Chain Management Systems	Outcome 12: An efficient, effective and development oriented public service	40	78	40	-1	-1	-1	-1
Number of municipal officials trained in financial management competencies per year ²	Financial Accounting and Supply Chain Management Systems		1 034	1 380	1 080	1 000	1 000	1 000	1 000
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Accounting and Supply Chain Management Systems		350	312	750	640	-1	-1	-1
Number of transversal term contracts renewed per year for national procurement	Financial Accounting and Supply Chain Management Systems		16	14	28	17	11	15	6
Number of precinct plans completed per year	Technical Support and Development Finance		-3	-3	4	4	4	2	2
Number of catalytic projects approved per year	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	317	352	459	20	20	20	20
Total estimated third party investment leveraged for neighbourhood development	Technical Support and Development Finance		R2.5bn	R4.2bn	R5bn	-1	-1	-1	-1
Number of integrated projects in integration zones identified for planning per year	Technical Support and Development Finance		14	30	12	12	12	12	12
Number of integrated projects in integration zones under implementation per year	Technical Support and Development Finance		3	13	8	10	12	12	12
Total number of new jobs contracted in the Jobs Fund across the term of project	Technical Support and Development Finance		132 725	142 445	136 069	150 000	150 000	150 000	150 000
Total number of placements contracted on the Jobs Fund across the term of project	Technical Support and Development Finance	84 513	77 317	90 087	100 000	100 000	100 000	100 000	

1. Indicator discontinued.

2. Old indicator selected for publication in the Estimates of National Expenditure.

3. No historical data available.

Expenditure analysis

Chapter 3 of the National Development Plan (NDP) details a vision for South Africa towards building an inclusive economy that ensures social equality. This vision is expressed specifically in terms of outcome 4 (decent employment through inclusive growth), outcome 8 (sustainable human settlements and improved quality of household life) and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework, which are closely aligned with the work of National Treasury. The department's continual focus, therefore, remains on directing government spending towards programmes that create jobs, improving and developing infrastructure, and eliminating poverty and inequality. To this end, the Treasury anticipates continuing to improve efficiencies and prioritising essential sectors and services such as social protection for vulnerable members of society.

Over the MTEF period, the department intends to focus on reviewing tax policy, managing future spending growth and fiscal risk, managing government's assets and liabilities, making government procurement more efficient, strengthening financial management within government, strengthening the regulation of the financial sector, promoting regional and international cooperation, supporting sustainable employment, and supporting the development of infrastructure and economically integrated cities and communities.

The department plans to transfer a total of R1.5 trillion over the medium term to provincial governments for the provincial equitable share. To address the gap in the funding of welfare services provided through non-profit organisations and in programmes aimed at preventing violence against women and children, Cabinet has approved increases of R201 million in 2018/19, R500 million in 2019/20 and R527.5 million in 2020/21 in the provincial equitable share. Cabinet has also approved reductions of R1.4 billion in 2018/19, R1.6 billion in 2019/20 and R1.7 billion in 2020/21 in the provincial equitable share for provincial departments' administration programmes and transfers to provincial entities.

The Treasury is also responsible for servicing government's debt and distributing the general fuel levy to metropolitan municipalities. Accordingly, the department anticipates spending R180.1 billion in 2018/19, R197.7 billion in 2019/20 and R213.9 billion in 2020/21 to service government's debt. Cabinet has approved a reduction in funding of R527.5 million in 2018/19, and increases in funding of R343.8 million in 2019/20 and R5.7 billion in 2020/21 to cater for higher debt service costs. Spending on the distribution of the general fuel levy to metropolitan municipalities is projected at R12.5 billion in 2018/19, R13.2 billion in 2019/20 and R14 billion in 2020/21.

Cabinet has approved total budget reductions of R3.5 billion in 2018/19, R3.3 billion in 2019/20 and R3.4 billion in 2020/21 to the department's budget for purposes of fiscal consolidation. The department will adjust its operations to align with these budget reductions, but this is not expected to have a negative impact on performance.

Reviewing tax policy and strengthening financial sector regulation

Over the medium term, the department aims to conclude proposals for tax policy amendments to meet government's revenue requirements and eliminate tax loopholes to improve fairness in the tax system. Recent amendments have included the introduction of the health promotion levy, which discourages the consumption of sugary beverages, with a proposed start date of 1 April 2018; and the publication of the draft Carbon Tax Bill for public comment and introduction in Parliament in 2018. The carbon tax aims to encourage investments in low carbon, energy efficient alternatives and reduce greenhouse gas emissions. Spending on these activities over the MTEF period is projected to be R30 million in 2018/19, R31 million in 2019/20 and R33.2 million in 2020/21 in the *Tax Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

The department also plans to implement the Financial Sector Regulation Act (2017), which creates a new system of financial regulation by establishing a prudential authority and a financial sector conduct authority. The transition towards this new regulatory architecture involves closing down existing entities and managing shifts in legal responsibilities, and human and other resources. The act also aims to preserve and enhance South Africa's financial stability by conferring powers on the South African Reserve Bank and establishing a committee to oversee financial stability. The act also provides for the protection of financial customers through the creation of a market conduct authority and ombud tasked with ensuring fair, effective and accessible platforms to resolve complaints. To streamline regulations applicable to financial institutions, the market conduct unit also plans to develop a new law for the proportionate regulation of the market conduct of all institutions in the financial sector. Spending on these activities is projected to be R24.9 million in 2018/19, R26.3 million in 2019/20 and R28.3 million in 2020/21 in the *Financial Sector Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

Managing future spending growth and fiscal risk

A combination of fiscal measures and economic interventions is required to grow the economy, address challenges facing public finances and reduce long-term risks. In this regard, over the MTEF period, the Treasury plans to ensure that government departments adhere to spending limits, as considered during the national budget preparation process. Spending on related activities is expected to be R238.3 million in 2018/19, R254.3 million in 2019/20 and R272.8 million in 2020/21 in the *Public Finance and Budget Management* programme.

Managing government's assets and liabilities

The department is responsible for overseeing state-owned enterprises and enabling them to meet government's policy objectives in a financially and fiscally sustainable manner. The Treasury compiles annual reviews of the corporate plans of all public entities listed in schedules 2 and 3B of the Public Finance Management Act (1999), as well as selected entities listed in schedule 3A of the act. In addition to assessing these entities' alignment with government's priorities, their financial sustainability and their soundness of governance, the reviews aim to identify potential risks and mitigate their possible effects. Similarly, the performance of public entities is evaluated through reviews of their annual reports. With the significant increase of contingent liabilities in government, over the medium term, the department plans to develop frameworks to reduce the number of government guarantees issued to public entities, especially for operational purposes, while improving the risk exposure from such guarantees.

Over the medium term, the Treasury will continue to finance government's gross borrowing requirements in domestic and international capital markets, taking into consideration a risk sensitive approach to debt financing and the management of the debt portfolio. Prudent cash management is to be maintained to ensure government's liquidity. Spending on these activities is projected to be R110.4 million in 2018/19, R111.5 million in 2019/20 and R119.4 million in 2020/21 in the *Asset and Liability Management* programme.

Making government procurement more efficient

The Office of the Chief Procurement Officer is tasked with ensuring efficient procurement practices in government. Over the medium term, reforms in the procurement process are expected to ensure efficiencies and value for money, and that opportunities to abuse the supply chain management system are minimised. The office intends to continue implementing cost containment measures by applying strategic procurement principles; identifying opportunities for centrally arranged contracts; implementing preferential procurement as a lever to support black economic empowerment, small business development and industrial development; and strengthening measures to promote transparency and accountability.

Transversal contracts are arranged where multiple departments require the same or similar products and services. The Office of the Chief Procurement Officer has been structured into 6 main commodity groups: health and medical technology; vehicles equipment and services; textiles, perishables and consumables; ICTs; property and leasing; and education. In line with its function to ensure efficient procurement practices, the Office of the Chief Procurement Officer facilitates the arrangement of more than 70 transversal contracts across the different commodity groups with an estimated value of R62 billion to derive benefits from economies of scale and value for money.

The Public Procurement Bill is intended to provide for consolidating the fragmented procurement legislative environment to create a flexible, agile and expanded scope of service delivery, economic empowerment, transparency and good governance. The bill is scheduled to be gazetted for public comment in 2018/19.

Spending on activities related to government procurement processes is projected to be R191.3 million in 2018/19, R137.6 million in 2019/20 and R145.2 million in 2020/21 in the *Programme Management for Financial Accounting and Supply Chain Management Systems* subprogramme in the *Financial Accounting and Supply Chain Management System* programme.

Strengthening government financial management

The integrated financial management system is designed to enhance the productivity and effectiveness of government departments by improving access to information, raising the quality of data, eliminating the duplication of systems and resources, and curtailing manual processes. Spending on activities related to the integrated financial management system is projected to be R350.1 million in 2018/19, R243 million in 2019/20 and R256.4 million in 2020/21 in the *Financial Systems* subprogramme in the *Financial Accounting and Supply Chain Management System* programme. The higher projected spending in 2018/19 is due to an once-off payment on the project.

Through the *local government financial management grant*, the department promotes and supports financial management reform and builds capacity in municipalities to improve the implementation of the Municipal

Finance Management Act (2003). Funds disbursed through the grant assist in: strengthening the capacity of municipal budgets, treasury offices, and internal audit units and audit committees; providing training for and appointing financial management interns; investing in financial management systems; implementing reforms, including the development of financial recovery plans; implementing consequence management processes; and attending to matters arising from audit outcomes.

Municipalities use funds from the grant to prepare their annual financial statements towards the preparation of audit action plans, to upskill and provide capacity to their internal audit units and audit committees, and to acquire and update their financial management systems to comply with the municipal standard chart of accounts.

Over the medium term, funding from the grant is also expected to address current reforms in financial management, and new reforms for addressing shortcomings identified in the financial management capability maturity model. The grant receives allocations of R504.6 million in 2018/19, R532.8 million in 2019/20 and R561.7 million in 2020/21 through the *Local Government Financial Management Support* subprogramme in the *Technical Support and Development Finance* programme.

Facilitating regional and international cooperation

The New Development Bank was established in 2014 to strengthen cooperation among the Brazil-Russia-India-China-South Africa (BRICS) group of countries and complement the efforts of multilateral and regional financial institutions for global development. As part of the South African government's capital contribution to the bank, the department transferred R5.8 billion for 2 capital instalments, in 2015/16 and 2016/17. A third transfer of R4.1 billion was made in 2017/18. A total of R12.7 billion is allocated over the period ahead for transfers to the bank in the *International Development Funding Institutions* subprogramme in the *International Financial Relations* programme. US\$1.5 billion has been made available to South Africa for development finance over the next 2 years.

Compensation to member countries of the Common Monetary Area for the use of the rand as currency in Namibia, Lesotho and Swaziland is projected to be R804.9 million in 2018/19, R849.9 million in 2019/20 and R896.7 million in 2020/21 in the *African Integration and Support* subprogramme in the *International Financial Relations* programme.

Supporting sustainable employment

The Jobs Fund was introduced in 2011 with a total operating budget of R9 billion to create a targeted 150 000 permanent jobs by 2023. Through the fund, the department supports innovative, partnership-based approaches to sustainable job creation; and facilitates research into employment, income distribution and inclusive growth. As at 30 September 2017, 104 443 new permanent jobs had been created by implementing 113 projects, and an additional 57 746 unemployed individuals had been placed in permanent employment. In addition, 223 271 people have benefitted from work readiness and technical training interventions. Current estimates suggest that the fund will exceed its target by 2023 as 70 per cent of the target has already been met. R6.1 billion of the fund's total budget has been spent to date in a portfolio of 117 approved employment generating initiatives, and an additional R8.6 billion has been committed from project partners in the form of matched funding.

Cabinet has approved a total reduction of R705 million on transfers to the Jobs Fund (R272 million in 2018/19, R240 million in 2019/20 and R193 million in 2020/21). The department's spending on activities related to the creation of sustainable employment is expected to be R2.9 billion over the medium term in the *Employment Creation Facilitation* subprogramme in the *Technical Support and Development Finance* programme.

Supporting infrastructure development and economically integrated cities and communities

To promote the efficient use of urban spaces, the *integrated city development grant* provides a financial incentive for metropolitan municipalities to integrate and use infrastructure investment in a more focused way. For this purpose, 25 strategic integration zones have been identified in South Africa's 8 metropolitan municipalities, and detailed planning is under way towards the implementation of catalytic integrated development projects within these prioritised areas. The projects involve urban regeneration, integrated public transport networks and integrated mixed use developments. Funding from the grant supplements cities' capital budgets is used to leverage loan financing and other investments from the private sector. Total transfers to the grant over the medium term are expected to amount to R931 million in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme.

The infrastructure delivery improvement programme supports provincial departments that deliver infrastructure, and aims to improve the delivery of public sector infrastructure through institutionalising best practice and building capacity. An estimated 300 officials are expected to be trained on the programme's infrastructure delivery management system over the MTEF period. The programme has a projected allocation of R295.1 million over the MTEF period in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme.

The *neighbourhood development partnership grant* provides funding for neighbourhood development projects that aim to improve the quality of life for residents in targeted areas, generally townships. Capital funding is reserved for projects that contribute to spatial transformation. The grant assists metropolitan municipalities and secondary city municipalities in planning and developing inclusive and productive cities. Such projects use catalytic infrastructure (transport, water, sewerage and energy infrastructure; and community and government facilities) to attract third-party investment to township nodes in strategic integration zones. A two-stage approval process for capital funding, first for project planning then for implementation, was developed and has been implemented since 2016/17 to access the grant. This funding process is intended to reduce the risk of contingent project liabilities that result in slow spending due to factors such as procurement delays. Over the medium term, the grant is expected to support an estimated 18 urban hub precinct plans that seek to prioritise 60 catalytic infrastructure projects. Spending on the grant is projected at R631.2 million in 2018/19, R652.2 million in 2019/20 and R687.6 million in 2020/21 in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme.

The *infrastructure skills development grant* supports municipalities by recruiting and training unemployed graduates within the built environment to get them professionally registered with the relevant statutory councils. The grant currently funds the training of 502 graduates from various municipalities. Training is provided according to structured plans as per the requirements of the statutory councils. Graduates undergo intensive practical work for a period of 3 to 4 years, depending on the requirements of the log books and experience reports they must compile in order to meet the registration requirements of the various statutory councils. 201 graduates have completed the training, of which 168 have been permanently appointed. The grant was introduced in 2011/12 with the aim of expanding and deepening the built environment skills pipeline within local government. Due to the overwhelming demand within municipalities, the grant has exceeded the annual target of 400 graduates. To support this, the grant is expected to disburse R141.5 million in 2018/19, R149.4 million in 2019/20 and R157.9 million in 2020/21 in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme.

Expenditure trends

Table 7.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration 2. Economic Policy, Tax, Financial Regulation and Research 3. Public Finance and Budget Management 4. Asset and Liability Management 5. Financial Accounting and Supply Chain Management Systems 6. International Financial Relations 7. Civil and Military Pensions, Contributions to Funds and Other Benefits 8. Technical Support and Development Finance 9. Revenue Administration 10. Financial Intelligence and State Security														
Programme	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	343.1	372.4	362.5	366.7	363.6	375.6	412.7	467.4	436.3	414.3	439.1	439.3	105.0%	98.2%
Programme 2	138.9	134.4	124.3	133.9	135.4	131.3	146.1	150.2	151.2	139.6	164.0	163.9	102.2%	97.7%
Programme 3	262.8	259.9	245.3	257.0	266.1	262.6	287.0	294.5	281.8	286.1	303.0	303.1	100.0%	97.3%
Programme 4	3 342.1	3 343.4	3 089.4	3 116.9	3 264.9	3 264.3	107.2	113.1	110.1	102.4	10 100.3	10 100.3	248.4%	98.5%
Programme 5	761.6	770.0	731.5	751.4	807.1	774.5	849.9	1 216.8	1 209.9	1 087.9	1 079.1	868.5	103.9%	92.5%
Programme 6	1 179.8	1 199.7	1 198.7	1 247.4	3 254.9	3 546.1	5 039.1	4 978.0	4 955.8	5 836.8	5 831.4	5 789.3	116.4%	101.5%
Programme 7	3 717.8	3 717.8	3 730.9	3 962.9	3 962.9	3 967.7	4 173.2	4 462.6	4 400.2	4 835.0	4 835.0	4 835.0	101.5%	99.7%
Programme 8	3 712.2	3 099.8	2 893.3	3 143.9	2 774.6	2 472.2	2 634.7	2 612.7	2 478.4	2 873.3	2 558.5	2 558.5	84.1%	94.2%
Programme 9	9 440.3	9 440.3	9 440.3	9 434.4	9 334.4	9 334.4	10 009.2	9 363.7	9 363.7	10 218.2	10 168.2	10 168.2	98.0%	100.0%
Programme 10	4 366.3	4 366.3	4 366.3	4 542.8	4 562.1	4 562.1	4 812.5	4 812.5	4 812.5	5 005.6	5 005.6	5 005.6	100.1%	100.0%
Subtotal	27 265.0	26 703.9	26 182.5	26 957.3	28 726.1	28 690.8	28 471.4	28 471.4	28 199.8	30 799.2	40 484.3	40 231.8	108.6%	99.1%
Direct charge against the National Revenue Fund	485 012.5	484 907.8	486 435.9	519 893.8	525 742.6	526 636.1	569 787.4	570 833.0	570 197.1	615 856.8	616 714.0	616 587.0	100.4%	100.1%
Provincial equitable share	359 921.8	359 921.8	359 921.8	382 673.5	386 500.0	386 500.0	410 698.6	410 698.6	410 698.6	441 331.1	441 331.1	441 331.1	100.2%	100.0%
Debt-service costs	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 496.7	162 353.1	163 347.9	163 155.4	100.3%	100.0%
General fuel levy sharing with metropolitan municipalities	10 190.2	10 190.2	10 190.2	10 658.9	10 658.9	10 658.9	11 223.8	11 223.8	11 223.8	11 785.0	11 785.0	11 785.0	100.0%	100.0%
National Revenue Fund payments	–	310.9	1 525.5	121.0	681.7	681.7	145.0	1 221.4	1 778.0	387.6	250.0	315.5	658.0%	174.5%
Total	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5	598 396.9	646 656.0	657 198.4	656 818.8	100.8%	100.0%
Change to 2017 Budget estimate										10 542.3				
Economic classification														
Current payments	116 832.7	116 304.8	116 328.4	128 388.5	129 824.5	130 621.5	149 812.3	150 180.2	148 442.1	164 689.2	165 692.4	165 289.1	100.2%	99.8%
Compensation of employees	764.9	689.0	671.5	725.5	733.4	732.7	817.6	815.7	786.4	799.3	823.3	823.3	97.0%	98.4%
Goods and services	1 167.2	1 130.8	858.5	1 222.6	1 189.1	1 093.2	1 274.8	1 675.2	1 159.0	1 536.8	1 521.2	1 310.4	85.0%	80.1%
Interest and rent on land	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 496.7	162 353.1	163 347.9	163 155.4	100.3%	100.0%
Transfers and subsidies	391 863.0	391 336.9	391 368.2	414 954.5	418 329.0	418 144.3	444 111.4	443 844.7	443 713.1	476 694.5	476 362.8	476 498.0	100.1%	100.0%
Provinces and municipalities	371 511.7	371 511.7	371 510.9	394 767.6	398 594.2	398 570.7	423 409.0	423 409.0	423 376.8	454 714.4	454 714.4	454 714.4	100.2%	100.0%
Departmental agencies and accounts	14 011.1	14 127.7	14 115.1	15 420.4	15 042.1	14 816.6	15 741.5	15 096.0	15 074.1	16 281.0	15 951.0	15 951.0	–	–
Higher education institutions	5.8	5.8	–	–	–	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	828.3	777.2	790.5	854.1	777.9	831.3	838.0	925.5	907.6	917.5	913.3	1 048.5	104.1%	105.4%
Public corporations and private enterprises	1 844.5	1 252.2	1 274.5	11.4	11.4	11.4	12.0	12.0	12.0	12.6	10.6	10.6	69.6%	101.7%
Households	3 661.6	3 662.2	3 677.1	3 900.9	3 903.5	3 914.3	4 111.0	4 402.2	4 342.5	4 769.0	4 773.5	4 773.5	101.6%	99.8%
Payments for capital assets	11.4	19.6	20.1	16.4	26.1	33.2	38.0	56.9	462.5	15.7	24.1	24.1	663.2%	426.1%
Buildings and other fixed structures	–	–	–	–	0.4	–	–	0.2	–	–	–	–	–	–
Machinery and equipment	11.4	19.6	20.1	16.4	25.7	33.2	37.9	56.7	46.4	15.7	19.4	19.4	146.4%	98.2%
Software and other intangible assets	–	–	–	–	–	–	0.0	0.0	416.1	–	4.7	4.7	1 402 746.7%	8 840.8%
Payments for financial assets	3 570.5	3 950.5	4 901.8	3 491.7	6 289.0	6 527.9	4 297.2	5 222.6	5 779.2	5 256.7	15 119.1	15 007.6	193.9%	105.3%
Total	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5	598 396.9	646 656.0	657 198.4	656 818.8	100.8%	100.0%

Expenditure estimates

Table 7.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Economic Policy, Tax, Financial Regulation and Research								
3. Public Finance and Budget Management								
4. Asset and Liability Management								
5. Financial Accounting and Supply Chain Management Systems								
6. International Financial Relations								
7. Civil and Military Pensions, Contributions to Funds and Other Benefits								
8. Technical Support and Development Finance								
9. Revenue Administration								
10. Financial Intelligence and State Security								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	439.3	5.7%	0.1%	484.7	555.8	590.7	10.4%	0.1%
Programme 2	163.9	6.9%	0.0%	141.0	148.0	158.1	-1.2%	0.0%
Programme 3	303.1	5.3%	0.0%	290.1	308.9	330.5	2.9%	0.0%
Programme 4	10 100.3	44.6%	0.7%	110.4	111.5	119.4	-77.2%	0.4%
Programme 5	868.5	4.1%	0.2%	1 196.6	1 080.7	1 144.3	9.6%	0.1%
Programme 6	5 789.3	69.0%	0.7%	5 402.1	5 745.1	6 061.4	1.5%	0.8%
Programme 7	4 835.0	9.2%	0.7%	5 163.8	5 574.5	5 881.2	6.7%	0.7%
Programme 8	2 558.5	-6.2%	0.4%	2 798.8	2 987.8	3 726.9	13.4%	0.4%
Programme 9	10 168.2	2.5%	1.6%	9 007.2	9 130.3	9 630.9	-1.8%	1.3%
Programme 10	5 005.6	4.7%	0.8%	4 763.5	4 951.1	5 223.2	1.4%	0.7%
Subtotal	40 231.8	14.6%	5.3%	29 358.4	30 593.7	32 866.5	-6.5%	4.6%
Direct charge against the National Revenue Fund	616 587.0	8.3%	94.7%	663 014.1	715 850.0	770 332.8	7.7%	95.4%
Provincial equitable share	441 331.1	7.0%	68.8%	470 286.5	505 019.7	542 446.9	7.1%	67.6%
Debt-service costs	163 155.4	12.5%	23.8%	180 124.0	197 663.6	213 859.0	9.4%	26.0%
General fuel levy sharing with metropolitan municipalities	11 785.0	5.0%	1.9%	12 468.6	13 166.8	14 026.9	6.0%	1.8%
National Revenue Fund payments	315.5	0.5%	0.2%	135.1	–	–	-100.0%	0.0%
Total	656 818.8	8.7%	100.0%	692 372.5	746 443.7	803 199.3	6.9%	100.0%
Change to 2017 Budget estimate				(4 665.1)	(4 160.5)	980.2		
Economic classification								
Current payments	165 289.1	12.4%	24.1%	182 636.5	200 195.2	216 547.3	9.4%	26.4%
Compensation of employees	823.3	6.1%	0.1%	807.8	869.3	934.5	4.3%	0.1%
Goods and services	1 310.4	5.0%	0.2%	1 704.7	1 662.3	1 753.7	10.2%	0.2%
Interest and rent on land	163 155.4	12.5%	23.8%	180 124.0	197 663.6	213 859.0	9.4%	26.0%
Transfers and subsidies	476 498.0	6.8%	74.5%	505 177.8	541 558.0	581 703.8	6.9%	72.6%
Provinces and municipalities	454 714.4	7.0%	70.9%	484 296.6	519 799.9	558 690.1	7.1%	69.6%
Departmental agencies and accounts	15 951.0	4.1%	2.6%	14 796.7	15 211.3	16 106.8	0.3%	2.1%
Foreign governments and international organisations	1 048.5	10.5%	0.2%	975.5	1 030.1	1 086.8	1.2%	0.1%
Public corporations and private enterprises	10.6	-79.6%	0.1%	13.3	14.1	14.8	11.9%	0.0%
Households	4 773.5	9.2%	0.7%	5 095.8	5 502.7	5 805.2	6.7%	0.7%
Payments for capital assets	24.1	7.2%	0.0%	45.8	32.5	34.6	12.7%	0.0%
Machinery and equipment	19.4	-0.4%	0.0%	34.6	18.0	18.7	-1.3%	0.0%
Software and other intangible assets	4.7	–	0.0%	11.3	14.5	15.9	49.8%	0.0%
Payments for financial assets	15 007.6	56.0%	1.4%	4 512.3	4 657.9	4 913.7	-31.1%	1.0%
Total	656 818.8	8.7%	100.0%	692 372.5	746 443.7	803 199.3	6.9%	100.0%

Expenditure trends and estimates for significant spending items

Table 7.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
South African Revenue Service	844 105	943 444	1 043 355	1 141 561	10.6%	3.2%	1 207 772	1 275 407	1 345 554	5.6%	3.7%
Post-Retirement medical scheme	1 511 127	2 109 613	2 135 862	2 404 553	16.7%	6.6%	2 615 996	2 896 491	3 068 233	8.5%	8.3%
Secret Services	286 736	307 211	403 474	303 554	1.9%	1.1%	417 067	440 422	464 645	15.2%	1.2%
Government Technical Advisory Centre	28 300	693 000	625 602	524 964	164.7%	1.5%	777 680	867 157	975 051	22.9%	2.4%
BRICS	–	2 298 000	3 515 000	4 500 000	–	8.4%	3 991 000	4 250 000	4 483 360	-0.1%	12.9%
Total	2 670 268	6 351 268	7 723 293	8 874 632	193.9%	20.8%	9 009 515	9 729 477	10 336 843	52.1%	28.5%

Goods and services expenditure trends and estimates

Table 7.5 Vote goods and services expenditure 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	2014/15 - 2017/18	2018/19		
Administrative fees	3 110	3 510	3 264	4 597	13.9%	0.3%	3 609	4 058	4 278	-2.4%	0.2%
Advertising	1 871	6 344	705	1 546	-6.2%	0.2%	2 836	2 891	3 069	25.7%	0.2%
Minor assets	1 880	523	330	2 345	7.6%	0.1%	3 399	2 443	2 218	-1.8%	0.2%
Audit costs: External	15 299	11 819	11 586	16 195	1.9%	1.2%	14 532	15 268	16 111	-0.2%	0.9%
Bursaries: Employees	4 230	4 802	5 648	8 672	27.0%	0.5%	8 957	9 013	9 071	1.5%	0.5%
Catering: Departmental activities	1 225	1 098	1 271	1 857	14.9%	0.1%	1 987	2 059	2 174	5.4%	0.1%
Communication	6 102	7 976	5 869	8 174	10.2%	0.6%	9 102	9 587	11 412	11.8%	0.6%
Computer services	420 591	368 743	402 010	623 396	14.0%	39.2%	612 296	527 461	557 673	-3.6%	34.9%
Consultants: Business and advisory services	218 091	505 356	522 129	622 516	41.9%	40.3%	784 406	803 951	846 961	10.8%	46.0%
Legal services	12 667	11 946	-	12 567	-0.3%	0.8%	18 404	15 568	15 850	8.0%	0.9%
Science and technological services	-	180	14 944	-	-	0.3%	-	2 425	2 558	-	0.1%
Contractors	2 381	2 414	2 374	3 030	8.4%	0.2%	7 178	4 228	5 462	21.7%	0.3%
Agency and support/outsourced services	9 833	11 052	11 908	13 710	11.7%	1.0%	14 927	14 782	15 595	4.4%	0.9%
Entertainment	121	121	88	536	64.2%	-	519	532	559	1.4%	-
Fleet services (including government motor transport)	2 255	1 350	1 478	1 365	-15.4%	0.1%	1 527	1 701	1 772	9.1%	0.1%
Inventory: Clothing material and accessories	-	13	8	-	-	-	-	-	-	-	-
Consumable supplies	3 459	2 183	2 365	3 371	-0.9%	0.2%	3 730	4 622	4 839	12.8%	0.2%
Consumables: Stationery, printing and office supplies	11 388	10 724	7 685	16 249	12.6%	1.0%	14 981	32 767	35 103	29.3%	1.5%
Operating leases	60 797	52 928	71 130	69 009	4.3%	5.5%	91 585	81 647	85 814	7.5%	4.9%
Rental and hiring	-	10	-	-	-	-	-	-	-	-	-
Property payments	21 389	23 057	25 260	27 744	9.1%	2.1%	28 178	36 374	38 392	11.4%	2.0%
Transport provided: Departmental activity	-	1 185	-	-	-	-	-	-	-	-	-
Travel and subsistence	43 077	44 313	48 051	59 408	11.3%	4.2%	60 120	64 734	67 165	4.2%	3.8%
Training and development	6 490	4 908	5 855	6 641	0.8%	0.5%	7 423	8 217	8 680	9.3%	0.5%
Operating payments	5 528	10 301	9 335	5 975	2.6%	0.7%	7 427	7 659	7 925	9.9%	0.4%
Venues and facilities	6 690	6 310	5 691	12 266	22.4%	0.7%	7 618	10 314	10 999	-3.6%	0.6%
Total	858 474	1 093 166	1 158 984	1 521 169	21.0%	100.0%	1 704 741	1 662 301	1 753 680	4.9%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 7.6 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	2014/15 - 2017/18	2018/19		
Provinces and municipalities											
Municipal bank accounts											
Current	10 743 725	11 235 865	11 819 565	12 427 803	5.0%	2.7%	13 114 612	13 849 031	15 260 946	7.1%	2.6%
Local government financial management grant	449 138	452 491	465 264	502 006	3.8%	0.1%	504 566	532 822	561 713	3.8%	0.1%
Infrastructure skills development grant	104 425	124 465	130 471	140 774	10.5%	-	141 492	149 416	157 930	3.9%	-
Municipal restructuring grant	-	-	-	-	-	-	-	-	514 425	-	-
General fuel levy sharing with metropolitan municipalities	10 190 162	10 658 909	11 223 830	11 785 023	5.0%	2.5%	12 468 554	13 166 793	14 026 878	6.0%	2.4%
Capital	845 390	834 875	858 665	955 509	4.2%	0.2%	895 476	931 223	982 255	0.9%	0.2%
Integrated city development grant	255 000	251 300	266 805	292 119	4.6%	0.1%	293 609	310 051	327 319	3.9%	0.1%
Neighbourhood development partnership grant	590 390	583 575	591 860	663 390	4.0%	0.1%	601 867	621 172	654 936	-0.4%	0.1%
Households											
Social benefits											
Current	3 675 562	3 912 917	4 341 435	4 771 705	9.1%	1.0%	5 093 909	5 500 713	5 803 199	6.7%	1.0%
Employee social benefits	1 317	3 902	3 791	4 466	50.2%	-	1 664	1 768	1 668	-28.0%	-
Contribution to provident funds for associated institutions	321	339	314	300	-2.2%	-	330	360	380	8.2%	-
Parliamentary Awards	21	19	17	23	3.1%	-	24	25	26	4.2%	-
Other benefits	70 416	82 512	92 820	84 330	6.2%	-	98 584	104 093	109 819	9.2%	-
Injury on duty	526 387	514 865	563 450	577 151	3.1%	0.1%	652 309	688 838	726 724	8.0%	0.1%
Post-Retirement medical scheme	1 509 427	2 107 413	2 133 462	2 401 913	16.7%	0.5%	2 613 092	2 893 297	3 064 719	8.5%	0.5%
Special pensions	423 483	439 801	447 781	457 669	2.6%	0.1%	457 200	468 000	480 000	1.6%	0.1%
Political Office Bearers Pension Fund	71 997	-	-	291 222	59.3%	-	306 083	323 224	341 001	5.4%	0.1%
Pension benefits: President of South Africa	7 884	7 275	7 732	7 807	-0.3%	-	11 732	12 894	14 277	22.3%	-

