

Vote 26

Energy

Budget summary

R million	2019/20				2020/21	2021/22
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	308.3	301.8	1.7	4.8	327.0	344.6
Energy Policy and Planning	54.7	54.7	–	–	57.7	60.8
Petroleum and Petroleum Products Regulation	91.3	88.2	3.0	–	96.4	104.3
Electrification and Energy Programme and Project Management	5 531.8	81.5	5 450.3	–	5 350.6	6 270.0
Nuclear Energy	1 045.9	41.3	1 004.6	–	1 102.7	1 163.7
Clean Energy	408.1	104.0	304.1	–	440.3	465.4
Total expenditure estimates	7 440.0	671.5	6 763.7	4.8	7 374.7	8 408.8

Executive authority: Minister of Energy
 Accounting officer: Director-General of Energy
 Website address: www.energy.gov.za

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

Vote purpose

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

Mandate

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

- the National Energy Act (2008)
- the Petroleum Products Act (1977)
- the Electricity Regulation Act (2006).

The National Energy Act (2008) sets out the core aspects of the department's mandate and is the enabling legislation that empowers the Minister of Energy to:

- ensure that diverse energy resources are available in sustainable quantities and at affordable prices in the South African economy to support economic growth and poverty alleviation, while taking into account environmental considerations
- plan for the increased generation and consumption of renewable energy, a contingency energy supply, the holding of strategic energy feedstock and carriers, adequate investment in appropriate upkeep, and access to energy infrastructure
- collect data and information regarding energy demand, supply and generation
- promote electricity regulation, energy research, and the efficient generation and consumption of energy.

The department is also mandated to regulate the petroleum industry at the manufacturing, wholesale and retail levels through the implementation of the Petroleum Products Act (1977). The petroleum and liquid fuels charter

is annexed to the Petroleum Products Amendment Act (2003), and outlines the department's strategy to effect transformation in the industry.

Selected performance indicators

Table 26.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of new petroleum retail site inspections per year	Petroleum and Petroleum Products Regulation	Outcome 6: An efficient, competitive and responsive economic infrastructure network	1 956	1 515	2 099	1 500	1 500	1 500	1 500
Number of additional households electrified with grid electrification per year	Electrification and Energy Programme and Project Management	Outcome 9: Responsive, accountable, effective and efficient developmental local government	260 000	301 976	275 830	200 000	195 000	195 000	200 000
Number of bulk substations built per year	Electrification and Energy Programme and Project Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	6	3	3	2	2	2	2
Number of additional substations upgraded per year	Electrification and Energy Programme and Project Management		4	3	4	3	3	3	3
Kilometres of new medium voltage power lines constructed per year	Electrification and Energy Programme and Project Management		224	295	161	50	50	50	50
Kilometres of existing medium voltage power lines upgraded per year	Electrification and Energy Programme and Project Management		0	9	32	50	50	50	50
Number of additional households electrified with non-grid electrification per year	Electrification and Energy Programme and Project Management		Outcome 9: Responsive, accountable, effective and efficient developmental local government	25 076	16 922	16 875	20 000	20 000	20 000

Expenditure analysis

The National Development Plan envisages that, by 2030, South Africa will have an adequate supply of electricity and liquid fuels to maintain economic activity and prevent economic disruptions. In giving expression to this vision over the medium term, the department intends to focus on extending access to electricity and enhancing energy efficiency, managing nuclear energy in terms of international commitments, and diversifying the energy generation mix.

The department's total expenditure is expected to increase at an average annual rate of 5.7 per cent, from R7.1 billion in 2018/19 to R8.4 billion in 2021/22, mainly as a result of Cabinet-approved additional funding of R597.5 million over the medium term. This includes R17.1 million reprioritised for the department's operational expenditure; R24 million reprioritised to the National Radioactive Waste Disposal Institute for operational expenditure; and R539.2 million reprioritised to the South African Nuclear Energy Corporation for the decommissioning and decontamination of old nuclear facilities.

However, Cabinet has approved reductions of R58.4 million in 2019/20 and R558.8 million in 2020/21, mainly in the *Electrification and Energy Programme and Project Management* programme, the department's largest programme, accounting to R17.2 billion of total projected expenditure over the medium term. A realignment of capital funding within this programme to supplement funding for metropolitan cities results in a shift of R814.5 million to the *urban settlements development grant* in the Department of Human Settlements from the

integrated national electrification programme (municipal) grant.

Compensation of employees is expected to increase at an average annual rate of 6.5 per cent, from R360.5 million in 2018/19 to R435.9 million in 2021/22. However, to remain within government's expenditure ceiling for compensation of employees, the number of personnel in the department is expected to decrease from 569 in 2018/19 to 559 in 2021/22. This decrease is effected on lower-level and intern posts.

Expenditure on goods and services is expected to decrease at an average annual rate of 9 per cent, from R422.6 million in 2018/19 to R318.4 million in 2021/22. This is mainly due to a reduction in the *Clean Energy* programme's baseline budget for payments related to the storage of solar water heater units, from R166.5 million in 2018/19 to R4.5 million in 2021/22, as the units are expected to be installed in households before the end of the MTEF period. Expenditure on goods and services mainly comprises servicing operating leases as the department's regional offices are relocated; and costs related to the inspection of 4 500 petroleum retail sites, the solar water heater programme, and the monitoring and verification of grid and non-grid connections in the integrated national electrification programme over the medium term.

Extending access to electricity and enhancing energy efficiency

As part of the integrated national electrification programme, which aims to extend access to electricity to all households across South Africa, 590 000 households are expected to be connected to the electricity grid over the medium term. The department anticipates that a further 20 000 households per year over the same period will be provided with non-grid (mainly solar) electrification systems. 6 substations are expected to be built and 9 upgraded over the medium term. Transfers to municipalities for the direct component of the integrated national electrification programme are expected to increase at an average annual rate of 3.8 per cent, from R1.9 billion in 2018/19 to R2.1 billion in 2021/22. This relatively low average annual increase is due to a shift of funds to the *urban settlements development grant*, which is managed by the Department of Human Settlements, for the delivery of services to households in informal settlements in metropolitan municipalities.

Transfers to Eskom for the indirect component of the integrated national electrification programme are expected to increase at an average annual rate of 5.4 per cent, from R3.3 billion in 2018/19 to R3.8 billion in 2021/22. A significant portion of households yet to be electrified are in sparsely populated rural areas, mostly in KwaZulu-Natal, Eastern Cape and Limpopo. As such, the cost of connections is expected to be higher over the medium term than in previous years. Spending in the *Energy Efficiency* subprogramme in the *Clean Energy* programme is expected to decrease at an average annual rate of 2.9 per cent, from R400.2 million in 2018/19 to R366.1 million in 2021/22.

Over the medium term, the department plans to develop an electrification master plan, which is intended to inform the rollout of electrification connections for universal access. Once developed, the master plan will be used to set rules and timeframes for the rollout of electrification, accompanied by clear guidelines for selecting particular technologies. To develop the electrification master plan, R17.2 million over the medium term is allocated in the *Integrated National Electrification Programme* subprogramme in the *Electrification and Energy Programme and Project Management* programme.

To realise a targeted 1.5 terawatt hours of energy savings over the medium term, allocations to the *energy efficiency and demand-side management grant* increase from R215 million in 2018/19 to R252.7 million in 2021/22. This will enable municipalities to undertake initiatives such as replacing street and traffic lights with energy efficient technology, and to retrofit and replace municipal infrastructure that is energy inefficient. An additional R120 million over the MTEF period is allocated through funds received from international donors to effect energy efficiencies, including achieving net-zero energy usage at wastewater treatment plants and improving the energy performance of municipal government buildings. In this regard, the department will develop project plans and procedures, and coordinate the implementation of project activities; and the South African National Energy Development Institute will lead the monitoring and evaluation of project achievements.

Managing nuclear energy

Transfers to entities form the bulk of expenditure over the medium term in the *Nuclear Energy* programme,

mainly to subsidise the operational costs of the South African Nuclear Energy Corporation for the production of nuclear medicines and the decommissioning and decontamination of old nuclear facilities. Spending in the *Nuclear Energy* programme is expected to increase at an average annual rate of 9.9 per cent, from R875.6 million in 2018/19 to R1.2 billion in 2021/22, mostly driven by increased allocations of R24 million to the National Radioactive Waste Disposal Institute for its operationalisation, and additional funding of R539.2 million for the decommissioning and decontamination of old nuclear facilities. The National Radioactive Waste Disposal Institute Bill, which is expected to be approved by Cabinet in 2019/20, provides for a sustainable funding mechanism for the institute. Transfers to public corporations and private enterprises are expected to increase at an average annual rate of 13.2 per cent, from R682.7 million in 2018/19 to R991.1 million in 2021/22, mainly driven by the increase in allocations to the South African Nuclear Energy Corporation.

Diversifying the energy generation mix

Towards the realisation of a diversified energy sector in which there is a supply of various types of energy, over the MTEF period, the department will focus on finalising and implementing legislation and policy frameworks. This includes drafting the National Energy Regulator Amendment Bill; and finalising the integrated resource plan, the integrated energy plan and the Electricity Regulation Second Amendment Bill. In addition, the Gas Amendment Bill is expected to be processed and published for public comment in 2019/20. The bill will assist in defining the related policy and regulatory framework to support the rollout of gas infrastructure and the development of a gas industry. These activities are carried out in the *Energy Policy and Planning* programme, in which spending is expected to increase at an average annual rate of 6.7 per cent, from R50.1 million in 2018/19 to R60.8 million in 2021/22.

