Vote 7

National Treasury

Budget summary

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

Executive authority	Minister of Finance
Accounting officer	Director General of the National Treasury
Website address	www.treasury.gov.za

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

Vote purpose

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

Mandate

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

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

Selected performance indicators

Table 7.1 Performance indicators by programme and related outcome

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

1. *Indicator discontinued.*
2. *Old indicator selected for publication in the Estimates of National Expenditure.*
3. *No historical data available.*

Expenditure analysis

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

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

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

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

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

Reviewing tax policy and strengthening financial sector regulation

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

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

Managing future spending growth and fiscal risk

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

Managing government's assets and liabilities

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

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

Making government procurement more efficient

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

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

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

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

Strengthening government financial management

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

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

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

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

Facilitating regional and international cooperation

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

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

Supporting sustainable employment

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

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

Supporting infrastructure development and economically integrated cities and communities

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

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

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

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

Expenditure trends

Table 7.2 Vote expenditure trends by programme and economic classification

Programmes

1. Administration
2. Economic Policy, Tax, Financial Regulation and Research
3. Public Finance and Budget Management
4. Asset and Liability Management
5. Financial Accounting and Supply Chain Management Systems
6. International Financial Relations
7. Civil and Military Pensions, Contributions to Funds and Other Benefits
8. Technical Support and Development Finance
9. Revenue Administration
10. Financial Intelligence and State Security

Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	**2014/15**			**2015/16**			**2016/17**			**2017/18**			**2014/15 - 2017/18**	
Programme 1	343.1	372.4	362.5	366.7	363.6	375.6	412.7	467.4	436.3	414.3	439.1	439.3	105.0%	98.2%
Programme 2	138.9	134.4	124.3	133.9	135.4	131.3	146.1	150.2	151.2	139.6	164.0	163.9	102.2%	97.7%
Programme 3	262.8	259.9	245.3	257.0	266.1	262.6	287.0	294.5	281.8	286.1	303.0	303.1	100.0%	97.3%
Programme 4	3 342.1	3 343.4	3 089.4	3 116.9	3 264.9	3 264.3	107.2	113.1	110.1	102.4	10 100.3	10 100.3	248.4%	98.5%
Programme 5	761.6	770.0	731.5	751.4	807.1	774.5	849.9	1 216.8	1 209.9	1 087.9	1 079.1	868.5	103.9%	92.5%
Programme 6	1 179.8	1 199.7	1 198.7	1 247.4	3 254.9	3 546.1	5 039.1	4 978.0	4 955.8	5 836.8	5 831.4	5 789.3	116.4%	101.5%
Programme 7	3 717.8	3 717.8	3 730.9	3 962.9	3 962.9	3 967.7	4 173.2	4 462.6	4 400.2	4 835.0	4 835.0	4 835.0	101.5%	99.7%
Programme 8	3 712.2	3 099.8	2 893.3	3 143.9	2 774.6	2 472.2	2 634.7	2 612.7	2 478.4	2 873.3	2 558.5	2 558.5	84.1%	94.2%
Programme 9	9 440.3	9 440.3	9 440.3	9 434.4	9 334.4	9 334.4	10 009.2	9 363.7	9 363.7	10 218.2	10 168.2	10 168.2	98.0%	100.0%
Programme 10	4 366.3	4 366.3	4 366.3	4 542.8	4 562.1	4 562.1	4 812.5	4 812.5	4 812.5	5 005.6	5 005.6	5 005.6	100.1%	100.0%
Subtotal	**27 265.0**	**26 703.9**	**26 182.5**	**26 957.3**	**28 726.1**	**28 690.8**	**28 471.4**	**28 471.4**	**28 199.8**	**30 799.2**	**40 484.3**	**40 231.8**	**108.6%**	**99.1%**
Direct charge against the National Revenue Fund	**485 012.5**	**484 907.8**	**486 435.9**	**519 893.8**	**525 742.6**	**526 636.1**	**569 787.4**	**570 833.0**	**570 197.1**	**615 856.8**	**616 714.0**	**616 587.0**	**100.4%**	**100.1%**
Provincial equitable share	359 921.8	359 921.8	359 921.8	382 673.5	386 500.0	386 500.0	410 698.6	410 698.6	410 698.6	441 331.1	441 331.1	441 331.1	100.2%	100.0%
Debt-service costs	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 496.7	162 353.1	163 347.9	163 155.4	100.3%	100.0%
General fuel levy sharing with metropolitan municipalities	10 190.2	10 190.2	10 190.2	10 658.9	10 658.9	10 658.9	11 223.8	11 223.8	11 223.8	11 785.0	11 785.0	11 785.0	100.0%	100.0%
National Revenue Fund payments	–	310.9	1 525.5	121.0	681.7	681.7	145.0	1 221.4	1 778.0	387.6	250.0	315.5	658.0%	174.5%
Total	**512 277.5**	**511 611.8**	**512 618.4**	**546 851.1**	**554 468.7**	**555 327.0**	**598 258.8**	**599 304.5**	**598 396.9**	**646 656.0**	**657 198.4**	**656 818.8**	**100.8%**	**100.0%**
Change to 2017 Budget estimate											10 542.3			
Economic classification														
Current payments	**116 832.7**	**116 304.8**	**116 328.4**	**128 388.5**	**129 824.5**	**130 621.5**	**149 812.3**	**150 180.2**	**148 442.1**	**164 689.2**	**165 692.4**	**165 289.1**	**100.2%**	**99.8%**
Compensation of employees	764.9	689.0	671.5	725.5	733.4	732.7	817.6	815.7	786.4	799.3	823.3	823.3	97.0%	98.4%
Goods and services	1 167.2	1 130.8	858.5	1 222.6	1 189.1	1 093.2	1 274.8	1 675.2	1 159.0	1 536.8	1 521.2	1 310.4	85.0%	80.1%
Interest and rent on land	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 496.7	162 353.1	163 347.9	163 155.4	100.3%	100.0%
Transfers and subsidies	**391 863.0**	**391 336.9**	**391 368.2**	**414 954.5**	**418 329.0**	**418 144.3**	**444 111.4**	**443 844.7**	**443 713.1**	**476 694.5**	**476 362.8**	**476 498.0**	**100.1%**	**100.0%**
Provinces and municipalities	371 511.7	371 511.7	371 510.9	394 767.6	398 594.2	398 570.7	423 409.0	423 409.0	423 376.8	454 714.4	454 714.4	454 714.4	100.2%	100.0%
Departmental agencies and accounts	14 011.1	14 127.7	14 115.1	15 420.4	15 042.1	14 816.6	15 741.5	15 096.0	15 074.1	16 281.0	15 951.0	15 951.0	–	–
Higher education institutions	5.8	5.8	–	–	–	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	828.3	777.2	790.5	854.1	777.9	831.3	838.0	925.5	907.6	917.5	913.3	1 048.5	104.1%	105.4%
Public corporations and private enterprises	1 844.5	1 252.2	1 274.5	11.4	11.4	11.4	12.0	12.0	12.0	12.6	10.6	10.6	69.6%	101.7%
Households	3 661.6	3 662.2	3 677.1	3 900.9	3 903.5	3 914.3	4 111.0	4 402.2	4 342.5	4 769.0	4 773.5	4 773.5	101.6%	99.8%
Payments for capital assets	**11.4**	**19.6**	**20.1**	**16.4**	**26.1**	**33.2**	**38.0**	**56.9**	**462.5**	**15.7**	**24.1**	**24.1**	**663.2%**	**426.1%**
Buildings and other fixed structures	–	–	–	–	0.4	–	–	0.2	–	–	–	–	–	–
Machinery and equipment	11.4	19.6	20.1	16.4	25.7	33.2	37.9	56.7	46.4	15.7	19.4	19.4	146.4%	98.2%
Software and other intangible assets	–	–	–	–	–	–	0.0	0.0	416.1	–	4.7	4.7	1 402 746.7%	8 840.8%
Payments for financial assets	**3 570.5**	**3 950.5**	**4 901.8**	**3 491.7**	**6 289.0**	**6 527.9**	**4 297.2**	**5 222.6**	**5 779.2**	**5 256.7**	**15 119.1**	**15 007.6**	**193.9%**	**105.3%**
Total	**512 277.5**	**511 611.8**	**512 618.4**	**546 851.1**	**554 468.7**	**555 327.0**	**598 258.8**	**599 304.5**	**598 396.9**	**646 656.0**	**657 198.4**	**656 818.8**	**100.8%**	**100.0%**