Table 7.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Military pensions: Ex-servicemen	11 694	2 879	2 285	3 420	-33.6%	–	3 000	2 801	2 599	-8.7%	–
South African citizen force	155 941	166 202	175 485	180 143	4.9%	–	193 647	205 293	217 131	6.4%	–
Civil protection	19	19	19	19	–	–	19	19	20	1.7%	–
Other benefits: Ex-servicemen	20 155	10 491	12 279	23 302	5.0%	–	16 021	18 318	19 910	-5.1%	–
Non-statutory forces	874 800	575 000	899 600	737 300	-5.5%	0.2%	737 300	778 589	821 411	3.7%	0.1%
Post-retirement medical scheme - Parliamentary staff	1 700	2 200	2 400	2 640	15.8%	–	2 904	3 194	3 514	10.0%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	12 972 492	13 552 569	13 610 586	14 489 879	3.8%	3.2%	13 154 912	13 477 574	14 277 793	-0.5%	2.6%
Finance and Accounting Services	2 295	1 850	2 085	2 061	-3.5%	–	2 032	2 140	2 258	3.1%	–
Sector Education and Training Authority											
Communication	9	9	9	19	28.3%	–	20	21	22	5.0%	–
Cooperative Banks Development Agency	16 838	17 341	16 872	19 275	4.6%	–	19 883	20 997	22 151	4.7%	–
Financial and Fiscal Commission	45 288	41 156	44 839	50 647	3.8%	–	51 782	54 682	57 690	4.4%	–
Accounting Standards Board	10 250	–	12 517	13 463	9.5%	–	14 054	14 843	15 659	5.2%	–
Independent Regulatory Board for Auditors	34 577	41 273	28 978	39 624	4.6%	–	40 874	43 163	45 537	4.7%	–
Auditor-General of South Africa	61 257	41 856	79 075	46 278	-8.9%	–	47 738	50 411	53 184	4.7%	–
Government Technical Advisory Centre	107 677	776 062	713 608	605 040	77.8%	0.1%	848 753	942 818	1 055 423	20.4%	0.2%
Neighbourhood development partnership grant (indirect)	30 000	–	–	–	-100.0%	–	–	–	–	–	–
South African Revenue Service: Operations	8 596 216	8 390 995	8 320 321	8 991 607	1.5%	2.0%	7 757 918	7 814 599	8 242 778	-2.9%	1.6%
South African Revenue Service: Office of the Tax Ombud	–	–	–	35 030	–	–	41 527	40 308	42 525	6.7%	–
Financial Intelligence Centre: Operations	186 651	226 664	239 641	254 941	11.0%	0.1%	262 581	277 285	292 537	4.7%	0.1%
Secret Services: Operations	3 881 434	4 015 363	4 152 641	4 431 894	4.5%	1.0%	4 067 750	4 216 307	4 448 029	0.1%	0.8%
Capital	1 142 645	1 264 026	1 463 560	1 461 107	8.5%	0.3%	1 641 759	1 733 697	1 829 050	7.8%	0.3%
Government Technical Advisory Centre	375	547	–	742	25.5%	–	785	829	875	5.6%	–
South African Revenue Service: Machinery and equipment	844 105	943 444	1 043 355	1 141 561	10.6%	0.2%	1 207 772	1 275 407	1 345 554	5.6%	0.2%
Financial Intelligence Centre: Machinery and equipment	11 429	12 824	16 731	15 250	10.1%	–	16 135	17 039	17 976	5.6%	–
Secret Services: Machinery and equipment	286 736	307 211	403 474	303 554	1.9%	0.1%	417 067	440 422	464 645	15.2%	0.1%
Foreign governments and international organisations											
Current	607 773	740 644	816 927	783 124	8.8%	0.2%	839 381	886 401	935 153	6.1%	0.2%
Common Monetary Area Compensation	581 616	712 496	792 269	754 924	9.1%	0.2%	804 866	849 938	896 685	5.9%	0.2%
Collaborative Africa Budget Reform Initiative	4 409	1 834	2 431	2 512	-17.1%	–	1 712	1 808	1 907	-8.8%	–
Commonwealth Fund for Technical Cooperation	5 714	5 533	5 815	6 117	2.3%	–	6 423	6 783	7 156	5.4%	–
International Finance Facility for Immunisation	11 481	15 498	13 180	14 410	7.9%	–	13 445	14 212	14 994	1.3%	–
African Institute for Economic Development and Planning	917	1 242	1 007	1 153	7.9%	–	1 351	1 427	1 505	9.3%	–
Africa Regional Technical Assistance Centre for Southern Africa	350	959	988	1 441	60.3%	–	1 213	1 281	1 351	-2.1%	–
Infrastructure Consortium for Africa	1 000	1 000	–	–	-100.0%	–	–	–	–	–	–
African Risk Capacity	–	–	–	–	–	–	7 676	8 106	8 552	–	–
United Kingdom tax	2 286	2 082	1 237	2 567	3.9%	–	2 695	2 846	3 003	5.4%	–
Capital	182 776	90 660	90 680	130 132	-10.7%	–	136 120	143 743	151 650	5.2%	–
African Development Fund	92 116	–	–	73 465	-7.3%	–	35 406	37 389	39 446	-18.7%	–
World Bank Group	90 660	90 660	90 680	56 667	-14.5%	–	100 714	106 354	112 204	25.6%	–
Households											
Other transfers to households											
Current	1 557	1 394	1 080	1 800	5.0%	–	1 850	1 943	2 050	4.4%	–
Bursaries for non-employees	1 557	1 394	1 080	1 800	5.0%	–	1 850	1 943	2 050	4.4%	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	1 274 456	11 384	11 999	10 586	-79.7%	0.1%	13 316	14 062	14 835	11.9%	–
Economic Research Southern Africa	10 780	11 384	11 999	10 586	-0.6%	–	13 316	14 062	14 835	11.9%	–
Development Bank of Southern Africa	1 164 888	–	–	–	-100.0%	0.1%	–	–	–	–	–
Municipal Finance Improvement Programme	98 788	–	–	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities											
Provincial revenue funds											
Current	359 921 783	386 500 009	410 698 585	441 331 122	7.0%	92.4%	470 286 510	505 019 653	542 446 855	7.1%	93.1%
Provincial equitable share	359 921 783	386 500 009	410 698 585	441 331 122	7.0%	92.4%	470 286 510	505 019 653	542 446 855	7.1%	93.1%
Total	391 368 159	418 144 343	443 713 082	476 362 767	6.8%	100.0%	505 177 845	541 558 040	581 703 786	6.9%	100.0%

Personnel information

Table 7.7 Vote personnel numbers and cost by salary level and programme¹

Programmes			Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
Number of posts estimated for 31 March 2018			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
Number of funded posts	Number of posts additional to the establishment	2016/17	2016/17			2017/18			2018/19		2019/20		2020/21		2017/18 - 2020/21	2017/18 - 2020/21			
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
National Treasury	1 197	124	1 168	786.4	0.7	1 125	823.3	0.7	1 036	807.8	0.8	1 039	869.3	0.8	1 038	934.5	0.9	-2.6%	100.0%
Salary level																			
1 – 6	79	23	80	15.1	0.2	75	15.4	0.2	74	16.3	0.2	76	18.2	0.2	76	19.8	0.3	0.4%	7.1%
7 – 10	468	78	477	214.0	0.4	448	216.7	0.5	417	217.0	0.5	414	231.7	0.6	408	246.0	0.6	-3.1%	39.8%
11 – 12	333	7	313	237.9	0.8	299	249.0	0.8	273	245.8	0.9	276	268.4	1.0	279	292.6	1.0	-2.3%	26.6%
13 – 16	315	16	296	315.8	1.1	301	338.3	1.1	270	324.6	1.2	271	346.6	1.3	273	371.4	1.4	-3.2%	26.3%
Other	2	–	2	3.6	1.8	2	3.9	1.9	2	4.1	2.1	2	4.4	2.2	2	4.7	2.4	–	0.2%
Programme	1 197	124	1 168	786.4	0.7	1 125	823.3	0.7	1 036	807.8	0.8	1 039	869.3	0.8	1 038	934.5	0.9	-2.6%	100.0%
Programme 1	363	75	359	195.4	0.5	339	207.4	0.6	309	201.9	0.7	312	219.4	0.7	311	235.6	0.8	-2.8%	30.0%
Programme 2	105	1	97	79.7	0.8	87	79.9	0.9	81	78.7	1.0	79	82.2	1.0	80	88.4	1.1	-2.8%	7.7%
Programme 3	278	1	272	201.9	0.7	277	218.9	0.8	241	204.1	0.8	240	219.1	0.9	241	235.7	1.0	-4.5%	23.6%
Programme 4	107	7	109	77.0	0.7	104	78.5	0.8	97	78.7	0.8	98	84.5	0.9	99	91.2	0.9	-1.6%	9.4%
Programme 5	304	39	294	200.5	0.7	283	208.2	0.7	268	208.2	0.8	268	223.8	0.8	265	240.4	0.9	-2.2%	25.6%
Programme 6	40	1	37	32.0	0.9	35	30.4	0.9	40	36.2	0.9	42	40.4	1.0	42	43.2	1.0	6.3%	3.8%

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

2. Rand million.

Departmental receipts

Table 7.8 Departmental receipts by economic classification

R thousand	Audited outcome				Adjusted estimate	Revised estimate	Average growth rate (%)	Average Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average Receipt item/ Total (%)
	2014/15	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21		
Departmental receipts	5 599 130	5 602 331	4 951 206	4 111 329	3 711 329	-12.8%	25.8%	3 835 469	3 861 122	4 177 938	4.0%	41.2%	
Sales of goods and services produced by department	65 722	38 619	11 813	31 706	31 706	-21.6%	0.2%	14 335	14 363	14 230	-23.4%	0.2%	
Sales by market establishments	100	103	100	110	110	3.2%	–	120	127	110	–	–	
of which:													
Rental parking: Covered and open	100	103	100	110	110	3.2%	–	120	127	110	–	–	
Administrative fees	1	5	1	10	10	115.4%	–	10	11	–	-100.0%	–	
of which:													
Required information: Duplicate certificate	1	5	1	10	10	115.4%	–	10	11	–	-100.0%	–	
Other sales	65 621	38 511	11 712	31 586	31 586	-21.6%	0.2%	14 205	14 225	14 120	-23.5%	0.2%	
of which:													
Commission: Insurance	82	–	94	100	100	6.8%	–	100	106	90	-3.5%	–	
Directors fees	250	–	228	210	210	-5.6%	–	220	232	145	-11.6%	–	
Replacement of security cards	12	–	10	16	16	10.1%	–	15	16	10	-14.5%	–	
Fees for government guarantee insurance	65 158	38 511	11 260	31 235	31 235	-21.7%	0.2%	13 855	13 855	13 855	-23.7%	0.2%	
Sales of assets less than R5 000	119	–	120	25	25	-40.6%	–	15	16	20	-7.2%	–	
Sales of scrap, waste, arms and other used current goods	69	20	14	22	22	-31.7%	–	23	24	27	7.1%	–	
of which:													
Waste paper	9	20	–	–	–	-100.0%	–	8	8	7	–	–	
Scrap	30	–	–	–	–	-100.0%	–	–	–	–	–	–	
Departmental publications	30	–	14	22	22	-9.8%	–	15	16	20	-3.1%	–	
Interest, dividends and rent on land	4 580 566	4 640 219	4 032 638	2 988 602	2 588 602	-17.3%	20.6%	3 560 761	3 571 805	3 887 901	14.5%	35.9%	
Interest	4 374 788	4 377 214	3 881 438	2 817 934	2 417 934	-17.9%	19.6%	3 400 500	3 400 500	3 700 000	15.2%	34.1%	
Dividends	205 778	263 005	151 200	170 668	170 668	-6.0%	1.0%	160 261	171 305	187 901	3.3%	1.8%	
of which:													
South African Special Risks Insurance Association	205 778	263 005	151 200	170 668	170 668	-6.0%	1.0%	160 261	171 305	187 901	3.3%	1.8%	
Sales of capital assets	–	17	136	659	659	–	–	–	–	–	-100.0%	–	
Transactions in financial assets and liabilities	952 773	923 456	906 605	1 090 340	1 090 340	4.6%	5.0%	260 350	274 930	275 780	-36.8%	5.0%	

Table 7.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2017/18	Revised estimate	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/ Total (%) 2017/18	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/ Total (%) 2020/21
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
National Revenue Fund receipts	12 646 970	14 377 522	14 240 651	16 710 000	15 719 600	7.5%	74.2%	6 185 000	-	372 000	-71.3%	58.8%
<i>of which:</i>												
Revaluation of profits on foreign currency transactions	4 406 734	8 869 128	10 710 440	13 316 000	12 676 000	42.2%	47.7%	6 185 000	-	372 000	-69.2%	50.8%
Premiums on loan transactions	5 467 553	2 873 818	2 594 049	1 353 000	1 000 000	-43.2%	15.5%	-	-	-	-100.0%	2.6%
Liquidation of South African Special Risks Insurance Association investment	40 000	-	-	-	-	-100.0%	0.1%	-	-	-	-	-
Other (mainly penalties on retail bonds)	2 646	69 673	19 172	-	2 600	-0.6%	0.1%	-	-	-	-100.0%	-
Premiums on debt portfolio restructuring (switches)	2 730 037	2 564 903	916 990	2 041 000	2 041 000	-9.2%	10.7%	-	-	-	-100.0%	5.4%
Total	18 246 100	19 979 853	19 191 857	20 821 329	19 430 929	2.1%	100.0%	10 020 469	3 861 122	4 549 938	-38.4%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 7.9 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 (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Ministry	3 309	3 628	3 625	4 861	13.7%	1.0%	4 144	4 434	4 743	-0.8%	0.9%
Departmental Management	47 458	47 115	50 462	65 135	11.1%	13.0%	60 028	66 735	70 017	2.4%	12.7%
Corporate Services	107 272	116 477	154 858	127 456	5.9%	31.4%	147 745	144 943	155 610	6.9%	27.8%
Enterprise Wide Risk Management	22 496	27 537	26 296	28 759	8.5%	6.5%	30 678	32 656	34 849	6.6%	6.1%
Financial Administration	38 632	38 701	37 881	39 933	1.1%	9.6%	40 165	85 240	90 492	31.3%	12.4%
Legal Services	16 593	18 656	22 914	20 546	7.4%	4.9%	20 760	21 946	23 341	4.3%	4.2%
Internal Audit	17 119	20 681	21 802	23 891	11.8%	5.2%	25 588	27 774	29 867	7.7%	5.2%
Communications	10 120	10 200	8 596	14 234	12.0%	2.7%	11 413	12 149	12 496	-4.2%	2.4%
Office Accommodation	99 528	92 587	109 878	114 256	4.7%	25.8%	144 212	159 878	169 239	14.0%	28.4%
Total	362 527	375 582	436 312	439 071	6.6%	100.0%	484 733	555 755	590 654	10.4%	100.0%
Change to 2017 Budget estimate				24 761			28 460	(4 289)	(4 581)		
Economic classification											
Current payments	345 080	347 817	392 553	424 413	7.1%	93.6%	445 530	529 507	563 262	9.9%	94.8%
Compensation of employees	166 375	182 388	195 360	207 152	7.6%	46.6%	201 901	219 404	235 618	4.4%	41.7%
Goods and services ¹	178 705	165 429	197 193	217 261	6.7%	47.0%	243 629	310 103	327 644	14.7%	53.1%
<i>of which:</i>											
Computer services	24 868	18 613	34 860	32 009	8.8%	6.8%	28 666	27 948	29 190	-3.0%	5.7%
Consultants: Business and advisory services	8 949	6 999	4 524	8 264	-2.6%	1.8%	6 686	54 286	57 416	90.8%	6.1%
Consumables: Stationery, printing and office supplies	2 983	2 980	2 981	3 689	7.3%	0.8%	4 028	21 182	22 317	82.2%	2.5%
Operating leases	58 912	51 091	66 026	65 323	3.5%	15.0%	88 867	78 846	82 890	8.3%	15.3%
Property payments	21 389	23 057	25 260	27 744	9.1%	6.0%	28 178	36 374	38 392	11.4%	6.3%
Travel and subsistence	13 223	14 452	14 115	21 864	18.2%	3.9%	19 387	21 721	22 137	0.4%	4.1%
Transfers and subsidies¹	4 274	4 251	4 750	7 317	19.6%	1.3%	3 902	4 104	4 330	-16.0%	0.9%
Departmental agencies and accounts	2 304	1 859	2 094	2 080	-3.4%	0.5%	2 052	2 161	2 280	3.1%	0.4%
Households	1 970	2 392	2 656	5 237	38.5%	0.8%	1 850	1 943	2 050	-26.8%	0.5%
Payments for capital assets	13 111	23 367	38 914	7 341	-17.6%	5.1%	35 301	22 144	23 062	46.5%	4.2%
Machinery and equipment	13 111	23 367	38 914	6 999	-18.9%	5.1%	24 643	8 313	7 847	3.9%	2.3%
Software and other intangible assets	-	-	-	342	-	-	10 658	13 831	15 215	254.3%	1.9%
Payments for financial assets	62	147	95	-	-100.0%	-	-	-	-	-	-
Total	362 527	375 582	436 312	439 071	6.6%	100.0%	484 733	555 755	590 654	10.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.4%	1.3%	1.5%	1.1%	-	-	1.7%	1.8%	1.8%	-	-

Table 7.9 Administration expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17		2014/15 - 2017/18	2018/19	2019/20	2020/21			
R thousand											
Households											
Social benefits											
Current	413	998	1 576	3 437	102.6%	0.4%	–	–	–	-100.0%	0.2%
Employee social benefits	413	998	1 576	3 437	102.6%	0.4%	–	–	–	-100.0%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 304	1 859	2 094	2 080	-3.4%	0.5%	2 052	2 161	2 280	3.1%	0.4%
Communication	9	9	9	19	28.3%	–	20	21	22	5.0%	–
Finance and Accounting Services	2 295	1 850	2 085	2 061	-3.5%	0.5%	2 032	2 140	2 258	3.1%	0.4%
Sector Education and Training Authority											
Households											
Other transfers to households											
Current	1 557	1 394	1 080	1 800	5.0%	0.4%	1 850	1 943	2 050	4.4%	0.4%
Bursaries for non-employees	1 557	1 394	1 080	1 800	5.0%	0.4%	1 850	1 943	2 050	4.4%	0.4%

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

Personnel information

Table 7.10 Administration personnel numbers and cost by salary level¹

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	Unit cost		2017/18	Unit cost		2018/19	Unit cost		2019/20	Unit cost				2020/21	Unit cost	
Administration	363	75	359	195.4	0.5	339	207.4	0.6	309	201.9	0.7	312	219.4	0.7	311	235.6	0.8	-2.8%	100.0%
Salary level																			
1 – 6	61	22	65	11.5	0.2	56	10.6	0.2	55	11.2	0.2	55	12.1	0.2	54	12.7	0.2	-1.2%	17.3%
7 – 10	183	43	183	74.3	0.4	167	73.9	0.4	151	72.4	0.5	151	77.2	0.5	151	83.7	0.6	-3.3%	48.8%
11 – 12	66	4	61	52.7	0.9	63	60.1	1.0	54	55.8	1.0	56	62.0	1.1	57	68.0	1.2	-3.3%	18.1%
13 – 16	51	6	48	53.2	1.1	51	58.9	1.2	47	58.4	1.2	48	63.7	1.3	47	66.5	1.4	-2.7%	15.2%
Other	2	–	2	3.6	1.8	2	3.9	1.9	2	4.1	2.1	2	4.4	2.2	2	4.7	2.4	–	0.6%

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

2. Rand million.

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

Programme purpose

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

Objectives

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

Subprogrammes

- *Programme Management for Economic Policy, Tax, Financial Regulation and Research* provides overall programme management and policy advice to government relating to the promotion of economic growth, employment, and microeconomic and macroeconomic stability.

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

Expenditure trends and estimates

Table 7.11 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R thousand											
Programme Management for Economic Policy, Tax, Financial Regulation and Research	20 668	21 199	44 968	46 019	30.6%	23.3%	39 172	41 372	43 906	-1.6%	27.9%
Research	11 529	10 968	7 269	15 001	9.2%	7.8%	-	-	-	-100.0%	2.5%
Financial Sector Policy	27 974	27 636	24 304	27 204	-0.9%	18.8%	24 934	26 280	28 276	1.3%	17.5%
Tax Policy	21 589	27 609	30 288	30 323	12.0%	19.2%	30 038	30 963	33 212	3.1%	20.4%
Economic Policy	25 731	26 537	27 481	26 169	0.6%	18.6%	26 982	28 437	30 550	5.3%	18.3%
Cooperative Banks Development Agency	16 838	17 341	16 872	19 275	4.6%	12.3%	19 883	20 997	22 151	4.7%	13.5%
Total	124 329	131 290	151 182	163 991	9.7%	100.0%	141 009	148 049	158 095	-1.2%	100.0%
Change to 2017 Budget estimate				24 342			(1 462)	(1 407)	(1 227)		
Economic classification											
Current payments	96 289	102 203	121 314	132 811	11.3%	79.3%	106 925	112 117	120 214	-3.3%	77.2%
Compensation of employees	70 770	78 214	79 655	79 949	4.1%	54.1%	78 682	82 171	88 424	3.4%	53.9%
Goods and services ¹	25 519	23 989	41 659	52 862	27.5%	25.2%	28 243	29 946	31 790	-15.6%	23.4%
of which:											
Communication	296	422	327	333	4.0%	0.2%	403	423	464	11.7%	0.3%
Consultants: Business and advisory services	11 843	11 487	28 246	37 678	47.1%	15.6%	13 746	14 650	15 531	-25.6%	13.4%
Consumables: Stationery, printing and office supplies	1 047	511	1 418	3 154	44.4%	1.1%	1 168	1 215	1 294	-25.7%	1.1%
Travel and subsistence	5 368	5 068	6 611	5 646	1.7%	4.0%	6 162	6 522	6 836	6.6%	4.1%
Training and development	668	313	520	579	-4.7%	0.4%	722	750	863	14.2%	0.5%
Operating payments	4 040	4 548	3 283	3 349	-6.1%	2.7%	4 403	4 627	4 960	14.0%	2.8%
Transfers and subsidies¹	27 653	28 805	29 179	30 186	3.0%	20.3%	33 199	35 059	36 986	7.0%	22.2%
Departmental agencies and accounts	16 838	17 341	16 872	19 275	4.6%	12.3%	19 883	20 997	22 151	4.7%	13.5%
Public corporations and private enterprises	10 780	11 384	11 999	10 586	-0.6%	7.8%	13 316	14 062	14 835	11.9%	8.6%
Households	35	80	308	325	110.2%	0.1%	-	-	-	-100.0%	0.1%
Payments for capital assets	385	275	688	994	37.2%	0.4%	885	873	895	-3.4%	0.6%
Machinery and equipment	385	275	688	994	37.2%	0.4%	885	873	895	-3.4%	0.6%
Payments for financial assets	2	7	1	-	-100.0%	-	-	-	-	-	-
Total	124 329	131 290	151 182	163 991	9.7%	100.0%	141 009	148 049	158 095	-1.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.4%	-	-	0.5%	0.5%	0.5%	-	-

Table 7.11 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
		2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R thousand												
Households												
Social benefits												
Current												
		35	80	308	325	110.2%	0.1%	-	-	-	-100.0%	0.1%
Employee social benefits												
		35	80	308	325	110.2%	0.1%	-	-	-	-100.0%	0.1%
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current												
		16 838	17 341	16 872	19 275	4.6%	12.3%	19 883	20 997	22 151	4.7%	13.5%
Cooperative Banks Development Agency												
		16 838	17 341	16 872	19 275	4.6%	12.3%	19 883	20 997	22 151	4.7%	13.5%
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current												
		10 780	11 384	11 999	10 586	-0.6%	7.8%	13 316	14 062	14 835	11.9%	8.6%
Economic Research Southern Africa												
		10 780	11 384	11 999	10 586	-0.6%	7.8%	13 316	14 062	14 835	11.9%	8.6%

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.

Personnel information

Table 7.12 Economic Policy, Tax, Financial Regulation and Research personnel numbers and cost by salary level¹

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		Unit	2017/18		Unit	2018/19			Unit	2019/20			Unit	2020/21			Unit		
		Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost		
Economic Policy, Tax, Financial Regulation and Research																					
Salary level	105	1	97	79.7	0.8	87	79.9	0.9	81	78.7	1.0	79	82.2	1.0	80	88.4	1.1	-2.8%	100.0%		
1-6	1	-	1	0.3	0.3	2	0.6	0.3	3	1.0	0.3	4	1.4	0.3	5	1.9	0.4	35.7%	4.3%		
7-10	25	-	27	14.2	0.5	22	12.6	0.6	22	13.6	0.6	22	14.7	0.7	22	15.9	0.7	-	26.9%		
11-12	29	-	29	21.8	0.8	19	15.4	0.8	17	15.0	0.9	14	13.5	1.0	13	13.1	1.0	-11.9%	19.3%		
13-16	50	1	40	43.4	1.1	44	51.3	1.2	39	49.2	1.3	39	52.6	1.3	40	57.6	1.4	-3.1%	49.5%		

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

2. Rand million.

Programme 3: Public Finance and Budget Management

Programme purpose

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

Objectives

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

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

Subprogrammes

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

Expenditure trends and estimates

Table 7.13 Public Finance and Budget Management 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 thousand											
Programme Management for Public Finance and Budget Management	20 615	17 884	21 417	24 087	5.3%	7.7%	26 613	27 873	29 857	7.4%	8.8%
Public Finance	52 330	59 168	56 564	63 222	6.5%	21.2%	57 636	61 362	65 683	1.3%	20.1%
Budget Office and Coordination	53 225	55 365	57 005	59 629	3.9%	20.6%	59 036	63 313	68 070	4.5%	20.3%
Intergovernmental Relations	73 813	89 004	101 953	105 461	12.6%	33.9%	95 034	101 709	109 169	1.2%	33.4%
Financial and Fiscal Commission	45 288	41 156	44 839	50 647	3.8%	16.7%	51 782	54 682	57 690	4.4%	17.4%
Total	245 271	262 577	281 778	303 046	7.3%	100.0%	290 101	308 939	330 469	2.9%	100.0%
Change to 2017 Budget estimate				16 943			(1 111)	(1 473)	(1 399)		
Economic classification											
Current payments	198 418	218 731	235 015	250 262	8.0%	82.6%	236 133	252 286	270 478	2.6%	81.9%
Compensation of employees	175 122	192 344	201 901	218 888	7.7%	72.1%	204 120	219 102	235 684	2.5%	71.2%
Goods and services ¹	23 296	26 387	33 114	31 374	10.4%	10.4%	32 013	33 184	34 794	3.5%	10.7%
<i>of which:</i>											
<i>Bursaries: Employees</i>	689	835	583	1 171	19.3%	0.3%	1 619	1 550	1 447	7.3%	0.5%
<i>Consultants: Business and advisory services</i>	4 407	6 821	14 176	8 555	24.7%	3.1%	8 036	7 927	7 993	-2.2%	2.6%
<i>Consumables: Stationery, printing and office supplies</i>	5 828	5 701	2 094	7 063	6.6%	1.9%	7 507	7 905	8 861	7.9%	2.5%

Table 7.13 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	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 thousand											
Operating leases	588	629	889	986	18.8%	0.3%	1 050	1 055	1 116	4.2%	0.3%
Travel and subsistence	7 867	7 848	8 326	9 157	5.2%	3.0%	9 492	9 984	10 435	4.5%	3.2%
Training and development	388	243	459	808	27.7%	0.2%	875	1 045	951	5.6%	0.3%
Transfers and subsidies¹	45 473	42 676	45 205	50 969	3.9%	16.9%	51 782	54 682	57 690	4.2%	17.5%
Departmental agencies and accounts	45 288	41 156	44 839	50 647	3.8%	16.7%	51 782	54 682	57 690	4.4%	17.4%
Households	185	1 520	366	322	20.3%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	1 338	1 096	1 540	1 815	10.7%	0.5%	2 186	1 971	2 301	8.2%	0.7%
Machinery and equipment	1 338	1 096	1 540	1 815	10.7%	0.5%	2 186	1 971	2 301	8.2%	0.7%
Payments for financial assets	42	74	18	–	-100.0%	–	–	–	–	–	–
Total	245 271	262 577	281 778	303 046	7.3%	100.0%	290 101	308 939	330 469	2.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.9%	0.9%	1.0%	0.7%	–	–	1.0%	1.0%	1.0%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	185	1 520	366	322	20.3%	0.2%	–	–	–	-100.0%	–
Employee social benefits	185	1 520	366	322	20.3%	0.2%	–	–	–	-100.0%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	45 288	41 156	44 839	50 647	3.8%	16.7%	51 782	54 682	57 690	4.4%	17.4%
Financial and Fiscal Commission	45 288	41 156	44 839	50 647	3.8%	16.7%	51 782	54 682	57 690	4.4%	17.4%

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

Personnel information

Table 7.14 Public Finance and Budget Management personnel numbers and cost by salary level¹

Number of funded posts	Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment									Number							
	Number of posts additional to the establishment	1	Actual			Revised estimate			Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Salary level/Total (%) 2017/18 - 2020/21						
			2016/17		2017/18		2018/19		2019/20		2020/21								
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost			
Public Finance and Budget Management																			
Salary level	278	1	272	201.9	0.7	277	218.9	0.8	241	204.1	0.8	240	219.1	0.9	241	235.7	1.0	-4.5%	100.0%
1 – 6	3	1	2	0.4	0.2	5	1.1	0.2	5	1.2	0.2	5	1.3	0.3	6	1.6	0.3	6.3%	2.1%
7 – 10	82	–	85	36.7	0.4	83	38.6	0.5	71	35.5	0.5	70	37.9	0.5	69	40.1	0.6	-6.0%	29.3%
11 – 12	106	–	98	73.2	0.7	105	85.4	0.8	95	83.4	0.9	95	90.0	0.9	96	98.2	1.0	-2.9%	39.1%
13 – 16	87	–	87	91.6	1.1	84	93.8	1.1	70	84.1	1.2	70	89.9	1.3	70	95.7	1.4	-5.9%	29.4%

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

2. Rand million.

Programme 4: Asset and Liability Management

Programme purpose

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

Objectives

- Exercise oversight of state-owned enterprises on an ongoing basis by:
 - reviewing the corporate plans and annual financial statements of state-owned entities
 - coordinating state-owned entities' borrowing programmes
 - tracking progress on capital expenditure programmes
 - reviewing applications for funding, guarantees and borrowing limits in terms of the Public Finance Management Act (1999), and monitoring progress.
- Meet government's annual gross borrowing requirement consisting of the budget deficit and maturing debt

by sourcing funds from domestic and international markets, and service government's debt optimally.

- Ensure that government's liquidity requirements are consistently met within credit risk guidelines through effective cash management and by making sound cash flow forecasts on an ongoing basis.
- Minimise and mitigate risks emanating from government's fiscal obligations to develop and maintain a risk management framework for the debt and contingent liabilities of government, by implementing debt management strategies that minimise government's exposure to adverse risks on an ongoing basis.

Subprogrammes

- *Programme Management for Asset and Liability Management* provides support for planning, monitoring and delivering the programme's activities.
- *State-Owned Entity Financial Management and Governance* is responsible for overseeing and enabling state-owned entities to meet government's policy objectives in a financially and fiscally sustainable manner, and for promoting sound corporate governance.
- *Government Debt Management* is responsible for government's long-term funding needs. The subprogramme manages domestic and foreign debt, contributes to the development of financial markets, and maintains sound investor relations.
- *Financial Operations* provides for government's short-term funding needs, the prudent management of cash, the efficient accounting of debt and investment transactions in government, and quality information relating to the division's operations; invests government surplus cash; and supplies reliable computer systems to service government's debt portfolio and cash operations.
- *Strategy and Risk Management* develops and maintains a risk management framework for the debt and contingent liabilities of government, and implements debt management strategies that minimise government's exposure to adverse risks.
- *Financial Investments* provides for the funding needs of state-owned entities.

Expenditure trends and estimates

Table 7.15 Asset and Liability Management 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 (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Programme Management for Asset and Liability Management	11 951	9 188	24 377	12 496	1.5%	0.4%	20 943	15 739	16 994	10.8%	0.6%
State-Owned Entity Financial Management and Governance	29 171	30 818	33 533	10 035 064	600.7%	61.1%	34 198	36 765	39 355	-84.2%	97.2%
Government Debt Management	19 286	19 446	18 824	18 608	-1.2%	0.5%	19 365	20 795	22 250	6.1%	0.8%
Financial Operations	20 031	21 035	22 496	22 448	3.9%	0.5%	24 336	25 921	27 628	7.2%	1.0%
Strategy and Risk Management	8 964	9 794	10 916	11 696	9.3%	0.2%	11 576	12 290	13 168	4.0%	0.5%
Financial Investments	3 000 000	3 174 013	-	-	-100.0%	37.3%	-	-	-	-	-
Total	3 089 403	3 264 294	110 146	10 100 312	48.4%	100.0%	110 418	111 510	119 395	-77.2%	100.0%
Change to 2017				9 997 957			(28 990)	952	1 063		
Budget estimate											
Economic classification											
Current payments	88 909	89 147	108 902	96 794	2.9%	2.3%	109 910	110 767	118 611	7.0%	4.2%
Compensation of employees	69 334	72 088	76 976	78 504	4.2%	1.8%	78 692	84 523	91 205	5.1%	3.2%
Goods and services ¹	19 575	17 059	31 926	18 290	-2.2%	0.5%	31 218	26 244	27 406	14.4%	1.0%
of which:											
Audit costs: External	546	510	564	662	6.6%	-	691	691	729	3.3%	-
Bursaries: Employees	569	598	595	1 020	21.5%	-	1 435	1 329	1 226	6.3%	-
Computer services	9 598	9 484	13 116	8 100	-5.5%	0.2%	11 633	12 275	12 925	16.9%	0.4%
Consultants: Business and advisory services	4 922	2 151	14 058	2 904	-16.1%	0.1%	11 424	5 612	5 921	26.8%	0.2%
Travel and subsistence	1 684	2 309	2 077	3 269	24.7%	0.1%	3 431	3 591	3 768	4.8%	0.1%
Training and development	424	362	361	689	17.6%	-	751	808	797	5.0%	-
Transfers and subsidies ¹	227	902	527	218	-1.3%	-	-	-	-	-100.0%	-
Households	227	902	527	218	-1.3%	-	-	-	-	-100.0%	-
Payments for capital assets	263	231	717	3 300	132.4%	-	508	743	784	-38.1%	0.1%
Machinery and equipment	263	231	717	680	37.3%	-	508	743	784	4.9%	-
Software and other intangible assets	-	-	-	2 620	-	-	-	-	-	-100.0%	-
Payments for financial assets	3 000 004	3 174 014	-	10 000 000	49.4%	97.6%	-	-	-	-100.0%	95.8%
Total	3 089 403	3 264 294	110 146	10 100 312	48.4%	100.0%	110 418	111 510	119 395	-77.2%	100.0%
Proportion of total programme expenditure to vote expenditure	11.8%	11.4%	0.4%	24.9%	-	-	0.4%	0.4%	0.4%	-	-

Table 7.15 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome							2017/18	2014/15 - 2017/18	2018/19		
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
Households											
Social benefits											
Current	227	902	527	218	-1.3%	-	-	-	-	-100.0%	-
Employee social benefits	227	902	527	218	-1.3%	-	-	-	-	-100.0%	-

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

Personnel information

Table 7.16 Asset and Liability Management personnel numbers and cost by salary level¹

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							
Asset and Liability Management		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	107	7	109	77.0	0.7	104	78.5	0.8	97	78.7	0.8	98	84.5	0.9	99	91.2	0.9	-1.6%	100.0%
1-6	3	-	3	0.6	0.2	3	0.6	0.2	3	0.7	0.2	3	0.7	0.2	3	0.8	0.3	-	3.0%
7-10	44	2	46	23.7	0.5	46	25.4	0.6	43	25.4	0.6	44	28.2	0.6	45	31.3	0.7	-0.7%	44.7%
11-12	39	2	36	28.7	0.8	32	27.8	0.9	28	26.2	0.9	30	30.4	1.0	32	35.0	1.1	-	30.7%
13-16	21	3	24	24.0	1.0	23	24.6	1.1	23	26.3	1.1	21	25.2	1.2	19	24.1	1.3	-6.2%	21.6%

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

2. Rand million.

Programme 5: Financial Accounting and Supply Chain Management Systems

Programme purpose

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

Objectives

- Ensure compliance with the implementation of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) across the three spheres of government by facilitating and undertaking special investigations to reduce fraud and corruption on an ongoing basis.
- Ensure sound financial management systems to meet the requirements of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) by:
 - providing capacity and support to all spheres of government on policies relating to accounting and reporting, internal auditing and risk management on an ongoing basis
 - developing and implementing government transversal accounting and reporting systems over the medium term
 - maintaining government's current financial systems at a level of 98 per cent availability, including providing reliable, efficient and effective support and user training, over the medium term
 - completing the development of the remaining integrated financial management system's modules on payroll, core financial management and inventory management, and beginning its rollout, over the medium term.
- Support government's efforts to build capacity in financial management across the three spheres of government by introducing minimum competency profiles and offering graduate internships in financial management annually.