Expenditure trends

Table 26.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Energy Policy and Planning														
3. Petroleum and Petroleum Products Regulation														
4. Electrification and Energy Programme and Project Management														
5. Nuclear Energy														
6. Clean Energy														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Programme 1	242.6	246.6	277.8	240.1	244.8	282.8	239.5	263.6	272.4	282.6	283.4	283.4	111.1%	107.5%
Programme 2	45.1	44.1	38.1	46.7	43.5	39.9	46.7	46.7	41.7	53.1	50.1	50.1	88.6%	92.1%
Programme 3	74.4	73.4	69.0	77.9	77.5	79.0	81.8	81.8	74.6	87.1	86.1	86.1	96.1%	96.8%
Programme 4	5 778.3	5 813.8	5 820.5	5 699.9	5 705.2	5 678.7	6 184.0	6 220.0	6 152.2	5 435.4	5 383.6	5 332.6	99.5%	99.4%
Programme 5	654.4	653.9	655.0	863.6	880.1	872.5	786.9	790.9	794.2	816.6	875.6	875.6	102.4%	99.9%
Programme 6	687.3	435.8	281.8	616.9	599.4	560.1	774.5	742.5	609.6	370.2	484.7	484.7	79.1%	85.6%
Total	7 482.1	7 267.6	7 142.1	7 545.2	7 550.6	7 512.8	8 113.5	8 145.4	7 944.6	7 045.0	7 163.5	7 112.5	98.4%	98.6%
Change to 2018 Budget estimate										118.5				
Economic classification														
Current payments	492.6	508.8	509.3	739.0	714.5	594.7	557.9	572.6	586.9	612.8	783.1	783.1	103.0%	95.9%
Compensation of employees	289.5	289.5	296.0	310.8	318.3	321.5	318.2	333.2	322.2	360.5	360.5	360.5	101.7%	99.9%
Goods and services	203.1	219.3	213.3	428.2	396.2	273.2	239.7	239.4	264.7	252.3	422.6	422.6	104.5%	91.9%

Table 26.2 Vote expenditure trends by programme and economic classification

Economic classification	2015/16			2016/17			2017/18			2018/19			Average: 2015/16 - 2018/19	
	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														
Transfers and subsidies	6 985.5	6 754.8	6 628.4	6 802.1	6 832.0	6 816.1	7 551.2	7 568.5	7 354.8	6 427.7	6 375.2	6 324.1	97.7%	98.5%
Provinces and municipalities	2 158.2	2 158.2	2 158.2	2 131.9	2 131.9	2 131.9	2 290.3	2 290.3	2 290.3	2 119.5	2 119.5	2 119.5	100.0%	100.0%
Departmental agencies and accounts	87.3	87.1	87.1	38.2	62.5	72.5	129.4	129.4	129.4	133.4	133.4	133.4	108.8%	102.4%
Foreign governments and international organisations	16.6	19.6	29.6	17.4	17.4	25.0	17.9	17.9	25.6	27.9	27.9	27.9	135.5%	130.5%
Public corporations and private enterprises	4 723.0	4 489.5	4 349.8	4 612.4	4 617.8	4 583.7	5 111.2	5 126.2	4 904.8	4 146.4	4 093.9	4 042.9	96.2%	97.6%
Households	0.4	0.4	3.7	2.2	2.4	3.0	2.4	4.7	4.8	0.5	0.5	0.5	217.1%	150.0%
Payments for capital assets	4.0	4.0	4.4	4.1	4.1	102.0	4.3	4.3	2.9	4.5	5.3	5.3	677.6%	648.8%
Machinery and equipment	4.0	4.0	4.4	4.1	4.1	14.7	4.3	4.3	2.9	4.5	5.3	5.3	161.6%	154.7%
Software and other intangible assets	-	-	-	-	-	87.3	-	-	-	-	-	-	-	-
Total	7 482.1	7 267.6	7 142.1	7 545.2	7 550.6	7 512.8	8 113.5	8 145.4	7 944.6	7 045.0	7 163.5	7 112.5	98.4%	98.6%

Expenditure estimates

Table 26.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Energy Policy and Planning									
3. Petroleum and Petroleum Products Regulation									
4. Electrification and Energy Programme and Project Management									
5. Nuclear Energy									
6. Clean Energy									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2018/19	2015/16 - 2018/19	2019/20			2020/21
R million									
Programme 1	283.4	4.7%	3.8%	308.3	327.0	344.6	6.7%	4.2%	
Programme 2	50.1	4.3%	0.6%	54.7	57.7	60.8	6.7%	0.7%	
Programme 3	86.1	5.5%	1.0%	91.3	96.4	104.3	6.6%	1.2%	
Programme 4	5 332.6	-2.8%	77.4%	5 531.8	5 350.6	6 270.0	5.5%	74.1%	
Programme 5	875.6	10.2%	10.8%	1 045.9	1 102.7	1 163.7	9.9%	13.8%	
Programme 6	484.7	3.6%	6.5%	408.1	440.3	465.4	-1.3%	5.9%	
Total	7 112.5	-0.7%	100.0%	7 440.0	7 374.7	8 408.8	5.7%	100.0%	
Change to 2018 Budget estimate				(133.6)	(622.9)	(77.7)			
Economic classification									
Current payments	783.1	15.5%	8.3%	671.5	720.0	754.2	-1.2%	9.7%	
Compensation of employees	360.5	7.6%	4.4%	384.3	409.2	435.9	6.5%	5.2%	
Goods and services	422.6	24.4%	4.0%	287.3	310.8	318.4	-9.0%	4.4%	
Transfers and subsidies	6 324.1	-2.2%	91.3%	6 763.7	6 649.6	7 649.2	6.5%	90.3%	
Provinces and municipalities	2 119.5	-0.6%	29.3%	2 090.4	2 216.9	2 383.7	4.0%	29.0%	
Departmental agencies and accounts	133.4	15.2%	1.4%	165.9	174.3	183.4	11.2%	2.2%	
Foreign governments and international organisations	27.9	12.5%	0.4%	29.5	31.1	32.8	5.5%	0.4%	
Public corporations and private enterprises	4 042.9	-3.4%	60.2%	4 477.4	4 226.8	5 048.8	7.7%	58.7%	
Households	0.5	5.4%	0.0%	0.5	0.5	0.5	5.6%	0.0%	
Payments for capital assets	5.3	9.7%	0.4%	4.8	5.0	5.3	0.2%	0.1%	
Machinery and equipment	5.3	9.7%	0.1%	4.8	5.0	5.3	0.2%	0.1%	
Total	7 112.5	-0.7%	100.0%	7 440.0	7 374.7	8 408.8	5.7%	100.0%	

Expenditure trends and estimates for significant spending items

Table 26.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16 - 2018/19	Average: Expenditure/ Total vote (%)	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total vote (%)
Electrification programmes	5 820 485	5 678 659	6 152 173	5 383 641	-2.6%	77.5%	5 531 825	5 350 612	6 269 953	5.2%	74.3%
Clean Energy	281 783	560 101	609 555	484 707	19.8%	6.5%	408 083	440 319	465 357	-1.3%	5.9%
Total	6 102 268	6 238 760	6 761 728	5 868 348	-1.3%	84.0%	5 939 908	5 790 931	6 735 310	4.7%	80.2%

Goods and services expenditure trends and estimates

Table 26.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16 - 2018/19	Average: Expenditure/ Total (%)	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
Administrative fees	5 663	4 650	3 653	3 495	-14.9%	1.5%	3 975	4 192	4 422	8.2%	1.2%
Advertising	13 785	8 362	2 016	7 078	-19.9%	2.7%	7 298	7 645	8 065	4.4%	2.2%
Minor assets	1 036	833	280	405	-26.9%	0.2%	486	524	553	10.9%	0.1%
Audit costs: External	4 233	3 805	4 542	3 972	-2.1%	1.4%	4 129	4 356	4 596	5.0%	1.3%
Bursaries: Employees	610	555	618	821	10.4%	0.2%	867	915	965	5.5%	0.3%
Catering: Departmental activities	1 961	2 546	1 745	1 714	-4.4%	0.7%	1 721	1 819	1 920	3.9%	0.5%
Communication	7 613	8 517	9 023	6 215	-6.5%	2.7%	6 499	6 859	7 239	5.2%	2.0%
Computer services	9 839	10 658	11 740	7 726	-7.7%	3.4%	10 470	11 031	11 637	14.6%	3.1%
Consultants: Business and advisory services	25 828	102 502	30 379	112 260	63.2%	23.1%	114 766	130 772	128 733	4.7%	36.3%
Legal services	924	2 451	4 984	2 696	42.9%	0.9%	517	545	575	-40.3%	0.3%
Contractors	2 560	2 206	1 100	1 770	-11.6%	0.7%	1 634	1 723	1 817	0.9%	0.5%
Agency and support/outsourced services	3 305	1 096	189	872	-35.9%	0.5%	10 886	11 484	12 116	140.4%	2.6%
Entertainment	1	8	13	184	468.8%	-	195	206	217	5.7%	0.1%
Fleet services (including government motor transport)	1 586	1 275	1 333	641	-26.1%	0.4%	605	639	675	1.7%	0.2%
Consumable supplies	1 042	1 032	743	1 330	8.5%	0.4%	2 246	2 371	2 501	23.4%	0.6%
Consumables: Stationery, printing and office supplies	4 653	4 722	2 826	4 861	1.5%	1.5%	4 160	4 385	4 624	-1.7%	1.3%
Operating leases	34 063	38 955	35 228	45 336	10.0%	13.1%	49 957	52 700	55 593	7.0%	15.2%
Rental and hiring	93	-	68	-	-100.0%	-	-	-	-	-	-
Property payments	4 082	8 851	6 953	5 030	7.2%	2.1%	7 310	5 747	5 799	4.9%	1.8%
Transport provided: Departmental activity (travel and subsistence)	238	294	73	-	-100.0%	0.1%	-	-	-	-	-
Training and development	65 249	52 019	43 737	37 514	-16.8%	16.9%	41 485	43 779	46 191	7.2%	12.6%
Operating payments	4 664	4 041	3 409	4 086	-4.3%	1.4%	4 315	4 552	4 802	5.5%	1.3%
Venues and facilities	4 898	3 988	91 502	166 489	223.9%	22.7%	4 059	4 282	4 516	-70.0%	13.4%
Total	213 299	273 184	264 720	422 571	25.6%	100.0%	287 266	310 800	318 393	-9.0%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 26.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16 - 2018/19	Average: Expenditure/ Total (%)	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
Households											
Social benefits											
Current	2 920	2 001	4 467	389	-48.9%	-	411	434	458	5.6%	-
Employee social benefits	2 920	2 001	4 467	389	-48.9%	-	411	434	458	5.6%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	86 762	72 148	128 977	132 949	15.3%	1.5%	165 449	173 820	182 831	11.2%	2.4%
Energy and Water Sector Education and Training Authority	792	985	1 048	1 108	11.8%	-	1 170	1 234	1 302	5.5%	-
National Nuclear Regulator	21 109	40 538	38 155	16 068	-8.7%	0.4%	42 629	44 974	47 448	43.5%	0.6%