Expenditure estimates

Table 7.3 Vote expenditure estimates by programme and economic classification

Programmes
1. Administration
2. Economic Policy, Tax, Financial Regulation and Research
3. Public Finance and Budget Management
4. Asset and Liability Management
5. Financial Accounting and Supply Chain Management Systems
6. International Financial Relations
7. Civil and Military Pensions, Contributions to Funds and Other Benefits
8. Technical Support and Development Finance
9. Revenue Administration
10. Financial Intelligence and State Security

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

Expenditure trends and estimates for significant spending items

Table 7.4 Expenditure trends and estimates for significant spending items

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

Goods and services expenditure trends and estimates

Table 7.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Administrative fees	3 110	3 510	3 264	4 597	13.9%	0.3%	3 609	4 058	4 278	-2.4%	0.2%
Advertising	1 871	6 344	705	1 546	-6.2%	0.2%	2 836	2 891	3 069	25.7%	0.2%
Minor assets	1 880	523	330	2 345	7.6%	0.1%	3 399	2 443	2 218	-1.8%	0.2%
Audit costs: External	15 299	11 819	11 586	16 195	1.9%	1.2%	14 532	15 268	16 111	-0.2%	0.9%
Bursaries: Employees	4 230	4 802	5 648	8 672	27.0%	0.5%	8 957	9 013	9 071	1.5%	0.5%
Catering: Departmental activities	1 225	1 098	1 271	1 857	14.9%	0.1%	1 987	2 059	2 174	5.4%	0.1%
Communication	6 102	7 976	5 869	8 174	10.2%	0.6%	9 102	9 587	11 412	11.8%	0.6%
Computer services	420 591	368 743	402 010	623 396	14.0%	39.2%	612 296	527 461	557 673	-3.6%	34.9%
Consultants: Business and advisory services	218 091	505 356	522 129	622 516	41.9%	40.3%	784 406	803 951	846 961	10.8%	46.0%
Legal services	12 667	11 946	–	12 567	-0.3%	0.8%	18 404	15 568	15 850	8.0%	0.9%
Science and technological services	–	180	14 944	–	–	0.3%	–	2 425	2 558	–	0.1%
Contractors	2 381	2 414	2 374	3 030	8.4%	0.2%	7 178	4 228	5 462	21.7%	0.3%
Agency and support/outsourced services	9 833	11 052	11 908	13 710	11.7%	1.0%	14 927	14 782	15 595	4.4%	0.9%
Entertainment	121	121	88	536	64.2%	–	519	532	559	1.4%	–
Fleet services (including government motor transport)	2 255	1 350	1 478	1 365	-15.4%	0.1%	1 527	1 701	1 772	9.1%	0.1%
Inventory: Clothing material and accessories	–	13	8	–	–	–	–	–	–	–	–
Consumable supplies	3 459	2 183	2 365	3 371	-0.9%	0.2%	3 730	4 622	4 839	12.8%	0.2%
Consumables: Stationery, printing and office supplies	11 388	10 724	7 685	16 249	12.6%	1.0%	14 981	32 767	35 103	29.3%	1.5%
Operating leases	60 797	52 928	71 130	69 009	4.3%	5.5%	91 585	81 647	85 814	7.5%	4.9%
Rental and hiring	–	10	–	–	–	–	–	–	–	–	–
Property payments	21 389	23 057	25 260	27 744	9.1%	2.1%	28 178	36 374	38 392	11.4%	2.0%
Transport provided: Departmental activity	–	1 185	–	–	–	–	–	–	–	–	–
Travel and subsistence	43 077	44 313	48 051	59 408	11.3%	4.2%	60 120	64 734	67 165	4.2%	3.8%
Training and development	6 490	4 908	5 855	6 641	0.8%	0.5%	7 423	8 217	8 680	9.3%	0.5%
Operating payments	5 528	10 301	9 335	5 975	2.6%	0.7%	7 427	7 659	7 925	9.9%	0.4%
Venues and facilities	6 690	6 310	5 691	12 266	22.4%	0.7%	7 618	10 314	10 999	-3.6%	0.6%
Total	**858 474**	**1 093 166**	**1 158 984**	**1 521 169**	**21.0%**	**100.0%**	**1 704 741**	**1 662 301**	**1 753 680**	**4.9%**	**100.0%**