- Improve financial management in provincial and local government by:
 - developing and implementing financial recovery plans and providing technical assistance on an ongoing basis
 - supporting municipalities to implement financial management reforms and ensuring their compliance with the Municipal Finance Management Act (2003), as required, over the medium term.
- Modernise the supply chain management system for government over the medium term by:
 - developing a centralised supplier database to register all suppliers that render services to government
 - introducing policy reforms to ensure that all procuring government institutions implement a single supply chain management policy
 - providing training solutions to close the skills gaps for existing and future supply chain management practitioners.

Subprogrammes

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

Expenditure trends and estimates

Table 7.17 Financial Accounting and Supply Chain Management Systems 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 thousand					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management for Financial Accounting and Supply Chain Management Systems	15 158	24 727	60 247	99 946	87.5%	5.3%	196 494	143 176	150 925	14.7%	13.1%
Office of the Chief Procurement Officer	38 635	55 277	67 508	74 665	24.6%	6.2%	70 339	75 662	80 759	2.6%	6.7%
Financial Systems	412 147	441 042	797 356	634 493	15.5%	60.2%	642 137	556 401	587 807	-2.5%	53.8%

Table 7.17 Financial Accounting and Supply Chain Management Systems 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 thousand											
Financial Reporting for National Accounts	86 385	82 987	85 120	99 207	4.7%	9.3%	101 874	108 025	114 679	4.9%	9.4%
Financial Management Policy and Compliance Improvement	117 811	128 484	120 298	124 284	1.8%	12.9%	137 751	146 748	156 612	8.0%	12.6%
Audit Statutory Bodies	61 257	41 856	79 075	46 278	-8.9%	6.0%	47 738	50 411	53 184	4.7%	4.4%
Service Charges: Commercial Banks	102	121	254	273	38.8%	-	289	303	320	5.4%	-
Total	731 495	774 494	1 209 858	1 079 146	13.8%	100.0%	1 196 622	1 080 726	1 144 286	2.0%	100.0%
Change to 2017 Budget estimate				(8 730)			(10 555)	(10 463)	(11 390)		
Economic classification											
Current payments	619 792	682 887	668 755	969 610	16.1%	77.5%	1 085 873	964 491	1 021 823	1.8%	89.8%
Compensation of employees	158 331	179 487	200 516	208 126	9.5%	19.7%	208 210	223 788	240 396	4.9%	19.6%
Goods and services ¹	461 461	503 400	468 239	761 484	18.2%	57.8%	877 663	740 703	781 427	0.9%	70.2%
of which:											
Audit costs: External	6 523	3 892	3 750	7 503	4.8%	0.6%	5 414	5 729	6 047	-6.9%	0.5%
Computer services	384 567	338 837	353 163	582 246	14.8%	43.7%	571 348	486 527	514 780	-4.0%	47.9%
Consultants: Business and advisory services	49 883	137 433	88 661	144 667	42.6%	11.1%	267 854	217 864	228 782	16.5%	19.1%
Legal services	354	-	-	-	-100.0%	-	5 000	1 500	1 000	-	0.2%
Travel and subsistence	7 221	4 188	7 602	10 113	11.9%	0.8%	11 003	11 040	11 397	4.1%	1.0%
Venues and facilities	4 719	280	4 269	5 137	2.9%	0.4%	5 503	6 210	6 686	9.2%	0.5%
Transfers and subsidies¹	106 495	83 511	121 557	99 511	-2.2%	10.8%	104 330	110 185	116 048	5.3%	9.6%
Departmental agencies and accounts	106 084	83 129	120 570	99 365	-2.2%	10.8%	102 666	108 417	114 380	4.8%	9.4%
Households	411	382	987	146	-29.2%	0.1%	1 664	1 768	1 668	125.2%	0.1%
Payments for capital assets	3 893	8 079	419 540	10 025	37.1%	11.6%	6 419	6 050	6 415	-13.8%	0.6%
Machinery and equipment	3 893	8 079	3 446	8 257	28.5%	0.6%	5 801	5 401	5 730	-11.5%	0.6%
Software and other intangible assets	-	-	416 094	1 768	-	11.0%	618	649	685	-27.1%	0.1%
Payments for financial assets	1 315	17	6	-	-100.0%	-	-	-	-	-	-
Total	731 495	774 494	1 209 858	1 079 146	13.8%	100.0%	1 196 622	1 080 726	1 144 286	2.0%	100.0%
Proportion of total programme expenditure to vote expenditure	2.8%	2.7%	4.3%	2.7%	-	-	4.1%	3.5%	3.5%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	411	382	987	146	-29.2%	0.1%	1 664	1 768	1 668	125.2%	0.1%
Employee social benefits	411	382	987	146	-29.2%	0.1%	1 664	1 768	1 668	125.2%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	106 084	83 129	120 570	99 365	-2.2%	10.8%	102 666	108 417	114 380	4.8%	9.4%
Accounting Standards Board	10 250	-	12 517	13 463	9.5%	1.0%	14 054	14 843	15 659	5.2%	1.3%
Independent Regulatory Board for Auditors	34 577	41 273	28 978	39 624	4.6%	3.8%	40 874	43 163	45 537	4.7%	3.8%
Auditor-General of South Africa	61 257	41 856	79 075	46 278	-8.9%	6.0%	47 738	50 411	53 184	4.7%	4.4%

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

Personnel information

Table 7.18 Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level¹

Financial Accounting and Supply Chain Management Systems	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	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost							
Salary level	304	39	294	200.5	0.7	283	208.2	0.7	268	208.2	0.8	268	223.8	0.8	265	240.4	0.9	-2.2%	100.0%
1-6	11	-	9	2.3	0.3	9	2.5	0.3	8	2.3	0.3	9	2.8	0.3	8	2.7	0.3	-3.9%	3.1%
7-10	122	33	124	59.1	0.5	118	60.4	0.5	116	63.3	0.5	113	66.2	0.6	108	67.6	0.6	-2.9%	42.0%
11-12	81	1	80	51.8	0.6	72	50.7	0.7	69	52.5	0.8	70	57.5	0.8	70	62.1	0.9	-0.9%	25.9%
13-16	90	5	81	87.3	1.1	84	94.5	1.1	75	90.2	1.2	76	97.3	1.3	79	108.0	1.4	-2.0%	29.0%

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

2. Rand million.

Programme 6: International Financial Relations

Programme purpose

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

Objectives

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

Subprogrammes

- *Programme Management for International Financial Relations* supports the planning, monitoring and delivering of the programme's activities with the World Bank country office, the African Development Bank regional resource centre and the BRICS New Development Bank. The division oversees South Africa's representation in international and regional financial institutions; manages bilateral and multilateral relationships on behalf of National Treasury; and plans, implements and monitors programmes and activities that advance South Africa's national interests.
- *International Economic Cooperation* focuses on improving South Africa's participation in international and regional economic institutions. This entails working through key economic institutions and forums such as the Southern African Customs Union, the SADC, the United Nations Economic Commission for Africa, the African Union's New Partnership for Africa's Development, the International Monetary Fund, the G20, the G24, the BRICS group of countries, the Organisation for Economic Cooperation and Development, and the World Economic Forum.
- *African Integration and Support* enables National Treasury's participation in African interventions and arrangements that are mainly to bring about support and integration between African states and institutions. This subprogramme facilitates the transfer of funds to Lesotho, Namibia and Swaziland for the Common Monetary Area compensation. In this agreement, South Africa compensates the member countries for the use of the rand currency within their respective borders. It also includes the technical support provided to regional capacity building institutions such as the Collaborative Africa Budget Reform Initiative, the Infrastructure Consortium for Africa, the African Capacity Building Foundation, the African Institute for Economic Development and Planning, and the African Regional Technical Assistance Centre for Southern Africa.
- *International Development Funding Institutions* provides for subscriptions and contributions to international development institutions and banks. This subprogramme transfers funds to the African Development Bank and the International Bank for Reconstruction and Development of the World Bank Group for the purpose of paying for shares, the African Development Fund and the International Development Association of the World Bank Group to provide concessional loans and grants to low income

countries. Capital transfers for the New Development Bank, in line with South Africa's agreed shareholding, are also facilitated through this subprogramme.

- *International Projects* transfers funds to international projects and interventions for various causes such as capacity building, and catastrophe and disaster relief for affected low income countries. To this end, National Treasury contributes to the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunisation. The facility transfers funds to the Global Alliance for Vaccines and Immunisation, a public-private global health partnership, to support health care, particularly the provision of vaccines to reduce the number of deaths preventable by vaccination among children in low income countries.

Expenditure trends and estimates

Table 7.19 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Programme Management for International Financial Relations	8 317	14 528	9 994	9 109	3.1%	0.3%	12 283	13 863	14 286	16.2%	0.2%
International Economic Cooperation	27 265	30 389	38 293	42 473	15.9%	0.9%	39 762	45 999	49 610	5.3%	0.8%
African Integration and Support	588 292	717 531	796 695	760 030	8.9%	18.4%	816 818	862 560	910 000	6.2%	14.5%
International Development Funding Institutions	557 583	2 762 655	4 091 776	4 999 249	107.7%	79.9%	4 513 389	4 801 643	5 065 344	0.4%	84.1%
International Projects	17 195	21 031	18 995	20 527	6.1%	0.5%	19 868	20 995	22 150	2.6%	0.4%
Total	1 198 652	3 546 134	4 955 753	5 831 388	69.4%	100.0%	5 402 120	5 745 060	6 061 390	1.3%	100.0%
Change to 2017 Budget estimate				(5 373)			(508 989)	(501 297)	(529 322)		
Economic classification											
Current payments	35 393	44 731	47 175	50 917	12.9%	1.1%	51 505	59 117	62 793	7.2%	1.0%
Compensation of employees	26 085	28 221	32 024	30 657	5.5%	0.8%	36 155	40 351	43 213	12.1%	0.7%
Goods and services ¹	9 308	16 510	15 151	20 260	29.6%	0.4%	15 350	18 766	19 580	-1.1%	0.3%
of which:											
<i>Bursaries: Employees</i>	87	103	221	628	93.3%	–	741	781	824	9.5%	–
<i>Communication</i>	401	386	154	324	-6.9%	–	467	497	524	17.4%	–
<i>Travel and subsistence</i>	6 941	10 448	9 320	9 359	10.5%	0.2%	10 645	11 876	12 592	10.4%	0.2%
<i>Training and development</i>	160	49	105	214	10.2%	–	262	284	298	11.7%	–
<i>Operating payments</i>	192	347	385	1 090	78.4%	–	1 330	1 422	1 275	5.4%	–
<i>Venues and facilities</i>	266	4 402	822	6 087	183.9%	0.1%	1 048	2 867	2 981	-21.2%	0.1%
Transfers and subsidies¹	788 309	829 242	906 397	910 707	4.9%	22.1%	972 806	1 027 298	1 083 800	6.0%	17.3%
Foreign governments and international organisations	788 263	829 222	906 370	910 689	4.9%	22.1%	972 806	1 027 298	1 083 800	6.0%	17.3%
Households	46	20	27	18	-26.9%	–	–	–	–	-100.0%	–
Payments for capital assets	126	162	1 073	647	72.5%	–	540	745	1 103	19.5%	–
Machinery and equipment	126	162	1 073	647	72.5%	–	540	745	1 103	19.5%	–
Payments for financial assets	374 824	2 671 999	4 001 108	4 869 117	135.1%	76.7%	4 377 269	4 657 900	4 913 694	0.3%	81.7%
Total	1 198 652	3 546 134	4 955 753	5 831 388	69.4%	100.0%	5 402 120	5 745 060	6 061 390	1.3%	100.0%
Proportion of total programme expenditure to vote expenditure	4.6%	12.4%	17.6%	14.4%	–	–	18.4%	18.8%	18.4%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	46	20	27	18	-26.9%	–	–	–	–	-100.0%	–
Employee social benefits	46	20	27	18	-26.9%	–	–	–	–	-100.0%	–
Foreign governments and international organisations											
Current	605 487	738 562	815 690	780 557	8.8%	18.9%	836 686	883 555	932 150	6.1%	14.9%
Common Monetary Area Compensation	581 616	712 496	792 269	754 924	9.1%	18.3%	804 866	849 938	896 685	5.9%	14.4%
Collaborative Africa Budget Reform Initiative	4 409	1 834	2 431	2 512	-17.1%	0.1%	1 712	1 808	1 907	-8.8%	–
Commonwealth Fund for Technical Cooperation	5 714	5 533	5 815	6 117	2.3%	0.1%	6 423	6 783	7 156	5.4%	0.1%
International Finance Facility for Immunisation	11 481	15 498	13 180	14 410	7.9%	0.4%	13 445	14 212	14 994	1.3%	0.2%
African Institute for Economic Development and Planning	917	1 242	1 007	1 153	7.9%	–	1 351	1 427	1 505	9.3%	–

Table 7.19 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
	2014/15 - 2017/18		2018/19 - 2020/21									
R thousand												
Africa Regional Technical Assistance Centre for Southern Africa	350	959	988	1 441	60.3%	–	1 213	1 281	1 351	-2.1%	–	
Infrastructure Consortium for Africa	1 000	1 000	–	–	-100.0%	–	–	–	–	–	–	
African Risk Capacity	–	–	–	–	–	–	7 676	8 106	8 552	–	0.1%	
Capital	182 776	90 660	90 680	130 132	-10.7%	3.2%	136 120	143 743	151 650	5.2%	2.4%	
African Development Fund	92 116	–	–	73 465	-7.3%	1.1%	35 406	37 389	39 446	-18.7%	0.8%	
World Bank Group	90 660	90 660	90 680	56 667	-14.5%	2.1%	100 714	106 354	112 204	25.6%	1.6%	

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.

Personnel information

Table 7.20 International Financial Relations personnel numbers and cost by salary level¹

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							
International Financial Relations		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	40	1	37	32.0	0.9	35	30.4	0.9	40	36.2	0.9	42	40.4	1.0	42	43.2	1.0	6.3%	100.0%
7 – 10	12	–	12	6.0	0.5	12	5.7	0.5	14	6.9	0.5	14	7.4	0.5	13	7.4	0.6	2.7%	33.3%
11 – 12	12	–	9	9.7	1.1	8	9.6	1.2	10	12.9	1.3	11	15.0	1.4	11	16.2	1.5	11.2%	25.2%
13 – 16	16	1	16	16.4	1.0	15	15.1	1.0	16	16.4	1.0	17	17.9	1.1	18	19.6	1.1	6.3%	41.5%

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

2. Rand million.

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

Programme purpose

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

Objectives

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

Subprogrammes

- *Government Pensions Administration Agency* provides administrative services, in accordance with the Temporary Employee Pension Fund Act (1979) and the Associated Institutions Pension Fund Act (1963), for post-retirement medical subsidies, as provided for and regulated by resolutions of the Public Service Coordinating Bargaining Council, the Military Pensions Act (1976), and military pensions in terms of this act;

for injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act (1993); and special pensions in terms of the Special Pensions Act (1996) on behalf of National Treasury.

- *Civil Pensions and Contributions to Funds* provides for the processing and payment of pensions and medical subsidies to retired civil servants; and pension payments to the injured, disabled and dependants of deceased civil servants and former struggle veterans, in terms of various statutes, collective bargaining agreements and other commitments. The *Government Pensions Administration Agency* subprogramme administers all payments related to this subprogramme.
- *Military Pensions and Other Benefits* provides for the processing and payment of military pension benefits and medical claims arising from injuries sustained during various wars, including South Africa's liberation wars. These include payments to former members of the legislative assembly of the former Venda, Transkei, Ciskei and Bophuthatswana governments; judges or their widows/widowers in terms of the Judges' Remuneration and Conditions of Employment Act (2001); and former state presidents, among other benefits.

Expenditure trends and estimates

Table 7.21 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Government Pensions Administration Agency	54 395	56 586	61 278	65 196	6.2%	1.4%	68 856	72 712	76 711	5.6%	1.3%
Civil Pensions and Contributions to Funds	2 613 931	3 156 521	3 249 213	3 825 622	13.5%	75.9%	4 144 953	4 496 771	4 743 463	7.4%	80.2%
Military Pensions and Other Benefits	1 062 609	754 591	1 089 668	944 184	-3.9%	22.7%	949 987	1 005 020	1 061 071	4.0%	18.5%
Total	3 730 935	3 967 698	4 400 159	4 835 002	9.0%	100.0%	5 163 796	5 574 503	5 881 245	6.7%	100.0%
Change to 2017 Budget estimate				-			2 904	3 194	3 514		
Economic classification											
Current payments	54 395	56 586	61 278	65 196	6.2%	1.4%	68 856	72 712	76 711	5.6%	1.3%
Goods and services ¹	54 395	56 586	61 278	65 196	6.2%	1.4%	68 856	72 712	76 711	5.6%	1.3%
of which:											
Consultants: Business and advisory services	54 395	56 586	61 278	65 196	6.2%	1.4%	68 856	72 712	76 711	5.6%	1.3%
Transfers and subsidies¹	3 676 531	3 911 097	4 338 881	4 769 806	9.1%	98.6%	5 094 940	5 501 791	5 804 534	6.8%	98.7%
Foreign governments and international organisations	2 286	2 082	1 237	2 567	3.9%	-	2 695	2 846	3 003	5.4%	0.1%
Households	3 674 245	3 909 015	4 337 644	4 767 239	9.1%	98.5%	5 092 245	5 498 945	5 801 531	6.8%	98.6%
Payments for financial assets	9	15	-	-	-100.0%	-	-	-	-	-	-
Total	3 730 935	3 967 698	4 400 159	4 835 002	9.0%	100.0%	5 163 796	5 574 503	5 881 245	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	14.2%	13.8%	15.6%	11.9%	-	-	17.6%	18.2%	17.9%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	3 674 245	3 909 015	4 337 644	4 767 239	9.1%	98.5%	5 092 245	5 498 945	5 801 531	6.8%	98.6%
Contribution to provident funds for associated institutions	321	339	314	300	-2.2%	-	330	360	380	8.2%	-
Parliamentary Awards	21	19	17	23	3.1%	-	24	25	26	4.2%	-
Other benefits	70 416	82 512	92 820	84 330	6.2%	1.9%	98 584	104 093	109 819	9.2%	1.8%
Injury on duty	526 387	514 865	563 450	577 151	3.1%	12.9%	652 309	688 838	726 724	8.0%	12.3%
Post-retirement medical scheme	1 509 427	2 107 413	2 133 462	2 401 913	16.7%	48.1%	2 613 092	2 893 297	3 064 719	8.5%	51.1%
Special pensions	423 483	439 801	447 781	457 669	2.6%	10.4%	457 200	468 000	480 000	1.6%	8.7%
Political Office Bearers Pension Fund	71 997	-	-	291 222	59.3%	2.1%	306 083	323 224	341 001	5.4%	5.9%
Pension benefits: President of South Africa	7 884	7 275	7 732	7 807	-0.3%	0.2%	11 732	12 894	14 277	22.3%	0.2%
Military pensions: Ex-servicemen	11 694	2 879	2 285	3 420	-33.6%	0.1%	3 000	2 801	2 599	-8.7%	0.1%
South African citizen force	155 941	166 202	175 485	180 143	4.9%	4.0%	193 647	205 293	217 131	6.4%	3.7%
Civil protection	19	19	19	19	-	-	19	19	20	1.7%	-
Other benefits: Ex-servicemen	20 155	10 491	12 279	23 302	5.0%	0.4%	16 021	18 318	19 910	-5.1%	0.4%
Non-statutory forces	874 800	575 000	899 600	737 300	-5.5%	18.2%	737 300	778 589	821 411	3.7%	14.3%
Post-retirement medical scheme - Parliamentary staff	1 700	2 200	2 400	2 640	15.8%	0.1%	2 904	3 194	3 514	10.0%	0.1%
Foreign governments and international organisations											
Current	2 286	2 082	1 237	2 567	3.9%	-	2 695	2 846	3 003	5.4%	0.1%
United Kingdom tax	2 286	2 082	1 237	2 567	3.9%	-	2 695	2 846	3 003	5.4%	0.1%

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

Programme 8: Technical Support and Development Finance

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

Table 7.22 Technical Support and Development Finance 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				2018/19	2019/20	2020/21		
R thousand											
Local Government Financial Management Support	547 926	573 946	587 935	627 762	4.6%	22.5%	645 481	681 399	1 232 886	25.2%	26.4%
Urban Development and Support	875 390	848 285	873 855	983 253	3.9%	34.4%	924 829	962 220	1 014 957	1.1%	32.2%
Employment Creation Facilitation	1 213 162	749 518	698 238	609 990	-20.5%	31.4%	875 299	970 511	1 084 089	21.1%	29.3%
Government Technical Advisory Centre	79 752	83 609	88 006	80 818	0.4%	3.2%	71 858	76 490	81 247	0.2%	2.6%
Infrastructure Development Support	177 118	216 888	230 398	256 690	13.2%	8.5%	281 374	297 131	313 770	6.9%	9.5%
Total	2 893 348	2 472 246	2 478 432	2 558 513	-4.0%	100.0%	2 798 841	2 987 751	3 726 949	13.4%	100.0%
Change to 2017 Budget estimate				(314 814)			(431 456)	(422 225)	(385 000)		
Economic classification											
Current payments	91 659	283 806	310 424	354 442	57.0%	10.0%	407 769	430 643	454 328	8.6%	13.6%
Compensation of employees	5 444	–	–	–	-100.0%	0.1%	–	–	–	–	–
Goods and services	86 215	283 806	310 424	354 442	60.2%	9.9%	407 769	430 643	454 328	8.6%	13.6%
of which:											
Administrative fees	496	–	–	–	-100.0%	–	–	–	–	–	–
Advertising	64	–	–	–	-100.0%	–	–	–	–	–	–
Minor assets	568	–	–	–	-100.0%	–	–	–	–	–	–
Consultants: Business and advisory services	83 049	283 806	310 424	354 442	62.2%	9.9%	407 769	430 643	454 328	8.6%	13.6%
Transfers and subsidies	2 800 681	2 188 440	2 168 008	2 204 071	-7.7%	90.0%	2 391 072	2 557 108	3 272 621	14.1%	86.4%
Provinces and municipalities	1 398 953	1 411 831	1 454 400	1 598 289	4.5%	56.4%	1 541 534	1 613 461	2 216 323	11.5%	57.7%
Departmental agencies and accounts	138 052	776 609	713 608	605 782	63.7%	21.5%	849 538	943 647	1 056 298	20.4%	28.6%
Public corporations and private enterprises	1 263 676	–	–	–	-100.0%	12.1%	–	–	–	–	–
Payments for capital assets	1 008	–	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	1 008	–	–	–	-100.0%	–	–	–	–	–	–
Total	2 893 348	2 472 246	2 478 432	2 558 513	-4.0%	100.0%	2 798 841	2 987 751	3 726 949	13.4%	100.0%
Proportion of total programme expenditure to vote expenditure	11.1%	8.6%	8.8%	6.3%	–	–	9.5%	9.8%	11.3%	–	–
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	137 677	776 062	713 608	605 040	63.8%	21.5%	848 753	942 818	1 055 423	20.4%	28.6%
Government Technical Advisory Centre	107 677	776 062	713 608	605 040	77.8%	21.2%	848 753	942 818	1 055 423	20.4%	28.6%
Neighbourhood development partnership grant (Indirect)	30 000	–	–	–	-100.0%	0.3%	–	–	–	–	–
Capital	375	547	–	742	25.5%	–	785	829	875	5.6%	–
Government Technical Advisory Centre	375	547	–	742	25.5%	–	785	829	875	5.6%	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	1 263 676	–	–	–	-100.0%	12.1%	–	–	–	–	–
Development Bank of Southern Africa	1 164 888	–	–	–	-100.0%	11.2%	–	–	–	–	–
Municipal Finance Improvement Programme	98 788	–	–	–	-100.0%	0.9%	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	553 563	576 956	595 735	642 780	5.1%	22.8%	646 058	682 238	1 234 068	24.3%	26.6%
Local government financial management grant	449 138	452 491	465 264	502 006	3.8%	18.0%	504 566	532 822	561 713	3.8%	17.4%
Infrastructure skills development grant	104 425	124 465	130 471	140 774	10.5%	4.8%	141 492	149 416	157 930	3.9%	4.9%
Municipal restructuring grant	–	–	–	–	–	–	–	–	514 425	–	4.3%
Capital	845 390	834 875	858 665	955 509	4.2%	33.6%	895 476	931 223	982 255	0.9%	31.2%
Integrated city development grant	255 000	251 300	266 805	292 119	4.6%	10.2%	293 609	310 051	327 319	3.9%	10.1%
Neighbourhood development partnership grant	590 390	583 575	591 860	663 390	4.0%	23.4%	601 867	621 172	654 936	-0.4%	21.1%

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

Programme 9: Revenue Administration

Programme purpose

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

Objectives

- Centralise registration, accreditation and licensing capabilities over the medium term by:
 - improving the South African Revenue Service's registration database
 - moving the customs service into the unified trader and traveller master database using online registration and entity-level risk assessment.
- Contribute to revenue generation and improved compliance over the medium term by:
 - ensuring that 90 per cent of all annual import declarations are submitted by 10 per cent of traders, as per the South African Revenue Service's targets
 - increasing annual trader declarations by 50 per cent.
- Manage migration, customs and land borderline control services, and efficiently coordinate other departments in ports of entry by:
 - establishing a border management agency over the medium term
 - achieving a 100 per cent success rate in investigative audits relating to the seizure of counterfeit cigarettes, CDs and DVDs, and clothing; and drug cases and medicament on an ongoing basis.
- Manage the South African Revenue Service's R96.4 billion debtors book efficiently through a quality assurance system intended to provide users with integrated debt management solutions on an ongoing basis.

Subprogramme

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

Expenditure trends and estimates

Table 7.23 Revenue Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand												
South African Revenue Service	9 440 321	9 334 439	9 363 676	10 168 198	2.5%	100.0%	9 007 217	9 130 314	9 630 857	-1.8%	100.0%	
Total	9 440 321	9 334 439	9 363 676	10 168 198	2.5%	100.0%	9 007 217	9 130 314	9 630 857	-1.8%	100.0%	
Change to 2017 Budget estimate				(50 000)			(1 553 009)	(1 841 808)	(1 944 731)			
Economic classification												
Transfers and subsidies ¹	9 440 321	9 334 439	9 363 676	10 168 198	2.5%	100.0%	9 007 217	9 130 314	9 630 857	-1.8%	100.0%	
Departmental agencies and accounts	9 440 321	9 334 439	9 363 676	10 168 198	2.5%	100.0%	9 007 217	9 130 314	9 630 857	-1.8%	100.0%	
Total	9 440 321	9 334 439	9 363 676	10 168 198	2.5%	100.0%	9 007 217	9 130 314	9 630 857	-1.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	36.1%	32.5%	33.2%	25.1%	–	–	30.7%	29.8%	29.3%	–	–	
Details of transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	8 596 216	8 390 995	8 320 321	9 026 637	1.6%	89.6%	7 799 445	7 854 907	8 285 303	-2.8%	86.9%	
South African Revenue Service: Operations	8 596 216	8 390 995	8 320 321	8 991 607	1.5%	89.5%	7 757 918	7 814 599	8 242 778	-2.9%	86.5%	
South African Revenue Service: Office of the Tax Ombud	–	–	–	35 030	–	0.1%	41 527	40 308	42 525	6.7%	0.4%	
Capital	844 105	943 444	1 043 355	1 141 561	10.6%	10.4%	1 207 772	1 275 407	1 345 554	5.6%	13.1%	
South African Revenue Service: Machinery and equipment	844 105	943 444	1 043 355	1 141 561	10.6%	10.4%	1 207 772	1 275 407	1 345 554	5.6%	13.1%	

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

Programme 10: Financial Intelligence and State Security

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

Table 7.24 Financial Intelligence and State Security 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	2017/18				2018/19	2019/20	2020/21		
R thousand												
Financial Intelligence Centre	198 080	239 488	256 372	270 191	10.9%	5.1%	278 716	294 324	310 513	4.7%	5.8%	
Secret Services	4 168 170	4 322 574	4 556 115	4 735 448	4.3%	94.9%	4 484 817	4 656 729	4 912 674	1.2%	94.2%	
Total	4 366 250	4 562 062	4 812 487	5 005 639	4.7%	100.0%	4 763 533	4 951 053	5 223 187	1.4%	100.0%	
Change to 2017 Budget estimate				–			(532 432)	(641 486)	(676 942)			
Economic classification												
Transfers and subsidies ¹	4 366 250	4 562 062	4 812 487	5 005 639	4.7%	100.0%	4 763 533	4 951 053	5 223 187	1.4%	100.0%	
Departmental agencies and accounts	4 366 250	4 562 062	4 812 487	5 005 639	4.7%	100.0%	4 763 533	4 951 053	5 223 187	1.4%	100.0%	
Total	4 366 250	4 562 062	4 812 487	5 005 639	4.7%	100.0%	4 763 533	4 951 053	5 223 187	1.4%	100.0%	
Proportion of total programme expenditure to vote expenditure	16.7%	15.9%	17.1%	12.4%	–	–	16.2%	16.2%	15.9%	–	–	
Details of transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	4 068 085	4 242 027	4 392 282	4 686 835	4.8%	92.8%	4 330 331	4 493 592	4 740 566	0.4%	91.5%	
Financial Intelligence Centre: Operations	186 651	226 664	239 641	254 941	11.0%	4.8%	262 581	277 285	292 537	4.7%	5.5%	
Secret Services: Operations	3 881 434	4 015 363	4 152 641	4 431 894	4.5%	87.9%	4 067 750	4 216 307	4 448 029	0.1%	86.1%	
Capital	298 165	320 035	420 205	318 804	2.3%	7.2%	433 202	457 461	482 621	14.8%	8.5%	
Financial Intelligence Centre: Machinery and equipment	11 429	12 824	16 731	15 250	10.1%	0.3%	16 135	17 039	17 976	5.6%	0.3%	
Secret Services: Machinery and equipment	286 736	307 211	403 474	303 554	1.9%	6.9%	417 067	440 422	464 645	15.2%	8.2%	

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

Entities¹

Development Bank of Southern Africa

Mandate

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

Selected performance indicators

Table 7.25 Development Bank of Southern Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past		Current	Projections			
			2014/15	2015/16		2016/17	2017/18	2018/19	2019/20
Cost to income ratio (bank-wide)	Administration		34%	29%	15%	35.4%	35.4%	35.1%	35.1%
Total value of disbursements to infrastructure related projects per year	Development finance	Outcome 12: An efficient, effective and development oriented public service	R13bn	R17.1bn	R12.4bn	R20bn	R23.5bn	R31bn	R32.7bn
Value of bank-wide net profit/(loss) per year	Development finance		R1.2bn	R2.6bn	R2.8bn	R1.4bn	R1.6bn	R1.8bn	R1.9bn
Number of schools completed per year for which the bank has provided financial support as part of the accelerated schools infrastructure delivery initiative	Non-financing development activities		15	35	12	-1	-1	-1	-1
Number of houses completed per year for which the bank has provided financial support (Elliotdale housing scheme)	Non-financing development activities	Outcome 8: Sustainable human settlements and improved quality of household life	1 128	1 382	342	-1	-1	-1	-1

1. Indicator discontinued.

Expenditure analysis

Over the medium term, the Development Bank of Southern Africa intends to continue focusing on social and economic infrastructure development with an emphasis on driving financial and non-financial investments in the energy, transport, water and communications sectors. It will also focus on supporting social sectors such as health, education and housing. The bank aims to accelerate infrastructure financing in South Africa that targets municipalities, state-owned companies, independent power producers and public-private partnerships; and infrastructure support in the rest of Africa that targets state-owned companies and public-private partnerships. Its mandate and activities are in line with the NDP's vision of strengthened financial services, and 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.