Table 26.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
National Radioactive Waste Disposal Institute	–	10 000	30 000	45 532	–	0.3%	47 499	49 397	51 564	4.2%	0.7%
South African National Energy Development Institute	64 861	20 625	59 774	70 241	2.7%	0.8%	74 151	78 215	82 517	5.5%	1.1%
Capital	378	398	418	442	5.4%	–	467	493	520	5.6%	–
National Nuclear Regulator	378	398	418	442	5.4%	–	467	493	520	5.6%	–
Households											
Other transfers to households											
Current	711	935	250	65	-55.0%	–	69	73	77	5.8%	–
Employee social benefits	–	122	–	–	–	–	–	–	–	–	–
Employee ex-gratia payments	711	58	61	65	-55.0%	–	69	73	77	5.8%	–
Bursaries for non-employees	–	755	189	–	–	–	–	–	–	–	–
Provinces and municipalities											
Municipal bank accounts											
Current	177 899	185 625	203 236	215 024	6.5%	2.9%	227 065	239 554	252 729	5.5%	3.4%
Energy efficiency and demand-side management grant	177 899	185 625	203 236	215 024	6.5%	2.9%	227 065	239 554	252 729	5.5%	3.4%
Capital	1 980 340	1 946 246	2 087 048	1 904 477	-1.3%	29.1%	1 863 328	1 977 364	2 131 018	3.8%	28.7%
Integrated national electrification programme (municipal) grant	1 980 340	1 946 246	2 087 048	1 904 477	-1.3%	29.1%	1 863 328	1 977 364	2 131 018	3.8%	28.7%
Foreign governments and international organisations											
Current	29 565	25 003	25 622	27 915	-1.9%	0.4%	29 478	31 099	32 809	5.5%	0.4%
International Energy Forum	366	3 034	276	–	-100.0%	–	–	–	–	–	–
International Atomic Energy Agency	27 886	19 753	22 691	21 549	-8.2%	0.3%	22 756	24 007	25 327	5.5%	0.3%
Generation IV International Forum	–	–	566	741	–	–	782	825	870	5.5%	–
International Renewable Energy Agency	1 313	2 216	1 015	1 137	-4.7%	–	1 201	1 267	1 337	5.5%	–
International Energy Forum	–	–	–	337	–	–	356	376	397	5.6%	–
International Partnership for Energy Efficiency Cooperation	–	–	–	1 273	–	–	1 345	1 419	1 497	5.6%	–
African Petroleum Producers' Association	–	–	1 074	2 878	–	–	3 038	3 205	3 381	5.5%	–
Public corporations and private enterprises											
Subsidies on products and production											
Capital	156 179	458 047	394 432	149 149	-1.5%	4.3%	212 941	224 653	237 009	16.7%	3.0%
Various institutions: Integrated national electrification programme	156 179	137 733	158 960	149 149	-1.5%	2.2%	212 941	224 653	237 009	16.7%	3.0%
Various institutions: Solar water heater programme	–	320 314	235 472	–	–	2.0%	–	–	–	–	–
Public corporations and private enterprises											
Subsidies on products and production											
Current	498 777	513 461	574 000	587 313	5.6%	8.0%	789 688	833 135	878 958	14.4%	11.3%
South African Nuclear Energy Corporation	482 657	496 375	555 888	568 151	5.6%	7.7%	599 246	632 219	666 991	5.5%	9.0%
South African Nuclear Energy Corporation	16 120	17 086	18 112	19 162	5.9%	0.3%	190 442	200 916	211 967	122.8%	2.3%
Capital	3 694 824	3 612 211	3 936 325	3 357 432	-3.1%	53.7%	3 474 796	3 169 022	3 932 800	5.4%	50.8%
Eskom	3 613 243	3 526 334	3 846 154	3 262 031	-3.4%	52.4%	3 374 053	3 062 738	3 820 670	5.4%	49.3%
South African Nuclear Energy Corporation	81 581	85 877	90 171	95 401	5.4%	1.3%	100 743	106 284	112 130	5.5%	1.5%
Total	6 628 355	6 816 075	7 354 775	6 375 155	-1.3%	100.0%	6 763 692	6 649 647	7 649 209	6.3%	100.0%

Personnel information

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

Number of posts estimated for 31 March 2019		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 (%)					
		2017/18			2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22				
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost							
Energy		596	53	549	322.2	0.6	569	360.5	0.6	563	384.2	0.7	559	409.1	0.7	559	435.7	0.8	-0.6%	100.0%
1 – 6	128	30	125	31.7	0.3	129	34.7	0.3	130	38.0	0.3	131	41.6	0.3	136	46.0	0.3	1.8%	23.4%	
7 – 10	268	10	251	123.2	0.5	259	138.2	0.5	250	143.1	0.6	247	152.2	0.6	244	161.7	0.7	-2.0%	44.4%	
11 – 12	101	6	94	75.8	0.8	99	85.7	0.9	100	92.8	0.9	98	97.3	1.0	96	101.8	1.1	-1.0%	17.5%	
13 – 16	97	7	77	87.0	1.1	80	97.0	1.2	81	105.1	1.3	81	112.5	1.4	81	120.3	1.5	0.4%	14.4%	
Other	2	–	2	4.5	2.2	2	4.8	2.4	2	5.1	2.6	2	5.5	2.8	2	5.9	2.9	–	0.4%	
Programme	596	53	549	322.2	0.6	569	360.5	0.6	563	384.2	0.7	559	409.1	0.7	559	435.7	0.8	-0.6%	100.0%	
Programme 1	291	28	263	148.4	0.6	269	164.2	0.6	268	176.5	0.7	269	190.0	0.7	265	200.3	0.8	-0.5%	47.6%	
Programme 2	53	2	49	34.8	0.7	54	41.6	0.8	52	42.6	0.8	52	45.0	0.9	51	47.4	0.9	-1.9%	9.3%	
Programme 3	116	5	108	56.7	0.5	112	63.3	0.6	108	66.2	0.6	107	70.0	0.7	109	76.3	0.7	-0.9%	19.4%	
Programme 4	81	14	74	44.3	0.6	77	49.7	0.6	79	54.4	0.7	78	57.4	0.7	77	60.4	0.8	–	13.8%	
Programme 5	31	2	31	20.8	0.7	30	21.8	0.7	33	24.9	0.8	31	26.2	0.8	34	28.6	0.8	4.3%	5.7%	
Programme 6	24	2	24	17.2	0.7	27	19.9	0.7	23	19.6	0.9	22	20.6	0.9	23	22.6	1.0	-5.2%	4.2%	

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

2. Rand million.

Departmental receipts

Table 26.8 Departmental receipts by economic classification

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 (%)	
	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21			2021/22
	2015/16 - 2018/19	2019/20	2020/21					2021/22	2018/19 - 2021/22				
Departmental receipts	805 987	956 905	7 994	6 170	6 170	-80.3%	100.0%	6 309	6 560	6 920	3.9%	100.0%	
Sales of goods and services produced by department	3 885	4 209	3 997	3 914	3 914	0.2%	0.9%	4 027	4 249	4 483	4.6%	64.2%	
Sales by market establishments	141	144	140	149	149	1.9%	–	156	165	174	5.3%	2.5%	
of which:													
Sales by market establishment: Parking	141	144	140	149	149	1.9%	–	156	165	174	5.3%	2.5%	
Administrative fees	3 631	3 944	3 729	3 650	3 650	0.2%	0.8%	3 750	3 956	4 174	4.6%	59.8%	
of which:													
Administrative fees: Petroleum licence fees	3 631	3 944	3 729	3 650	3 650	0.2%	0.8%	3 750	3 956	4 174	4.6%	59.8%	
Other sales	113	121	128	115	115	0.6%	–	121	128	135	5.5%	1.9%	
of which:													
Other sales: Garnishee, photocopy, faxes	113	121	128	115	115	0.6%	–	121	128	135	5.5%	1.9%	
Sales of scrap, waste, arms and other used current goods	–	–	1	2	2	–	–	2	2	2	–	–	
of which:													
Sales: Wastepaper	–	–	1	2	2	–	–	2	2	2	–	–	
Transfers received	1 059	1 745	2 226	1 750	1 750	18.2%	0.4%	1 750	1 750	1 846	1.8%	27.3%	
Interest, dividends and rent on land	489	649	27	30	30	-60.6%	0.1%	32	34	36	6.3%	0.5%	
Interest	489	649	27	30	30	-60.6%	0.1%	32	34	36	6.3%	0.5%	
Sales of capital assets	111	–	–	–	–	-100.0%	–	–	–	–	–	–	
Transactions in financial assets and liabilities	800 443	950 302	1 743	474	474	-91.6%	98.6%	498	525	553	5.3%	7.9%	
Total	805 987	956 905	7 994	6 170	6 170	-80.3%	100.0%	6 309	6 560	6 920	3.9%	100.0%	

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million											
Ministry	42.3	39.3	44.4	33.3	-7.7%	14.3%	34.3	37.5	39.6	5.9%	11.5%
Departmental Management	52.6	72.7	66.1	73.2	11.6%	23.7%	79.8	86.5	91.0	7.5%	26.2%
Finance Administration	33.3	34.7	33.8	40.1	6.4%	12.7%	41.3	43.6	46.1	4.7%	13.5%
Audit Services	6.7	6.9	6.3	8.5	8.1%	2.5%	8.9	9.4	9.9	5.3%	2.9%
Corporate Services	110.8	98.5	87.0	79.2	-10.6%	33.6%	87.7	92.5	97.8	7.3%	28.3%
Office Accommodation	32.1	30.6	34.7	49.2	15.3%	13.1%	56.4	57.5	60.4	7.1%	17.7%
Total	277.8	282.8	272.4	283.4	0.7%	100.0%	308.3	327.0	344.6	6.7%	100.0%
Change to 2018				0.8			9.2	12.3	10.7		
Budget estimate											
Economic classification											
Current payments	268.6	272.3	263.4	276.5	1.0%	96.8%	301.8	320.3	337.5	6.9%	97.8%
Compensation of employees	138.8	149.8	148.4	164.2	5.8%	53.9%	176.5	190.1	200.4	6.9%	57.9%
Goods and services ¹	129.8	122.5	115.0	112.3	-4.7%	43.0%	125.3	130.2	137.1	6.9%	40.0%
of which:											
Computer services	9.8	10.7	11.7	7.7	-7.6%	3.6%	10.5	11.0	11.6	14.6%	3.2%
Consultants: Business and advisory services	4.0	4.7	5.1	5.4	10.0%	1.7%	5.6	5.9	6.2	5.0%	1.8%
Operating leases	33.2	38.1	34.3	45.3	11.0%	13.5%	50.0	52.7	55.6	7.1%	16.1%
Property payments	4.1	8.8	7.0	5.0	7.5%	2.2%	7.3	5.7	5.8	4.9%	1.9%
Travel and subsistence	32.5	26.1	24.9	16.8	-19.8%	9.0%	18.3	19.3	20.3	6.7%	5.9%
Training and development	4.6	4.0	3.4	4.1	-4.2%	1.4%	4.3	4.6	4.8	5.5%	1.4%
Transfers and subsidies¹	4.8	6.8	6.1	1.6	-31.2%	1.7%	1.7	1.7	1.8	5.6%	0.5%
Departmental agencies and accounts	0.8	1.0	1.0	1.1	11.8%	0.4%	1.2	1.2	1.3	5.5%	0.4%
Foreign governments and international organisations	0.4	3.0	0.3	-	-100.0%	0.3%	-	-	-	-	-
Households	3.6	2.8	4.7	0.5	-50.0%	1.0%	0.5	0.5	0.5	5.6%	0.2%
Payments for capital assets	4.4	3.6	2.9	5.3	6.1%	1.5%	4.8	5.0	5.3	0.2%	1.6%
Machinery and equipment	4.4	3.6	2.9	5.3	6.1%	1.5%	4.8	5.0	5.3	0.2%	1.6%
Total	277.8	282.8	272.4	283.4	0.7%	100.0%	308.3	327.0	344.6	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	3.9%	3.8%	3.4%	4.0%	-	-	4.1%	4.2%	4.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	0.8	1.0	1.0	1.1	11.8%	0.4%	1.2	1.2	1.3	5.5%	0.4%
Energy and Water Sector Education and Training Authority	0.8	1.0	1.0	1.1	11.8%	0.4%	1.2	1.2	1.3	5.5%	0.4%