Transfers and subsidies expenditure trends and estimates

Table 7.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Provinces and municipalities											
Municipal bank accounts											
Current	**10 743 725**	**11 235 865**	**11 819 565**	**12 427 803**	**5.0%**	**2.7%**	**13 114 612**	**13 849 031**	**15 260 946**	**7.1%**	**2.6%**
Local government financial management grant	449 138	452 491	465 264	502 006	3.8%	0.1%	504 566	532 822	561 713	3.8%	0.1%
Infrastructure skills development grant	104 425	124 465	130 471	140 774	10.5%	–	141 492	149 416	157 930	3.9%	–
Municipal restructuring grant	–	–	–	–	–	–	–	–	514 425	–	–
General fuel levy sharing with metropolitan municipalities	10 190 162	10 658 909	11 223 830	11 785 023	5.0%	2.5%	12 468 554	13 166 793	14 026 878	6.0%	2.4%
Capital	**845 390**	**834 875**	**858 665**	**955 509**	**4.2%**	**0.2%**	**895 476**	**931 223**	**982 255**	**0.9%**	**0.2%**
Integrated city development grant	255 000	251 300	266 805	292 119	4.6%	0.1%	293 609	310 051	327 319	3.9%	0.1%
Neighbourhood development partnership grant	590 390	583 575	591 860	663 390	4.0%	0.1%	601 867	621 172	654 936	-0.4%	0.1%
Households											
Social benefits											
Current	**3 675 562**	**3 912 917**	**4 341 435**	**4 771 705**	**9.1%**	**1.0%**	**5 093 909**	**5 500 713**	**5 803 199**	**6.7%**	**1.0%**
Employee social benefits	1 317	3 902	3 791	4 466	50.2%	–	1 664	1 768	1 668	-28.0%	–
Contribution to provident funds for associated institutions	321	339	314	300	-2.2%	–	330	360	380	8.2%	–
Parliamentary Awards	21	19	17	23	3.1%	–	24	25	26	4.2%	–
Other benefits	70 416	82 512	92 820	84 330	6.2%	–	98 584	104 093	109 819	9.2%	–
Injury on duty	526 387	514 865	563 450	577 151	3.1%	0.1%	652 309	688 838	726 724	8.0%	0.1%
Post-Retirement medical scheme	1 509 427	2 107 413	2 133 462	2 401 913	16.7%	0.5%	2 613 092	2 893 297	3 064 719	8.5%	0.5%
Special pensions	423 483	439 801	447 781	457 669	2.6%	0.1%	457 200	468 000	480 000	1.6%	0.1%
Political Office Bearers Pension Fund	71 997	–	–	291 222	59.3%	–	306 083	323 224	341 001	5.4%	0.1%