Over the medium-term, the bank intends to continue supporting municipalities through infrastructure development aimed at addressing backlogs in essential services necessary to support sustainable living conditions and improve the quality of life within communities, such as the building of schools, water and sanitation and transport projects.

To complement these activities, the bank plans to set aside between R130 million and R150 million per year over the MTEF period to provide for interest subsidy and support planning and implementation of infrastructure projects in selected municipalities that have capacity constraints. As a result of the bank's intensified focus on the development of social and economic infrastructure, it aims to increase the total value of disbursements to infrastructure projects, from R20 billion in 2017/18 to R32.7 billion in 2020/21. Interest expense is expected to increase from R4.5 billion in 2017/18 to R6.5 billion in 2020/21, in line with the expected increase in planned disbursements.

To alleviate capacity constraints and expand lending to these targeted municipalities, an estimated R100 million per year over the medium term has been set aside for the bank to continue providing

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

development planning and implementation support for infrastructure projects in these municipalities.

The bank plays a leading role in providing developmental infrastructure in South Africa and the rest of the continent. To continue delivering on this mandate, the bank's staff complement is expected to remain constant at 708 over the MTEF period. Spending on compensation of employees is expected to increase at an average annual rate of 7.7 per cent, from R874.3 million in 2017/18 to R1.1 billion in 2020/21.

The bank's revenue is expected to increase at an average annual rate of 11.1 per cent, from R8.5 billion in 2017/18 to R11.7 billion in 2020/21, mainly driven by an increase in the repayment of developmental loans and more effective management of the non-performing loan book, which is expected to keep impairments at acceptable levels.

Programmes/objectives/activities

Table 7.26 Development Bank of Southern Africa expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 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 thousand											
Administration	1 109 730	710 831	901 750	1 238 053	3.7%	17.8%	1 364 581	1 501 821	1 584 421	8.6%	16.6%
Development finance	3 747 920	4 503 395	3 910 208	5 637 224	14.6%	79.2%	6 527 021	7 463 654	7 874 155	11.8%	80.1%
Non-financing development activities	118 093	162 564	173 995	231 423	25.1%	3.0%	278 863	296 689	313 007	10.6%	3.3%
Total	4 975 743	5 376 790	4 985 952	7 106 699	12.6%	100.0%	8 170 464	9 262 163	9 771 582	11.2%	100.0%

Statements of historical financial performance and position

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

Statement of financial performance										Average: Outcome/Budget (%) 2014/15 - 2017/18
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate		
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18			
Revenue										
Non-tax revenue	5 261 335	6 189 884	6 518 529	7 953 469	7 445 355	7 806 801	8 601 591	8 527 596		109.5%
Sale of goods and services other than capital assets	163 470	232 928	358 659	275 914	298 929	318 266	610 023	333 941		81.1%
<i>of which:</i>										
<i>Sales by market establishment</i>	163 470	232 928	358 659	275 914	298 929	318 266	610 023	333 941		81.1%
Other non-tax revenue	5 097 865	5 956 956	6 159 870	7 677 555	7 146 425	7 488 536	7 991 568	8 193 655		111.1%
Total revenue	5 261 335	6 189 884	6 518 529	7 953 469	7 445 355	7 806 801	8 601 591	8 527 596		109.5%
Expenses										
Current expenses	4 700 576	4 931 676	5 321 516	5 314 141	6 273 125	4 923 600	7 360 443	6 871 699		93.2%
Compensation of employees	628 241	607 271	772 668	730 937	879 460	603 608	953 435	874 260		87.1%
Goods and services	1 132 943	1 296 368	1 052 463	1 197 182	1 243 075	584 982	1 347 179	1 504 759		96.0%
Depreciation	23 847	25 108	29 000	30 592	36 000	31 249	36 000	38 233		100.3%
Interest, dividends and rent on land	2 915 545	3 002 929	3 467 385	3 355 429	4 114 590	3 703 760	5 023 828	4 454 447		93.5%
Transfers and subsidies	117 289	44 067	286 000	62 649	180 000	62 352	190 000	235 000		52.3%
Total expenses	4 817 865	4 975 743	5 607 516	5 376 790	6 453 125	4 985 952	7 550 443	7 106 699		91.9%
Surplus/(Deficit)	443 470	1 214 141	911 013	2 576 679	992 230	2 820 849	1 051 148	1 420 896		
Statement of financial position										
Carrying value of assets	578 352	580 388	616 055	580 344	563 725	503 367	562 725	546 655		95.3%
<i>of which:</i>										
<i>Acquisition of assets</i>	(23 847)	(7 045)	(35 000)	(30 646)	(35 000)	(25 480)	(35 000)	(66 200)		100.4%
Investments	8 190 298	8 203 599	5 246 283	8 757 304	8 853 898	7 932 986	9 392 435	8 223 771		104.5%
Loans	56 862 588	58 030 609	72 504 941	70 785 250	84 583 198	72 795 497	93 199 980	91 811 079		95.5%
Receivables and prepayments	305 731	227 880	146 701	138 533	146 701	121 982	151 921	146 701		84.6%
Cash and cash equivalents	796 884	3 901 663	3 108 765	2 084 565	155 046	2 299 247	79 076	880 980		221.4%
Total assets	66 733 853	70 944 139	81 622 745	82 345 996	94 302 568	83 653 079	103 386 137	101 609 186		97.8%
Accumulated surplus/(deficit)	11 681 090	12 460 565	13 322 523	14 544 861	15 510 455	17 514 577	16 561 603	18 459 568		110.3%
Capital and reserves	5 360 327	6 322 120	6 134 426	2 827 854	2 793 254	2 624 455	2 793 254	2 815 706		85.4%
Capital reserve fund	5 100 000	4 900 000	7 900 000	11 892 344	11 892 344	11 892 344	11 892 344	11 892 344		110.3%
Borrowings	43 597 439	46 163 476	52 722 367	51 791 220	62 525 593	50 612 544	70 393 411	66 851 874		94.0%
Trade and other payables	837 836	811 755	1 142 017	894 795	294 177	838 591	324 866	1 342 964		149.6%
Provisions	152 000	283 123	398 311	391 822	1 283 645	167 342	1 417 559	243 504		33.4%
Derivatives financial instruments	5 161	3 100	3 100	3 100	3 100	3 226	3 100	3 226		87.5%
Total equity and liabilities	66 733 853	70 944 139	81 622 745	82 345 996	94 302 568	83 653 079	103 386 137	101 609 186		97.8%

programmes for historically disadvantaged people; land access for agricultural purposes; productivity, profitability, investment and innovation in agriculture; the growth of the agricultural sectors and better use of land; rural development and job creation; and commercial agriculture and food security.

Selected performance indicators

Table 7.30 Land and Agricultural Development Bank of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Cost to income ratio	Administration	Outcome 7: Comprehensive rural development and land reform	55%	56%	54.4%	50%	52.6%	52.7%	53.2%
Capital adequacy ratio	Administration		37%	34%	17.7%	15.4%	15.7%	15.7%	15.6%
Value of development loan book disbursements	Administration		R769.1m	R700m	R2.2bn	R1.2bn	R1bn	R1.4bn	R1.8bn
Value of business and corporate banking loans	Corporate banking		R31.5m	R34.4m	R36.1m	R35m	R36.1m	R37.8m	R40m
Value of development loan book disbursements	Corporate banking		R456.9m	R370m	R388.4m	R408m	R428.6m	R428.6m	R452.1m
Value of commercial development banking	Commercial development banking		- ¹	- ¹	- ¹	- ¹	R8.2bn	R8.4bn	R8.7bn
Value of retail commercial banking loans	Commercial development banking		R5.7m	R5.8m	R6.1m	R6.4m	- ²	- ²	- ²
Value of development loan book disbursements	Commercial development banking		R107.7m	R130m	R136.5m	R143.4m	- ²	- ²	- ²

1. No historical data available.

2. Indicator discontinued.

Expenditure analysis

The Land and Agricultural Development Bank aims to play a pivotal role in advancing agriculture and rural development, and has intensified the development component of its mandate by growing its development loan book. This is in line with the NDP's vision of creating more jobs through agricultural development, and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework. To support government's rural development and land reform programme, the bank intends disbursing an estimated R5.6 billion in development loans over the medium term.

Over the MTEF period, the bank intends to continue implementing recommendations that emanated from its organisational review to ensure that it develops into a sustainable institution.

As the bank borrows from money markets and lends to clients, interest expenses relating to funding liabilities, a key driver of costs, is expected to increase at an average annual rate of 4.2 per cent, from R3.7 billion in 2017/18 to R4.2 billion in 2020/21, in line with the growth in the business and associated economic factors such as interest rates, the rand exchange rate and the effects of inflation. As at 31 October 2017, the bank had an establishment of 433 funded posts, including 50 vacancies. Spending on compensation of employees is expected to increase at an average annual rate of 7.8 per cent, from R394 million in 2017/18 to R493.7 million in 2020/21, mainly driven by cost of living adjustments.

Interest income, which provides an estimated 99 per cent of the bank's revenue, is expected to increase from R4.8 billion in 2016/17 to R5.4 billion in 2020/21, in line with the projected growth in the bank's development loan book. Gross loans are expected to increase from R43.3 billion in 2016/17 to R48.2 billion in 2020/21.

Programmes/objectives/activities

Table 7.31 Land and Agricultural Development Bank of South Africa expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	352 907	565 972	576 386	558 861	16.6%	13.4%	607 856	652 330	621 420	3.6%	12.3%
Corporate banking	2 291 219	2 506 955	2 867 777	3 236 552	12.2%	71.1%	3 309 631	3 487 288	3 760 991	5.1%	69.7%
Commercial development banking	464 184	489 862	570 639	846 519	22.2%	15.2%	924 968	901 904	867 142	0.8%	17.9%
Retail emerging markets	29 154	-	-	-	-100.0%	0.2%	-	-	-	-	-
Total	3 137 464	3 562 789	4 014 802	4 641 932	13.9%	100.0%	4 842 455	5 041 522	5 249 553	4.2%	100.0%

Statements of historical financial performance and position**Table 7.32 Land and Agricultural Development Bank of South Africa statements of historical financial performance and position**

Statement of financial performance									
R thousand	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18		
Revenue									
Non-tax revenue	2 686 188	3 429 822	3 636 914	3 634 597	4 150 463	4 320 559	5 346 544	4 886 329	102.9%
Sale of goods and services other than capital assets	38 236	47 371	15 790	59 356	123 885	69 946	116 086	104 345	95.6%
<i>of which:</i>									
Administrative fees	26 867	–	–	42 083	111 619	39 646	103 016	81 477	67.6%
Sales by market establishment	11 370	47 371	15 790	17 273	12 267	30 300	13 071	22 868	224.4%
Other non-tax revenue	2 647 951	3 382 451	3 621 124	3 575 241	4 026 577	4 250 613	5 230 457	4 781 985	103.0%
Total revenue	2 686 188	3 429 822	3 636 914	3 634 597	4 150 463	4 320 559	5 346 544	4 886 329	102.9%
Expenses									
Current expenses	2 454 783	3 099 201	3 116 009	3 508 483	3 876 454	3 945 939	4 995 354	4 571 794	104.7%
Compensation of employees	399 021	343 561	351 781	317 990	404 326	331 947	432 629	393 985	87.4%
Goods and services	201 935	507 433	264 847	692 826	663 801	575 280	566 435	463 251	131.9%
Depreciation	26 847	18 163	12 104	14 990	9 765	9 765	22 758	22 758	91.9%
Interest, dividends and rent on land	1 826 979	2 230 044	2 487 277	2 482 677	2 798 561	3 028 947	3 973 532	3 691 800	103.1%
Total expenses	2 482 919	3 137 464	3 162 236	3 562 788	3 922 343	4 014 802	5 049 340	4 641 932	105.1%
Surplus/(Deficit)	203 269	292 358	474 678	71 809	228 120	305 757	297 204	244 397	
Statement of financial position									
Carrying value of assets	227 363	224 292	213 897	224 715	253 419	240 128	237 579	258 792	101.7%
<i>of which:</i>									
Acquisition of assets	(6 452)	(5 903)	(5 849)	(5 848)	(51 100)	(24 480)	(2 500)	(2 500)	58.8%
Investments	1 428 131	1 637 693	440 496	572 543	612 154	1 328 889	2 142 631	1 365 765	106.1%
Inventory	183 511	240	–	–	–	–	–	–	0.1%
Receivables and prepayments	33 147 816	37 027 559	40 068 359	36 834 045	41 800 018	40 975 554	46 403 844	39 645 848	95.7%
Cash and cash equivalents	2 898 793	1 605 673	1 400 000	2 120 577	1 842 929	1 211 305	1 511 210	3 031 944	104.1%
Non-current assets held for sale	–	53 092	53 593	47 622	50 003	47 993	47 622	49 610	131.1%
Derivatives financial instruments	–	–	–	–	–	15 149	–	–	–
Total assets	37 885 614	40 548 549	42 176 344	39 799 502	44 558 523	43 819 018	50 342 886	44 351 959	96.3%
Accumulated surplus/(deficit)	6 879 144	3 085 332	1 922 954	3 157 141	3 427 306	3 427 306	4 402 920	4 402 920	84.6%
Capital and reserves	135 449	134 775	134 775	135 072	134 775	134 775	134 775	134 775	99.9%
Capital reserve fund	–	4 397 655	4 397 655	1 766 604	1 766 604	1 766 604	1 766 604	1 766 604	122.3%
Borrowings	29 824 542	6 373 522	6 940 185	4 661 306	7 749 968	5 162 294	11 227 341	6 800 038	41.3%
Trade and other payables	207 080	647 720	365 379	188 180	201 353	163 998	389 583	343 019	115.4%
Provisions	791 662	495 683	742 012	528 374	535 202	445 304	537 760	537 760	77.0%
Derivatives financial instruments	47 737	25 413 862	27 673 383	29 362 825	30 743 315	32 718 737	31 883 904	30 366 843	130.5%
Total equity and liabilities	37 885 614	40 548 549	42 176 344	39 799 502	44 558 523	43 819 018	50 342 886	44 351 958	96.3%

Statements of estimates of financial performance and position**Table 7.33 Land and Agricultural Development Bank of South Africa statements of estimates of financial performance and position**

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
Revenue									
Non-tax revenue	4 886 329	12.5%	100.0%	5 101 844	5 319 496	5 536 246	4.3%	100.0%	
Sale of goods and services other than capital assets	104 345	30.1%	1.7%	116 420	128 630	134 357	8.8%	2.3%	
<i>of which:</i>									
Administrative fees	81 477	–	0.9%	93 552	105 763	111 489	11.0%	1.9%	
Sales by market establishment	22 868	-21.6%	0.8%	22 868	22 868	22 868	–	0.4%	
Other non-tax revenue	4 781 985	12.2%	98.3%	4 985 424	5 190 866	5 401 889	4.1%	97.7%	
Total revenue	4 886 329	12.5%	100.0%	5 101 844	5 319 496	5 536 246	4.3%	100.0%	
Expenses									
Current expenses	4 571 794	13.8%	98.5%	4 769 500	4 965 340	5 170 119	4.2%	98.5%	
Compensation of employees	393 985	4.7%	9.2%	424 743	457 903	493 652	7.8%	8.9%	
Goods and services	463 251	-3.0%	15.0%	502 867	539 119	496 680	2.3%	10.1%	
Depreciation	22 758	7.8%	0.4%	16 667	12 405	–	-100.0%	0.3%	
Interest, dividends and rent on land	3 691 800	18.3%	73.9%	3 825 223	3 955 914	4 179 787	4.2%	79.2%	
Total expenses	4 641 932	13.9%	100.0%	4 842 455	5 041 522	5 249 553	4.2%	100.0%	
Surplus/(Deficit)	244 397			259 389	277 974	286 693			
Statement of financial position									
Carrying value of assets	258 792	4.9%	0.6%	245 640	231 383	218 947	-5.4%	0.5%	
<i>of which:</i>									
Acquisition of assets	(2 500)	-24.9%	-0.0%	(1 180)	(850)	–	-100.0%	-0.0%	
Investments	1 365 765	-5.9%	2.9%	1 906 818	1 952 650	1 994 703	13.5%	3.8%	
Receivables and prepayments	39 645 848	2.3%	91.7%	40 840 931	42 389 864	44 184 088	3.7%	88.8%	
Cash and cash equivalents	3 031 944	23.6%	4.7%	2 897 217	3 241 248	3 573 320	5.6%	6.8%	
Non-current assets held for sale	49 610	-2.2%	0.1%	49 610	49 610	49 610	–	0.1%	
Total assets	44 351 959	3.0%	100.0%	45 940 216	47 864 755	50 020 668	4.1%	100.0%	

Table 7.34 Land and Agricultural Development Bank of South Africa statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R thousand								
Accumulated surplus/(deficit)	4 402 920	12.6%	8.3%	4 803 972	5 289 348	6 201 609	12.1%	10.8%
Capital and reserves	134 775	–	0.3%	134 775	134 775	134 775	–	0.3%
Capital reserve fund	1 766 604	-26.2%	5.8%	1 766 604	1 766 604	–	-100.0%	2.8%
Borrowings	6 800 038	2.2%	13.6%	7 845 257	8 161 619	8 521 731	7.8%	16.4%
Trade and other payables	343 019	-19.1%	0.8%	354 476	368 770	385 014	3.9%	0.8%
Provisions	537 760	2.8%	1.2%	587 441	637 900	693 288	8.8%	1.3%
Derivatives financial instruments	30 366 843	6.1%	69.9%	31 381 027	32 646 477	34 084 251	3.9%	67.5%
Total equity and liabilities	44 351 958	3.0%	100.0%	46 873 552	49 005 493	50 020 668	4.1%	100.0%

Personnel information

Table 7.35 Land and Agricultural Development Bank of South Africa 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	2019/20	2020/21	2017/18 - 2020/21										
Land and Agricultural Development Bank of South Africa			433	433	331.9	0.8	433	394.0	0.9	433	424.7	1.0	433	457.9	1.1	433	493.7	1.1	7.8%	100.0%
Salary level	433	433	433	331.9	0.8	433	394.0	0.9	433	424.7	1.0	433	457.9	1.1	433	493.7	1.1	7.8%	100.0%	
1 – 6	36	36	36	7.0	0.2	36	8.4	0.2	36	9.0	0.3	36	9.7	0.3	36	10.5	0.3	7.8%	8.3%	
7 – 10	209	209	209	121.2	0.6	209	143.9	0.7	209	155.1	0.7	209	167.2	0.8	209	180.3	0.9	7.8%	48.3%	
11 – 12	154	154	154	127.7	0.8	154	151.5	1.0	154	163.4	1.1	154	176.1	1.1	154	189.9	1.2	7.8%	35.6%	
13 – 16	24	24	24	42.0	1.7	24	49.8	2.1	24	53.7	2.2	24	57.9	2.4	24	62.4	2.6	7.8%	5.5%	
17 – 22	10	10	10	34.0	3.4	10	40.4	4.0	10	43.5	4.4	10	46.9	4.7	10	50.6	5.1	7.8%	2.3%	

1. Rand million.

South African Revenue Service

Mandate

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

Selected performance indicators

Table 7.36 South African Revenue Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Customs revenue collected per year	Business and individual tax	Outcome 12: An efficient, effective and development oriented public service	R202.2bn	R302.3bn	R335.8bn	– ¹	– ¹	– ¹	– ¹
Revenue collected (excluding customs and excise revenue) per year	Business and individual tax		R791.5bn	R767.7bn	R835.7bn	R892.5bn	– ¹	– ¹	– ¹
Percentage of compliance of personnel income tax filing per year	Business and individual tax		91.6% (R4.89m/ R5.34m)	92% (R4.2m/ R4.57m)	91.5% (R4.3m/ R4.7m)	91.5% (R4.3m/ R4.7m)	92.3% (R4.34m/ R4.7m)	92.3% (R4.34m/ R4.7m)	93% (R4.37m/ R4.7m)
Percentage of trade audited to obtain preferred trader status per year	Customs and excise		21% (R20.7m/ R98.57m)	29% (R7.8m/ R26.9m)	28% (R7.9m/ R28.2m)	20% (R5.6m/ R28.2m)	20% (R5.6m/ R28.2m)	15% (R4.2m/ R28.2m)	15% (R4.2m/ R28.2m)
Percentage uptake of personal income tax eFiling channel per year	Digital information services and technology		– ²	– ²	53% (R2.5m/ R4.7m)	52% (R2.4m/ R4.7m)	52% (R4.2m/ R4.7m)	53% (R2.5m/ R4.7m)	53% (R2.5m/ R4.7m)

1. Indicator discontinued.

2. No historical data available.

Expenditure analysis

The South African Revenue Service's focus over the medium term will continue to be on providing government with more than 90 per cent of the revenue it requires to meet its objectives. It aims to do this by improving systems to encourage eFiling and improve the experience of taxpayers, monitoring taxpayer compliance, and making tax collections more efficient through upgrades to the IT system. This is in line with the NDP's vision of ensuring high quality public services as a result of tax contributions, as well as outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework.

The modernisation of the organisation's IT infrastructure is expected to result in savings on future maintenance costs and help it keep pace with the evolving tax and customs legislative environment. It is expected to lead to changes in compliance behaviour, and will be designed to be responsive to the needs and expectations of taxpayers. R600 million will be made available to execute these strategic projects over the MTEF period.

The organisation requires a diverse skills set to expand its footprint and improve compliance and revenue collection. As at 31 October 2017, the organisation had a total of 14 413 filled positions and 791 vacant positions, with its staff complement expected to decrease to 12 212 in 2020/21 due to natural attrition and cuts to the organisation's budget. Management intends putting in place a strategy to ensure that the decrease in staff does not affect the organisation's performance. Through stringent cost containment measures and reprioritisation within the operational budget, the organisation plans to fill critical vacancies and recruit scarce skills in key areas. Spending on compensation of employees is expected to decrease at an average annual rate of 3.7 per cent, from R7.7 billion in 2017/18 to R6.9 billion in 2020/21.

The organisation's total expenditure is expected to decrease at an average annual rate of 4.5 per cent, from R11.7 billion in 2017/18 to R10.2 billion in 2020/21. The organisation's total revenue is also expected to decrease at an average annual rate of 2.4 per cent, from R10.7 billion in 2017/18 to R9.9 billion in 2020/21, with measures expected to be put in place to address the shortfall.

Programmes/objectives/activities

Table 7.37 South African Revenue Service expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate 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 thousand											
Administration	3 565 609	4 426 193	4 663 029	5 242 393	13.7%	42.2%	4 485 914	4 257 057	4 376 740	-5.8%	43.2%
Business and Individual Tax	1 978 493	1 596 367	1 613 356	1 691 058	-5.1%	16.5%	1 775 659	1 629 565	1 709 820	0.4%	16.1%
Enforcement	1 596 582	1 691 600	1 647 465	1 752 418	3.2%	15.9%	1 720 208	1 529 713	1 597 340	-3.0%	15.6%
Customs and Excise	1 077 402	1 070 770	1 190 054	1 275 381	5.8%	10.9%	1 243 803	1 120 521	1 173 583	-2.7%	11.3%
Digital, Information, Services and Technology	1 166 738	1 166 500	1 278 577	1 478 032	8.2%	12.1%	1 480 339	1 189 179	1 283 099	-4.6%	12.8%
Projects	110 043	252 947	258 687	213 251	24.7%	2.0%	-	-	-	-100.0%	0.5%
Office of the Tax Ombud	11 039	25 200	29 449	40 829	54.6%	0.2%	38 512	42 943	46 048	4.1%	0.4%
African Tax Administration Forum	12 606	13 089	13 623	14 266	4.2%	0.1%	15 079	15 924	16 799	5.6%	0.1%
Davis Tax Committee	4 225	2 908	1 702	4 317	0.7%	0.0%	4 564	4 822	5 089	5.6%	0.0%
SARS Advisory Board	-	1 027	10	-	-	0.0%	-	-	-	-	-
Total	9 522 737	10 246 602	10 695 953	11 711 945	7.1%	100.0%	10 764 079	9 789 724	10 208 518	-4.5%	100.0%

Statements of historical financial performance and position

Table 7.38 South African Revenue Service statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2017/18	2014/15 - 2017/18
Revenue									
Non-tax revenue	310 000	525 532	473 870	564 958	535 578	1 185 350	469 173	469 173	153.5%
Sale of goods and services other than capital assets	250 000	305 716	297 447	320 479	305 561	925 135	308 616	308 616	160.1%
of which:									
Administrative fees	250 000	305 716	297 447	320 479	305 561	925 135	308 616	308 616	160.1%
Other non-tax revenue	60 000	219 816	176 423	244 479	230 017	260 215	160 556	160 556	141.2%
Transfers received	9 440 321	9 440 321	9 334 439	9 334 439	9 363 676	10 009 152	10 212 198	10 218 198	101.7%
Total revenue	9 750 321	9 965 853	9 808 309	9 899 397	9 899 254	11 194 502	10 681 371	10 687 371	104.0%

Table 7.38 South African Revenue Service statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Expenses									
Current expenses	9 693 113	9 522 737	10 739 977	10 246 602	11 317 602	10 695 953	11 870 854	11 711 945	96.7%
Compensation of employees	6 442 508	6 467 533	6 718 790	6 742 941	7 285 687	7 012 123	7 868 992	7 731 227	98.7%
Goods and services	2 685 305	2 418 184	3 383 095	2 883 201	3 299 674	3 156 219	3 213 986	3 340 172	93.8%
Depreciation	558 324	630 324	633 275	615 778	729 536	524 378	785 727	637 302	89.0%
Interest, dividends and rent on land	6 976	6 696	4 816	4 682	2 704	3 234	2 148	3 244	107.3%
Total expenses	9 693 113	9 522 737	10 739 977	10 246 602	11 317 602	10 695 953	11 870 854	11 711 945	96.7%
Surplus/(Deficit)	57 208	443 116	(931 668)	(347 205)	(1 418 348)	498 549	(1 189 483)	(1 024 574)	
Statement of financial position									
Carrying value of assets	3 751 803	2 712 920	3 830 034	2 586 350	3 561 477	3 229 637	3 238 278	3 421 509	83.1%
<i>of which:</i>									
Acquisition of assets	(756 827)	(540 464)	(1 750 389)	(487 085)	(1 704 663)	(1 238 627)	(462 528)	(829 174)	66.2%
Loans	56 559	81 017	71 017	80 452	70 452	80 542	60 452	70 542	120.9%
Accrued investment interest	-	31 014	41 269	5 451	15 706	-	16 947	-	49.3%
Receivables and prepayments	155 478	138 705	131 450	142 982	135 727	129 722	137 988	132 722	97.1%
Cash and cash equivalents	1 684 019	3 415 120	1 228 613	3 370 226	955 710	2 454 244	124 552	1 116 538	259.4%
Total assets	5 647 859	6 378 776	5 302 382	6 185 461	4 739 072	5 894 145	3 578 217	4 741 311	120.4%
Accumulated surplus/(deficit)	3 790 154	4 615 258	3 683 590	4 272 501	2 854 153	3 148 333	1 664 670	2 123 759	118.1%
Capital and reserves	93 468	190 151	397 573	224 244	224 545	262 186	224 545	432 983	118.0%
Finance lease	7 279	21 579	12 326	13 146	11 836	13 759	5 704	7 294	150.2%
Deferred income	606	393	-	301	-	977 466	-	977 243	322 673.8%
Trade and other payables	953 476	840 894	591 006	922 250	847 605	732 626	830 356	334 342	87.8%
Provisions	802 876	710 501	617 887	753 019	800 933	759 775	852 942	865 690	100.5%
Total equity and liabilities	5 647 859	6 378 776	5 302 382	6 185 461	4 739 072	5 894 145	3 578 217	4 741 311	120.4%

Statements of estimates of financial performance and position**Table 7.39 South African Revenue Service statements of estimates of financial performance and position**

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Revenue									
Non-tax revenue	469 173	-3.7%	6.5%	307 777	310 854	313 953	-12.5%	3.5%	
Sale of goods and services other than capital assets	308 616	0.3%	4.4%	307 777	310 854	313 953	0.6%	3.2%	
<i>of which:</i>									
Administrative fees	308 616	0.3%	4.4%	307 777	310 854	313 953	0.6%	3.2%	
Other non-tax revenue	160 556	-9.9%	2.1%	-	-	-	-100.0%	0.4%	
Transfers received	10 218 198	2.7%	93.5%	9 007 217	9 130 314	9 630 857	-2.0%	96.5%	
Total revenue	10 687 371	2.4%	100.0%	9 314 994	9 441 168	9 944 810	-2.4%	100.0%	
Expenses									
Current expenses	11 711 945	7.1%	100.0%	10 764 079	9 789 724	10 208 518	-4.5%	100.0%	
Compensation of employees	7 731 227	6.1%	66.3%	7 380 572	6 579 093	6 910 231	-3.7%	67.4%	
Goods and services	3 340 172	11.4%	27.9%	2 811 273	2 781 055	2 980 478	-3.7%	28.1%	
Depreciation	637 302	0.4%	5.7%	569 774	428 554	317 802	-20.7%	4.6%	
Interest, dividends and rent on land	3 244	-21.5%	0.0%	2 459	1 021	8	-86.5%	0.0%	
Total expenses	11 711 945	7.1%	100.0%	10 764 079	9 789 724	10 208 518	-4.5%	100.0%	
Surplus/(Deficit)	(1 024 574)			(1 449 085)	(348 555)	(263 709)			
Statement of financial position									
Carrying value of assets	3 421 509	8.0%	52.8%	2 949 668	2 601 113	2 337 404	-11.9%	82.7%	
<i>of which:</i>									
Acquisition of assets	(829 174)	15.3%	-13.7%	(97 933)	(80 000)	(54 093)	-59.7%	-6.3%	
Loans	70 542	-4.5%	1.4%	60 542	50 542	40 542	-16.9%	1.6%	
Receivables and prepayments	132 722	-1.5%	2.4%	136 224	137 164	139 531	1.7%	4.1%	
Cash and cash equivalents	1 116 538	-31.1%	43.3%	159 246	159 192	367 804	-30.9%	11.6%	
Total assets	4 741 311	-9.4%	100.0%	3 305 680	2 948 010	2 885 281	-15.3%	100.0%	
Accumulated surplus/(deficit)	2 123 759	-22.8%	59.9%	1 651 917	1 303 362	1 039 653	-21.2%	43.8%	
Capital and reserves	432 983	31.6%	5.0%	432 983	432 983	432 983	-	13.0%	
Finance lease	7 294	-30.3%	0.2%	2 155	14	-	-100.0%	0.1%	
Deferred income	977 243	1 254.8%	9.3%	-	-	-	-100.0%	5.2%	
Trade and other payables	334 342	-26.5%	11.9%	703 433	695 519	894 146	38.8%	20.7%	
Provisions	865 690	6.8%	13.6%	515 192	516 132	518 499	-15.7%	17.3%	
Total equity and liabilities	4 741 311	-9.4%	100.0%	3 305 680	2 948 010	2 885 281	-15.3%	100.0%	

Personnel information

Table 7.40 South African Revenue Service 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						
South African Revenue Service		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	14 413	14 413	13 617 7 012.1	0.5	14 413 7 731.2	0.5	13 160 7 380.6	0.6	11 645 6 579.1	0.6	12 212 6 910.2	0.6					-3.7%	100.0%
1 – 6	1 356	1 356	1 120 212.7	0.2	1 356 230.9	0.2	940 194.8	0.2	771 161.5	0.2	739 154.2	0.2					-12.6%	7.3%
7 – 10	8 689	8 689	8 474 3 019.1	0.4	8 689 3 224.7	0.4	8 085 3 060.4	0.4	7 222 2 747.5	0.4	7 617 2 898.2	0.4					-3.5%	61.5%
11 – 12	2 489	2 489	2 316 1 719.4	0.7	2 489 1 920.3	0.8	2 355 1 849.9	0.8	2 061 1 627.4	0.8	2 208 1 739.1	0.8					-3.2%	17.7%
13 – 16	1 831	1 831	1 663 1 948.3	1.2	1 831 2 232.7	1.2	1 733 2 150.9	1.2	1 548 1 931.0	1.2	1 604 1 999.4	1.2					-3.6%	13.1%
17 – 22	48	48	44 112.7	2.6	48 122.6	2.6	46 124.6	2.7	42 111.7	2.7	44 119.3	2.7					-0.9%	0.4%

1. Rand million.

Accounting Standards Board

Mandate

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

Selected performance indicators

Table 7.41 Accounting Standards Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of employees working on setting standards for generally recognised accounting practice per year	Administration	Outcome 12: An efficient, effective and development oriented public service	7	7	7	-1	-1	-1	-1
Number of documents issued relevant to the setting of standards for generally recognised accounting practice per year	Administration	Outcome 9: Responsive, accountable, effective and efficient developmental local government	13	14	12	-1	-1	-1	-1
Number of new standards of generally recognised accounting practice developed and other pronouncements, or maintain existing standards of generally recognised accounting practice and other pronouncements	Administration	Outcome 12: An efficient, effective and development oriented public service	-2	-2	-2	6	8	8	8
Number of communication newsletters issued to enhance stakeholder engagement per year	Administration		-2	-2	-2	4	4	4	4

1. Indicator discontinued.

2. No historical data available.

Expenditure analysis

Over the medium term, the Accounting Standards Board intends continuing with consultations while developing a comprehensive reporting framework with a standard of generally recognised accounting practice for each material item of revenue, expenses, assets and liabilities. The reporting framework is expected to improve decision-making in all spheres of government and improve accountability for the financial resources assigned to each entity. The board's work is in line with outcome 9 (responsive, accountable, effective and efficient developmental local government) and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework.

Overall expenditure is expected to increase in line with inflation, from R13.9 million in 2017/18 to R15.9 million in 2020/21, mainly for operating costs including printing, travel and audit fees.