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

Programme 2: Energy Policy and Planning

Programme purpose

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

Objectives

- Improve energy security by:
 - regulating demand and introducing a diversified mix of technologies to generate energy on an ongoing basis

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

Subprogrammes

- *Policy Analysis and Research* develops key indicators and monitors the impact of energy sector policies, planning and interventions; analyses all energy policies and their impact on access to energy and the security of energy supply; conducts research and analyses policies in relation to other countries; and conducts research and analyses national and international trends or developments that affect the demand and supply of energy.
- *Energy Planning* manages energy data and information; develops and maintains an energy modelling system to simulate energy supply and distribution; identifies constraints in energy supply and distribution, and addresses them through the integrated energy plan; manages the overall collection, collation, validation, integrity and quality of energy data; and manages the development of energy plans and strategic interventions for the generation, refining, distribution and transmission of energy sources to optimise energy supply.
- *Hydrocarbon Policy* ensures secure energy supply; well-managed demand; enhanced access to hydrocarbons; a transformed energy sector; and that energy regulation and competition is improved through the development, promulgation and maintenance of a statutory framework for petroleum, petroleum products, petroleum infrastructure, coal and gas.
- *Electricity, Energy Efficiency and Environmental Policy* ensures secure energy supply; well-managed demand; a transformed energy sector; and energy regulation and competition that improves through the development, promulgation and maintenance of a statutory framework for electricity. This includes reforming the electricity supply industry to introduce independent power producers in support of electricity security.

Expenditure trends and estimates

Table 26.10 Energy Policy and Planning expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%) 2015/16 - 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/ Total (%) 2018/19 - 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R million											
Policy Analysis and Research	1.6	2.1	1.7	2.6	17.7%	4.7%	4.3	4.6	4.8	23.4%	7.3%
Energy Planning	18.4	18.8	20.5	23.0	7.7%	47.5%	25.1	26.5	28.0	6.7%	46.0%
Hydrocarbon Policy	11.4	11.5	12.1	15.2	10.0%	29.6%	15.0	15.8	16.7	3.0%	28.1%
Electricity, Energy Efficiency and Environmental Policy	6.7	7.5	7.5	9.3	11.7%	18.2%	10.2	10.8	11.4	7.0%	18.7%
Total	38.1	39.9	41.7	50.1	9.5%	100.0%	54.7	57.7	60.8	6.7%	100.0%
Change to 2018 Budget estimate				(3.0)			(1.6)	(2.6)	(3.3)		
Economic classification											
Current payments	38.1	39.9	41.7	50.1	9.5%	100.0%	54.7	57.7	60.8	6.7%	100.0%
Compensation of employees	31.5	32.8	34.8	41.6	9.7%	82.9%	42.6	45.0	47.4	4.4%	79.1%
Goods and services ¹	6.6	7.1	6.9	8.4	8.7%	17.1%	12.0	12.7	13.4	16.6%	20.9%
of which:											
Administrative fees	0.2	0.4	0.1	0.5	32.5%	0.7%	0.5	0.5	0.6	3.7%	1.0%
Communication	0.3	0.3	0.6	0.6	30.4%	1.0%	0.6	0.6	0.6	2.3%	1.1%

Table 26.10 Energy Policy and Planning expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22
R million											
<i>Consultants: Business and advisory services</i>	0.3	1.1	2.7	2.6	97.3%	4.0%	4.5	4.7	5.0	23.7%	7.5%
<i>Travel and subsistence</i>	4.1	3.2	1.8	2.3	-17.7%	6.7%	4.0	4.3	4.5	25.6%	6.7%
<i>Operating payments</i>	0.7	0.7	0.6	0.7	-1.0%	1.6%	0.5	0.6	0.6	-5.7%	1.1%
<i>Venues and facilities</i>	0.7	0.8	0.1	1.1	16.8%	1.6%	1.1	1.2	1.3	4.9%	2.1%
Total	38.1	39.9	41.7	50.1	9.5%	100.0%	54.7	57.7	60.8	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.7%	–	–	0.7%	0.7%	0.7%	–	–

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

Programme 3: Petroleum and Petroleum Products Regulation

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%) 2015/16 - 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/ Total (%) 2018/19 - 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R million											
Petroleum Compliance, Monitoring and Enforcement	13.8	14.2	13.3	17.6	8.3%	19.1%	19.7	20.7	21.9	7.6%	21.1%
Petroleum Licensing and Fuel Supply	20.7	24.2	24.8	27.4	9.7%	31.4%	27.3	28.8	33.1	6.5%	30.8%
Fuel Pricing	6.8	7.4	5.4	6.2	-3.4%	8.4%	6.5	6.8	7.2	5.1%	7.0%
Regional Petroleum Regulation Offices	27.5	33.3	31.1	35.0	8.3%	41.1%	37.9	40.0	42.2	6.4%	41.0%
Total	69.0	79.0	74.6	86.1	7.7%	100.0%	91.3	96.4	104.3	6.6%	100.0%
Change to 2018 Budget estimate				(1.0)			(1.4)	(2.9)	(1.2)		
Economic classification											
Current payments	69.0	78.8	73.6	83.3	6.5%	98.7%	88.2	93.2	100.9	6.6%	96.7%
Compensation of employees	52.6	58.9	56.7	63.4	6.4%	75.0%	66.2	69.9	76.4	6.4%	72.9%
Goods and services ¹	16.4	19.9	16.9	19.9	6.7%	23.7%	22.1	23.3	24.6	7.3%	23.7%
of which:											
Advertising	0.4	0.8	0.1	1.0	33.0%	0.7%	1.1	1.2	1.2	6.3%	1.2%
Communication	0.7	0.4	0.4	0.6	-4.5%	0.7%	0.7	0.7	0.8	8.4%	0.7%
Consultants: Business and advisory services	10.0	10.4	8.5	11.6	5.0%	13.1%	13.3	14.0	14.8	8.5%	14.2%
Travel and subsistence	4.3	6.2	4.8	4.1	-1.5%	6.3%	4.3	4.5	4.8	5.5%	4.7%
Operating payments	0.3	0.5	0.1	0.4	16.8%	0.4%	0.6	0.6	0.6	16.1%	0.6%
Venues and facilities	0.2	0.6	1.1	1.2	75.2%	1.0%	1.4	1.4	1.5	8.6%	1.4%
Transfers and subsidies¹	-	0.1	1.1	2.9	-	1.3%	3.0	3.2	3.4	5.5%	3.3%
Foreign governments and international organisations	-	-	1.1	2.9	-	1.3%	3.0	3.2	3.4	5.5%	3.3%
Households	-	0.1	-	-	-	-	-	-	-	-	-
Total	69.0	79.0	74.6	86.1	7.7%	100.0%	91.3	96.4	104.3	6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	1.1%	0.9%	1.2%	-	-	1.2%	1.2%	1.2%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	-	-	1.1	2.9	-	1.3%	3.0	3.2	3.4	5.5%	3.3%
African Petroleum Producers' Association	-	-	1.1	2.9	-	1.3%	3.0	3.2	3.4	5.5%	3.3%

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

Programme 4: Electrification and Energy Programme and Project Management

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22		
R million											
Integrated National Electrification Programme	5 775.7	5 630.6	6 111.2	5 340.7	-2.6%	99.2%	5 484.6	5 300.8	6 217.5	5.2%	99.1%
Energy Regional Offices	20.3	19.7	18.3	18.1	-3.7%	0.3%	20.9	22.1	23.3	8.7%	0.4%
Programme and Project Management Office	9.1	13.5	8.3	11.4	7.7%	0.2%	12.1	12.7	13.4	5.8%	0.2%
Electricity Infrastructure/Industry Transformation	8.6	9.3	8.4	8.1	-1.8%	0.1%	8.7	9.1	9.6	5.7%	0.2%
Community Upliftment Programmes and Projects	6.8	5.6	6.0	5.3	-8.0%	0.1%	5.5	5.8	6.1	4.8%	0.1%
Total	5 820.5	5 678.7	6 152.2	5 383.6	-2.6%	100.0%	5 531.8	5 350.6	6 270.0	5.2%	100.0%
Change to 2018 Budget estimate				(51.8)			(313.6)	(817.8)	(283.2)		
Economic classification											
Current payments	70.7	68.3	60.0	68.0	-1.3%	1.2%	81.5	85.9	81.3	6.1%	1.4%
Compensation of employees	41.8	43.8	44.3	49.6	5.9%	0.8%	54.5	57.4	60.5	6.8%	1.0%
Goods and services ¹	28.9	24.5	15.7	18.4	-14.0%	0.4%	27.0	28.4	20.8	4.2%	0.4%
of which:											
Administrative fees	1.3	1.2	0.8	0.7	-19.9%	–	0.9	1.0	1.0	14.2%	–
Catering: Departmental activities	1.4	1.4	0.9	0.8	-18.3%	–	0.7	0.7	0.8	0.3%	–
Communications	0.4	0.7	0.5	0.6	15.2%	–	0.8	0.8	0.9	11.0%	–
Consultants: Business and advisory services	0.0	0.2	–	4.9	534.4%	–	12.7	13.3	4.8	-0.1%	0.2%
Travel and subsistence	15.7	12.2	8.2	9.3	-15.9%	0.2%	9.5	10.0	10.5	4.2%	0.2%
Venues and facilities	7.2	4.6	3.9	1.1	-46.0%	0.1%	1.8	1.9	2.0	20.6%	–
Transfers and subsidies¹	5 749.8	5 610.4	6 092.2	5 315.7	-2.6%	98.8%	5 450.3	5 264.8	6 188.7	5.2%	98.6%
Provinces and municipalities	1 980.3	1 946.2	2 087.0	1 904.5	-1.3%	34.4%	1 863.3	1 977.4	2 131.0	3.8%	34.9%
Public corporations and private enterprises	3 769.4	3 664.1	4 005.1	3 411.2	-3.3%	64.5%	3 587.0	3 287.4	4 057.7	6.0%	63.6%
Payments for financial assets	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Total	5 820.5	5 678.7	6 152.2	5 383.6	-2.6%	100.0%	5 531.8	5 350.6	6 270.0	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	81.5%	75.6%	77.4%	75.2%	–	–	74.4%	72.6%	74.6%	–	–