Table 7.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome 2014/15	2015/16	2016/17	Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expen-diture/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate 2018/19	2019/20	2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expen-diture/ Total (%) 2017/18 - 2020/21
Pension benefits: President of South Africa	7 884	7 275	7 732	7 807	-0.3%	–	11 732	12 894	14 277	22.3%	–
Military pensions: Ex-servicemen	11 694	2 879	2 285	3 420	-33.6%	–	3 000	2 801	2 599	-8.7%	–
South African citizen force	155 941	166 202	175 485	180 143	4.9%	–	193 647	205 293	217 131	6.4%	–
Civil protection	19	19	19	19	–	–	19	19	20	1.7%	–
Other benefits: Ex-servicemen	20 155	10 491	12 279	23 302	5.0%	–	16 021	18 318	19 910	-5.1%	–
Non-statutory forces	874 800	575 000	899 600	737 300	-5.5%	0.2%	737 300	778 589	821 411	3.7%	0.1%
Post-retirement medical scheme - Parliamentary staff	1 700	2 200	2 400	2 640	15.8%	–	2 904	3 194	3 514	10.0%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**12 972 492**	**13 552 569**	**13 610 586**	**14 489 879**	**3.8%**	**3.2%**	**13 154 912**	**13 477 574**	**14 277 793**	**-0.5%**	**2.6%**
Finance and Accounting Services Sector Education and Training Authority	2 295	1 850	2 085	2 061	-3.5%	–	2 032	2 140	2 258	3.1%	–
Communication	9	9	9	19	28.3%	–	20	21	22	5.0%	–
Cooperative Banks Development Agency	16 838	17 341	16 872	19 275	4.6%	–	19 883	20 997	22 151	4.7%	–
Financial and Fiscal Commission	45 288	41 156	44 839	50 647	3.8%	–	51 782	54 682	57 690	4.4%	–
Accounting Standards Board	10 250	–	12 517	13 463	9.5%	–	14 054	14 843	15 659	5.2%	–
Independent Regulatory Board for Auditors	34 577	41 273	28 978	39 624	4.6%	–	40 874	43 163	45 537	4.7%	–
Auditor-General of South Africa	61 257	41 856	79 075	46 278	-8.9%	–	47 738	50 411	53 184	4.7%	–
Government Technical Advisory Centre	107 677	776 062	713 608	605 040	77.8%	0.1%	848 753	942 818	1 055 423	20.4%	0.2%
Neighbourhood development partnership grant (indirect)	30 000	–	–	–	-100.0%	–	–	–	–	–	–
South African Revenue Service: Operations	8 596 216	8 390 995	8 320 321	8 991 607	1.5%	2.0%	7 757 918	7 814 599	8 242 778	-2.9%	1.6%
South African Revenue Service: Office of the Tax Ombud	–	–	–	35 030	–	–	41 527	40 308	42 525	6.7%	–
Financial Intelligence Centre: Operations	186 651	226 664	239 641	254 941	11.0%	0.1%	262 581	277 285	292 537	4.7%	0.1%
Secret Services: Operations	3 881 434	4 015 363	4 152 641	4 431 894	4.5%	1.0%	4 067 750	4 216 307	4 448 029	0.1%	0.8%
Capital	**1 142 645**	**1 264 026**	**1 463 560**	**1 461 107**	**8.5%**	**0.3%**	**1 641 759**	**1 733 697**	**1 829 050**	**7.8%**	**0.3%**
Government Technical Advisory Centre	375	547	–	742	25.5%	–	785	829	875	5.6%	–
South African Revenue Service: Machinery and equipment	844 105	943 444	1 043 355	1 141 561	10.6%	0.2%	1 207 772	1 275 407	1 345 554	5.6%	0.2%
Financial Intelligence Centre: Machinery and equipment	11 429	12 824	16 731	15 250	10.1%	–	16 135	17 039	17 976	5.6%	–
Secret Services: Machinery and equipment	286 736	307 211	403 474	303 554	1.9%	0.1%	417 067	440 422	464 645	15.2%	0.1%
Foreign governments and international organisations											
Current	**607 773**	**740 644**	**816 927**	**783 124**	**8.8%**	**0.2%**	**839 381**	**886 401**	**935 153**	**6.1%**	**0.2%**
Common Monetary Area Compensation	581 616	712 496	792 269	754 924	9.1%	0.2%	804 866	849 938	896 685	5.9%	0.2%
Collaborative Africa Budget Reform Initiative	4 409	1 834	2 431	2 512	-17.1%	–	1 712	1 808	1 907	-8.8%	–
Commonwealth Fund for Technical Cooperation	5 714	5 533	5 815	6 117	2.3%	–	6 423	6 783	7 156	5.4%	–
International Finance Facility for Immunisation	11 481	15 498	13 180	14 410	7.9%	–	13 445	14 212	14 994	1.3%	–
African Institute for Economic Development and Planning	917	1 242	1 007	1 153	7.9%	–	1 351	1 427	1 505	9.3%	–
Africa Regional Technical Assistance Centre for Southern Africa	350	959	988	1 441	60.3%	–	1 213	1 281	1 351	-2.1%	–
Infrastructure Consortium for Africa	1 000	1 000	–	–	-100.0%	–	–	–	–	–	–
African Risk Capacity	–	–	–	–	–	–	7 676	8 106	8 552	–	–
United Kingdom tax	2 286	2 082	1 237	2 567	3.9%	–	2 695	2 846	3 003	5.4%	–
Capital	**182 776**	**90 660**	**90 680**	**130 132**	**-10.7%**	**–**	**136 120**	**143 743**	**151 650**	**5.2%**	**–**
African Development Fund	92 116	–	–	73 465	-7.3%	–	35 406	37 389	39 446	-18.7%	–
World Bank Group	90 660	90 660	90 680	56 667	-14.5%	–	100 714	106 354	112 204	25.6%	–
Households											
Other transfers to households											
Current	**1 557**	**1 394**	**1 080**	**1 800**	**5.0%**	**–**	**1 850**	**1 943**	**2 050**	**4.4%**	**–**
Bursaries for non-employees	1 557	1 394	1 080	1 800	5.0%	–	1 850	1 943	2 050	4.4%	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	**1 274 456**	**11 384**	**11 999**	**10 586**	**-79.7%**	**0.1%**	**13 316**	**14 062**	**14 835**	**11.9%**	**–**
Economic Research Southern Africa	10 780	11 384	11 999	10 586	-0.6%	–	13 316	14 062	14 835	11.9%	–
Development Bank of Southern Africa	1 164 888	–	–	–	-100.0%	0.1%	–	–	–	–	–
Municipal Finance Improvement Programme	98 788	–	–	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities											
Provincial revenue funds											
Current	**359 921 783**	**386 500 009**	**410 698 585**	**441 331 122**	**7.0%**	**92.4%**	**470 286 510**	**505 019 653**	**542 446 855**	**7.1%**	**93.1%**
Provincial equitable share	359 921 783	386 500 009	410 698 585	441 331 122	7.0%	92.4%	470 286 510	505 019 653	542 446 855	7.1%	93.1%
Total	**391 368 159**	**418 144 343**	**443 713 082**	**476 362 767**	**6.8%**	**100.0%**	**505 177 845**	**541 558 040**	**581 703 786**	**6.9%**	**100.0%**