The board has 7 personnel, which is expected to remain constant over the MTEF period. Spending on

compensation of employees is expected to increase at an average annual rate of 5.9 per cent, from R9.3 million in 2017/18 to R11 million in 2020/21, comprising more than 68.4 per cent of the board's total expenditure. Spending on goods and services is expected to increase at an average annual rate of 2.3 per cent over the medium term, from R4.5 million in 2017/18 to R4.8 million in 2020/21.

The board's revenue is expected to increase at an average annual rate of 4.6 per cent, from R13.8 million in 2017/18 to R15.8 million in 2020/21, mainly due to baseline adjustments for reviewing the process of setting accounting practice standards.

Programmes/objectives/activities

Table 7.42 Accounting Standards Board expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 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		
Administration	11 992	11 679	12 963	13 878	5.0%	100.0%	14 268	14 981	15 908	4.7%	100.0%
Total	11 992	11 679	12 963	13 878	5.0%	100.0%	14 268	14 981	15 908	4.7%	100.0%

Statements of historical financial performance and position

Table 7.43 Accounting Standards Board statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	110	333	115	331	166	360	167	354	247.0%
Other non-tax revenue	110	333	115	331	166	360	167	354	247.0%
Transfers received	10 250	11 499	11 274	11 274	12 517	12 517	13 463	13 463	102.6%
Total revenue	10 360	11 832	11 389	11 605	12 683	12 877	13 630	13 817	104.3%
Expenses									
Current expenses	10 414	11 992	11 526	11 679	12 821	12 963	13 759	13 878	104.1%
Compensation of employees	7 470	7 650	8 767	8 838	9 634	10 439	10 328	9 287	100.0%
Goods and services	2 890	4 258	2 683	2 827	3 141	2 454	3 409	4 518	116.0%
Depreciation	54	84	76	14	46	70	22	73	121.7%
Total expenses	10 414	11 992	11 526	11 679	12 821	12 963	13 759	13 878	104.1%
Surplus/(Deficit)	(54)	(160)	(137)	(74)	(138)	(86)	(129)	(61)	
Statement of financial position									
Carrying value of assets	96	198	122	184	125	191	90	125	161.2%
of which:									
Acquisition of assets	-	-	-	-	-	(77)	-	-	-
Receivables and prepayments	99	90	55	56	55	69	55	55	102.3%
Cash and cash equivalents	-	908	394	441	382	443	418	369	181.0%
Total assets	195	1 196	571	681	562	703	563	549	165.5%
Accumulated surplus/(deficit)	96	198	137	123	138	38	116	125	99.4%
Trade and other payables	-	679	97	350	203	338	213	203	306.0%
Provisions	-	319	337	208	221	327	234	221	135.7%
Total equity and liabilities	96	1 196	571	681	562	703	563	549	174.6%

Statements of estimates of financial performance and position

Table 7.44 Accounting Standards Board statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21	
				2018/19	2019/20	2020/21			
Revenue									
Non-tax revenue	354	2.1%	2.8%	176	161	160	-23.3%	1.5%	
Other non-tax revenue	354	2.1%	2.8%	176	161	160	-23.3%	1.5%	
Transfers received	13 463	5.4%	97.2%	14 054	14 843	15 659	5.2%	98.5%	
Total revenue	13 817	5.3%	100.0%	14 230	15 004	15 819	4.6%	100.0%	
Expenses									
Current expenses	13 878	5.0%	100.0%	14 268	14 981	15 908	4.7%	100.0%	
Compensation of employees	9 287	6.7%	71.7%	9 730	10 372	11 045	5.9%	68.4%	
Goods and services	4 518	2.0%	27.8%	4 470	4 567	4 841	2.3%	31.2%	
Depreciation	73	-4.6%	0.5%	68	42	22	-33.0%	0.4%	
Total expenses	13 878	5.0%	100.0%	14 268	14 981	15 908	4.7%	100.0%	
Surplus/(Deficit)	(61)			(38)	23	(89)			

Table 7.44 Accounting Standards Board statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R thousand								
Carrying value of assets	125	-14.2%	23.4%	149	107	86	-11.7%	20.8%
Receivables and prepayments	55	-15.1%	8.9%	55	55	55	-	9.8%
Cash and cash equivalents	369	-25.9%	67.7%	392	384	409	3.5%	69.4%
Total assets	549	-22.9%	100.0%	596	546	550	0.1%	100.0%
Accumulated surplus/(deficit)	125	-14.2%	15.7%	149	107	86	-11.7%	20.8%
Trade and other payables	203	-33.1%	48.3%	213	192	203	-	36.2%
Provisions	221	-11.5%	36.0%	234	247	261	5.7%	43.1%
Total equity and liabilities	549	-22.9%	100.0%	596	546	550	0.1%	100.0%

Personnel information

Table 7.45 Accounting Standards Board 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		2019/20		2020/21				2017/18 - 2020/21			
Accounting Standards Board		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	7	7	7	10.4	1.5	7	9.3	1.3	7	9.7	1.4	7	10.4	1.5	7	11.0	1.6	5.9%	100.0%
1 - 6	1	1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	6.0%	14.3%
11 - 12	1	1	1	0.7	0.7	1	0.7	0.7	1	0.7	0.7	1	0.7	0.7	1	0.8	0.8	6.1%	14.3%
13 - 16	4	4	4	6.6	1.6	4	6.0	1.5	4	6.3	1.6	4	6.7	1.7	4	7.2	1.8	5.9%	57.1%
17 - 22	1	1	1	2.9	2.9	1	2.4	2.4	1	2.5	2.5	1	2.7	2.7	1	2.8	2.8	6.0%	14.3%

1. Rand million.

Cooperative Banks Development Agency

Mandate

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

Selected performance indicators

Table 7.46 Cooperative Banks Development Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Number of on-site inspections conducted on cooperative financial institutions per year	Supervision unit	Outcome 4: Decent employment through inclusive growth	19	16	23	- ¹	- ¹	- ¹	- ¹
Number of off-site reports of cooperative financial institutions processed per year	Supervision unit		68	74	60	60	- ¹	- ¹	- ¹
Percentage of cooperative financial institutions application and returns processed online through a return submission portal per year	Supervision unit		- ²	27% (8/30)	50% (15/30)	- ¹	- ¹	- ¹	- ¹
Number of cooperative financial institutions managers and board members trained per year	Capacity building and information	Outcome 5: A skilled and capable workforce to support an inclusive growth path	300	418	304	- ¹	- ¹	- ¹	- ¹
Number of cooperative financial institutions provided with direct technical assistance per year	Capacity building and information	Entity mandate	- ²	25	31	7	7	7	7
Number of organised groups assisted with the establishment of a cooperative financial institution per year	Capacity building and information		- ²	- ²	3	2	2	2	2
Number of cooperative financial institutions using the banking platform per year	Capacity building and information		- ²	3	8	15	20	25	30

1. Indicator discontinued.

2. No historical data available.

Expenditure analysis

The Cooperative Banks Development Agency promotes a sustainable cooperatives banking environment to contribute towards providing affordable financial services. This is in line with outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework, and supports the NDP's vision of strengthening the regulation of financial institutions to ensure that savings are protected and that there are expanded opportunities for historically excluded and vulnerable groups, small business, and cooperatives.

Accordingly, over the medium term, the agency intends to focus on providing customised training, technical assistance, mentorship and coaching for cooperative financial institutions; clarifying rules for certain cooperative financial institutions; and implementing systems and processes to improve reporting. It also aims to develop new products, assist cooperative financial institutions by increasing the number of people using banking platforms to improve their income generation, and continue conducting on-site assessments and inspections to monitor the performance of cooperative financial institutions. The banking platform is a set of services that enables cooperative financial institutions to improve the management of their organisations and provides automated banking products and services for their members. Through the platform, cooperative financial institutions are able to improve operations, develop new products and gain access to the national payment system.

Spending on compensation of employees accounts for the bulk of the agency's expenditure, increasing at an average annual rate of 0.4 per cent, from R19.4 million in 2017/18 to R19.6 million in 2020/21. This marginal increase is due to the expected decrease in the number of personnel, from 28 in 2017/18 to 27 in 2020/21.

Spending on consultants and contractor services is expected to increase at an average annual rate of 25 per cent, from R8 million in 2017/18 to R11 million in 2020/21, as more consultancy work will be required once the agency's banking platform is integrated into the national payment system overseen by the South African Reserve Bank. Consultants and contractors are mainly used for specialised skills not found within the agency. Using contractors and consultants is expected to be more cost effective for the hosting of the agency's banking platform, mentorship and coaching, assessing the impact of training offered to cooperatives, and for maintaining the online application portal. The agency works with commercial banks in implementing the banking platform.

Over the medium term, the agency's total expenditure is expected to decrease at an average annual rate of 6 per cent, from R39 million in 2017/18 to R32.4 million in 2020/21, due to a decrease in funding for cooperative financial institutions from donors and stakeholders such as the KwaZulu-Natal provincial government. The agency's revenue is derived from transfers from National Treasury, stakeholder funding and interest income.

Programmes/objectives/activities

Table 7.47 Cooperative Banks Development Agency expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate 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 thousand											
Administration	6 269	6 208	5 918	6 048	-1.2%	21.3%	6 448	6 973	6 862	4.3%	17.3%
Supervision unit	4 445	5 415	4 707	5 667	8.4%	17.3%	–	–	–	-100.0%	3.6%
Capacity building and information	12 011	12 306	13 218	8 079	-12.4%	40.4%	12 295	13 171	8 623	2.2%	27.3%
Central support services	–	3 561	6 721	19 221	–	21.1%	21 015	22 415	16 914	-4.2%	51.7%
Total	22 725	27 490	30 564	39 015	19.7%	100.0%	39 758	42 559	32 399	-6.0%	100.0%

Statements of historical financial performance and position**Table 7.48 Cooperative Banks Development Agency statements of historical financial performance and position**

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Revenue									
Non-tax revenue	–	438	386	1 100	640	1 453	519	519	227.2%
Sale of goods and services other than capital assets	–	4	5	10	5	312	7	7	1 958.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	–	4	5	10	5	312	7	7	1 958.8%
Other non-tax revenue	–	434	381	1 090	635	1 141	512	512	207.9%
Transfers received	16 838	21 568	18 041	26 150	35 380	30 705	37 019	38 496	109.0%
Total revenue	16 838	22 006	18 427	27 250	36 020	32 158	37 538	39 015	110.7%
Expenses									
Current expenses	16 787	18 319	17 727	22 404	36 020	23 268	37 538	39 015	95.3%
Compensation of employees	8 783	10 276	10 930	12 329	17 715	14 857	18 571	19 379	101.5%
Goods and services	8 004	7 927	6 747	9 943	18 255	8 181	18 892	19 486	87.7%
Depreciation	–	116	50	132	50	230	75	150	358.9%
Transfers and subsidies	–	4 406	700	5 086	–	7 296	–	–	2 398.3%
Total expenses	16 787	22 725	18 427	27 490	36 020	30 564	37 538	39 015	110.1%
Surplus/(Deficit)	51	(719)	–	(240)	–	1 594	–	–	
Statement of financial position									
Carrying value of assets	244	168	252	984	728	1 088	889	889	148.1%
<i>of which:</i>									
<i>Acquisition of assets</i>	(50)	(33)	(70)	(948)	(300)	(334)	(356)	(356)	215.3%
Receivables and prepayments	22	549	583	1 355	617	1 420	5	5	271.3%
Cash and cash equivalents	2 043	14 138	1 956	17 646	2 614	9 766	2 904	2 904	467.1%
Total assets	2 309	14 855	2 791	19 985	3 959	12 274	3 798	3 798	396.0%
Accumulated surplus/(deficit)	164	696	378	2 484	849	3 958	255	255	449.2%
Capital and reserves	1 242	1 490	1 350	1 588	1 430	1 708	1 530	1 530	113.8%
Deferred income	–	7 536	–	8 019	–	3 148	–	–	–
Trade and other payables	578	4 391	606	7 287	1 184	2 501	1 374	1 374	415.6%
Provisions	326	742	457	607	496	959	639	639	153.7%
Total equity and liabilities	2 309	14 855	2 791	19 985	3 959	12 274	3 798	3 798	396.0%

Statements of estimates of financial performance and position**Table 7.49 Cooperative Banks Development Agency statements of estimates of financial performance and position**

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	519	5.8%	3.0%	474	129	308	-16.0%	0.9%
Sale of goods and services other than capital assets	7	20.5%	0.3%	7	8	8	4.6%	0.0%
<i>of which:</i>								
<i>Sales by market establishment</i>	7	20.5%	0.3%	7	8	8	4.6%	0.0%
Other non-tax revenue	512	5.7%	2.7%	467	121	300	-16.3%	0.9%
Transfers received	38 496	21.3%	97.0%	39 284	42 430	32 091	-5.9%	99.1%
Total revenue	39 015	21.0%	100.0%	39 758	42 559	32 399	-6.0%	100.0%
Expenses								
Current expenses	39 015	28.7%	84.6%	39 758	42 559	32 399	-6.0%	100.0%
Compensation of employees	19 379	23.5%	47.1%	16 089	17 564	19 629	0.4%	48.0%
Goods and services	19 486	35.0%	36.9%	23 554	24 874	12 770	-13.1%	51.8%
Depreciation	150	8.9%	0.5%	115	121	–	-100.0%	0.2%
Total expenses	39 015	19.7%	100.0%	39 758	42 559	32 399	-6.0%	100.0%
Surplus/(Deficit)	–			–	–	–		
Statement of financial position								
Carrying value of assets	889	74.3%	9.6%	1 045	1 050	1 000	4.0%	33.7%
<i>of which:</i>								
<i>Acquisition of assets</i>	(356)	121.0%	-4.3%	(400)	(200)	(70)	-41.9%	-7.6%
Receivables and prepayments	5	-79.1%	5.5%	4	10	5	–	0.2%
Cash and cash equivalents	2 904	-41.0%	84.9%	2 513	2 200	1 000	-29.9%	66.1%
Total assets	3 798	-36.5%	100.0%	3 562	3 260	2 005	-19.2%	100.0%
Accumulated surplus/(deficit)	255	-28.4%	14.0%	369	300	(695)	-239.7%	-2.1%
Capital and reserves	1 530	0.9%	18.0%	1 618	1 715	1 800	5.6%	57.0%
Trade and other payables	1 374	-32.1%	30.6%	895	485	500	-28.6%	25.3%
Provisions	639	-4.9%	8.2%	680	760	400	-14.5%	19.8%
Total equity and liabilities	3 798	-36.5%	100.0%	3 562	3 260	2 005	-19.2%	100.0%

Programmes/objectives/activities

Table 7.52 Financial and Fiscal Commission expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R thousand											
Administration	26 997	21 166	27 502	31 623	5.4%	58.3%	30 938	32 790	34 701	3.1%	60.3%
Research	18 288	20 249	17 787	19 488	2.1%	41.7%	20 950	21 998	23 097	5.8%	39.7%
Total	45 285	41 415	45 289	51 111	4.1%	100.0%	51 888	54 788	57 798	4.2%	100.0%

Statements of historical financial performance and position

Table 7.53 Financial and Fiscal Commission statements of historical financial performance and position

Statement of financial performance									
	Audited outcome		Audited outcome		Budget		Revised estimate		Average: Outcome/Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	Budget estimate	2017/18	2014/15 - 2017/18
R thousand									
Revenue									
Non-tax revenue	106	241	106	1 354	106	5 313	106	464	1 737.0%
Other non-tax revenue	106	241	106	1 354	106	5 313	106	464	1 737.0%
Transfers received	39 488	45 288	41 156	41 156	44 839	44 839	55 047	50 647	100.8%
Total revenue	39 594	45 529	41 262	42 510	44 945	50 152	55 153	51 111	104.6%
Expenses									
Current expenses	39 594	45 285	41 261	41 415	44 945	45 289	50 753	51 111	103.7%
Compensation of employees	24 100	21 947	23 792	26 046	27 142	28 128	28 988	32 061	104.0%
Goods and services	15 202	23 254	17 383	15 265	17 720	16 990	21 685	18 887	103.3%
Depreciation	292	84	87	104	83	171	81	163	96.2%
Total expenses	39 594	45 285	41 261	41 415	44 945	45 289	50 753	51 111	103.7%
Surplus/(Deficit)	-	244	-	1 095	-	4 863	4 400	-	
Statement of financial position									
Carrying value of assets	754	709	744	1 230	791	1 608	836	1 608	164.9%
of which:									
Acquisition of assets	(136)	(68)	(72)	(627)	(77)	(548)	(81)	-	339.6%
Receivables and prepayments	57	144	144	152	144	242	144	242	159.5%
Cash and cash equivalents	21	3 305	3 470	3 661	3 685	8 404	3 899	8 404	214.6%
Total assets	832	4 158	4 359	5 043	4 620	10 254	4 880	10 254	202.2%
Accumulated surplus/(deficit)	(5 368)	63	104	1 159	158	6 022	212	6 022	-271.1%
Capital and reserves	919	919	919	919	919	919	919	919	100.0%
Trade and other payables	4 617	1 882	1 975	1 294	2 098	1 867	2 219	1 867	63.3%
Provisions	663	1 294	1 361	1 671	1 445	1 446	1 529	1 446	117.2%
Total equity and liabilities	832	4 158	4 359	5 043	4 620	10 254	4 879	10 254	202.2%

Statements of estimates of financial performance and position

Table 7.54 Financial and Fiscal Commission statements of estimates of financial performance and position

Statement of financial performance									
	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
R thousand									
Revenue									
Non-tax revenue	464	24.4%	3.8%	106	106	108	-38.5%	0.4%	
Other non-tax revenue	464	24.4%	3.8%	106	106	108	-38.5%	0.4%	
Transfers received	50 647	3.8%	96.2%	51 782	54 682	57 690	4.4%	99.6%	
Total revenue	51 111	3.9%	100.0%	51 888	54 788	57 798	4.2%	100.0%	
Expenses									
Current expenses	51 111	4.1%	100.0%	51 888	54 788	57 798	4.2%	100.0%	
Compensation of employees	32 061	13.5%	59.0%	34 947	36 694	38 529	6.3%	65.9%	
Goods and services	18 887	-6.7%	40.7%	16 775	17 919	19 085	0.3%	33.8%	
Depreciation	163	24.7%	0.3%	166	175	184	4.1%	0.3%	
Total expenses	51 111	4.1%	100.0%	51 888	54 788	57 798	4.2%	100.0%	
Surplus/(Deficit)	-			-	-	-			
Statement of financial position									
Carrying value of assets	1 608	31.4%	18.2%	1 608	1 608	1 608	-	15.7%	
of which:									
Acquisition of assets	-	-100.0%	-4.9%	(166)	(169)	(177)	-	-1.2%	
Receivables and prepayments	242	18.9%	2.8%	242	242	242	-	2.4%	
Cash and cash equivalents	8 404	36.5%	79.0%	8 404	8 404	8 404	-	82.0%	
Total assets	10 254	35.1%	100.0%	10 254	10 254	10 254	-	100.0%	
Accumulated surplus/(deficit)	6 022	357.2%	35.5%	6 022	6 022	6 022	-	58.7%	
Capital and reserves	919	-	14.6%	919	919	919	-	9.0%	
Trade and other payables	1 867	-0.3%	26.8%	1 867	1 867	1 867	-	18.2%	
Provisions	1 446	3.8%	23.1%	1 446	1 446	1 446	-	14.1%	
Total equity and liabilities	10 254	35.1%	100.0%	10 254	10 254	10 254	-	100.0%	

Personnel information

Table 7.55 Financial and Fiscal Commission 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	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	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost
Financial and Fiscal Commission	41	41	37	28.1	0.8	37	32.1	0.9	41	34.9	0.9	41	36.7	0.9	41	38.5	0.9	6.3%	100.0%
Salary level	41	41	37	28.1	0.8	37	32.1	0.9	41	34.9	0.9	41	36.7	0.9	41	38.5	0.9	6.3%	100.0%
1-6	5	5	5	0.5	0.1	5	0.5	0.1	5	0.5	0.1	5	0.5	0.1	5	0.6	0.1	6.3%	12.5%
7-10	11	11	10	5.4	0.5	10	6.3	0.6	11	6.8	0.6	11	7.2	0.7	11	7.6	0.7	6.3%	26.9%
11-12	13	13	10	8.4	0.8	10	11.8	1.2	13	12.9	1.0	13	13.5	1.0	13	14.2	1.1	6.3%	30.5%
13-16	12	12	12	13.9	1.2	12	13.5	1.1	12	14.7	1.2	12	15.4	1.3	12	16.2	1.3	6.3%	30.1%

1. Rand million.

Financial Intelligence Centre

Mandate

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

Selected performance indicators

Table 7.56 Financial Intelligence Centre performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past		Current	Projections			
			2014/15	2015/16		2016/17	2017/18	2018/19	2019/20
Value of funds blocked as suspected proceeds of crime in the financial system per year	Delivery of intelligence on financial crimes and Financial Intelligence Centre Act (2001)-related regulatory services	Outcome 3: All people in South Africa are and feel safe	R13.2m	R181m	R200m	-1	-1	-1	-1
Number of judicial actions contributed to per year	Delivery of intelligence on financial crimes and Financial Intelligence Centre Act (2001)-related regulatory services		22	20	22	-1	-1	-1	-1
Number of Financial Intelligence Centre inspection reports issued per year	Delivery of intelligence on financial crimes and Financial Intelligence Centre Act (2001)-related regulatory services		130	145	132	138	138	144	156
Number of identified policy making activities attended within regional and intergovernmental organisations per year	Enablement of financial intelligence regulatory capabilities		-2	-2	-2	8	8	8	8

1. Indicator discontinued.

2. No historical data available.

Expenditure analysis

Providing intelligence on financial crimes is in line with the NDP's vision of building a resilient anti-corruption system, and outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework. Accordingly, over the medium term, the Financial Intelligence Centre intends to focus on stabilising and maintaining its ICT network and systems, and enhancing the capability of its analytical software to reinforce the integrity of South Africa's financial system. The ICT upgrade is expected to assist in combatting money laundering and other crimes, and improving access to information for the centre's clients, who comprise law enforcement authorities, intelligence services, the South African Revenue Service, anti-money laundering supervisory bodies and other international counterparts. Improving these capabilities is expected to result in a steady increase in the maintenance costs of the centre's ICT systems and expenditure to improve the analytical capacities of its staff and computing systems.

The centre's total expenditure is expected to increase at an average annual rate of 2.4 per cent, from R288.6 million in 2017/18 to R310 million in 2020/21. Spending on compensation of employees is expected to increase at an average annual rate of 7.1 per cent, from R158.5 million in 2017/18 to R194.8 million in 2020/21, accounting for 59.5 per cent of expenditure. As at 31 October 2017, the centre had 189 filled and 11 vacant positions. The centre derives its revenue from the fiscus. Revenue is expected to increase at an average annual rate of 4.5 per cent, from R272.9 million in 2017/18 to R311.6 million in 2020/21.

Programmes/objectives/activities

Table 7.57 Financial Intelligence Centre expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	40 155	40 270	37 042	48 654	6.6%	17.0%	50 363	52 209	54 267	3.7%	17.2%
Delivery of intelligence on financial crimes and Financial Intelligence Centre Act (2001)-related regulatory services	125 597	130 191	134 925	162 171	8.9%	56.6%	168 872	168 789	176 292	2.8%	56.6%
Enablement of financial intelligence regulatory capabilities	49 686	71 159	61 020	77 785	16.1%	26.4%	77 524	77 236	79 448	0.7%	26.2%
Total	215 438	241 620	232 988	288 610	10.2%	100.0%	296 759	298 234	310 007	2.4%	100.0%

Statements of historical financial performance and position

Table 7.58 Financial Intelligence Centre statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	830	1 872	1 800	2 375	1 500	3 736	1 500	2 713	190.0%
Other non-tax revenue	830	1 872	1 800	2 375	1 500	3 736	1 500	2 713	190.0%
Transfers received	198 080	212 723	239 488	240 178	256 372	256 372	270 191	270 191	101.6%
Total revenue	198 910	214 595	241 288	242 553	257 872	260 108	271 691	272 904	102.1%
Expenses									
Current expenses	198 910	215 438	257 388	241 620	276 779	232 988	288 610	288 610	95.8%
Compensation of employees	130 181	122 007	142 623	135 385	156 495	143 697	167 450	158 534	93.8%
Goods and services	68 639	65 916	86 162	80 627	90 323	66 023	95 654	104 570	93.1%
Depreciation	-	27 162	28 499	25 245	29 924	22 824	25 467	25 467	120.0%
Interest, dividends and rent on land	90	354	104	362	37	443	39	39	444.4%
Total expenses	198 910	215 438	257 388	241 620	276 779	232 988	288 610	288 610	95.8%
Surplus/(Deficit)	-	(843)	(16 100)	933	(18 907)	27 120	(16 919)	(15 706)	
Statement of financial position									
Carrying value of assets	52 985	82 606	91 606	81 656	88 902	77 429	84 026	79 350	101.1%
of which:									
Acquisition of assets	-	(14 383)	(32 460)	(22 339)	(36 595)	(17 976)	(21 980)	(52 012)	117.2%
Inventory	200	99	99	87	99	80	99	73	68.2%
Receivables and prepayments	22 676	5 121	4 216	2 518	2 350	6 016	1 759	3 894	56.6%
Cash and cash equivalents	-	34 905	147	49 544	14 802	76 740	2 937	19 905	1 012.4%
Total assets	75 861	122 731	96 068	133 805	106 153	160 265	88 821	103 222	141.7%
Accumulated surplus/(deficit)	64 827	86 621	69 110	90 646	66 103	117 766	49 185	60 743	142.8%
Finance lease	-	434	217	221	558	2 059	-	479	412.0%
Trade and other payables	11 034	30 704	19 020	28 165	21 145	33 240	19 522	31 863	175.3%
Provisions	-	4 972	7 721	14 773	18 347	7 200	20 114	10 137	80.3%
Total equity and liabilities	75 861	122 731	96 068	133 805	106 153	160 265	88 821	103 222	141.7%

Statements of estimates of financial performance and position

Table 7.59 Financial Intelligence Centre statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
Revenue									
Non-tax revenue	2 713	13.2%	1.1%	1 500	1 584	1 100	-26.0%	0.6%	
Other non-tax revenue	2 713	13.2%	1.1%	1 500	1 584	1 100	-26.0%	0.6%	
Transfers received	270 191	8.3%	98.9%	278 716	294 324	310 513	4.7%	99.4%	
Total revenue	272 904	8.3%	100.0%	280 216	295 908	311 613	4.5%	100.0%	

Table 7.59 Financial Intelligence Centre statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R thousand	2017/18							
Expenses	288 610	10.2%	100.0%	296 759	298 234	310 007	2.4%	100.0%
Current expenses								
Compensation of employees	158 534	9.1%	57.3%	173 411	183 815	194 844	7.1%	59.5%
Goods and services	104 570	16.6%	32.1%	96 567	95 137	95 326	-3.0%	32.9%
Depreciation	25 467	-2.1%	10.4%	26 741	19 238	19 791	-8.1%	7.7%
Interest, dividends and rent on land	39	-52.1%	0.1%	41	43	45	5.4%	0.0%
Total expenses	288 610	10.2%	100.0%	296 759	298 234	310 007	2.4%	100.0%
Surplus/(Deficit)	(15 706)			(16 543)	(2 326)	1 606		
Statement of financial position								
Carrying value of assets	79 350	-1.3%	63.4%	69 508	63 303	67 179	-5.4%	77.0%
of which:								
Acquisition of assets	(52 012)	53.5%	-22.5%	(12 153)	(12 676)	(13 373)	-36.4%	-23.7%
Inventory	73	-9.7%	0.1%	65	60	68	-2.3%	0.1%
Receivables and prepayments	3 894	-8.7%	3.4%	1 890	2 430	2 520	-13.5%	2.9%
Cash and cash equivalents	19 905	-17.1%	33.2%	17 631	17 631	17 060	-5.0%	20.0%
Total assets	103 222	-5.6%	100.0%	89 094	83 424	86 827	-5.6%	100.0%
Accumulated surplus/(deficit)	60 743	-11.2%	67.7%	44 201	41 874	43 480	-10.5%	52.2%
Finance lease	479	3.3%	0.6%	2 104	3 339	3 213	88.6%	2.6%
Trade and other payables	31 863	1.2%	24.4%	31 465	25 950	26 858	-5.5%	32.1%
Provisions	10 137	26.8%	7.4%	11 324	12 261	13 276	9.4%	13.1%
Total equity and liabilities	103 222	-5.6%	100.0%	89 094	83 424	86 827	-5.6%	100.0%

Personnel information**Table 7.60 Financial Intelligence Centre 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	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21		
Financial Intelligence Centre																			
Salary level	200	200	194	143.7	0.7	200	158.5	0.8	203	173.4	0.9	203	183.8	0.9	203	194.8	1.0	7.1%	100.0%
1-6	13	13	13	2.8	0.2	13	3.0	0.2	12	3.1	0.3	12	3.3	0.3	12	3.5	0.3	4.8%	6.1%
7-10	87	87	84	38.8	0.5	87	43.3	0.5	88	46.7	0.5	88	49.5	0.6	88	52.5	0.6	6.7%	43.4%
11-12	47	47	45	37.2	0.8	47	41.5	0.9	48	45.2	0.9	48	48.0	1.0	48	50.8	1.1	7.0%	23.6%
13-16	52	52	51	62.7	1.2	52	68.3	1.3	54	75.8	1.4	54	80.3	1.5	54	85.1	1.6	7.6%	26.5%
17-22	1	1	1	2.3	2.3	1	2.4	2.4	1	2.6	2.6	1	2.7	2.7	1	2.9	2.9	6.3%	0.5%

1. Rand million.

Financial Services Board**Mandate**

The Financial Services Board is an independent institution established by statute to oversee the South African non-banking financial services industry in the public interest. The board's legislative mandate is primarily derived from the Financial Services Board Act (1990), committing the board to promoting and maintaining a sound financial investment environment in South Africa. To promote the financial soundness of the entities it regulates and protects the investing community. The board is also responsible for ensuring that the entities comply with relevant legislation and capital adequacy requirements. The board advises the Minister of Finance through various advisory committees comprising industry experts.

Selected performance indicators**Table 7.61 Financial Services Board performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue collected from companies in the financial services sector per year	Administration	Outcome 6: An efficient, competitive and responsive economic infrastructure network	R625.4m	R705.7m	R782.6m	R783.7m	R859.2m	R907.4m	R961.9m
Number of financial advisory and intermediary sections supervised per year	Supervise the financial advisory and intermediary activities in the financial services sector in terms of the Financial Advisory and Intermediary Act (2002)	Outcome 3: All people in South Africa are and feel safe	9 715	10 469	10 235	11 343	11 864	12 517	13 206
Number of long-term and short-term insurance sectors supervised per year	Supervise the long term and short term insurance industries in terms of the Long-Term Insurance Act (1998)	Outcome 11: Create a better South Africa, a better Africa and a better world	182	174	170	170	172	173	174
Number of retirement funds and friendly societies supervised per year	Supervise retirement funds and friendly societies		5 337	5 298	5 490	5 485	5 491	5 497	5 503
Number of collective investment schemes supervised per year	Supervise the collective investment schemes in securities in terms of the Collective Investment Schemes Control Act (2002)		140	152	175	178	170	179	189
Number of credit rating agencies supervised per year	Regulate credit rating agencies	Outcome12: An efficient, effective and development oriented public service	4	3	3	3	3	3	3

Expenditure analysis

The Financial Services Board will continue to play a meaningful role in promoting growth, employment and poverty reduction through regulating the financial services sector and protecting customers, and promoting an integrated approach to financial inclusion and employment. This is in line with outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework.

Over the medium term, the board intends to focus on preparing and implementing the Twin Peaks regulation model. The Financial Sector Regulation Bill for the establishment of the new regulatory framework has been passed by Parliament and provides for the establishment of two regulatory authorities: a prudential authority responsible for the oversight of the safety and soundness of banks, insurers and financial conglomerates; and a new market conduct authority responsible for ensuring the integrity and efficiency of financial markets, and for promoting financial consumer education. The prudential supervision authority will be housed in the South African Reserve Bank, and the board will become the new market conduct authority, to be called the Financial Services Conduct Authority.

While the Twin Peaks model is phased in over the MTEF period, the board continues to focus on regulating and supervising the market conduct of the financial services sector through ensuring the integrity and efficiency of the formal markets and allied institutions, protecting consumers of financial services, and improving consumers' access to financial literacy programmes.

The board's total expenditure is expected to increase at an average annual rate of 5.7 per cent, from R815.9 million in 2017/18 to R963.2 million in 2020/21. Spending on compensation of employees is expected to increase at an average annual rate of 5.5 per cent, from R468.8 million in 2017/18 to R550.4 million in 2020/21, mainly due to adjustments related to increases in the cost of living and the expected increase in personnel from 616 in 2017/18 to 684 in 2020/21 as a result of the planned implementation of the Twin Peaks model in 2018/19.

The board generates its revenue through levies raised from financial institutions and fees charged for the licensing of financial institutions. Revenue is expected to increase at an average annual rate of 8.3 per cent, from R765.4 million in 2017/18 to R972.3 million in 2020/21, mainly due to higher levies.