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

Details of selected transfers and subsidies												
R million	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Capital	1 980.3	1 946.2	2 087.0	1 904.5	-1.3%	34.4%	1 863.3	1 977.4	2 131.0	3.8%	34.9%	
Integrated national electrification programme (municipal) grant	1 980.3	1 946.2	2 087.0	1 904.5	-1.3%	34.4%	1 863.3	1 977.4	2 131.0	3.8%	34.9%	
Public corporations and private enterprises												
Private enterprises												
Private enterprises												
(subsidies on products and production)												
Capital	156.2	137.7	159.0	149.1	-1.5%	2.6%	212.9	224.7	237.0	16.7%	3.7%	
Various institutions: Integrated national electrification programme	156.2	137.7	159.0	149.1	-1.5%	2.6%	212.9	224.7	237.0	16.7%	3.7%	
Public corporations and private enterprises												
Public corporations												
Public corporations												
(subsidies on products and production)												
Capital	3 613.2	3 526.3	3 846.2	3 262.0	-3.4%	61.9%	3 374.1	3 062.7	3 820.7	5.4%	60.0%	
Eskom	3 613.2	3 526.3	3 846.2	3 262.0	-3.4%	61.9%	3 374.1	3 062.7	3 820.7	5.4%	60.0%	

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.

Programme 5: Nuclear Energy

Programme purpose

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

Objectives

- Regulate the security of nuclear material, related equipment and facilities by developing and publishing appropriate regulations on an ongoing basis.
- Ensure compliance with international nuclear obligations by developing, maintaining, implementing and enforcing a relevant and appropriate statutory framework for nuclear energy policy on an ongoing basis.

Subprogrammes

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

technology, nuclear non-proliferation and nuclear radiation security policies and legislation, and provides advice accordingly.

Expenditure trends and estimates

Table 26.13 Nuclear Energy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16 - 2018/19	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2021/22
R million											
Nuclear Safety and Technology	641.5	859.0	780.8	855.2	10.1%	98.1%	1 026.2	1 081.9	1 140.8	10.1%	98.0%
Nuclear Non-proliferation and Radiation Security	7.2	8.3	8.4	9.1	8.2%	1.0%	9.5	10.0	11.6	8.4%	1.0%
Nuclear Policy	6.4	5.1	5.0	11.4	21.2%	0.9%	10.2	10.8	11.4	–	1.0%
Total	655.0	872.5	794.2	875.6	10.2%	100.0%	1 045.9	1 102.7	1 163.7	9.9%	100.0%
Change to 2018 Budget estimate				59.0			175.6	190.6	201.2		
Economic classification											
Current payments	25.3	104.0	38.2	108.5	62.5%	8.6%	41.3	43.6	46.9	-24.4%	5.7%
Compensation of employees	17.0	19.8	20.8	21.8	8.5%	2.5%	24.9	26.2	28.6	9.5%	2.4%
Goods and services ¹	8.2	84.3	17.4	86.7	119.2%	6.1%	16.5	17.4	18.3	-40.4%	3.3%
of which:											
Advertising	1.6	0.5	0.1	1.4	-3.9%	0.1%	1.6	1.6	1.7	6.7%	0.1%
Communication	0.3	0.2	0.2	0.3	-0.4%	–	0.3	0.3	0.3	2.9%	–
Consultants: Business and advisory services	0.8	78.5	13.3	80.1	373.9%	5.4%	11.0	11.6	12.2	-46.5%	2.7%
Consumables: Stationery, printing and office supplies	0.1	0.6	0.0	0.5	53.0%	–	0.5	0.5	0.6	6.8%	–
Travel and subsistence	3.2	2.2	1.8	1.6	-20.8%	0.3%	1.7	1.8	1.9	5.8%	0.2%
Venues and facilities	1.8	1.6	0.9	1.1	-16.3%	0.2%	1.2	1.3	1.4	9.8%	0.1%
Transfers and subsidies¹	629.8	670.0	756.0	767.0	6.8%	88.3%	1 004.6	1 059.1	1 116.8	13.3%	94.3%
Departmental agencies and accounts	21.5	50.9	68.6	62.0	42.4%	6.4%	90.6	94.9	99.5	17.1%	8.3%
Foreign governments and international organisations	27.9	19.8	23.3	22.3	-7.2%	2.9%	23.5	24.8	26.2	5.5%	2.3%
Public corporations and private enterprises	580.4	599.3	664.2	682.7	5.6%	79.0%	890.4	939.4	991.1	13.2%	83.7%
Payments for capital assets	–	98.4	–	–	–	3.1%	–	–	–	–	–
Machinery and equipment	–	11.0	–	–	–	0.3%	–	–	–	–	–
Software and other intangible assets	–	87.3	–	–	–	2.7%	–	–	–	–	–
Total	655.0	872.5	794.2	875.6	10.2%	100.0%	1 045.9	1 102.7	1 163.7	9.9%	100.0%
Proportion of total programme expenditure to vote expenditure	9.2%	11.6%	10.0%	12.2%	–	–	14.1%	14.0%	13.8%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	21.1	50.5	68.2	61.6	42.9%	6.3%	90.1	94.4	99.0	17.1%	8.2%
National Nuclear Regulator	21.1	40.5	38.2	16.1	-8.7%	3.6%	42.6	45.0	47.4	43.5%	3.6%
National Radioactive Waste Disposal Institute	–	10.0	30.0	45.5	–	2.7%	47.5	49.4	51.6	4.2%	4.6%
Foreign governments and international organisations											
Current	27.9	19.8	23.3	22.3	-7.2%	2.9%	23.5	24.8	26.2	5.5%	2.3%
International Atomic Energy Agency	27.9	19.8	22.7	21.5	-8.2%	2.9%	22.8	24.0	25.3	5.5%	2.2%
Generation IV International Forum	–	–	0.6	0.7	–	–	0.8	0.8	0.9	5.5%	0.1%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidiaries on products and production)											
Current	498.8	513.5	574.0	587.3	5.6%	68.0%	789.7	833.1	879.0	14.4%	73.8%
South African Nuclear Energy Corporation	498.8	513.5	574.0	587.3	5.6%	68.0%	789.7	833.1	879.0	14.4%	73.8%
Capital	81.6	85.9	90.2	95.4	5.4%	11.0%	100.7	106.3	112.1	5.5%	9.9%
South African Nuclear Energy Corporation	81.6	85.9	90.2	95.4	5.4%	11.0%	100.7	106.3	112.1	5.5%	9.9%

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

Programme 6: Clean Energy

Programme purpose

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

Objectives

- Manage climate change response and environmental compliance issues by:
 - monitoring the implementation of energy-related climate change regulations to mitigate the risk of environmental impact on an ongoing basis
 - publishing energy-related climate change strategies and plans over the medium term.
- Promote, facilitate and monitor the implementation of renewable energy initiatives on an ongoing basis.
- Promote, facilitate and monitor the implementation of energy efficiency and demand-side management initiatives on an ongoing basis by:
 - developing regulations and standards for energy management and energy saving
 - measuring, reporting and verifying strategies to save energy
 - coordinating, monitoring and reporting on the progress and impact of strategies for energy efficiency and demand management
 - developing and/or reviewing incentives and other financing schemes for energy efficiency.

Subprogrammes

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

Expenditure trends and estimates

Table 26.14 Clean Energy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million					2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Energy Efficiency	206.2	527.1	537.5	400.2	24.7%	86.3%	318.9	346.3	366.1	-2.9%	79.6%
Renewable Energy	69.8	25.2	64.2	75.8	2.8%	12.1%	80.1	84.5	89.1	5.5%	18.3%
Climate Change and Designated National Authority	5.8	7.7	7.8	8.7	14.3%	1.6%	9.1	9.6	10.1	5.3%	2.1%
Total	281.8	560.1	609.6	484.7	19.8%	100.0%	408.1	440.3	465.4	-1.3%	100.0%
Change to 2018 Budget estimate				114.5			(1.8)	(2.4)	(1.9)		

Table 26.14 Clean Energy expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22		
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22		
Current payments	37.7	31.3	110.1	196.7	73.4%	19.4%	104.0	119.5	126.9	-13.6%	30.4%
Compensation of employees	14.3	16.3	17.2	19.9	11.6%	3.5%	19.6	20.7	22.6	4.4%	4.6%
Goods and services ¹	23.4	15.1	92.8	176.8	96.3%	15.9%	84.4	98.8	104.3	-16.1%	25.8%
<i>of which:</i>											
Advertising	4.6	1.9	0.0	0.8	-43.2%	0.4%	0.9	0.9	1.0	5.0%	0.2%
Consultants: Business and advisory services	10.7	7.6	0.7	7.8	-10.0%	1.4%	67.7	81.2	85.7	122.6%	13.5%
Agency and support/outsourced services	1.1	1.1	-	-	-100.0%	0.1%	10.1	10.6	11.2	-	1.8%
Consumables: Stationery, printing and office supplies	0.1	0.1	0.0	0.2	51.4%	-	0.2	0.2	0.2	5.5%	-
Travel and subsistence	5.6	2.1	2.1	3.5	-14.4%	0.7%	3.7	3.9	4.2	6.0%	0.9%
Venues and facilities	0.4	0.7	0.5	1.3	47.0%	0.2%	1.4	1.4	1.5	4.6%	0.3%
Transfers and subsidies¹	244.1	528.8	499.5	288.0	5.7%	80.6%	304.1	320.8	338.5	5.5%	69.6%
Provinces and municipalities	177.9	185.6	203.2	215.0	6.5%	40.4%	227.1	239.6	252.7	5.5%	52.0%
Departmental agencies and accounts	64.9	20.6	59.8	70.2	2.7%	11.1%	74.2	78.2	82.5	5.5%	17.0%
Foreign governments and international organisations	1.3	2.2	1.0	2.7	27.9%	0.4%	2.9	3.1	3.2	5.6%	0.7%
Public corporations and private enterprises	-	320.3	235.5	-	-	28.7%	-	-	-	-	-
Total	281.8	560.1	609.6	484.7	19.8%	100.0%	408.1	440.3	465.4	-1.3%	100.0%
Proportion of total programme expenditure to vote expenditure	3.9%	7.5%	7.7%	6.8%	-	-	5.5%	5.6%	5.5%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	64.9	20.6	59.8	70.2	2.7%	11.1%	74.2	78.2	82.5	5.5%	17.0%
South African National Energy Development Institute	64.9	20.6	59.8	70.2	2.7%	11.1%	74.2	78.2	82.5	5.5%	17.0%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	177.9	185.6	203.2	215.0	6.5%	40.4%	227.1	239.6	252.7	5.5%	52.0%
Energy efficiency and demand-side management grant	177.9	185.6	203.2	215.0	6.5%	40.4%	227.1	239.6	252.7	5.5%	52.0%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Capital	-	320.3	235.5	-	-	28.7%	-	-	-	-	-
Various institutions: Solar water heater programme	-	320.3	235.5	-	-	28.7%	-	-	-	-	-

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

Entities

Central Energy Fund

Mandate

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

Through its eight operating subsidiaries, the entity is also mandated to finance and promote the acquisition of coal; exploit coal deposits; manufacture liquid fuel, oil, and other products from coal; and market these products. It is also mandated to acquire, generate, manufacture, market, distribute or research any other form of energy. The subsidiaries are: the Petroleum Oil and Gas Corporation of South Africa (PetroSA); the South African Gas Development Company; the Petroleum Agency of South Africa; Oil Pollution Control South Africa; the Strategic Fuel Fund Association; the African Exploration Mining and Finance Corporation; ETA Energy; and CCE Solutions. The Petroleum Agency of South Africa and the African Exploration Mining and Finance Corporation are in the process of being transferred to the Department of Mineral Resources.