Personnel information

Table 7.7 Vote personnel numbers and cost by salary level and programme[1]

Programmes
1. Administration
2. Economic Policy, Tax, Financial Regulation and Research
3. Public Finance and Budget Management
4. Asset and Liability Management
5. Financial Accounting and Supply Chain Management Systems
6. International Financial Relations
7. Civil and Military Pensions, Contributions to Funds and Other Benefits
8. Technical Support and Development Finance
9. Revenue Administration
10. Financial Intelligence and State Security

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

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

Departmental receipts

Table 7.8 Departmental receipts by economic classification

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

Table 7.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
R thousand	2014/15	2015/16	2016/17	2017/18		2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Sales of capital assets	**–**	**17**	**136**	**659**	**659**	**–**	**–**	**–**	**–**	**–**	**-100.0%**	**–**
Transactions in financial assets and liabilities	**952 773**	**923 456**	**906 605**	**1 090 340**	**1 090 340**	**4.6%**	**5.0%**	**260 350**	**274 930**	**275 780**	**-36.8%**	**5.0%**
National Revenue Fund receipts	**12 646 970**	**14 377 522**	**14 240 651**	**16 710 000**	**15 719 600**	**7.5%**	**74.2%**	**6 185 000**	**–**	**372 000**	**-71.3%**	**58.8%**
of which:												
Revaluation of profits on foreign currency transactions	*4 406 734*	*8 869 128*	*10 710 440*	*13 316 000*	*12 676 000*	*42.2%*	*47.7%*	*6 185 000*	*–*	*372 000*	*-69.2%*	*50.8%*
Premiums on loan transactions	*5 467 553*	*2 873 818*	*2 594 049*	*1 353 000*	*1 000 000*	*-43.2%*	*15.5%*	*–*	*–*	*–*	*-100.0%*	*2.6%*
Liquidation of South African Special Risks Insurance Association investment	*40 000*	*–*	*–*	*–*	*–*	*-100.0%*	*0.1%*	*–*	*–*	*–*	*–*	*–*
Other (mainly penalties on retail bonds)	*2 646*	*69 673*	*19 172*	*–*	*2 600*	*-0.6%*	*0.1%*	*–*	*–*	*–*	*-100.0%*	*–*
Premiums on debt portfolio restructuring (switches)	*2 730 037*	*2 564 903*	*916 990*	*2 041 000*	*2 041 000*	*-9.2%*	*10.7%*	*–*	*–*	*–*	*-100.0%*	*5.4%*
Total	**18 246 100**	**19 979 853**	**19 191 857**	**20 821 329**	**19 430 929**	**2.1%**	**100.0%**	**10 020 469**	**3 861 122**	**4 549 938**	**-38.4%**	**100.0%**