Programmes/objectives/activities**Table 7.62 Financial Services Board expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Administration	207 072	250 756	253 806	312 340	14.7%	37.1%	327 300	345 301	364 293	5.3%	38.0%
Supervise the financial advisory and intermediary activities in the financial services sector in terms of the Financial Advisory and Intermediary Act (2002)	119 997	142 331	144 828	161 353	10.4%	20.7%	170 227	179 590	189 467	5.5%	19.7%
Supervise the long term and short term insurance industries in terms of the Long Term Insurance Act (1998)	86 368	94 137	105 545	116 580	10.5%	14.6%	122 992	129 756	136 893	5.5%	14.2%
Supervise retirement funds and friendly societies	108 542	112 699	126 517	143 768	9.8%	17.9%	154 983	164 064	174 134	6.6%	17.9%
Supervise the collective investment schemes in securities in terms of the Collective Investment Schemes Control Act (2002)	21 592	28 269	37 749	43 363	26.2%	4.7%	45 747	48 265	50 919	5.5%	5.3%
Supervise the South African licensed exchanges, central securities depositories and clearing houses in terms of the Securities Act (2004)	14 482	12 976	15 243	16 111	3.6%	2.2%	18 098	19 789	20 877	9.0%	2.1%
Combat market abuse in terms of the Securities Act (2004)	11 587	13 598	15 230	15 867	11.0%	2.0%	16 716	17 635	18 964	6.1%	1.9%
Regulate credit rating agencies	4 403	4 907	5 620	6 551	14.2%	0.8%	6 860	7 238	7 692	5.5%	0.8%
Total	574 043	659 673	704 538	815 933	12.4%	100.0%	862 923	911 638	963 239	5.7%	100.0%

Statements of historical financial performance and position**Table 7.63 Financial Services Board statements of historical financial performance and position**

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate		Average Outcome/ Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	Budget estimate	Revised estimate	
R thousand									
Revenue									
Non-tax revenue	588 681	634 259	644 911	705 673	728 869	782 644	787 443	765 375	105.0%
Sale of goods and services other than capital assets	543 637	557 172	595 286	607 819	678 753	678 169	716 763	713 008	100.9%
of which:									
Sales by market establishment	543 637	557 172	595 286	607 819	678 753	678 169	716 763	713 008	100.9%
Other non-tax revenue	45 044	77 087	49 625	97 855	50 116	104 475	70 680	52 367	154.0%
Total revenue	588 681	634 259	644 911	705 673	728 869	782 644	787 443	765 375	105.0%
Expenses									
Current expenses	512 601	494 477	598 253	579 212	652 461	608 198	692 914	714 282	97.6%
Compensation of employees	339 314	324 814	400 808	386 468	430 888	415 852	457 603	468 764	98.0%
Goods and services	162 967	159 403	186 895	182 901	205 791	181 539	218 550	224 257	96.6%
Depreciation	10 320	10 260	10 550	9 843	15 782	10 738	16 761	21 135	97.3%
Interest, dividends and rent on land	–	–	–	–	–	69	–	126	–
Transfers and subsidies	76 079	79 567	90 560	80 461	91 444	96 340	107 406	101 651	98.0%
Total expenses	588 680	574 043	688 813	659 673	743 905	704 538	800 320	815 933	97.6%
Surplus/(Deficit)	–	60 216	(43 902)	46 000	(15 036)	78 106	(12 877)	(50 558)	
Statement of financial position									
Carrying value of assets	27 881	34 247	56 296	45 319	119 922	48 720	123 520	151 800	85.5%
of which:									
Acquisition of assets	(9 800)	(7 171)	(25 709)	(20 847)	(32 541)	(12 570)	(34 558)	(124 850)	161.2%
Investments	33 433	66 632	69 964	68 316	71 901	65 766	74 058	64 463	106.3%
Accrued investment interest	450	466	210	92	98	58	101	63	79.1%
Receivables and prepayments	17 650	28 426	15 488	20 395	18 643	28 712	19 202	31 536	153.7%
Cash and cash equivalents	193 300	238 793	189 702	302 916	91 069	361 307	93 801	283 296	208.9%
Total assets	272 714	368 565	331 659	437 039	301 633	504 562	310 682	531 159	151.3%
Accumulated surplus/(deficit)	92 000	153 097	118 137	192 243	97 352	254 824	100 273	204 266	197.3%
Capital and reserves	79 231	81 662	83 193	88 712	54 352	104 237	55 983	121 491	145.2%
Finance lease	–	–	–	133	–	1 752	–	1 857	–
Trade and other payables	38 499	62 937	63 341	81 770	84 229	61 736	86 756	111 610	116.6%
Provisions	62 984	70 808	66 989	74 171	65 700	82 014	67 671	91 935	121.1%
Derivatives financial instruments	–	60	–	9	–	–	–	–	–
Total equity and liabilities	272 714	368 564	331 659	437 039	301 633	504 562	310 682	531 159	151.3%

Statements of estimates of financial performance and position

Table 7.64 Financial Services Board statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
Revised estimate	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R thousand								
Revenue								
Non-tax revenue	765 375	6.5%	100.0%	857 220	917 226	972 260	8.3%	100.0%
Sale of goods and services other than capital assets	713 008	8.6%	88.4%	798 569	854 469	905 737	8.3%	93.2%
<i>of which:</i>								
<i>Sales by market establishment</i>	713 008	8.6%	88.4%	798 569	854 469	905 737	8.3%	93.2%
Other non-tax revenue	52 367	-12.1%	11.6%	58 651	62 757	66 523	8.3%	6.8%
Total revenue	765 375	6.5%	100.0%	857 220	917 226	972 260	8.3%	100.0%
Expenses								
Current expenses	714 282	13.0%	87.0%	744 215	784 810	827 778	5.0%	86.5%
Compensation of employees	468 764	13.0%	57.9%	494 546	521 746	550 442	5.5%	57.3%
Goods and services	224 257	12.1%	27.2%	227 199	239 358	252 326	4.0%	26.6%
Depreciation	21 135	27.2%	1.8%	22 336	23 566	24 862	5.6%	2.6%
Interest, dividends and rent on land	126	-	0.0%	134	140	148	5.5%	0.0%
Transfers and subsidies	101 651	8.5%	13.0%	118 708	126 828	135 461	10.0%	13.5%
Total expenses	815 933	12.4%	100.0%	862 923	911 638	963 239	5.7%	100.0%
Surplus/(Deficit)	(50 558)			(5 703)	5 588	9 021		
Statement of financial position								
Carrying value of assets	151 800	64.3%	14.5%	159 390	167 360	175 727	5.0%	31.0%
<i>of which:</i>								
<i>Acquisition of assets</i>	(124 850)	159.2%	-8.2%	(130 465)	(136 988)	(143 837)	4.8%	-25.4%
Investments	64 463	-1.1%	14.7%	67 687	71 071	74 624	5.0%	13.1%
Accrued investment interest	63	-48.6%	0.0%	67	70	73	5.0%	0.0%
Receivables and prepayments	31 536	3.5%	6.0%	33 113	34 769	36 507	5.0%	6.4%
Cash and cash equivalents	283 296	5.9%	64.8%	269 131	254 258	238 641	-5.6%	49.4%
Total assets	531 159	13.0%	100.0%	529 387	527 527	525 573	-0.4%	100.0%
Accumulated surplus/(deficit)	204 266	10.1%	43.6%	186 448	181 071	173 794	-5.2%	35.3%
Capital and reserves	121 491	14.2%	21.5%	127 566	120 000	114 000	-2.1%	22.9%
Finance lease	1 857	-	0.2%	1 950	2 047	2 150	5.0%	0.4%
Trade and other payables	111 610	21.0%	17.3%	117 191	123 050	129 203	5.0%	22.8%
Provisions	91 935	9.1%	17.4%	96 332	101 259	106 427	5.0%	18.7%
Total equity and liabilities	531 159	13.0%	100.0%	529 487	527 427	525 574	-0.4%	100.0%

Personnel information

Table 7.65 Financial Services Board 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	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Financial Services Board		684	684	615	415.9	0.7	616	468.8	0.8	684	494.5	0.7	684	521.7	0.8	684	550.4	0.8	5.5%	100.0%
Salary level																				
1 - 6		54	54	25	1.4	0.1	52	8.0	0.2	54	8.5	0.2	54	8.9	0.2	54	9.4	0.2	5.5%	8.0%
7 - 10		352	352	130	23.5	0.2	325	142.5	0.4	352	150.3	0.4	352	158.6	0.5	352	167.3	0.5	5.5%	51.8%
11 - 12		125	125	111	42.8	0.4	101	92.7	0.9	125	97.9	0.8	125	103.2	0.8	125	108.9	0.9	5.5%	17.8%
13 - 16		132	132	296	224.4	0.8	117	164.1	1.4	132	173.2	1.3	132	182.7	1.4	132	192.7	1.5	5.5%	19.2%
17 - 22		21	21	53	123.8	2.3	21	61.4	2.9	21	64.7	3.1	21	68.3	3.3	21	72.1	3.4	5.5%	3.2%

1. Rand million.

Government Pensions Administration Agency

Mandate

The Government Pensions Administration Agency provides pension administration services to the Government Employees Pension Fund in terms of the Government Employees Pension Fund Act (1979) and the Associated Institutions Pension Fund Act (1963). Post-retirement medical subsidies are administered as provided for and regulated by resolutions of the Public Service Coordinating Bargaining Council; military pensions are administered in terms of the Military Pensions Act (1976); injury on duty payments are administered in terms of the Compensation for Occupational Injuries and Diseases Act (1993); and special pensions are administered in terms of the Special Pensions Act (1996).

Selected performance indicators**Table 7.66 Government Pensions Administration Agency performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of members receiving special pensions per year	Civil and military pension	Outcome 12: An efficient, effective and development oriented public service	7 704	7 443	8 150	-1	-1	-1	-1
Number of beneficiaries receiving post-retirement medical benefit per year	Civil and military pension		88 086	91 086	94 086	-1	-1	-1	-1
Amount of contributions to medical aid scheme paid on behalf of members per year	Civil and military pension		R1.7b	R1.9bn	R2bn	-1	-1	-1	-1
Amount of military pension benefits paid to beneficiaries per year	Civil and military pension		R597m	R633m	R671m	-1	-1	-1	-1
Number of beneficiaries paid due to withdrawal from fund per year	Employee benefit		62 000	61 500	61 000	-1	-1	-1	-1
Number of beneficiaries paid for funeral benefits per year	Employee benefit	Outcome 8: Sustainable human settlements and improved quality of household life	24 500	26 000	27 000	-1	-1	-1	-1
Value of benefits paid due to withdrawal from the fund per year	Employee benefit	Outcome 12: An efficient, effective and development oriented public service	R57m	R65m	R75m	-1	-1	-1	-1
Percentage of National Treasury benefits paid within 60 days	Benefit administration		-2	-2	-2	85%	85%	86%	90%
Percentage of benefits paid accurately on behalf of National Treasury	Benefit administration		-2	-2	-2	85%	85%	90%	95%
Percentage of Government Employees Pension Fund benefits paid within 60 days	Benefit administration		-2	-2	-2	85%	85%	86%	90%
Percentage of Government Employee Pension Fund benefits paid accurately per year	Benefit administration		-2	-2	-2	85%	85%	90%	95%
Percentage of client satisfaction level per year	Benefit administration		-2	-2	-2	94%	94%	96%	97%

1. Indicator discontinued.
2. No historical data available.

Expenditure analysis

The focus of the Government Pensions Administration Agency will continue to be on its modernisation project until the project is completed in 2019/20. The project aims to improve service delivery by enhancing the agency's IT infrastructure, optimising its office space, and employing new personnel as client service agents. The agency aims to replace obsolete systems and applications to enhance staff productivity, speed up the processing of claims, and effectively manage pension queries. These objectives are in line with the NDP's vision of building a capable and developmental state, and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework.

The agency aims to use the modernisation project to automate its processes to ensure efficiency and effectiveness. Pension administration functions, including benefit payments and membership maintenance processes, are expected to be improved through the digitisation of the agency's documentation.

The modernisation project is expected to be the main driver of expenditure, which increases at an average annual rate of 3.9 per cent, from R1.1 billion in 2017/18 to R1.2 billion in 2020/21. Spending on ICT is expected to increase, from R132 million in 2018/19 to R147 million in 2020/21, while spending on goods and services is also expected to increase, from R485.8 million in 2017/18 to R614.2 million in 2020/21, mainly due to the maintenance of computer systems, including the replacement of obsolete equipment, and spending on ICT consultants to install equipment or institute new processes relating to the modernisation programme.

Spending on compensation of employees is expected to increase at an average annual rate of 4.8 per cent, from R513.6 million in 2017/18 to R591.5 million in 2020/21, accounting for 47.5 per cent of the agency's total expenditure over the same period. The number of employees in filled positions is expected to remain at 1 180 over the MTEF period, and will be revised once the agency's organisational restructuring process is finalised.

The agency receives 93 per cent of its revenue from the Government Employees Pension Fund and 7 per cent through a transfer from the department. Revenue is expected to increase from R1.1 billion in 2017/18 to R1.2 billion in 2020/21 to allow for the completion of the modernisation project.

Programmes/objectives/activities

Table 7.67 Government Pensions Administration Agency expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
R thousand											
Administration	540 383	532 227	582 161	715 051	9.8%	64.7%	797 343	736 215	618 980	-4.7%	62.4%
Benefit administration	264 963	331 272	332 496	359 358	10.7%	35.3%	337 875	460 088	586 699	17.8%	37.6%
Total	805 346	863 499	914 657	1 074 409	10.1%	100.0%	1 135 218	1 196 303	1 205 679	3.9%	100.0%

Statements of historical financial performance and position

Table 7.68 Government Pensions Administration Agency statements of historical financial performance and position

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	2017/18		2014/15 - 2017/18
R thousand									
Revenue									
Non-tax revenue	1 289 602	805 346	1 388 495	949 109	1 219 412	941 671	1 084 707	1 074 408	75.7%
Sale of goods and services other than capital assets	1 289 602	804 991	1 388 495	947 575	1 219 412	939 605	1 084 707	1 074 408	75.6%
<i>of which:</i>									
Administrative fees	1 289 602	804 991	1 388 495	947 575	1 219 412	939 605	1 084 707	1 074 408	75.6%
Other non-tax revenue	–	355	–	1 534	–	2 066	–	–	–
Total revenue	1 289 602	805 346	1 388 495	949 109	1 219 412	941 671	1 084 707	1 074 408	75.7%
Expenses									
Current expenses	1 289 602	805 346	1 388 495	863 499	1 219 412	914 657	1 084 707	1 074 408	73.4%
Compensation of employees	465 684	382 948	481 706	433 933	484 886	458 618	519 134	513 618	91.7%
Goods and services	730 770	397 947	785 184	395 717	608 117	407 231	441 375	485 820	65.7%
Depreciation	93 148	24 451	121 605	33 849	126 409	48 808	124 198	74 970	39.1%
Total expenses	1 289 602	805 346	1 388 495	863 499	1 219 412	914 657	1 084 707	1 074 408	73.4%
Surplus/(Deficit)	–	–	–	85 610	–	27 014	–	–	
Statement of financial position									
Carrying value of assets	93 148	250 790	69 575	346 969	71 626	367 246	202 834	202 834	267.1%
<i>of which:</i>									
Acquisition of assets	(93 147)	(110 654)	(69 575)	(131 316)	(146 683)	(71 938)	(124 197)	(74 971)	89.7%
Inventory	1 168	566	1 368	1 127	1 100	544	1 370	1 370	72.1%
Receivables and prepayments	15 300	68 305	15 800	140 312	14 791	96 567	15 300	15 300	523.7%
Cash and cash equivalents	12 352	50 161	12 622	17 752	12 000	36 948	11 100	11 100	241.2%
Total assets	121 968	369 822	99 365	506 160	99 517	501 305	230 604	230 604	291.6%
Accumulated surplus/(deficit)	26 968	279 943	5 843	365 553	5 843	392 567	130 041	112 910	682.3%
Trade and other payables	70 000	67 706	71 000	105 122	71 152	74 965	74 541	75 152	112.6%
Provisions	25 000	22 173	22 522	35 485	22 522	33 773	26 022	42 542	139.5%
Total equity and liabilities	121 968	369 822	99 365	506 160	99 517	501 305	230 604	230 604	291.6%

Statements of estimates of financial performance and position

Table 7.69 Government Pensions Administration Agency statements of estimates of financial performance and position

Statement of financial performance									
	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21	
R thousand									
Revenue									
Non-tax revenue	1 074 408	10.1%	100.0%	1 135 218	1 196 303	1 205 679	3.9%	100.0%	
Sale of goods and services other than capital assets	1 074 408	10.1%	99.9%	1 135 218	1 196 303	1 205 679	3.9%	100.0%	
<i>of which:</i>									
Administrative fees	1 074 408	10.1%	99.9%	1 135 218	1 196 303	1 205 679	3.9%	100.0%	
Total revenue	1 074 408	10.1%	100.0%	1 135 218	1 196 303	1 205 679	3.9%	100.0%	
Expenses									
Current expenses	1 074 408	10.1%	100.0%	1 135 218	1 196 303	1 205 679	3.9%	100.0%	
Compensation of employees	513 618	10.3%	48.9%	525 456	558 237	591 506	4.8%	47.5%	
Goods and services	485 820	6.9%	46.2%	609 762	638 066	614 173	8.1%	50.8%	
Depreciation	74 970	45.3%	4.8%	–	–	–	-100.0%	1.7%	
Total expenses	1 074 408	10.1%	100.0%	1 135 218	1 196 303	1 205 679	3.9%	100.0%	
Surplus/(Deficit)	–			–	–	–			

Table 7.69 Government Pensions Administration Agency statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2019/20	2020/21		
R thousand	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Carrying value of assets of which:	202 834	-6.8%	74.4%	264 570	278 390	291 330	12.8%	90.5%
Acquisition of assets	(74 971)	-12.2%	-25.7%	(68 762)	(56 244)	(59 338)	-7.5%	-23.3%
Inventory	1 370	34.3%	0.3%	2 505	1 580	1 250	-3.0%	0.6%
Receivables and prepayments	15 300	-39.3%	18.0%	12 580	16 580	11 520	-9.0%	5.0%
Cash and cash equivalents	11 100	-39.5%	7.3%	10 250	9 580	13 520	6.8%	3.9%
Total assets	230 604	-14.6%	100.0%	289 905	306 130	317 620	11.3%	100.0%
Accumulated surplus/(deficit)	112 910	-26.1%	68.8%	226 878	297 443	217 460	24.4%	64.6%
Trade and other payables	75 152	3.5%	21.7%	71 520	65 850	55 260	-9.7%	21.9%
Provisions	42 542	24.3%	9.5%	38 440	41 210	44 900	1.8%	13.5%
Total equity and liabilities	230 604	-14.6%	100.0%	336 838	404 503	317 620	11.3%	100.0%

Personnel information

Table 7.70 Government Pensions Administration Agency 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									
Government Pensions Administration Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
1 180	1 180	1 180	458.6	0.4	1 180	513.6	0.4	1 180	525.5	0.4	1 180	558.2	0.5	1 180	591.5	0.5	4.8%	100.0%	
Salary level																			
1 – 6	694	694	694	149.5	0.2	694	157.4	0.2	694	160.0	0.2	694	167.3	0.2	694	176.0	0.3	3.8%	58.8%
7 – 10	362	362	362	179.9	0.5	362	220.2	0.6	362	226.1	0.6	362	242.5	0.7	362	257.0	0.7	5.3%	30.7%
11 – 12	82	82	82	75.9	0.9	82	79.4	1.0	82	80.0	1.0	82	85.2	1.0	82	90.9	1.1	4.6%	6.9%
13 – 16	42	42	42	53.4	1.3	42	56.6	1.3	42	59.4	1.4	42	63.2	1.5	42	67.7	1.6	6.2%	3.6%

1. Rand million.

Government Technical Advisory Centre

Mandate

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

Selected performance indicators

Table 7.71 Government Technical Advisory Centre performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Number of technical advisory projects supported per year	Technical and professional services	Outcome 12: An efficient, effective and development oriented public service	100	135	84	120	140	160	160
Number of transactional advisory projects supported per year	Technical and professional services	Outcome 4: Decent employment through inclusive growth	-1	10	12	15	17	19	19
Number of capital project appraisals conducted on behalf of National Treasury per year	Technical and professional services		3	16	10	10	10	10	10
Number of expenditure reviews conducted per year	Technical and professional services	Outcome 12: An efficient, effective and development oriented public service	-1	5	10	10	10	10	10
Number of other specialised procurement projects supported per year	Technical and professional services		-1	-1	10	10	10	10	10

1. No historical data available.

Expenditure analysis

Over the medium term, the Government Technical Advisory Centre intends to continue focusing on providing advisory services to government departments and other organs of state, and on implementing the Jobs Fund. The fund has become operational and aims to create 150 000 sustainable job opportunities over the MTEF period through support for initiatives that generate employment in innovative ways. These objectives are in line with the NDP's vision of increasing employment and outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework.

The centre's municipal finance improvement programme assists municipalities in building their financial, administrative and management capacities through the provision of long-term technical advisers. The centre's allocation for this programme is expected to increase at an average annual rate of 8 per cent, from R125.7 million in 2017/18 to R156.7 million in 2020/21, to intensify government's provision of services. The centre uses consultants for a broad spectrum of technical support services, including management consulting, public finance management, programme and project management support, strategic planning and management, ICT project support, specialised procurement support, infrastructure advisory support and policy costing support. Technical advisers will continue to be contracted for specific assignments over the MTEF period.

Due to administrative changes to the independent power producer procurement programme and the neighbourhood development programme, expenditure on consultants decreased from R305 million in 2016/17 to R261 million in 2017/18. However, expenditure on consultants is expected to increase at an average annual rate of 6 per cent, from R261 million in 2017/18 to R286 million in 2020/21, due to the increase in the number of projects and need for the expertise provided by the consultants. Spending on consultants is expected to account for 90 per cent (R351 million) of spending on goods and services over the medium term.

As at 31 October 2017, the centre had 124 filled and 25 vacant posts. This is expected to remain constant over the MTEF period. Spending on compensation of employees is expected to increase at an average annual rate of 7.5 per cent, from R110.7 million in 2017/18 to R137.8 million in 2020/21. The centre generates its revenue through transfers from the department, costs recovered for professional services provided to the state, donor funding and interest. Total revenue is expected to increase at an average annual rate of 5.7 per cent, from R415 million in 2017/18 to R490.4 million in 2020/21.

Programmes/objectives/activities

Table 7.72 Government Technical Advisory Centre expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18 - 2020/21	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 thousand											
Administration	11 199	25 786	40 587	78 829	91.6%	9.6%	90 916	97 991	110 275	11.8%	20.6%
Technical and professional services	220 765	146 214	132 887	125 399	-17.2%	36.4%	138 530	135 452	129 925	1.2%	29.0%
Project management unit (Jobs fund, municipal finance improvement programme)	91 671	157 592	242 591	210 782	32.0%	43.3%	225 331	236 837	250 205	5.9%	50.4%
Independent power producer Procurement programme account	241 891	–	–	–	-100.0%	10.7%	–	–	–	–	–
Total	565 526	329 592	416 065	415 010	-9.8%	100.0%	454 777	470 280	490 405	5.7%	100.0%

Statements of historical financial performance and position**Table 7.73 Government Technical Advisory Centre statements of historical financial performance and position**

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Revenue									
Non-tax revenue	–	646 725	954 856	257 331	275 832	324 637	803 292	296 165	75.0%
Sale of goods and services other than capital assets	–	608 777	954 656	232 499	246 764	296 276	524 132	288 165	82.6%
<i>of which:</i>									
Administrative fees	–	608 777	913 658	156 880	130 793	231 138	72 035	211 475	108.2%
Sales by market establishment	–	–	–	75 619	115 971	65 138	452 097	76 690	38.3%
Other sales	–	–	40 998	–	–	–	–	–	–
Other non-tax revenue	–	37 948	200	24 832	29 068	28 361	279 160	8 000	32.1%
Transfers received	–	139 499	995 564	140 485	305 295	125 714	363 335	118 845	31.5%
Total revenue	–	786 224	1 950 420	397 816	581 127	450 351	1 166 627	415 010	55.4%
Expenses									
Current expenses	–	565 526	464 489	329 592	868 911	415 615	1 134 942	414 920	69.9%
Compensation of employees	–	35 061	99 435	62 861	100 101	90 554	110 981	110 742	96.4%
Goods and services	–	530 439	362 333	266 474	768 658	322 904	1 021 301	301 518	66.0%
Depreciation	–	25	2 721	257	152	2 157	2 660	2 660	92.2%
Transfers and subsidies	–	–	1 485 931	–	–	450	90	90	0.0%
Total expenses	–	565 526	1 950 420	329 592	868 911	416 065	1 135 032	415 010	43.7%
Surplus/(Deficit)	–	220 698	–	68 224	(287 784)	34 286	31 595	–	–
Statement of financial position									
Carrying value of assets	–	306	–	5 552	3 970	4 427	5 074	5 074	169.8%
<i>of which:</i>									
Acquisition of assets	–	(330)	–	(5 504)	(575)	(1 053)	(3 740)	(3 740)	246.3%
Receivables and prepayments	–	13 567	3 433	9 450	4 245	15 834	11 662	22 155	315.4%
Cash and cash equivalents	–	1 151 873	23 962	872 582	723 908	554 517	719 255	426 932	204.9%
Total assets	–	1 165 746	27 395	887 584	732 123	574 778	735 991	454 161	206.1%
Accumulated surplus/(deficit)	–	816 869	250	181 218	468 266	215 504	497 334	215 504	148.0%
Capital reserve fund	–	–	–	–	–	–	54 232	54 232	100.0%
Borrowings	–	–	–	–	–	2 021	–	–	–
Accrued interest	–	58 130	–	–	–	–	–	–	–
Trade and other payables	–	289 455	27 145	704 264	262 221	353 285	182 664	182 664	324.1%
Provisions	–	1 292	–	2 102	1 636	3 968	1 761	1 761	268.6%
Total equity and liabilities	–	1 165 746	27 395	887 584	732 123	574 778	735 991	454 161	206.1%

Statements of estimates of financial performance and position**Table 7.74 Government Technical Advisory Centre statements of estimates of financial performance and position**

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	296 165	-22.9%	72.6%	359 159	373 792	388 407	9.5%	77.3%
Sale of goods and services other than capital assets	288 165	-22.1%	67.8%	342 159	354 792	369 407	8.6%	73.9%
<i>of which:</i>								
Administrative fees	211 475	-29.7%	54.8%	226 391	237 997	251 365	5.9%	50.7%
Sales by market establishment	76 690	–	13.0%	115 768	116 795	118 042	15.5%	23.2%
Other non-tax revenue	8 000	-40.5%	4.8%	17 000	19 000	19 000	33.4%	3.4%
Transfers received	118 845	-5.2%	27.4%	95 618	96 488	101 998	-5.0%	22.7%
Total revenue	415 010	-19.2%	100.0%	454 777	470 280	490 405	5.7%	100.0%
Expenses								
Current expenses	414 920	-9.8%	100.0%	454 681	470 180	490 299	5.7%	100.0%
Compensation of employees	110 742	46.7%	18.4%	123 540	130 455	137 764	7.5%	27.4%
Goods and services	301 518	-17.2%	81.2%	328 675	339 027	351 813	5.3%	72.2%
Depreciation	2 660	373.9%	0.3%	2 466	698	722	-35.3%	0.4%
Transfers and subsidies	90	–	0.0%	96	100	106	5.4%	0.0%
Total expenses	415 010	-9.8%	100.0%	454 777	470 280	490 405	5.7%	100.0%
Surplus/(Deficit)	–	–	–	–	–	–	–	–
Statement of financial position								
Carrying value of assets	5 074	155.0%	0.6%	2 875	5 800	6 400	8.0%	1.1%
<i>of which:</i>								
Acquisition of assets	(3 740)	124.6%	-0.4%	(245)	(250)	(250)	-59.4%	-0.2%
Receivables and prepayments	22 155	17.8%	2.5%	28 667	38 981	46 297	27.8%	7.3%
Cash and cash equivalents	426 932	-28.2%	96.9%	443 042	445 626	399 019	-2.2%	91.6%
Total assets	454 161	-27.0%	100.0%	474 584	490 407	451 716	-0.2%	100.0%
Accumulated surplus/(deficit)	215 504	-35.9%	43.9%	215 504	215 504	215 504	–	46.1%
Capital reserve fund	54 232	–	3.0%	70 090	84 430	46 300	-5.1%	13.5%
Trade and other payables	182 664	-14.2%	51.5%	187 099	188 450	187 788	0.9%	39.9%
Provisions	1 761	10.9%	0.4%	1 891	2 023	2 124	6.4%	0.4%
Total equity and liabilities	454 161	-27.0%	100.0%	474 584	490 407	451 716	-0.2%	100.0%

Personnel information

Table 7.75 Government Technical Advisory Centre 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	Government Technical Advisory Centre	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			
Salary level	149	149	149	90.6	0.6	149	110.7	0.7	149	123.5	0.8	149	130.5	0.9	149	137.8	0.9	7.5%	100.0%	
7 – 10	47	47	47	14.4	0.3	47	18.4	0.4	47	22.8	0.5	47	23.9	0.5	47	25.3	0.5	11.2%	31.5%	
11 – 12	49	49	49	28.3	0.6	49	35.5	0.7	49	39.7	0.8	49	42.0	0.9	49	44.3	0.9	7.7%	32.9%	
13 – 16	53	53	53	47.8	0.9	53	56.8	1.1	53	61.1	1.2	53	64.5	1.2	53	68.1	1.3	6.2%	35.6%	

1. Rand million.

Independent Regulatory Board for Auditors

Mandate

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

Selected performance indicators

Table 7.76 Independent Regulatory Board for Auditors performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of complaints initiated per year	Legal	Outcome 11: Create a better South Africa, a better Africa and a better world	95	95	95	-1	-1	-1	-1
Number of complaints closed per year	Legal		67	65	65	-1	-1	-1	-1
Number of disciplinary hearings conducted per year	Legal		4	6	3	-1	-1	-1	-1
Number of planned inspections completed per year: Firms	Inspections		37	20	25	-1	-1	-1	-1
Number of planned inspections completed per year: Engagements	Inspections		384	237	251	-1	-1	-1	-1
Number of registered auditors per year	Registry	Outcome 6: An efficient, competitive and responsive economic infrastructure network	4 311	4 359	4 480	-1	-1	-1	-1
Number of registered auditors approved to issue broad-based black economic empowerment certificates per year	Registry		268	268	268	-1	-1	-1	-1
Percentage of monitoring visits completed in accordance with the monitoring plan approved by the auditing development committee on a quarterly basis per year	Education		-2	-2	-2	90%	90%	90%	90%
Percentage of inspections completed in accordance with the inspection plan per year	Inspections	Outcome 11: Create a better South Africa, a better Africa and a better world	-2	-2	-2	85%	85%	85%	85%
Percentage of complaints closed within 18 months of receipt of complaint per year	Investigations		-2	-2	-2	80%	80%	80%	80%
Percentage of target dates met for issuing audit pronouncements, audit reports and comment letters, as per the committee for accounting standard project timetable adjusted on a quarterly basis per year	Standards		-2	-2	-2	85%	85%	85%	85%

1. Indicator discontinued.

2. No historical data available.

Expenditure analysis

The Independent Regulatory Board for Auditors continues to focus on being a world class setter of standards. Its status as a premier regulator was confirmed by the World Economic Forum's ranking of South Africa as number 1 out of 148 countries for its auditing standards in the period between 2010 and 2015. The board continues to strengthen the quality of financial reporting in the country, contributing to investor confidence, and enhancing the environment in which the business sector operates.

The board's work is in line with the NDP's vision of providing greater policy and regulatory certainty to investors, and outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium-term strategic framework.

Over the medium term, the board intends to continue protecting the financial interests of the public by ensuring that only suitably qualified individuals are admitted to the auditing profession, and that registered auditors deliver services of the highest quality and adhere to the highest ethical standards through reviews, on-site visits and remedial action. The board plans to continue developing and maintaining relationships with universities, audit firms, professional bodies and other regulators to enhance performance, accountability and public confidence.

Spending on goods and services is expected to increase at an average annual rate of 5.7 per cent, from R34.9 million in 2017/18 to R41.2 million in 2020/21, and comprises 30 per cent of the board's total expenditure. No spending on consultant services is projected over the medium term as the board aims to recruit permanent staff to fill positions for audit specialists and investigators for work it had previously contracted out. Accordingly, spending on compensation of employees is expected to increase at an average annual rate of 7.2 per cent, from R79.2 million in 2017/18 to R97.5 million in 2020/21, accounting for 68.5 per cent of total expenditure. As at 31 October 2017, the board had 89 filled and 3 vacant posts. Total expenditure is expected to increase at an average annual rate of 6.5 per cent, from R116.2 million in 2017/18 to R140.4 million in 2020/21.

The board anticipates receiving 39.1 per cent of its revenue over the medium term through transfers from the department, projected at R40.9 million in 2018/19, R43.2 million in 2019/20 and R45.5 million in 2020/21. Other revenue is generated from the registration of auditors and trainees, annual renewal charges, and fees for the inspection of registered auditors. Revenue is expected to increase at an average annual rate of 4.7 per cent, from R112.3 million in 2017/18 to R129.1 million in 2020/21.