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

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total indigenous production of fuel supplied to the market per year (million barrels)	Oil and gas, national oil company	Entity mandate	5.039	2.766	6.286	-1	-1	-1	-1
Number of reportable environmental incidents at the Central Energy Fund group per year	Oil and gas, national oil company		8	5	2	10	10	10	10
Number of tons (measured per thousand) of coal produced/sold at Vlakfontein by the African Exploration Mining and Finance Corporation per year	Mining, coal		1 565	1 389	1 400	2 000	3 000	4 000	5 000

1. No projections as the measurement has been changed from million barrels per year to barrels per day.

Expenditure analysis

Over the medium term, the Central Energy Fund aims to reduce costs and manage portfolios more effectively, optimise gas feedstock to improve its gross profit margin and facilitate the transition to clean fuels, improve profitability through new business development and expanding its subsidiaries, foster strategic partnerships, enhance liquidity through the management of working capital, and improve solvency by disposing of non-core assets.

As part of its drive to manage its portfolios more effectively, in 2019/20, the fund intends to restructure the Central Energy Fund group (comprising the fund and its subsidiaries) to improve accountability, and ensure that it operates efficiently and maximises synergies. This restructuring process will include plans for the turnaround of PetroSA.

To facilitate the transition to clean fuels and improve its gross profit margin over the MTEF period, the fund intends to optimise gas feedstock by assessing the viability of a cross-border and national gas pipeline to enable gas supply to its subsidiaries. In terms of new business development and expanding its subsidiaries, over the same period, the fund intends to investigate acquisitions in specific areas of the energy value chain such as downstream petroleum. The fund also intends to promote rural development through strategic mergers or partnerships in renewable energy investments for rural deployment.

To ensure that these objectives are met, the fund's subsidiaries will conduct several projects over the medium term: PetroSA will focus on increasing its revenue through increased production and feedstock optimisation; the Strategic Fuel Fund Association is charged with refurbishing its infrastructure to increase storage capacity; the Petroleum Agency of South Africa will focus on its financial viability; the South African Gas Development Company will set out to become an active infrastructure partner for increased gas supply; and the African Exploration Mining and Finance Corporation is expected to increase its coal supply capacity and revenue at the Tshilwavhusiku, Mzimkhulu and Vlakfontein mines. To achieve these objectives, the fund has allocated R3.2 billion in capital assets over the MTEF period.

Total expenditure is expected to increase at an average annual rate of 15.4 per cent, from R13.8 billion in 2018/19 to R21.2 billion in 2021/22. This increase is mainly driven by expected increases in production at PetroSA and the African Exploration Mining and Finance Corporation. The number of personnel in the fund is expected to remain at 1 862 over the medium term. As such, spending on compensation of employees is expected to increase at an average annual rate of 6.1 per cent, from R1.6 billion in 2018/19 to R1.9 billion in 2021/22.

Revenue is expected to increase at an average annual rate of 14.8 per cent, from R13.2 billion in 2018/19 to R20 billion in 2021/22, due to an expected increase in the sale of petroleum products, oil and coal as a result of increased production.

Programmes/Objectives/Activities

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

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
Administration	222.2	113.0	211.2	443.4	25.9%	1.6%	293.3	273.1	289.4	-13.3%	1.9%
Clean and renewable energy and Oil pollution	17.0	16.3	62.0	3.2	-42.7%	0.2%	3.3	3.5	3.7	5.0%	0.0%
Oil and gas, national oil company	16 963.1	12 392.2	12 077.7	11 964.0	-11.0%	84.9%	17 456.3	17 453.9	18 190.6	15.0%	88.1%
Strategic stock	4 873.7	704.0	741.4	344.9	-58.6%	8.6%	365.6	387.6	410.8	6.0%	2.1%
Mining, coal	383.2	424.6	521.1	753.1	25.3%	3.5%	938.0	1 121.5	1 993.4	38.3%	6.4%
Gas and gas infrastructure	20.3	41.8	35.7	101.9	71.1%	0.3%	118.3	128.0	127.9	7.9%	0.7%
Promotion, licensing and regulation	108.2	112.4	113.6	151.0	11.8%	0.8%	156.5	165.4	156.4	1.2%	0.9%
Total	22 587.8	13 804.3	13 762.7	13 761.6	-15.2%	100.0%	19 331.3	19 532.9	21 172.2	15.4%	100.0%

Statements of historical financial performance and position

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

Statement of financial performance										Average Outcome/ Budget (%)
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2015/16 - 2018/19	
	2015/16		2016/17		2017/18		2018/19			
Revenue										
Non-tax revenue	19 936.4	22 393.8	18 213.9	13 183.4	18 104.1	13 544.7	21 220.8	13 211.2	80.5%	
Sale of goods and services other than capital assets	19 187.2	21 379.5	17 344.3	11 940.1	17 261.5	12 131.0	19 883.3	12 198.3	78.2%	
of which:										
Sales by market establishment	19 187.2	21 379.5	17 344.3	11 940.1	17 261.5	12 131.0	19 883.3	12 198.3	78.2%	
Other non-tax revenue	749.2	1 014.3	869.6	1 243.3	842.6	1 413.7	1 337.5	1 012.9	123.3%	
Total revenue	19 960.9	22 393.8	18 213.9	13 183.4	18 104.1	14 116.5	21 220.8	13 211.2	81.2%	
Expenses										
Current expenses	19 348.7	22 219.4	17 788.5	13 502.8	18 703.6	13 687.5	19 630.9	13 638.4	83.5%	
Compensation of employees	1 013.4	1 377.6	1 080.3	1 366.4	1 620.3	1 432.9	1 855.2	1 600.3	103.7%	
Goods and services	18 139.6	18 816.4	15 566.4	10 414.4	16 789.7	10 632.8	16 483.4	11 706.7	77.0%	
Depreciation	73.3	1 913.1	1 007.4	1 127.4	91.8	1 048.2	1 064.0	100.2	187.3%	
Interest, dividends and rent on land	122.4	112.4	134.4	594.7	201.9	573.6	228.3	231.3	220.1%	
Total expenses	19 470.6	22 587.8	17 816.4	13 804.3	18 769.1	13 762.7	19 828.4	13 761.6	84.2%	
Surplus/(Deficit)	490.0	(194.0)	398.0	(621.0)	(665.0)	354.0	1 392.0	(550.0)		
Statement of financial position										
Carrying value of assets	14 678.8	12 494.4	14 031.2	11 408.7	17 390.7	9 044.8	20 526.3	9 257.3	63.3%	
of which:										
Acquisition of assets	(3 883.2)	(2 152.9)	(2 382.2)	(852.9)	(4 079.1)	(279.7)	(3 081.5)	(1 949.5)	39.0%	
Investments	7 768.2	1 989.4	5 636.4	1 092.7	5 775.3	1 051.2	5 925.6	1 558.8	22.7%	
Inventory	2 290.7	1 992.4	1 986.1	2 749.8	2 216.9	2 759.9	2 468.5	3 043.3	117.7%	
Loans	-	236.1	-	32.8	-	46.6	-	70.5	-	
Receivables and prepayments	2 080.6	2 507.1	1 575.9	2 202.1	1 964.2	2 293.6	2 196.0	1 125.5	104.0%	
Cash and cash equivalents	8 085.8	16 153.6	8 799.1	15 694.8	8 667.4	17 186.0	8 120.6	16 635.5	195.0%	
Non-current assets held for sale	-	50.0	36.0	88.6	-	34.3	-	16.0	525.3%	
Taxation	5.5	392.2	4.9	349.7	5.5	586.3	5.5	-	6 162.1%	
Total assets	34 909.6	35 815.0	32 069.6	33 619.1	36 020.1	33 002.7	39 242.6	31 706.9	94.3%	
Accumulated surplus/(deficit)	18 314.5	12 950.3	13 866.2	14 765.6	16 012.8	14 870.5	17 439.3	12 799.0	84.4%	
Capital and reserves	276.0	2 071.0	1 704.1	(1 321.1)	1 704.1	(1 281.1)	1 704.1	1 534.8	18.6%	
Borrowings	1 330.0	1 618.9	1 022.3	866.8	2 196.3	770.2	3 177.4	999.1	55.1%	
Finance lease	-	-	-	-	-	812.6	-	819.3	-	
Accrued interest	0.4	-	-	-	-	-	-	-	-	
Trade and other payables	2 880.4	5 463.4	1 525.4	6 800.2	1 599.3	7 070.8	1 806.1	4 887.9	310.1%	
Taxation	1 654.5	1 774.6	1 838.9	1 888.8	1 838.9	1 457.4	1 838.9	893.0	83.9%	
Provisions	9 882.6	11 865.0	11 555.1	10 431.2	12 104.1	9 140.7	12 685.4	9 630.7	88.8%	
Derivatives financial instruments	571.2	71.9	557.5	187.7	564.5	161.7	591.5	143.3	24.7%	
Total equity and liabilities	34 909.6	35 815.0	32 069.6	33 619.1	36 020.1	33 002.7	39 242.6	31 706.9	94.3%	