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Ministry	3.3	3.6	3.6	4.9	13.7%	1.0%	4.1	4.4	4.7	-0.8%	0.9%
Departmental Management	47.5	47.1	50.5	65.1	11.1%	13.0%	60.0	66.7	70.0	2.4%	12.7%
Corporate Services	107.3	116.5	154.9	127.5	5.9%	31.4%	147.7	144.9	155.6	6.9%	27.8%
Enterprise Wide Risk Management	22.5	27.5	26.3	28.8	8.5%	6.5%	30.7	32.7	34.8	6.6%	6.1%
Financial Administration	38.6	38.7	37.9	39.9	1.1%	9.6%	40.2	85.2	90.5	31.3%	12.4%
Legal Services	16.6	18.7	22.9	20.5	7.4%	4.9%	20.8	21.9	23.3	4.3%	4.2%
Internal Audit	17.1	20.7	21.8	23.9	11.8%	5.2%	25.6	27.8	29.9	7.7%	5.2%
Communications	10.1	10.2	8.6	14.2	12.0%	2.7%	11.4	12.1	12.5	-4.2%	2.4%
Office Accommodation	99.5	92.6	109.9	114.3	4.7%	25.8%	144.2	159.9	169.2	14.0%	28.4%
Total	**362.5**	**375.6**	**436.3**	**439.1**	**6.6%**	**100.0%**	**484.7**	**555.8**	**590.7**	**10.4%**	**100.0%**
Change to 2017 Budget estimate				24.8			28.5	(4.3)	(4.6)		
Economic classification											
Current payments	**345.1**	**347.8**	**392.6**	**424.4**	**7.1%**	**93.6%**	**445.5**	**529.5**	**563.3**	**9.9%**	**94.8%**
Compensation of employees	166.4	182.4	195.4	207.2	7.6%	46.6%	201.9	219.4	235.6	4.4%	41.7%
Goods and services[1]	178.7	165.4	197.2	217.3	6.7%	47.0%	243.6	310.1	327.6	14.7%	53.1%
of which:											
Computer services	*24.9*	*18.6*	*34.9*	*32.0*	*8.8%*	*6.8%*	*28.7*	*27.9*	*29.2*	*-3.0%*	*5.7%*
Consultants: Business and advisory services	*8.9*	*7.0*	*4.5*	*8.3*	*-2.6%*	*1.8%*	*6.7*	*54.3*	*57.4*	*90.8%*	*6.1%*
Consumables: Stationery, printing and office supplies	*3.0*	*3.0*	*3.0*	*3.7*	*7.3%*	*0.8%*	*4.0*	*21.2*	*22.3*	*82.2%*	*2.5%*
Operating leases	*58.9*	*51.1*	*66.0*	*65.3*	*3.5%*	*15.0%*	*88.9*	*78.8*	*82.9*	*8.3%*	*15.3%*
Property payments	*21.4*	*23.1*	*25.3*	*27.7*	*9.1%*	*6.0%*	*28.2*	*36.4*	*38.4*	*11.4%*	*6.3%*
Travel and subsistence	*13.2*	*14.5*	*14.1*	*21.9*	*18.2%*	*3.9%*	*19.4*	*21.7*	*22.1*	*0.4%*	*4.1%*
Transfers and subsidies[1]	**4.3**	**4.3**	**4.8**	**7.3**	**19.6%**	**1.3%**	**3.9**	**4.1**	**4.3**	**-16.0%**	**0.9%**
Departmental agencies and accounts	2.3	1.9	2.1	2.1	-3.4%	0.5%	2.1	2.2	2.3	3.1%	0.4%
Households	2.0	2.4	2.7	5.2	38.5%	0.8%	1.9	1.9	2.1	-26.8%	0.5%
Payments for capital assets	**13.1**	**23.4**	**38.9**	**7.3**	**-17.6%**	**5.1%**	**35.3**	**22.1**	**23.1**	**46.5%**	**4.2%**
Machinery and equipment	13.1	23.4	38.9	7.0	-18.9%	5.1%	24.6	8.3	7.8	3.9%	2.3%
Software and other intangible assets	–	–	–	0.3	–	–	10.7	13.8	15.2	254.3%	1.9%
Payments for financial assets	**0.1**	**0.1**	**0.1**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**362.5**	**375.6**	**436.3**	**439.1**	**6.6%**	**100.0%**	**484.7**	**555.8**	**590.7**	**10.4%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**1.4%**	**1.3%**	**1.5%**	**1.1%**	**–**	**–**	**1.7%**	**1.8%**	**1.8%**	**–**	**–**