Programmes/objectives/activities

Table 7.77 Independent Regulatory Board for Auditors expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	30 149	31 948	37 972	39 724	9.6%	34.4%	41 833	43 868	46 342	5.3%	33.3%
Legal	18 101	18 829	13 172	14 029	-8.1%	16.1%	15 651	16 594	16 122	4.7%	12.1%
Education	12 715	8 250	6 190	8 421	-12.8%	9.0%	9 973	10 487	11 140	9.8%	7.7%
Inspections	19 272	20 442	25 137	29 351	15.1%	23.0%	29 252	31 258	33 664	4.7%	23.9%
Investigations	1 745	6 592	10 761	13 641	98.5%	7.7%	18 705	18 955	20 285	14.1%	13.8%
Standards	9 277	9 401	9 903	11 059	6.0%	9.8%	11 179	12 057	12 860	5.2%	9.1%
Total	91 259	95 462	103 135	116 225	8.4%	100.0%	126 593	133 219	140 413	6.5%	100.0%

Statements of historical financial performance and position

Table 7.78 Independent Regulatory Board for Auditors statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average: Outcome/ Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17	Budget estimate	2017/18	
Revenue									
Non-tax revenue	56 385	64 164	56 098	62 296	68 617	69 746	74 131	72 710	105.4%
Sale of goods and services other than capital assets	49 079	55 033	51 199	57 573	66 043	65 078	70 878	69 237	104.1%
<i>of which:</i>									
Administrative fees	1 385	1 702	1 671	5 118	1 680	2 820	1 680	3 220	200.4%
Sales by market establishment	47 694	53 331	49 528	52 455	64 363	62 258	69 198	66 017	101.4%
Other non-tax revenue	7 306	9 131	4 899	4 723	2 574	4 668	3 253	3 473	122.0%
Transfers received	34 577	34 577	29 999	29 999	28 978	28 978	39 624	39 624	100.0%
Total revenue	90 962	98 741	86 097	92 295	97 595	98 724	113 755	112 334	103.5%

Table 7.78 Independent Regulatory Board for Auditors statements of historical financial performance and position

Statement of financial performance									Average:
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget (%)
R thousand	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Expenses									
Current expenses	90 962	91 259	97 517	95 462	112 177	103 135	119 079	116 225	96.7%
Compensation of employees	51 740	50 935	62 996	59 784	73 012	72 461	78 902	79 225	98.4%
Goods and services	36 724	38 764	31 639	33 948	36 998	28 922	38 010	34 854	95.2%
Depreciation	2 498	1 560	2 882	1 730	2 167	1 752	2 167	2 146	74.0%
Total expenses	90 962	91 259	97 517	95 462	112 177	103 135	119 079	116 225	96.7%
Surplus/(Deficit)	-	7 482	(11 420)	(3 167)	(14 582)	(4 411)	(5 324)	(3 891)	
Statement of financial position									
Carrying value of assets	4 979	6 307	7 294	6 078	3 586	5 381	3 689	4 667	114.8%
<i>of which:</i>									
Acquisition of assets	(1 637)	(1 050)	(1 119)	(1 533)	(1 119)	(1 132)	(1 119)	(1 549)	105.4%
Investments	-	-	-	70	-	72	-	-	-
Inventory	150	158	167	192	173	157	173	198	106.4%
Receivables and prepayments	2 100	4 575	6 488	4 156	2 185	5 121	2 345	2 771	126.7%
Cash and cash equivalents	21 388	38 092	24 433	33 236	10 645	30 617	-	7 648	194.1%
Non-current assets held for sale	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	100.0%
Total assets	38 617	59 132	48 382	53 732	26 589	51 348	16 207	25 284	146.0%
Accumulated surplus/(deficit)	7 531	25 180	12 818	22 143	-	16 670	-	12 779	377.3%
Capital and reserves	26 682	27 575	26 872	27 443	21 436	28 505	10 608	10 000	109.3%
Borrowings	-	-	-	-	-	-	126	-	-
Trade and other payables	4 404	6 377	8 692	4 146	5 153	6 173	5 473	2 505	80.9%
Total equity and liabilities	38 617	59 132	48 382	53 732	26 589	51 348	16 207	25 284	146.0%

Statements of estimates of financial performance and position**Table 7.79 Independent Regulatory Board for Auditors statements of estimates of financial performance and position**

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R thousand	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	72 710	4.3%	67.0%	75 625	79 227	83 538	4.7%	64.8%
Sale of goods and services other than capital assets	69 237	8.0%	61.4%	71 818	76 567	81 609	5.6%	62.3%
<i>of which:</i>								
Administrative fees	3 220	23.7%	3.2%	3 120	3 313	3 519	3.0%	2.7%
Sales by market establishment	66 017	7.4%	58.2%	68 698	73 254	78 090	5.8%	59.5%
Other non-tax revenue	3 473	-27.5%	5.5%	3 807	2 660	1 929	-17.8%	2.5%
Transfers received	39 624	4.6%	33.0%	40 874	43 163	45 537	4.7%	35.2%
Total revenue	112 334	4.4%	100.0%	116 499	122 390	129 075	4.7%	100.0%
Expenses								
Current expenses	116 225	8.4%	100.0%	126 593	133 219	140 413	6.5%	100.0%
Compensation of employees	79 225	15.9%	64.2%	86 145	91 042	97 543	7.2%	68.5%
Goods and services	34 854	-3.5%	34.0%	38 597	40 483	41 176	5.7%	30.0%
Depreciation	2 146	11.2%	1.8%	1 851	1 694	1 694	-7.6%	1.4%
Total expenses	116 225	8.4%	100.0%	126 593	133 219	140 413	6.5%	100.0%
Surplus/(Deficit)	(3 891)			(10 094)	(10 829)	(11 338)		
Statement of financial position								
Carrying value of assets	4 667	-9.6%	12.7%	6 363	8 086	9 944	28.7%	33.0%
<i>of which:</i>								
Acquisition of assets	(1 549)	13.8%	-3.2%	(3 546)	(1 300)	(4 150)	38.9%	-12.1%
Inventory	198	7.8%	0.4%	198	198	198	-	0.9%
Receivables and prepayments	2 771	-15.4%	9.1%	2 824	2 994	3 181	4.7%	13.3%
Cash and cash equivalents	7 648	-41.4%	54.0%	-	-	-	-100.0%	7.6%
Non-current assets held for sale	10 000	-	23.6%	10 000	10 000	10 000	-	45.3%
Total assets	25 284	-24.7%	100.0%	19 385	21 278	23 323	-2.7%	100.0%
Accumulated surplus/(deficit)	12 779	-20.2%	41.7%	2 685	(8 144)	(19 482)	-215.1%	-18.7%
Capital and reserves	10 000	-28.7%	48.2%	10 000	10 000	10 000	-	49.1%
Borrowings	-	-	-	2 934	10 068	21 810	-	44.4%
Trade and other payables	2 505	-26.8%	10.1%	2 718	7 199	7 672	45.2%	25.2%
Total equity and liabilities	25 284	-24.7%	100.0%	18 337	19 123	20 000	-7.5%	100.0%

Personnel information

Table 7.80 Independent Regulatory Board for Auditors 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	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost	
Independent Regulatory Board for Auditors		89	92	85	72.5	0.9	86	79.2	0.9	88	86.1	1.0	88	91.0	1.0	88	97.5	1.1	7.2%	100.0%
Salary level																				
1 – 6	12	12	10	1.5	0.1	11	1.8	0.2	8	1.3	0.2	8	1.4	0.2	7	1.3	0.2	-10.4%	9.7%	
7 – 10	29	30	28	12.1	0.4	29	12.6	0.4	29	12.3	0.4	28	12.3	0.4	27	12.0	0.4	-1.6%	32.3%	
11 – 12	13	13	12	11.4	1.0	4	4.2	1.1	1	0.8	0.8	2	1.5	0.8	4	3.1	0.8	-10.1%	3.2%	
13 – 16	32	34	32	39.2	1.2	39	53.1	1.4	44	56.3	1.3	43	57.3	1.3	43	61.4	1.4	5.0%	48.3%	
17 – 22	3	3	3	8.3	2.8	3	7.6	2.5	6	15.5	2.6	7	18.5	2.6	7	19.8	2.8	37.6%	6.6%	

1. Rand million.

Office of the Ombud for Financial Services Providers

Mandate

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

Selected performance indicators

Table 7.81 Office of the Ombud for Financial Services Providers performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of cases registered per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers	Outcome 11: Create a better South Africa, a better Africa and a better world	9 003	9 891	10 846	-1	-1	-1	-1
Number of cases justiciable per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		3 699	4 263	5 630	-1	-1	-1	-1
Number of cases settled per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		614	1 544	1 005	-1	-1	-1	-1
Number of cases dismissed per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		2 496	3 409	5 183	-1	-1	-1	-1
Number of cases referred to other forums per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		4 524	4 706	4 769	-1	-1	-1	-1
Number of determinations issued (including complaints received in previous years but determined in the financial year) per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		24	24	26	-1	-1	-1	-1
Number of cases carried over per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		1 369	1 810	1 991	-1	-1	-1	-1
Percentage of satisfied customers as measured on returned customer survey forms per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		-2	-2	-2	-2	80%	80%	80%
Percentage of closed complaints within 9 months of date of receipt of complaint per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		-2	-2	-2	-2	85%	85%	85%
Percentage of complaints responded to within 7 days of date of receipt of complain per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		-2	-2	-2	-2	80%	80%	80%

1. Indicator discontinued.

2. No historical data available.

Expenditure analysis

In line with outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium term strategic framework, the Office of the Ombud for Financial Services Providers promotes consumer protection and enhances the integrity of the financial services industry through resolving complaints impartially, expeditiously and economically.

The financial sector plays a vital role in the economic life and transformation of the country, making it possible for people to undertake financial transactions, save and preserve their wealth to meet future aspirations and retirement needs, and insure against personal disaster. Over the medium term, the office intends to focus on

providing quality customer services by attending to clients' complaints or cases in line with the set performance targets; strengthening its organisational capacity through the appointment of additional staff; and communicating with government, business, clients and regulators to maintain good relations.

The office's total expenditure is expected to increase at an average annual rate of 8.8 per cent, from R48.1 million in 2017/18 to R61.9 million in 2020/21. Spending on goods and services is expected to increase from R15.1 million in 2017/18 to R19.8 million in 2020/21, accounting for approximately 32 per cent of total expenditure. The main cost drivers are lease payments, consultants, and staff training and development.

Over the medium term, the office's staff complement is expected to increase from 78 in 2017/18 to 84 in 2020/21 due to operational requirements mainly relating to increases in the volume of complaints received. Spending on compensation of employees accounts for 66 per cent of total expenditure and is expected to increase at an average annual rate of 8.6 per cent, from R31.9 million in 2017/18 to R40.9 million in 2020/21, due to adjustments related to increases in the cost of living.

Revenue is generated from levies charged to financial services providers and collected by the Financial Services Board on behalf of the ombud. Revenue is expected to increase at an average annual rate of 8.9 per cent, from R48 million in 2017/18 to R61.9 million in 2020/21, mainly due to the cash surplus retained from 2016/17.

Programmes/objectives/activities

Table 7.82 Office of the Ombud for Financial Service Providers expenditure trends and estimates by programme/objective/activity

	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand												
Administration	14 872	15 768	19 917	20 613	20 613	11.5%	42.9%	24 708	26 523	28 024	10.8%	44.8%
Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers	18 319	19 912	24 409	24 905	24 905	10.8%	52.8%	26 751	28 746	30 886	7.4%	50.1%
Enhanced stakeholder management	1 049	1 517	2 228	2 549	2 549	34.4%	4.3%	2 699	2 858	3 025	5.9%	5.0%
Total	34 240	37 197	46 554	48 067	48 067	12.0%	100.0%	54 158	58 127	61 935	8.8%	100.0%

Statements of historical financial performance and position

Table 7.83 Office of the Ombud for Financial Service Providers statements of historical financial performance and position

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
R thousand									
Revenue									
Non-tax revenue									
Sale of goods and services other than capital assets		24		16		9			
of which:									
Administrative fees		24		16		9			
Transfers received	31 771	35 798	43 423	43 423	39 128	39 128	48 120	47 981	102.4%
Total revenue	31 771	35 822	43 423	43 439	39 128	39 137	48 120	47 981	102.4%
Expenses									
Current expenses	37 302	34 240	44 230	37 197	44 795	46 554	48 120	48 067	95.2%
Compensation of employees	25 820	22 630	26 020	24 537	28 258	29 264	30 293	31 925	98.2%
Goods and services	10 427	10 685	17 161	11 730	15 454	16 404	16 678	15 122	90.3%
Depreciation	999	880	1 014	895	1 061	864	1 127	1 014	87.0%
Interest, dividends and rent on land	56	45	35	35	22	22	22	6	80.0%
Total expenses	37 302	34 240	44 230	37 197	44 795	46 554	48 120	48 067	95.2%
Surplus/(Deficit)	(5 531)	1 582	(807)	6 242	(5 667)	(7 417)	-	(86)	
Statement of financial position									
Carrying value of assets	2 530	2 189	3 629	1 953	4 445	1 904	4 320	3 635	64.9%
of which:									
Acquisition of assets	(1 484)	(795)	(2 454)	(675)	(3 554)	(824)	(1 100)	(3 678)	69.5%
Receivables and prepayments	472	2 617	725	8 918	777	819	825	774	469.0%
Cash and cash equivalents	79	211	222	250	266	1 960	282	94	296.2%
Total assets	3 081	5 017	4 576	11 121	5 488	4 683	5 427	4 503	136.4%
Accumulated surplus/(deficit)	1 153	2 893	2 086	9 134	3 467	1 717	3 467	1 631	151.1%
Finance lease	233	233	157	157	95	68	330	-	56.2%
Trade and other payables	924	1 122	1 524	1 114	1 165	1 514	822	1 243	112.6%
Provisions	771	741	780	621	660	925	701	1 086	115.8%
Derivatives financial instruments	-	28	29	95	101	459	107	543	474.7%
Total equity and liabilities	3 081	5 017	4 576	11 121	5 488	4 683	5 427	4 503	136.4%

Statements of estimates of financial performance and position

Table 7.84 Office of the Ombud for Financial Service Providers 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	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R thousand								
Revenue								
Transfers received	47 981	10.3%	100.0%	54 158	58 127	61 935	8.9%	100.0%
Total revenue	47 981	10.2%	100.0%	54 158	58 127	61 935	8.9%	100.0%
Expenses								
Current expenses	48 067	12.0%	100.0%	54 158	58 127	61 935	8.8%	100.0%
Compensation of employees	31 925	12.2%	65.3%	35 653	38 186	40 898	8.6%	66.0%
Goods and services	15 122	12.3%	32.4%	17 427	18 803	19 837	9.5%	32.0%
Depreciation	1 014	4.8%	2.2%	1 072	1 132	1 194	5.6%	2.0%
Interest, dividends and rent on land	6	-48.9%	0.1%	6	6	6	-	0.0%
Total expenses	48 067	12.0%	100.0%	54 158	58 127	61 935	8.8%	100.0%
Surplus/(Deficit)	(86)			-	-	-		
Statement of financial position								
Carrying value of assets	3 635	18.4%	45.6%	3 861	4 100	4 355	6.2%	80.9%
of which:								
Acquisition of assets	(3 678)	66.6%	-30.3%	(1 419)	(1 507)	(1 601)	-24.2%	-42.7%
Receivables and prepayments	774	-33.4%	41.8%	822	873	927	6.2%	17.2%
Cash and cash equivalents	94	-23.6%	12.6%	94	94	94	-	1.9%
Total assets	4 503	-3.5%	100.0%	4 777	5 067	5 376	6.1%	100.0%
Accumulated surplus/(deficit)	1 631	-17.4%	53.2%	1 631	1 631	1 631	-	33.2%
Trade and other payables	1 243	3.5%	23.1%	1 416	1 599	1 794	13.0%	30.5%
Provisions	1 086	13.6%	16.1%	1 153	1 224	1 300	6.2%	24.1%
Derivatives financial instruments	543	168.7%	5.8%	577	613	651	6.2%	12.1%
Total equity and liabilities	4 503	-3.5%	100.0%	4 777	5 067	5 376	6.1%	100.0%

Personnel information

Table 7.85 Office of the Ombud for Financial Services Providers 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	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Office of the Ombud for Financial Services Providers																			
Salary level	78	78	73	29.3	0.4	78	31.9	0.4	82	35.7	0.4	83	38.2	0.5	84	40.9	0.5	8.6%	100.0%
1 – 6	28	28	26	3.9	0.2	28	4.6	0.2	28	4.9	0.2	28	5.2	0.2	28	5.5	0.2	5.8%	34.3%
7 – 10	41	41	37	14.5	0.4	41	16.9	0.4	44	19.0	0.4	45	20.6	0.5	46	22.2	0.5	9.6%	53.8%
11 – 12	5	5	6	4.6	0.8	5	4.1	0.8	6	5.1	0.8	6	5.4	0.9	6	5.7	0.9	11.5%	7.0%
13 – 16	3	3	3	3.5	1.2	3	3.7	1.2	3	3.9	1.3	3	4.1	1.4	3	4.4	1.5	5.9%	3.7%
17 – 22	1	1	1	2.7	2.7	1	2.6	2.6	1	2.8	2.8	1	3.0	3.0	1	3.1	3.1	6.0%	1.2%

1. Rand million.

Office of the Pension Funds Adjudicator

Mandate

The mandate of the Office of the Pension Funds Adjudicator is to investigate and determine complaints lodged in terms of the Pension Funds Act (1956). The office's mandate became effective in January 1998. To achieve its mandate, the office is required to ensure a procedurally fair, economical and expeditious resolution of complaints in terms of the act by ensuring that its services are accessible to all; investigating complaints in a procedurally fair manner; reaching a just and expeditious resolution of complaints in accordance with the law; incorporating innovation and proactive thought and action in its activities; and providing opportunities for individual growth. The office has jurisdiction only over funds that are registered under the Pension Funds Act (1956).

Selected performance indicators**Table 7.86 Office of the Pension Funds Adjudicator performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of complaints disposed of through determinations, conciliation and settlements per year	Dispose of complaints received	Outcome 12: An efficient, effective and development oriented public service	4 351	3 840	3 840	-1	-1	-1	-1
Percentage of valid complaints resolved within 9 months of lodging complaints per year	Dispose of complaints received		95% (4 134/ 4 351)	95% (3 648/ 3 840)	95% (3 648/ 3 840)	95%	95%	95%	95%

1. Indicator discontinued.

Expenditure analysis

Through its work, the Office of the Pension Funds Adjudicator contributes to the NDP's vision of building a capable and developmental state, and supports outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework.

Over the MTEF period, the office aims to reduce turnaround times in dealing with complaints by providing training to staff, implementing a case management system for the processing of complaints and improving its IT system. Total expenditure is expected to increase at an average annual rate of 9.9 per cent, from R57.9 million in 2017/18 to R76.8 million in 2020/21. Spending on goods and services is expected to increase at an average annual rate of 15.1 per cent, from R20.2 million in 2017/18 to R30.8 million in 2020/21, driven mainly by office lease rentals, audit fees, legal fees and computer services.

The office's staff complement is expected to increase from 52 in 2017/18 to 60 in 2020/21, with the planned appointment of 2 permanent team leaders in 2018/19 to add to operational efficiencies. As a result, spending on compensation of employees is expected to increase at an average annual rate of 7.9 per cent, from R33.9 million 2017/18 to R42.6 million in 2020/21. The office generates its revenue from levies charged to financial services providers, collected by the Financial Services Board on behalf of the office. Revenue is expected to increase at an average annual rate of 8.9 per cent, from R59.3 million in 2017/18 to R76.7 million in 2020/21.

Programmes/objectives/activities**Table 7.87 Office of the Pension Funds Adjudicator expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 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		
Administration	4 650	4 995	5 915	7 421	16.9%	11.2%	7 887	8 390	8 937	6.4%	12.0%
Dispose of complaints received	38 906	40 603	42 852	41 389	2.1%	80.8%	53 544	60 132	64 124	15.7%	79.8%
Achieve operational excellence	2 152	1 684	2 471	8 386	57.4%	6.9%	3 949	2 768	2 947	-29.4%	7.0%
Effective stakeholder relationships	369	501	752	752	26.8%	1.1%	853	784	834	3.5%	1.2%
Total	46 077	47 783	51 990	57 948	7.9%	100.0%	66 233	72 074	76 842	9.9%	100.0%

Statements of historical financial performance and position**Table 7.88 Office of the Pension Funds Adjudicator statements of historical financial performance and position**

Statement of financial performance										Average: Outcome/Budget (%) 2014/15 - 2017/18
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate		
	Budget	2014/15	Budget	2015/16	Budget	2016/17				2017/18
Revenue										
Non-tax revenue	10	11	10	20	10	10	14	14		125.0%
Other non-tax revenue	10	11	10	20	10	10	14	14		125.0%
Transfers received	44 308	43 769	47 137	47 137	52 316	52 316	59 286	59 286		99.7%
Total revenue	44 318	43 780	47 147	47 157	52 326	52 326	59 300	59 300		99.7%
Expenses										
Current expenses	46 905	46 077	51 807	47 783	56 710	51 990	60 407	57 948		94.4%
Compensation of employees	26 671	26 079	28 847	26 914	33 141	29 112	36 179	33 877		92.9%
Goods and services	15 908	16 979	18 520	17 487	19 669	19 334	20 268	20 171		99.5%
Depreciation	4 326	3 019	4 440	3 382	3 900	3 544	3 960	3 900		83.3%
Total expenses	46 905	46 077	51 807	47 783	56 710	51 990	60 407	57 948		94.4%
Surplus/(Deficit)	(2 587)	(2 297)	(4 660)	(626)	(4 384)	336	(1 107)	1 352		

Table 7.88 Office of the Pension Funds Adjudicator statements of historical financial performance and position

Statement of financial position										Average: Outcome/ Budget (%)
R thousand	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate		
Carrying value of assets	9 283	8 639	7 755	7 945	6 229	5 581	4 769	4 769	96.1%	
<i>of which:</i>										
Acquisition of assets	(3 000)	(2 181)	(3 585)	(2 415)	(2 450)	(1 180)	(2 500)	(1 180)	60.3%	
Receivables and prepayments	629	2 140	703	1 894	727	3 992	765	765	311.3%	
Cash and cash equivalents	1 000	1 371	500	1 573	500	1 998	500	500	217.7%	
Total assets	10 912	12 150	8 958	11 412	7 456	11 571	6 034	6 034	123.4%	
Accumulated surplus/(deficit)	8 927	8 511	4 005	8 271	3 619	8 604	2 514	2 514	146.3%	
Trade and other payables	788	2 329	3 577	1 730	2 355	1 485	1 964	1 964	86.5%	
Provisions	1 197	1 310	1 376	1 411	1 482	1 483	1 556	1 556	102.7%	
Total equity and liabilities	10 912	12 150	8 958	11 412	7 456	11 572	6 034	6 034	123.4%	

Statements of estimates of financial performance and position**Table 7.89 Office of the Pension Funds Adjudicator statements of estimates of financial performance and position**

Statement of financial performance										Average: Expenditure/ Total (%)
R thousand	2017/18		2014/15 - 2017/18		Medium-term estimate			2017/18 - 2020/21		
	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	2018/19			2019/20	2020/21	Average growth rate (%)	Average: Expenditure/ Total (%)
Revenue										
Non-tax revenue	14	8.4%	0.0%	15	16	18	8.7%	0.0%		
Other non-tax revenue	14	8.4%	0.0%	15	16	18	8.7%	0.0%		
Transfers received	59 286	10.6%	100.0%	65 485	71 974	76 634	8.9%	100.0%		
Total revenue	59 300	10.6%	100.0%	65 500	71 990	76 652	8.9%	100.0%		
Expenses										
Current expenses	57 948	7.9%	100.0%	66 233	72 074	76 842	9.9%	100.0%		
Compensation of employees	33 877	9.1%	56.8%	37 905	40 198	42 580	7.9%	56.7%		
Goods and services	20 171	5.9%	36.4%	23 732	28 876	30 753	15.1%	37.7%		
Depreciation	3 900	8.9%	6.8%	4 596	3 000	3 509	-3.5%	5.6%		
Total expenses	57 948	7.9%	100.0%	66 233	72 074	76 842	9.9%	100.0%		
Surplus/(Deficit)	1 352			(733)	(84)	(190)				
Statement of financial position										
Carrying value of assets	4 769	-18.0%	67.0%	3 769	2 769	2 921	-15.1%	57.9%		
<i>of which:</i>										
Acquisition of assets	(1 180)	-18.5%	-17.2%	(2 000)	(2 000)	(2 112)	21.4%	-29.3%		
Receivables and prepayments	765	-29.0%	20.3%	1 442	3 127	3 298	62.8%	33.9%		
Cash and cash equivalents	500	-28.6%	12.7%	500	500	527	1.8%	8.2%		
Total assets	6 034	-20.8%	100.0%	5 711	6 396	6 746	3.8%	100.0%		
Accumulated surplus/(deficit)	2 514	-33.4%	64.6%	2 016	2 515	2 652	1.8%	38.9%		
Trade and other payables	1 964	-5.5%	19.9%	2 062	2 166	2 285	5.2%	34.1%		
Provisions	1 556	5.9%	15.4%	1 633	1 715	1 809	5.2%	27.0%		
Total equity and liabilities	6 034	-20.8%	100.0%	5 711	6 396	6 746	3.8%	100.0%		

Personnel information**Table 7.90 Office of the Pension Funds Adjudicator 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												
Office of the Pension Funds Adjudicator		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Salary level	56	56	29.1	0.5	52	33.9	0.7	59	37.9	0.6	60	40.2	0.7	60	42.6	0.7	7.9%	100.0%	
1-6	1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	6.4%	1.7%	
7-10	31	31	9.4	0.3	30	9.6	0.3	32	10.4	0.3	32	11.1	0.3	32	11.7	0.4	6.6%	54.6%	
11-12	10	9	10	4.9	0.5	9	5.9	0.7	12	7.2	0.6	12	7.6	0.6	12	8.1	0.7	11.1%	19.4%
13-16	13	14	13	12.0	0.9	11	15.2	1.4	13	17.3	1.3	14	18.3	1.3	14	19.4	1.4	8.6%	22.5%
17-22	1	1	1	2.6	2.6	1	3.0	3.0	1	2.8	2.8	1	2.9	2.9	1	3.1	3.1	2.0%	1.7%

1. Rand million.

Public Investment Corporation

Mandate

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

Selected performance indicators

Table 7.91 Public Investment Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Value of net profit after tax per year	Investments	Outcome 11: Create a better South Africa, a better Africa and a better world	R330m	R424m	R533m	R441m	R388m	R427m	R451m
Total amount of funds under management per year	Investments		R1.8tr	R1.7tr	R1.9tr	R2tr	R2.1tr	R2.3tr	R2.4tr
Percentage contribution of assets under management towards education, health, housing, infrastructure and environmental sustainability per year	Investments		0.8% (R15.1bn)	2.5% (R63.7bn)	2.5% (R46bn)	2.6% (R48.4bn)	-1	-1	-1
Percentage increase in the African and offshore investment portfolios per year	Investments		15.3% (R14.3bn)	15.7% (R16.92bn)	13.8% (14.9bn)	14.5% (R15.6bn)	-1	-1	-1
Amount committed towards black economic empowerment development property investments (new developments, refurbishments and upgrades, and rural development investments) per year	Investments	Outcome 4: Decent employment through inclusive growth	R1.5bn	R2bn	R2bn	R2.5bn	-1	-1	-1

1. Indicator discontinued.

Expenditure analysis

The Public Investment Corporation makes investments through the Isibaya Fund under the guidance of the Government Employees Pension Fund's developmental investment framework, which requires a balance between financial returns and support for long-term economic, social and environmental outcomes. The corporation seeks to align its activities with the objectives of the NDP through investments that have significant social, economic and environmental benefits and, most importantly, create jobs. This is in line with outcome 4 (decent employment through inclusive growth) and outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium-term strategic framework.

The corporation's developmental investments are focused on economic infrastructure, social infrastructure, sustainability projects, enterprise development, and small, medium and micro enterprises (SMMEs) in manufacturing, tourism, mining and agro-processing. Over the medium term, the corporation plans to commit R9 billion towards development property investments including new developments, refurbishments and upgrades; and rural development investments. The value of African and offshore investments is expected to increase to R122.7 million in 2018/19, while contributions towards education, health, housing, infrastructure and environmental sustainability, SMMEs, and priority sector investments and transformation are expected to amount to R10 billion per year.

As the corporation intensifies its investment activities, the value of its assets is expected to increase from R2.2 billion in 2017/18 to R2.6 billion in 2020/21, necessitating the appointment of additional asset managers to strengthen capacity.

The corporation's total expenditure is expected to increase at an average annual rate of 5.4 per cent, from R1.2 billion in 2018/19 to R1.4 billion in 2020/21, mainly due to spending on compensation of employees and in goods and services. Spending on compensation of employees is expected to increase at an average annual rate of 5.4 per cent, from R728.1 million in 2017/18 to R851.7 million in 2020/21, accounting for a projected 61.8 per cent of total expenditure.

As at 31 October 2017, the corporation had 238 filled and 286 vacant posts. The number of personnel is

expected to remain constant at 392 over the MTEF period. The corporation derives its revenue mainly from fees for managing its clients' assets, including the Government Employees Pension Fund, and from interest received, board fees, and other income. Revenue is expected to increase at an average annual rate of 4.8 per cent, from R1.5 billion in 2017/18 to R1.8 billion in 2020/21, primarily due to the anticipated increase in management fees, growth in the equities portfolio, and the increase in assets under management for the consumer price index.

Programmes/objectives/activities

Table 7.92 Public Investment Corporation expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 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		
Administration	386 117	325 078	425 298	363 988	-1.9%	46.0%	380 731	405 099	427 379	5.5%	31.0%
Investments	328 189	399 125	368 942	798 045	34.5%	54.0%	867 358	915 930	933 090	5.3%	69.0%
Total	714 306	724 203	794 240	1 162 033	17.6%	100.0%	1 248 089	1 321 029	1 360 469	5.4%	100.0%

Statements of historical financial performance and position

Table 7.93 Public Investment Corporation statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17	2017/18		
Revenue									
Non-tax revenue	917 531	1 044 065	1 186 661	1 147 898	1 481 182	1 326 701	1 545 799	1 545 799	98.7%
Sale of goods and services other than capital assets	867 696	955 232	1 088 681	1 010 733	1 367 252	1 112 864	1 425 034	1 425 034	94.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	867 696	955 232	1 088 681	1 010 733	1 367 252	1 112 864	1 425 034	1 425 034	94.8%
Other non-tax revenue	49 835	88 833	97 980	137 165	113 930	213 837	120 765	120 765	146.6%
Total revenue	917 531	1 044 065	1 186 661	1 147 898	1 481 182	1 326 701	1 545 799	1 545 799	98.7%
Expenses									
Current expenses	782 332	585 114	874 171	563 198	973 091	584 213	1 023 718	1 080 724	77.0%
Compensation of employees	510 966	422 447	598 775	411 136	694 923	369 754	728 105	728 105	76.3%
Goods and services	250 598	152 972	252 598	129 263	248 529	204 008	262 917	319 923	79.5%
Depreciation	20 768	9 680	22 798	22 798	29 639	10 451	32 696	32 696	71.4%
Interest, dividends and rent on land	-	15	-	-	-	-	-	-	-
Total expenses	824 069	714 306	934 769	724 204	1 066 332	794 240	1 105 027	1 162 033	86.4%
Surplus/(Deficit)	93 462	329 759	251 892	423 694	414 850	532 461	440 772	383 766	
Statement of financial position									
Carrying value of assets	67 085	24 318	97 536	19 074	122 480	69 131	96 878	96 878	54.5%
<i>of which:</i>									
<i>Acquisition of assets</i>	(62 338)	(15 039)	(55 980)	(5 064)	(49 944)	(6 405)	(56 564)	(56 564)	36.9%
Investments	658 575	549 563	1 058 263	1 238 335	1 183 739	2 006 026	1 254 316	1 254 316	121.5%
Receivables and prepayments	72 308	154 125	105 828	122 199	112 124	79 493	118 796	118 796	116.0%
Cash and cash equivalents	489 592	829 443	465 183	605 521	561 371	403 189	732 736	732 736	114.3%
Taxation	57 818	83 491	7 158	89 821	7 586	107 878	8 039	8 039	358.8%
Total assets	1 345 378	1 640 940	1 733 968	2 074 950	1 987 300	2 665 717	2 210 765	2 210 765	118.1%
Accumulated surplus/(deficit)	637 386	998 078	1 227 649	1 309 585	1 467 411	1 666 267	1 676 491	1 676 491	112.8%
Capital and reserves	278 000	284 679	279 822	397 351	279 822	553 676	279 822	279 822	135.6%
Finance lease	-	294	27	595	24	744	22	22	2 267.1%
Trade and other payables	23 965	49 949	30 347	51 213	32 152	105 425	34 065	34 065	199.7%
Taxation	-	13 457	-	4 590	-	-	-	-	-
Provisions	406 027	294 483	196 123	311 616	207 891	339 605	220 365	220 365	113.2%
Total equity and liabilities	1 345 378	1 640 940	1 733 968	2 074 950	1 987 300	2 665 717	2 210 765	2 210 765	118.1%

Statements of estimates of financial performance and position

Table 7.94 Public Investment Corporation statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate							
R thousand	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	1 545 799	14.0%	100.0%	1 575 463	1 685 745	1 778 461	4.8%	100.0%
Sale of goods and services other than capital assets	1 425 034	14.3%	88.9%	1 447 451	1 548 773	1 633 955	4.7%	92.0%
of which:								
Sales by market establishment	1 425 034	14.3%	88.9%	1 447 451	1 548 773	1 633 955	4.7%	92.0%
Other non-tax revenue	120 765	10.8%	11.1%	128 012	136 973	144 506	6.2%	8.0%
Total revenue	1 545 799	14.0%	100.0%	1 575 463	1 685 745	1 778 461	4.8%	100.0%
Expenses								
Current expenses	1 080 724	22.7%	81.6%	1 116 083	1 181 630	1 213 403	3.9%	90.3%
Compensation of employees	728 105	19.9%	56.3%	761 599	807 294	851 696	5.4%	61.8%
Goods and services	319 923	27.9%	23.1%	320 284	338 220	323 606	0.4%	25.6%
Depreciation	32 696	50.0%	2.2%	34 200	36 115	38 101	5.2%	2.8%
Total expenses	1 162 033	17.6%	100.0%	1 248 089	1 321 028	1 360 468	5.4%	100.0%
Surplus/(Deficit)	383 766			327 374	364 717	417 993		
Statement of financial position								
Carrying value of assets	96 878	58.5%	2.3%	101 334	108 428	114 391	5.7%	4.4%
of which:								
Acquisition of assets	(56 564)	55.5%	-1.0%	(59 166)	(63 308)	(66 789)	5.7%	-2.6%
Investments	1 254 316	31.7%	56.3%	1 312 015	1 403 856	1 481 068	5.7%	56.7%
Receivables and prepayments	118 796	-8.3%	5.9%	124 261	132 959	140 272	5.7%	5.4%
Cash and cash equivalents	732 736	-4.0%	32.0%	766 442	820 093	865 198	5.7%	33.1%
Taxation	8 039	-54.2%	3.5%	8 409	8 997	9 492	5.7%	0.4%
Total assets	2 210 765	10.4%	100.0%	2 312 460	2 474 332	2 610 421	5.7%	100.0%
Accumulated surplus/(deficit)	1 676 491	18.9%	65.6%	1 753 610	1 876 362	1 979 562	5.7%	75.8%
Capital and reserves	279 822	-0.6%	17.5%	292 694	313 182	330 407	5.7%	12.7%
Finance lease	22	-57.9%	0.0%	23	25	26	5.7%	0.0%
Trade and other payables	34 065	-12.0%	2.8%	35 632	38 126	40 223	5.7%	1.5%
Provisions	220 365	-9.2%	13.9%	230 502	246 637	260 202	5.7%	10.0%
Total equity and liabilities	2 210 765	10.4%	100.0%	2 312 460	2 474 332	2 610 421	5.7%	100.0%

Personnel information

Table 7.95 Public Investment 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	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			
Public Investment Corporation		392	369.8	0.9	392	728.1	1.9	392	761.6	1.9	392	807.3	2.1	392	851.7	2.2	5.4%	100.0%	
Salary level	524																		
1-6	20	20	4.2	0.2	20	4.2	0.2	20	4.4	0.2	20	4.7	0.2	20	5.0	0.2	6.0%	5.1%	
7-10	159	140	159	64.6	0.4	159	102.3	0.6	159	108.6	0.7	159	115.3	0.7	159	121.7	0.8	6.0%	40.6%
11-12	51	96	51	42.7	0.8	51	103.1	2.0	51	109.5	2.1	51	116.3	2.3	51	122.7	2.4	6.0%	13.0%
13-16	122	207	122	167.2	1.4	122	352.2	2.9	122	363.3	3.0	122	385.7	3.2	122	407.1	3.3	4.9%	31.1%
17-22	40	61	40	91.1	2.3	40	166.3	4.2	40	175.7	4.4	40	185.3	4.6	40	195.2	4.9	5.5%	10.2%

1. Rand million.

South African Airways

Mandate

South African Airways is South Africa's national air carrier, operating a full service network in the international, regional and domestic markets from its head office at the OR Tambo International Airport in Johannesburg. The airline is a public company governed by the South African Airways Act (2007). It is mandated to promote air links with South Africa's main business and tourism markets within Africa and internationally. The airline is regarded as a strategic asset that will enable the state to preserve its ability to contribute to key domestic, regional and international air linkages.