Statements of estimates of financial performance and position

Table 26.18 Central Energy Fund statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2018/19	2015/16 - 2018/19	2019/20		
R million									
Revenue									
Non-tax revenue		13 211.2	-16.1%	99.0%	20 006.1	19 093.5	19 963.6	14.8%	100.0%
Sale of goods and services other than capital assets		12 198.3	-17.1%	91.1%	18 666.3	18 021.6	18 827.4	15.6%	93.6%
<i>of which:</i>									
Sales by market establishment		12 198.3	-17.1%	91.1%	18 666.3	18 021.6	18 827.4	15.6%	93.6%
Other non-tax revenue		1 012.9	-0.0%	7.9%	1 339.8	1 071.8	1 136.3	3.9%	6.4%
Total revenue		13 211.2	-16.1%	100.0%	20 006.1	19 093.5	19 963.6	14.8%	100.0%
Expenses									
Current expenses		13 638.4	-15.0%	98.7%	19 123.2	19 354.8	20 785.9	15.1%	98.8%
Compensation of employees		1 600.3	5.1%	9.5%	1 690.8	1 792.9	1 910.5	6.1%	9.6%
Goods and services		11 706.7	-14.6%	80.3%	17 256.8	17 394.5	18 704.0	16.9%	87.9%
Depreciation		100.2	-62.6%	6.2%	108.7	102.9	105.1	1.6%	0.6%
Interest, dividends and rent on land		231.3	27.2%	2.7%	67.0	64.5	66.3	-34.1%	0.7%
Total expenses		13 761.6	-15.2%	100.0%	19 331.3	19 532.9	21 172.2	15.4%	100.0%
Surplus/(Deficit)		(550.0)			675.0	(439.0)	(1 209.0)		
Statement of financial position									
Carrying value of assets		9 257.3	-9.5%	31.4%	9 476.0	8 969.6	8 682.6	-2.1%	28.2%
<i>of which:</i>									
Acquisition of assets		(1 949.5)	-3.3%	-3.9%	(1 381.7)	(874.6)	(912.0)	-22.4%	-4.0%
Investments		1 558.8	-7.8%	4.2%	1 636.7	1 860.6	2 496.5	17.0%	5.8%
Inventory		3 043.3	15.2%	7.9%	3 170.4	3 100.1	3 068.3	0.3%	9.6%
Loans		70.5	-33.2%	0.3%	75.8	50.7	56.5	-7.1%	0.2%
Receivables and prepayments		1 125.5	-23.4%	6.0%	1 667.2	1 632.7	1 702.2	14.8%	4.7%
Cash and cash equivalents		16 635.5	1.0%	49.1%	16 633.6	16 742.7	16 386.7	-0.5%	51.4%
Non-current assets held for sale		16.0	-31.6%	0.1%	-	-	-	-100.0%	0.0%
Total assets		31 706.9	-4.0%	100.0%	32 659.8	32 356.3	32 392.7	0.7%	100.0%
Accumulated surplus/(deficit)		12 799.0	-0.4%	41.4%	13 514.3	13 084.1	11 871.1	-2.5%	39.7%
Capital and reserves		1 534.8	-9.5%	0.7%	1 604.5	1 628.8	1 628.8	2.0%	5.0%
Borrowings		999.1	-14.9%	3.1%	865.6	476.1	968.6	-1.0%	2.6%
Finance lease		819.3	-	1.3%	820.3	820.3	820.3	0.0%	2.5%
Trade and other payables		4 887.9	-3.6%	18.1%	4 616.5	4 495.2	4 631.1	-1.8%	14.4%
Taxation		893.0	-20.5%	4.5%	890.7	914.4	946.2	1.9%	2.8%
Provisions		9 630.7	-6.7%	30.6%	10 195.8	10 767.2	11 351.6	5.6%	32.5%
Derivatives financial instruments		143.3	25.8%	0.4%	152.1	170.2	175.0	6.9%	0.5%
Total equity and liabilities		31 706.9	-4.0%	100.0%	32 659.8	32 356.3	32 392.7	0.7%	100.0%

Personnel information

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

Number of posts estimated for 31 March 2019		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 (%)								
		2017/18	2018/19	2019/20	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22											
Central Energy Fund		1 862	1 862	1 862	1 432.9	0.8	1 862	1 600.3	0.9	1 862	1 690.8	0.9	1 862	1 792.9	1.0	1 862	1 910.5	1.0	6.1%	100.0%
Salary level																				
7 - 10	1 079	1 079	1 079	575.0	0.5	1 079	642.6	0.6	1 079	683.6	0.6	1 079	730.5	0.7	1 079	793.0	0.7	7.3%	57.9%	
11 - 12	276	276	276	234.2	0.8	276	259.1	0.9	276	258.7	0.9	276	275.4	1.0	276	282.4	1.0	2.9%	14.8%	
13 - 16	507	507	507	623.7	1.2	507	698.6	1.4	507	748.4	1.5	507	787.0	1.6	507	835.1	1.6	6.1%	27.2%	

1. Rand million.

South African Nuclear Energy Corporation

Mandate

The South African Nuclear Energy Corporation is listed as a schedule 2 public entity. It derives its mandate from the Nuclear Energy Act (1999), the 2008 nuclear energy policy and directives conferred on it by the Minister of Energy. It is responsible for operating the SAFARI-1 research nuclear reactor for research and technology development, providing irradiation services for the production of radioisotopes, decommissioning and

decontaminating nuclear facilities, and contributing to South Africa's obligations in terms of international nuclear treaties and agreements. Its subsidiaries include Pelchem, a supplier of fluorine and fluorine-based products, and Nuclear Technology Products (NTP) Radioisotopes, which supplies radiation-based products and services.

The corporation will aim to improve its sustainability through a greater focus on targeted technology platforms through which it will be able to commercialise products and generate new business.

Selected performance indicators

Table 26.20 South African Nuclear Energy Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of product and process innovations per year	Administration	Entity mandate	12	15	10	8	6	6	6
Number of scientific articles published per year	Administration		55	43	45	29	26	23	20
Number of days per year that the reactor is operationally available	Radiation products and services		287	289	300	287	287	287	287
Maximum allowable annual radiation dose (microsievert) in terms of licence conditions	Radiation products and services		6µSv	5.6µSv	4.8µSv	5µSv	5µSv	5µSv	5µSv

Expenditure analysis

Over the medium term, the South African Nuclear Energy Corporation will focus on growing the portfolio of radioisotope and radiopharmaceutical products that may be commercialised; decommissioning old nuclear facilities; acquiring assets to strengthen its ability to host nuclear programmes; and ensuring that Pelchem grows and remains sustainable.

The corporation aims to strengthen the global market position of NTP Radioisotopes over the medium term by focusing on the production and sale of medical radioisotopes and radiopharmaceutical products locally and internationally for the diagnosis and treatment of cancers. To increase the company's portfolio of radioisotope and radiopharmaceutical products that may be commercialised, over the MTEF period, the corporation intends to operate the SAFARI-1 reactor for 287 days a year to maximise production while remaining compliant with international safety requirements. Activities related to the production of radioisotopes and radiopharmaceutical products are carried out in the radiation products and services programme, the corporation's largest programme, in which spending is expected to increase at an average annual rate of 8.4 per cent, from R1.6 billion in 2018/19 to R2 billion in 2021/22.

Stage 1 of the process to decommission certain nuclear facilities involves dismantling and decontaminating old plants and facilities that formed part of South Africa's apartheid-era nuclear defence programme. Over the medium term, R539.2 million has been allocated for these activities in the radiation products and services programme.

The corporation plans to carry out the following activities towards strengthening its ability to host nuclear programmes: installing technologies related to small angle neutron scattering and neutron radiography facilities to enhance research and development infrastructure capabilities; and upgrading and refurbishing critical site infrastructure, which includes liquid effluent management services, analytical and calibration services, material test reactor fuel facilities and security upgrades. R315.8 million is allocated over the MTEF period for the acquisition of assets to carry out these activities.

Total expenditure is expected to increase at an average annual rate of 6.9 per cent, from R3.1 billion in 2018/19 to R3.7 billion in 2021/22. Spending on compensation of employees accounts for an estimated 36 per cent of the corporation's total expenditure, increasing at an average annual rate of 9 per cent, from R1.1 billion in 2018/19 to R1.4 billion in 2021/22. This increase is mainly because of an expected increase in personnel, from 2 339 in 2018/19 to 2 436 in 2021/22, due to the filling of critical posts.

The corporation generates revenue through the sale of nuclear technology products, chemical products and

nuclear engineering services; and transfers from the department. Total revenue is expected to increase at an average annual rate of 7.1 per cent, from R3.1 billion in 2018/19 to R3.9 billion 2021/22, mainly due to an expected increase in the sale of nuclear radiation products.

Programmes/Objectives/Activities

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

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Administration	386.9	442.7	464.3	487.5	8.0%	13.7%	511.9	524.4	550.7	4.1%	15.0%
Nuclear energy	391.2	409.8	409.5	429.3	3.1%	12.5%	474.4	498.1	517.9	6.5%	13.9%
Radiation products and services	3 800.5	1 514.4	1 553.0	1 589.4	-25.2%	58.3%	1 820.5	1 966.0	2 026.5	8.4%	53.5%
South African Nuclear Energy Corporation as a host of nuclear programmes	391.4	509.7	535.2	561.9	12.8%	15.5%	590.0	619.5	650.5	5.0%	17.6%
Total	4 970.0	2 876.6	2 962.0	3 068.2	-14.9%	100.0%	3 396.8	3 608.0	3 745.5	6.9%	100.0%

Statements of historical financial performance and position

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

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2015/16 - 2018/19	
Revenue									
Non-tax revenue	1 613.3	4 670.0	1 929.1	2 281.7	1 948.9	2 216.1	2 041.5	2 031.6	148.7%
Sale of goods and services other than capital assets	1 511.7	1 510.0	1 883.4	1 622.8	1 736.1	1 513.8	1 875.5	1 674.8	90.2%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>1 511.7</i>	<i>1 510.0</i>	<i>1 883.4</i>	<i>1 622.8</i>	<i>1 736.1</i>	<i>1 513.8</i>	<i>1 875.5</i>	<i>1 674.8</i>	<i>90.2%</i>
Other non-tax revenue	101.6	3 160.0	45.6	658.9	212.8	702.4	166.0	356.8	927.4%
Transfers received	650.5	614.3	649.4	637.1	837.5	763.9	793.1	1 116.0	106.9%
Total revenue	2 263.7	5 284.3	2 578.4	2 918.9	2 786.4	2 980.1	2 834.6	3 147.6	137.0%
Expenses									
Current expenses	2 382.4	4 888.2	2 598.1	2 805.8	2 395.8	2 887.7	2 741.0	2 990.1	134.1%
Compensation of employees	916.9	864.0	916.1	989.4	990.0	1 016.3	1 066.0	1 066.4	101.2%
Goods and services	1 387.9	3 923.7	1 611.9	1 740.8	1 313.2	1 792.0	1 583.3	1 840.3	157.7%
Depreciation	77.7	94.8	65.5	70.8	87.4	74.3	87.8	78.0	99.8%
Interest, dividends and rent on land	-	5.8	4.5	4.9	5.1	5.1	4.0	5.4	155.2%
Total expenses	2 430.4	4 970.0	2 663.6	2 876.6	2 482.2	2 962.0	2 806.7	3 068.2	133.7%
Surplus/(Deficit)	(167.0)	314.0	(85.0)	42.0	304.0	18.0	28.0	79.0	
Statement of financial position									
Carrying value of assets	1 391.4	1 338.2	1 463.4	1 376.6	1 603.0	1 456.6	1 758.6	1 785.3	95.8%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(174.4)</i>	<i>(398.7)</i>	<i>(110.0)</i>	<i>(166.2)</i>	<i>(244.4)</i>	<i>(138.7)</i>	<i>(160.2)</i>	<i>(231.9)</i>	<i>135.8%</i>
Investments	294.8	3 327.8	3 340.5	3 172.0	3 333.6	4 116.6	3 455.8	3 691.8	137.3%
Inventory	221.7	231.9	256.4	238.1	343.4	275.4	336.6	389.9	98.0%
Loans	-	-	-	-	36.6	-	36.6	-	-
Receivables and prepayments	212.4	407.6	279.9	205.1	397.5	459.4	586.7	495.1	106.1%
Cash and cash equivalents	594.0	781.5	598.3	1 065.3	531.9	507.9	32.9	152.2	142.7%
Taxation	1.3	59.2	15.7	41.0	32.1	49.4	32.0	30.7	222.4%
Total assets	2 715.5	6 146.1	5 954.3	6 098.1	6 278.2	6 865.2	6 239.2	6 545.0	121.1%
Accumulated surplus/(deficit)	482.1	509.3	267.1	504.0	763.2	617.7	791.1	196.4	79.3%
Capital and reserves	367.9	545.7	422.4	600.4	145.4	592.6	152.6	691.4	223.3%
Capital reserve fund	703.3	-	601.6	-	198.9	-	207.0	-	-
Borrowings	31.5	82.7	85.2	123.7	6.0	32.0	16.9	30.3	192.5%
Finance lease	10.9	8.2	4.6	5.3	4.4	1.5	4.1	5.8	86.4%
Deferred income	-	446.3	-	594.4	594.4	579.8	575.5	645.0	193.7%
Trade and other payables	321.7	252.1	226.9	196.1	361.4	387.4	519.8	291.9	78.9%
Benefits payable	-	-	-	23.8	-	33.5	-	35.2	-
Taxation	-	20.0	-	1.1	22.3	2.1	22.3	0.3	52.4%
Provisions	748.5	691.2	992.7	739.3	972.4	782.1	1 028.2	1 149.2	89.8%
Managed funds (e.g. poverty alleviation fund)	-	33.0	-	-	-	-	-	-	-
Derivatives financial instruments	49.6	3 557.6	3 353.7	3 310.1	3 087.8	3 836.7	2 785.1	3 499.6	153.1%
Total equity and liabilities	2 715.5	6 146.1	5 954.3	6 098.1	6 156.1	6 865.2	6 102.6	6 545.0	122.6%

Statements of estimates of financial performance and position

Table 26.23 South African Nuclear Energy Corporation statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average:		Medium-term estimate			Average:	
			Average growth rate (%)	Expenditure/ Total (%)	2019/20	2020/21	2021/22	Average growth rate (%)	Expenditure/ Total (%)
R million	2018/19	2015/16	2018/19	2019/20	2020/21	2021/22	2018/19	2021/22	
Revenue									
Non-tax revenue	2 031.6	-24.2%	76.4%	2 375.7	2 494.3	2 583.3	8.3%	66.3%	
Sale of goods and services other than capital assets	1 674.8	3.5%	47.0%	2 288.2	2 408.8	2 507.4	14.4%	61.8%	
<i>of which:</i>									
<i>Sales by market establishment</i>	1 674.8	3.5%	47.0%	2 288.2	2 408.8	2 507.4	14.4%	61.8%	
Other non-tax revenue	356.8	-51.7%	29.3%	87.5	85.5	75.9	-40.3%	4.5%	
Transfers received	1 116.0	22.0%	23.6%	1 170.1	1 232.9	1 287.4	4.9%	33.7%	
Total revenue	3 147.6	-15.9%	100.0%	3 545.8	3 727.3	3 870.7	7.1%	100.0%	
Expenses									
Current expenses	2 990.1	-15.1%	97.7%	3 314.8	3 521.9	3 655.2	6.9%	97.6%	
Compensation of employees	1 066.4	7.3%	30.2%	1 220.0	1 308.3	1 382.1	9.0%	36.0%	
Goods and services	1 840.3	-22.3%	65.0%	2 007.2	2 121.7	2 176.5	5.8%	59.0%	
Depreciation	78.0	-6.3%	2.4%	81.9	86.0	90.3	5.0%	2.4%	
Interest, dividends and rent on land	5.4	-2.2%	0.2%	5.6	5.9	6.2	5.0%	0.2%	
Total expenses	3 068.2	-14.9%	100.0%	3 396.8	3 608.0	3 745.5	6.9%	100.0%	
Surplus/(Deficit)	79.0			149.0	119.0	125.0			
Statement of financial position									
Carrying value of assets	1 785.3	10.1%	23.2%	1 820.9	1 860.3	1 912.9	2.3%	26.3%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(231.9)	-16.5%	-3.7%	(70.9)	(116.0)	(128.8)	-17.8%	-2.0%	
Investments	3 691.8	3.5%	55.6%	3 878.1	4 069.3	4 236.0	4.7%	56.4%	
Inventory	389.9	18.9%	4.4%	520.6	567.1	604.4	15.7%	7.4%	
Receivables and prepayments	495.1	6.7%	6.1%	563.6	620.4	690.3	11.7%	8.4%	
Cash and cash equivalents	152.2	-42.0%	10.0%	67.2	32.2	67.6	-23.7%	1.2%	
Taxation	30.7	-19.6%	0.7%	30.7	30.7	30.7	-	0.4%	
Total assets	6 545.0	2.1%	100.0%	6 881.1	7 180.1	7 541.9	4.8%	100.0%	
Accumulated surplus/(deficit)	196.4	-27.2%	7.1%	334.6	441.4	551.8	41.1%	5.3%	
Capital and reserves	691.4	8.2%	9.5%	698.6	706.8	716.6	1.2%	10.0%	
Borrowings	30.3	-28.4%	1.1%	29.8	69.1	153.6	71.8%	1.0%	
Finance lease	5.8	-10.9%	0.1%	6.7	7.5	7.6	9.5%	0.1%	
Deferred income	645.0	13.1%	8.8%	633.9	694.2	719.9	3.7%	9.6%	
Trade and other payables	291.9	5.0%	4.4%	332.2	351.5	388.6	10.0%	4.8%	
Benefits payable	35.2	-	0.4%	36.9	-	-	-100.0%	0.3%	
Taxation	0.3	-75.4%	0.1%	0.3	0.3	0.3	5.0%	0.0%	
Provisions	1 149.2	18.5%	13.1%	1 218.9	1 252.2	1 285.9	3.8%	17.4%	
Derivatives financial instruments	3 499.6	-0.5%	55.4%	3 589.4	3 657.0	3 717.5	2.0%	51.5%	
Total equity and liabilities	6 545.0	2.1%	100.0%	6 881.1	7 180.1	7 541.9	4.8%	100.0%	

Personnel information

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

Number of posts estimated for 31 March 2019		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 (%)						
		2017/18		2018/19		2019/20		2020/21		2021/22				2018/19 - 2021/22					
South African Nuclear Energy Corporation		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost						
Salary level	2 507	2 506	2 484	1 016.3	0.4	2 339	1 066.4	0.5	2 437	1 220.0	0.5	2 459	1 308.3	0.5	2 436	1 382.1	0.6	9.0%	100.0%
1 – 6	681	684	818	85.2	0.1	671	86.5	0.1	677	94.2	0.1	672	102.8	0.2	676	107.9	0.2	7.6%	27.9%
7 – 10	1 307	1 289	1 266	473.6	0.4	1 179	463.4	0.4	1 239	517.1	0.4	1 227	554.3	0.5	1 228	603.3	0.5	9.2%	50.4%
11 – 12	283	296	226	161.4	0.7	271	229.9	0.8	289	259.8	0.9	296	281.0	0.9	294	288.5	1.0	7.9%	11.9%
13 – 16	222	222	168	280.2	1.7	204	252.1	1.2	217	313.7	1.4	250	328.7	1.3	224	339.0	1.5	10.4%	9.2%
17 – 22	14	15	6	15.9	2.7	14	34.5	2.5	15	35.3	2.4	14	41.5	3.0	14	43.5	3.1	8.0%	0.6%

1. Rand million.

Other entities

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

- The **National Energy Regulator of South Africa** is the regulatory authority for electricity, piped gas and petroleum pipelines. The regulator's total budget for 2019/20 is R363.4 million.
- The **National Nuclear Regulator** is responsible for safety standards and regulatory practices for the protection of people, property and the environment against nuclear damage. The regulator's total budget for 2019/20 is R237.8 million.
- The **National Radioactive Waste Disposal Institute** is mandated to fulfil an institutional obligation of the Minister of Energy relating to the management of radioactive waste disposal on a national level, and is empowered to develop and implement a management approach for the long-term care and disposal of radioactive waste that is safe, technically sound, socially acceptable, environmentally responsible and economically feasible. The institute's total budget for 2019/20 is R49 million.
- The **South African National Energy Development Institute** is mandated to stimulate innovation in energy research and development, transform the gender and race profile of researchers in the sector, and improve South Africa's competitiveness in energy research internationally. The institute's total budget for 2019/20 is R232.4 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Integrated national electrification programme: Eskom	Provision of capital subsidies to Eskom to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	On-going	52 969.6	3 613.2	3 526.3	3 846.2	3 962.0	3 374.1	3 062.7	3 820.7
Integrated national electrification programme: Municipalities	Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	On-going	29 375.7	1 980.3	1 946.2	2 087.0	1 904.5	1 863.3	1 977.4	2 131.0
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Integrated national electrification programme: Non-grid	Provision of capital subsidies to non-grid electrification service providers to address electrification backlogs	On-going	2 770.1	156.2	137.7	159.0	149.1	212.9	224.7	237.0
Total			85 115.4	5 749.8	5 610.3	6 092.2	6 015.7	5 450.3	5 264.8	6 188.7