Expenditure analysis

In line with outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework, South African Airways' contribution to GDP is expected to increase from R9.2 billion in 2016 to R18.2 billion by 2025, supporting 46 000 jobs. Government has provided the airline with the necessary financial support, enabling it to implement a turnaround strategy to regain financial stability. The airline plays a pivotal role in providing tourism and business links between South Africa and other markets. It is expected that contributions to tourism from the group's 2 passenger airlines will continue to support 60 800 jobs.

The airline's strategy is based on it being a dominant regional network carrier. Its five-year corporate plan emphasises transforming into a financially sustainable aviation group. Over the medium term, the airline intends to focus on stabilising performance by stemming the losses from the most unpopular routes in its network, combined with deploying suitable aircraft to ensure that competitors do not encroach on its most profitable routes. The airline is in the process of identifying the most profitable areas for future growth, and anticipates expanding into these over the MTEF period.

Revenue is derived from passenger travel services, cargo and mail services, excess baggage services and rebates for mileage travelled. In recent years, costs have surpassed revenue. However, revenue is expected to increase at an average annual rate of 5.2 per cent, from R31.2 billion in 2017/18 to R36.4 billion in 2020/21. Total expenditure is expected to increase at an average annual rate of 1.7 per cent, from R34 billion in 2017/18 to R35.8 billion in 2020/21. The airline expects to cover the shortfall through borrowing.

The company has high operating costs, with fuel accounting for 36 per cent of total costs, increasing from R7.2 billion in 2018/19 to R7.9 billion in 2020/21. Other spending drivers include landing and handling costs, air traffic control costs, and insurance and maintenance costs.

As at 31 October 2017, the airline had 5 150 filled and 215 vacant posts. Spending on compensation of employees is expected to increase at an average annual rate of 2.2 per cent, from R5.9 billion in 2017/18 to R6.3 billion in 2020/21, accounting for an estimated 17.4 per cent of total expenditure over the MTEF period.

Programmes/objectives/activities

Table 7.96 South African Airways expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate 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 thousand											
Administration	21 509 404	18 040 857	21 076 398	17 978 105	-5.8%	56.5%	18 409 123	17 365 599	18 262 509	0.5%	51.8%
South African Airways excluding shared services (administration)	11 773 186	12 364 821	13 053 007	12 875 839	3.0%	36.1%	13 184 532	12 437 165	13 079 528	0.5%	37.1%
South African Airways Technical	1 168 616	998 061	388 564	1 313 209	4.0%	2.8%	1 913 661	1 832 934	2 116 581	17.2%	5.2%
Airchefs	100 558	118 400	120 510	123 575	7.1%	0.3%	110 408	326 945	361 454	43.0%	0.7%
South African Travel Centre	18 124	11 480	2 128	-	-100.0%	0.0%	-	-	-	-	-
Mango	1 295 641	1 335 477	1 412 755	1 731 987	10.2%	4.2%	1 435 854	2 049 441	2 007 742	5.0%	5.2%
Total	35 865 529	32 869 095	36 053 362	34 022 714	-1.7%	100.0%	35 053 579	34 012 084	35 827 815	1.7%	100.0%

Statements of historical financial performance and position

Table 7.97 South African Airways statements of historical financial performance and position

Statement of financial performance								Average: Outcome/ Budget (%) 2014/15 - 2017/18	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate		Revised estimate
R thousand	2014/15		2015/16		2016/17		2017/18		
Revenue									
Non-tax revenue	-	30 130 861	-	31 285 674	35 447 482	30 614 072	40 019 028	31 244 768	163.4%
Sale of goods and services other than capital assets	-	30 104 582	-	30 384 663	35 439 969	30 567 864	40 019 028	31 052 862	161.8%
of which:									
Sales by market establishment	-	30 104 582	-	30 384 663	35 439 969	30 567 864	40 019 028	31 052 862	161.8%
Other non-tax revenue	-	26 278	-	901 011	7 513	46 208	-	191 907	15 511.8%
Total revenue	-	30 130 861	-	31 285 674	35 447 482	30 614 072	40 019 028	31 244 768	163.4%

Table 7.97 South African Airways statements of historical financial performance and position

Statement of financial performance								Average: Outcome/ Budget (%)	
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate		Revised estimate
	2014/15		2015/16		2016/17		2017/18		
Expenses									
Current expenses	-	35 853 876	33 592 149	32 757 115	37 200 445	36 041 244	41 378 254	33 999 031	123.6%
Compensation of employees	-	5 600 912	5 910 015	5 761 937	6 606 679	6 062 854	6 622 856	5 870 046	121.7%
Goods and services	-	28 841 102	26 209 766	25 261 077	28 546 913	27 343 485	32 375 649	25 463 637	122.7%
Depreciation	-	819 690	565 148	724 757	780 864	1 035 779	783 990	812 552	159.3%
Interest, dividends and rent on land	-	592 172	907 221	1 009 345	1 265 988	1 599 127	1 595 758	1 852 796	134.1%
Total expenses	-	35 865 529	33 601 989	32 869 094	37 200 903	36 053 363	41 389 168	34 022 713	123.7%
Surplus/(Deficit)	-	(5 734 668)	(33 601 989)	(1 583 420)	(1 753 421)	(5 439 290)	(1 370 140)	(2 777 945)	
Statement of financial position									
Carrying value of assets	-	4 710 415	-	4 676 722	4 713 916	4 631 916	-	4 180 127	386.1%
<i>of which:</i>									
Acquisition of assets	-	(4 322 999)	-	(713 000)	(800 000)	(1 046 000)	(900 000)	(942 000)	413.2%
Investments	-	2 373 069	-	2 507 950	18 177	2 355 571	-	22 900	39 937.8%
Inventory	-	724 763	-	726 412	749 991	879 306	-	688 742	402.6%
Receivables and prepayments	-	4 767 260	-	6 003 619	8 152 297	4 911 297	-	7 546 287	284.9%
Cash and cash equivalents	-	1 265 883	-	2 408 739	2 342 212	2 872 000	-	1 037 350	323.8%
Non-current assets held for sale	-	63 038	-	63 038	-	-	-	-	-
Defined benefit plan assets	-	38 122	-	37 551	(63 564)	25 564	-	(64 135)	-58.4%
Taxation	-	1 428 353	-	1 856 688	388 233	256 233	-	-	912.2%
Derivatives financial instruments	-	-	-	-	343 663	34 363	-	40 778	21.9%
Total assets	-	15 370 902	-	18 280 719	16 644 926	15 966 250	-	13 452 049	378.9%
Accumulated surplus/(deficit)	-	(23 405 669)	-	(25 180 372)	(26 131 284)	(31 754 005)	-	33 526 952)	435.7%
Capital and reserves	-	916 874	-	905 678	74 803	890 820	-	762 486	4 646.7%
Capital reserve fund	-	14 191 921	-	14 191 921	14 191 921	12 891 921	-	19 191 921	426.1%
Borrowings	-	9 712 703	-	12 852 063	14 327 495	16 628 495	-	11 957 016	357.0%
Deferred income	-	714 586	-	633 303	633 303	4 943 303	-	3 711 555	1 579.5%
Trade and other payables	-	5 933 840	-	6 296 109	8 186 279	8 088 279	-	9 313 199	362.0%
Taxation	-	976 733	-	1 259 913	-	-	-	(20 932)	-
Provisions	-	2 330 979	-	3 079 580	1 210 527	4 213 496	-	1 999 815	960.2%
Derivatives financial instruments	-	3 998 934	-	4 242 524	4 151 882	63 941	-	63 941	201.6%
Total equity and liabilities	-	15 370 902	-	18 280 719	16 644 925	15 966 249	-	13 452 048	378.9%

Statements of estimates of financial performance and position**Table 7.98 South African Airways statements of estimates of financial performance and position**

Statement of financial performance								Average: Expenditure/ Total (%)
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	31 244 768	1.2%	100.0%	33 419 809	34 643 868	36 425 781	5.2%	100.0%
Sale of goods and services other than capital assets	31 052 862	1.0%	99.1%	33 413 445	34 638 077	36 412 381	5.5%	99.8%
<i>of which:</i>								
Sales by market establishment	31 052 862	1.0%	99.1%	33 413 445	34 638 077	36 412 381	5.5%	99.8%
Other non-tax revenue	191 907	94.0%	0.9%	6 363	5 791	13 400	-58.8%	0.2%
Total revenue	31 244 768	1.2%	100.0%	33 419 809	34 643 868	36 425 781	5.2%	100.0%
Expenses								
Current expenses	33 999 031	-1.8%	99.9%	35 053 578	33 969 178	35 789 221	1.7%	99.9%
Compensation of employees	5 870 046	1.6%	16.8%	6 408 102	5 607 926	6 265 877	2.2%	17.4%
Goods and services	25 463 637	-4.1%	77.0%	26 749 900	26 744 188	27 978 158	3.2%	77.0%
Depreciation	812 552	-0.3%	2.4%	691 075	724 162	800 664	-0.5%	2.2%
Interest, dividends and rent on land	1 852 796	46.3%	3.7%	1 204 501	892 902	744 522	-26.2%	3.4%
Total expenses	34 022 713	-1.7%	100.0%	35 053 578	34 012 083	35 827 814	1.7%	100.0%
Surplus/(Deficit)	(2 777 945)			(1 633 769)	631 784	597 967		
Statement of financial position								
Carrying value of assets	4 180 127	-3.9%	29.1%	5 106 974	5 520 232	5 916 922	12.3%	33.2%
<i>of which:</i>								
Acquisition of assets	(942 000)	-39.8%	-11.4%	(1 619 747)	(1 139 164)	(1 199 007)	8.4%	-7.9%
Investments	22 900	-78.7%	11.0%	22 900	22 900	22 900	-	0.1%
Inventory	688 742	-1.7%	4.8%	728 518	658 658	739 885	2.4%	4.6%
Receivables and prepayments	7 546 287	16.5%	37.7%	8 441 996	9 313 109	10 630 029	12.1%	57.5%
Cash and cash equivalents	1 037 350	-6.4%	11.8%	407 778	700 806	760 768	-9.8%	4.8%
Defined benefit plan assets	(64 135)	-218.9%	0.0%	(64 135)	(64 135)	(64 135)	-	-0.4%
Derivatives financial instruments	40 778	-	0.1%	40 778	40 778	40 778	-	0.3%
Total assets	13 452 049	-4.3%	100.0%	14 684 808	16 192 347	18 047 146	10.3%	100.0%

Table 7.98 South African Airways statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R thousand								
Accumulated surplus/(deficit)	(33 526 952)	12.7%	-184.5%	(35 161 206)	(34 529 423)	(33 931 457)	0.4%	-222.5%
Capital and reserves	762 486	-6.0%	5.5%	762 486	762 486	762 486	-	4.9%
Capital reserve fund	19 191 921	10.6%	98.3%	24 191 921	27 191 921	27 191 921	12.3%	156.5%
Borrowings	11 957 016	7.2%	81.6%	8 657 641	5 657 641	5 657 641	-22.1%	53.5%
Deferred income	3 711 555	73.2%	16.7%	3 779 018	3 958 816	4 119 977	3.5%	25.2%
Trade and other payables	9 313 199	16.2%	48.2%	10 412 125	11 108 082	12 203 754	9.4%	69.1%
Taxation	(20 932)	-127.8%	3.3%	(20 932)	(20 932)	(20 932)	-	-0.1%
Provisions	1 999 815	-5.0%	18.3%	1 999 815	1 999 815	1 999 815	-	13.0%
Derivatives financial instruments	63 941	-74.8%	12.5%	63 941	63 941	63 941	-	0.4%
Total equity and liabilities	13 452 048	-4.3%	100.0%	14 684 808	16 192 347	18 047 146	10.3%	100.0%

South African Special Risks Insurance Association

Mandate

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

Selected performance indicators

Table 7.99 South African Special Risks Insurance Association performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Value of gross written premium per year	Sustainable revenue growth: Gross written premium income growth	Outcome 4: Decent employment through inclusive growth	R1.5bn	R1.7bn	R1.7bn	R1.9bn	R2bn	R2.1bn	R2.3bn
Value of net underwriting profit per year	Sustainable revenue growth: Net underwriting profit growth		R489.3m	R431.7m	R458.9m	R489.8m	R525.8m	R569.4m	R600.7m
Percentage of all fast-tracked claims to be settled within 30 days from the date of submission	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time	Entity mandate	74% (982/1 327)	86.5% (1 686/1 949)	87.2% (2 157/2 479)	90%	90%	90%	90%
Percentage of large loss claims per year finalised within 60 days	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time		65% (129/198)	68.1% (273/400)	79.1% (410/518)	70%	70%	70%	70%
Amount spent on awareness campaigns per year	Increase brand awareness	Outcome 11: Create a better South Africa, a better Africa and a better world	R4.5m	R5.5m	-1	-1	-1	-1	-1
Average number of days per year for processing claims less than R250 000	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time	Entity mandate	30 days	30 days	30 days	30 days	30 days	30 days	30 days
Average number of days per year for processing large claims	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time		30 days	60 days	30 days	70 days	70 days	70 days	70 days

1. Indicator discontinued.

Expenditure analysis

The South African Special Risks Insurance Association offers special risk cover at a reasonable cost, contributing to outcome 11 (create a better South Africa, a better Africa and a better world) and outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework.

Over the medium term, the association intends to focus on growing its business sustainably by establishing new distribution channels, enhancing customer services, improving brand awareness and developing new products. The association's marketing team plans to focus on creating awareness of the industry, collating market intelligence and conducting research, while the customer relationship management team plans to focus on conducting a needs analysis to understand customers better.

The association's total expenditure is expected to increase at an average annual rate of 9.1 per cent, from R2.1 billion in 2017/18 to R2.8 billion in 2021/21, due to increases in underwriting expenses comprising reinsurance premiums and claims paid; and administration and marketing expenses. As new products are being developed, spending on goods and services is expected to increase at an average annual rate of 10.3 per cent, from R1.8 billion in 2017/18 to R2.4 billion in 2020/21, comprises the bulk of expenditure.

As at 31 October 2017, the association had 88 filled and 3 vacant positions. The number of personnel is expected to increase from 97 in 2017/18 to 101 to 2020/21 as the association aims to reduce its reliance on external consultants. As a result, spending on compensation of employees is expected to increase at an average annual rate of 7.9 per cent, from R72.9 million in 2017/18 to R91.7 million in 2020/21, mainly due to an increase in the number of personnel to deal with a projected increase in the number of claims. The association derives most of its revenue from underwriting premiums. Revenue is expected to increase at an average annual rate of 8 per cent, from R2.7 billion in 2017/18 to R3.4 billion in 2020/21.

Programmes/objectives/activities

Table 7.100 South African Special Risks Insurance Association expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 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 thousand											
Administration	536 763	542 274	536 774	711 267	9.8%	35.0%	752 594	828 315	873 197	7.1%	32.3%
Sustainable revenue growth: Gross written premium income growth	176 730	205 514	236 923	281 654	16.8%	13.4%	320 235	350 655	382 176	10.7%	13.6%
Sustainable revenue growth: Net underwriting profit growth	601 462	759 188	940 648	1 111 533	22.7%	50.3%	1 245 112	1 355 757	1 477 511	10.0%	52.8%
Capital management : Ensure compliance with statutory capital requirements and the calculation of an economic risk basis for capital value	-	-	4 652	5 779	-	0.1%	5 867	6 759	6 661	4.8%	0.3%
Customer centricity: Provide superior customer service to external stakeholders: Treating customers fairly project	-	2 903	4 625	4 949	-	0.2%	5 295	5 666	6 062	7.0%	0.2%
Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time	2 902	6 690	-	-	-100.0%	0.2%	-	-	-	-	-
People, capacity and capability: Attract retain and develop skills that supports our aspirations	3 926	4 757	9 694	11 880	44.6%	0.4%	12 652	13 784	14 679	7.3%	0.5%
Brand development: Create a trusted brand that resonates with all customers	5 693	5 502	5 480	5 632	-0.4%	0.3%	6 264	6 152	7 079	7.9%	0.3%
Regulatory environment: Proactively manage compliance	368	153	3	100	-35.2%	0.0%	40	42	45	-23.4%	0.0%
Total	1 327 844	1 526 981	1 738 799	2 132 793	17.1%	100.0%	2 348 059	2 567 130	2 767 411	9.1%	100.0%

Statements of historical financial performance and position**Table 7.101 South African Special Risks Insurance Association statements of historical financial performance and position**

Statement of financial performance									
R thousand	Audited		Audited		Audited		Budget	Revised	Average: Outcome/ Budget (%)
	Budget	outcome	Budget	outcome	Budget	outcome	estimate	estimate	
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Revenue									
Non-tax revenue	1 638 513	1 938 529	2 076 792	2 031 100	2 230 788	2 282 062	2 393 845	2 694 961	107.3%
Sale of goods and services other than capital assets	1 318 723	1 546 914	1 639 703	1 710 017	1 760 396	1 843 971	1 877 469	2 044 141	108.3%
<i>of which:</i>									
Administrative fees	–	–	–	–	–	569	–	–	–
Sales by market establishment	1 318 723	1 546 914	1 639 703	1 710 017	1 760 396	1 843 402	1 877 469	2 044 141	108.3%
Other non-tax revenue	319 790	391 615	437 089	321 083	470 392	438 091	516 376	650 820	103.3%
Total revenue	1 638 513	1 938 529	2 076 792	2 031 100	2 230 788	2 282 062	2 393 845	2 694 961	107.3%
Expenses									
Current expenses	979 305	1 102 658	1 343 836	1 321 731	1 350 311	1 535 696	1 437 648	1 882 109	114.3%
Compensation of employees	43 033	46 266	53 430	57 804	58 772	57 488	62 885	72 873	107.5%
Goods and services	928 277	1 050 125	1 281 816	1 256 836	1 283 024	1 471 096	1 367 745	1 804 255	114.8%
Depreciation	7 995	6 266	8 590	7 091	8 515	7 112	7 018	4 981	79.2%
Total expenses	979 305	1 327 845	1 549 064	1 526 981	1 601 038	1 738 799	1 755 654	2 132 793	114.3%
Surplus/(Deficit)	659 208	610 684	527 728	504 119	629 750	543 263	638 191	562 168	
Statement of financial position									
Carrying value of assets	45 209	54 198	60 511	60 052	59 721	61 226	55 834	66 494	109.4%
<i>of which:</i>									
Acquisition of assets	(3 850)	(4 098)	(8 646)	(5 216)	(6 169)	(2 266)	(2 920)	(10 663)	103.0%
Investments	4 440 045	4 478 517	5 135 251	4 591 336	5 091 170	3 967 172	5 584 822	7 882 856	103.3%
Receivables and prepayments	149 689	145 617	131 451	179 426	78 905	273 782	82 549	417 254	229.6%
Cash and cash equivalents	858 499	1 344 566	784 235	1 767 111	1 561 840	2 790 334	1 553 796	1 336 473	152.1%
Non-current assets held for sale	–	36 000	–	–	–	–	–	–	–
Derivatives financial instruments	–	–	–	–	–	4 602	–	–	–
Total assets	5 493 442	6 058 898	6 111 448	6 597 925	6 791 637	7 097 116	7 277 002	9 703 077	114.7%
Accumulated surplus/(deficit)	4 522 713	4 674 237	2 899 644	4 937 786	2 426 986	5 284 277	3 788 488	5 846 445	152.1%
Capital and reserves	263 372	377 385	2 428 242	434 750	3 438 710	480 286	2 526 472	2 472 916	43.5%
Deferred income	591	5 146	6 259	5 968	2 664	7 219	2 592	3 846	183.2%
Trade and other payables	642 771	921 222	723 542	1 110 136	861 923	1 295 947	852 030	1 273 653	149.4%
Taxation	56 995	69 361	44 765	94 264	54 842	18 159	105 113	102 785	108.7%
Provisions	7 000	11 547	8 996	15 021	6 512	11 228	2 306	3 432	166.1%
Total equity and liabilities	5 493 442	6 058 898	6 111 448	6 597 925	6 791 637	7 097 116	7 277 002	9 703 077	114.7%

Statements of estimates of financial performance and position**Table 7.102 South African Special Risks Insurance Association statements of estimates of financial performance and position**

Statement of financial performance									
R thousand	Revised	Average	Average:	Medium-term estimate			Average	Average:	
	estimate	growth	Expen-	2018/19	2019/20	2020/21	growth	Expen-	
	2017/18	rate	diture/				rate	diture/	
		(%)	Total				(%)	Total	
			(%)					(%)	
Revenue									
Non-tax revenue	2 694 961	11.6%	100.0%	2 786 325	3 026 006	3 396 076	8.0%	100.0%	
Sale of goods and services other than capital assets	2 044 141	9.7%	80.2%	2 205 715	2 404 217	2 678 565	9.4%	78.3%	
<i>of which:</i>									
Sales by market establishment	2 044 141	9.7%	80.2%	2 205 715	2 404 217	2 678 565	9.4%	78.3%	
Other non-tax revenue	650 820	18.4%	19.8%	580 610	621 789	717 511	3.3%	21.7%	
Total revenue	2 694 961	11.6%	100.0%	2 786 325	3 026 006	3 396 076	8.0%	100.0%	
Expenses									
Current expenses	1 882 109	19.5%	86.5%	2 149 353	2 346 637	2 534 791	10.4%	90.7%	
Compensation of employees	72 873	16.4%	3.5%	80 125	85 757	91 661	7.9%	3.4%	
Goods and services	1 804 255	19.8%	82.6%	2 062 501	2 242 460	2 423 697	10.3%	86.8%	
Depreciation	4 981	-7.4%	0.4%	6 727	18 420	19 433	57.4%	0.5%	
Total expenses	2 132 793	17.1%	100.0%	2 348 059	2 567 130	2 767 411	9.1%	100.0%	
Surplus/(Deficit)	562 168			438 266	458 876	628 665			
Statement of financial position									
Carrying value of assets	66 494	7.1%	0.8%	127 594	148 700	156 879	33.1%	1.2%	
<i>of which:</i>									
Acquisition of assets	(10 663)	37.5%	-0.1%	(10 998)	(15 557)	(12 721)	6.1%	-0.1%	
Investments	7 882 856	20.7%	70.2%	7 989 556	8 349 812	9 283 251	5.6%	80.2%	
Receivables and prepayments	417 254	42.0%	3.3%	433 753	459 865	485 158	5.2%	4.3%	
Cash and cash equivalents	1 336 473	-0.2%	25.5%	1 636 830	1 455 468	1 535 519	4.7%	14.3%	
Total assets	9 703 077	17.0%	100.0%	10 187 733	10 413 845	11 460 806	5.7%	100.0%	
Accumulated surplus/(deficit)	5 846 445	7.7%	71.7%	6 284 711	6 743 587	7 372 252	8.0%	62.8%	
Capital and reserves	2 472 916	87.1%	11.3%	2 393 164	2 234 041	2 573 345	1.3%	23.2%	
Deferred income	3 846	-9.3%	0.1%	4 155	4 505	4 753	7.3%	0.0%	
Trade and other payables	1 273 653	11.4%	15.9%	1 503 787	1 430 311	1 508 978	5.8%	13.7%	
Taxation	102 785	14.0%	1.0%	–	–	–	-100.0%	0.3%	
Provisions	3 432	-33.3%	0.2%	1 916	1 401	1 478	-24.5%	0.0%	
Total equity and liabilities	9 703 077	17.0%	100.0%	10 187 733	10 413 845	11 460 806	5.7%	100.0%	

Personnel information

Table 7.103 South African Special Risk Insurance Association 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							
South African Special Risk Insurance Association		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	97	97	95	57.5	0.6	97	72.9	0.8	102	80.1	0.8	104	85.8	0.8	101	91.7	0.9	7.9%	100.0%
1-6	12	12	25	4.7	0.2	12	2.3	0.2	12	2.4	0.2	9	1.9	0.2	9	2.0	0.2	-3.9%	10.4%
7-10	50	50	42	19.5	0.5	50	24.3	0.5	53	26.7	0.5	58	29.5	0.5	55	31.7	0.6	9.2%	53.4%
11-12	18	18	12	11.2	0.9	18	16.4	0.9	18	17.3	1.0	18	18.5	1.0	18	19.7	1.1	6.4%	17.8%
13-16	12	12	12	16.3	1.4	12	16.7	1.4	14	19.8	1.4	14	21.1	1.5	14	22.6	1.6	10.5%	13.4%
17-22	5	5	4	5.8	1.4	5	13.2	2.6	5	14.0	2.8	5	14.8	3.0	5	15.7	3.1	6.0%	5.0%

1. Rand million.

Additional tables

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Conditional grants to municipalities							
Technical Support and Development Finance							
Integrated city development grant	255 000	251 300	266 805	292 119	293 609	310 051	327 319
Local government financial management grant	449 138	452 491	465 264	502 006	504 566	532 822	561 713
Neighbourhood development partnership grant	590 390	583 575	591 860	663 390	601 867	621 172	654 936
Infrastructure skills development grant	104 425	124 465	130 471	140 774	141 492	149 416	157 930
Municipal restructuring grant	–	–	–	–	–	–	514 425
Total	1 398 953	1 411 831	1 454 400	1 598 289	1 541 534	1 613 461	2 216 323

1. Detail provided in the Division of Revenue Act (2018).

Table 7. B 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 cos of at least R1 billion over the project life cycle)										
Neighbourhood development partnership grant	Long-term township regeneration planning, catalytic and third party nodal development	Various	9 000 000	590 390	607 000	591 860	663 390	601 867	621 172	654 936
Total			9 000 000	590 390	607 000	591 860	663 390	601 867	621 172	654 936

Table 7. C Summary of donor funding

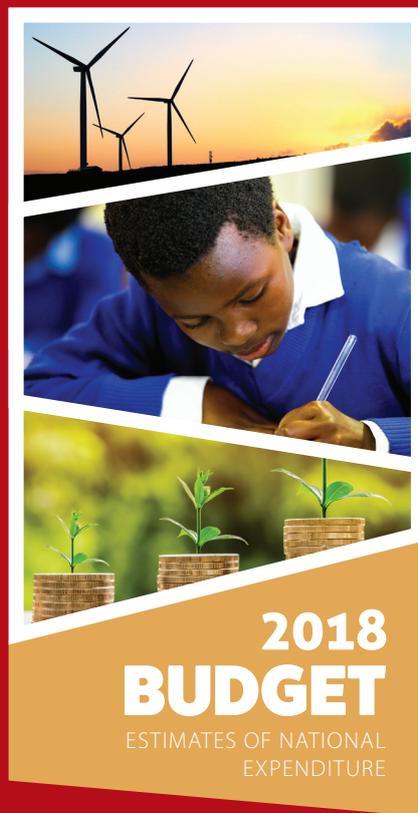
Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2017/18	Medium-term expenditure estimate			
							2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	
R thousand														
Foreign														
In cash														
Japan	Establish and operationalise a management information system	Public Finance and Budget Management	3 years	302	Goods and services	Upgrade of development cooperation information system	–	120	–	259	–	–	–	–
Belgian Technical Cooperation	Training on non-accredited courses through the Gauteng City Region Academy	Financial Accounting and Supply Chain Management Systems	6 months	1 775	Goods and services	Training on non-accredited courses	–	1 775	–	–	–	–	–	–
Organisation of Economic Cooperation and Development	United Nations Framework Convention on Climate Change	Technical Support and Development Finance	Once off	1 942	Goods and services	Attending of climate change expert group global forum	1 942	–	–	–	–	–	–	–
German Foreign Service Academy	Training for international diplomats unit	Technical Support and Development Finance	Once off	1 108	Goods and services	Holding of seminar series on Germany's electricity supply industry	1 108	–	–	–	–	–	–	–
Belgian Technical Cooperation	Developing standard operating procedures in relation to the Municipal Finance Management Act (2003)	Financial Accounting and Supply Chain Management Systems	1 year	2 560	Goods and services	Provision of technical assistance for public finance management in the development of Municipal Finance Management Act (2003) standard operating procedures	–	2 318	242	–	–	–	–	–
European Union	General advisory and policy support services	Technical Support and Development Finance	4 years	215 400	Goods and services	Strengthening of the capability of the programme by providing technical support for public institutional strengthening, thereby contributing to an efficient, effective and development-oriented public service (outcome 12)	55 016	71 139	10 406	31 138	–	–	–	–

Table 7.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Medium-term expenditure estimate			
							2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
R thousand													
Japan International Cooperation Agency	Municipal minimum competency training	Financial Accounting and Supply Chain Management Systems	15 months	1 270	Goods and services	Training of 22 municipal officials on the Minimum Competency Programme	–	770	500	–	–	–	–
European Union	Official development assistance programme	Public Finance and Budget Management	4 years	12 577	Goods and services	Improvement of outcome orientated delivery systems by leveraging off the official development assistance programme	–	376	–	–	–	–	–
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	50 600	Compensation of employees	Supporting of capacity building in public finance management: Project management and implementation	13 700	19 000	7 500	6 000	2 000	–	–
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	3 150	Goods and services	Conducting of audits and evaluations	750	250	500	400	400	–	–
Flanders	Technical and management support programme	Financial Accounting and Supply Chain Management Systems	4 years	27 000	Goods and services	Provision of technical and management support	8 900	8 200	4 700	–	–	–	–
Canada	Building a capable state	Public Finance and Budget Management	5 years	65 450	Goods and services	Provision of assistance to the government of South Africa to improve service delivery and accountability within its administration and its public service	14 801	14 184	6 605	29 278	–	–	–
European Union	South Africa towards inclusive economic development	Economic Policy, Tax, Financial Regulation and Research	2 years	45 000	Goods and services	–	–	–	–	–	35 000	10 000	–
European Union	The infrastructure delivery management system and continued development of a supportive body of knowledge	Public Finance and Budget Management	3 years	98 411	Goods and services	–	–	–	–	–	30 912	32 767	34 732
Foreign In kind													
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	93 500	Goods and services	Provision of support to institutional transformation and improvement process in the public sector	28 000	12 000	6 850	–	–	–	–
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	72 600	Goods and services	Provision of support to institutional transformation and improvement process in the public sector	14 000	44 000	3 850	–	–	–	–

Table 7.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2017/18	Medium-term expenditure estimate		
							2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R thousand													
Deutsche Gesellschaft für Internationale Zusammenarbeit	Strengthening local government programme	Financial Accounting and Supply Chain Management Systems	4 years	10 810	Goods and services	Provision of support in the implementation of the Municipal Finance Management Act (2003)	800	800	-	-	-	-	-
Deutsche Gesellschaft für Internationale Zusammenarbeit	Governance support programme	Financial Accounting and Supply Chain Management Systems	4 years	5 754	Goods and services	Provision of support to the Office of the Accountant-General and Office of the Chief Procurement Officer on public finance management	2 554	2 200	-	-	-	-	-
European Union	Official development assistance programme	Public Finance and Budget Management	3 years	41 850	Goods and services	Improvement of outcome orientated delivery systems by leveraging off the official development assistance programme	13 950	13 950	13 950	-	-	-	-
European Union	Official development assistance programme	Public Finance and Budget Management	3 years	30 250	Goods and services	Improvement of outcome orientated delivery systems by leveraging off the official development assistance programme	16 675	6 760	-	-	-	-	-
Total				781 309			178 250	197 842	55 103	67 075	68 312	42 767	34 732



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