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

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Departmental agencies and accounts											
Departmental agencies											
(non-business entities)											
Current	**2.3**	**1.9**	**2.1**	**2.1**	**-3.5%**	**0.5%**	**2.0**	**2.1**	**2.3**	**3.1%**	**0.4%**
Finance and Accounting Services Sector Education and Training Authority	2.3	1.9	2.1	2.1	-3.5%	0.5%	2.0	2.1	2.3	3.1%	0.4%

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

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

Programme purpose

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

Objectives

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

Subprogrammes

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

- *Cooperative Banks Development Agency* facilitates the transfer payment to the Cooperative Banks Development Agency, which provides for the registration, supervision and regulation of cooperative banks and the development of cooperative financial institutions, such as savings and credit cooperatives, community banks, village banks and financial services cooperatives, into cooperative banks.

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management for Economic Policy, Tax, Financial Regulation and Research	20.7	21.2	45.0	46.0	30.6%	23.3%	39.2	41.4	43.9	-1.6%	27.9%
Research	11.5	11.0	7.3	15.0	9.2%	7.8%	–	–	–	-100.0%	2.5%
Financial Sector Policy	28.0	27.6	24.3	27.2	-0.9%	18.8%	24.9	26.3	28.3	1.3%	17.5%
Tax Policy	21.6	27.6	30.3	30.3	12.0%	19.2%	30.0	31.0	33.2	3.1%	20.4%
Economic Policy	25.7	26.5	27.5	26.2	0.6%	18.6%	27.0	28.4	30.6	5.3%	18.3%
Cooperative Banks Development Agency	16.8	17.3	16.9	19.3	4.6%	12.3%	19.9	21.0	22.2	4.7%	13.5%
Total	**124.3**	**131.3**	**151.2**	**164.0**	**9.7%**	**100.0%**	**141.0**	**148.0**	**158.1**	**-1.2%**	**100.0%**
Change to 2017 Budget estimate				24.3			(1.5)	(1.4)	(1.2)		
Economic classification											
Current payments	**96.3**	**102.2**	**121.3**	**132.8**	**11.3%**	**79.3%**	**106.9**	**112.1**	**120.2**	**-3.3%**	**77.2%**
Compensation of employees	70.8	78.2	79.7	79.9	4.1%	54.1%	78.7	82.2	88.4	3.4%	53.9%
Goods and services[1]	25.5	24.0	41.7	52.9	27.5%	25.2%	28.2	29.9	31.8	-15.6%	23.4%
of which:											
Communication	*0.3*	*0.4*	*0.3*	*0.3*	*4.0%*	*0.2%*	*0.4*	*0.4*	*0.5*	*11.7%*	*0.3%*
Consultants: Business and advisory services	*11.8*	*11.5*	*28.2*	*37.7*	*47.1%*	*15.6%*	*13.7*	*14.7*	*15.5*	*-25.6%*	*13.4%*
Consumables: Stationery, printing and office supplies	*1.0*	*0.5*	*1.4*	*3.2*	*44.4%*	*1.1%*	*1.2*	*1.2*	*1.3*	*-25.7%*	*1.1%*
Travel and subsistence	*5.4*	*5.1*	*6.6*	*5.6*	*1.7%*	*4.0%*	*6.2*	*6.5*	*6.8*	*6.6%*	*4.1%*
Training and development	*0.7*	*0.3*	*0.5*	*0.6*	*-4.7%*	*0.4%*	*0.7*	*0.8*	*0.9*	*14.2%*	*0.5%*
Operating payments	*4.0*	*4.5*	*3.3*	*3.3*	*-6.1%*	*2.7%*	*4.4*	*4.6*	*5.0*	*14.0%*	*2.8%*
Transfers and subsidies[1]	**27.7**	**28.8**	**29.2**	**30.2**	**3.0%**	**20.3%**	**33.2**	**35.1**	**37.0**	**7.0%**	**22.2%**
Departmental agencies and accounts	16.8	17.3	16.9	19.3	4.6%	12.3%	19.9	21.0	22.2	4.7%	13.5%
Public corporations and private enterprises	10.8	11.4	12.0	10.6	-0.6%	7.8%	13.3	14.1	14.8	11.9%	8.6%
Households	0.0	0.1	0.3	0.3	110.2%	0.1%	–	–	–	-100.0%	0.1%
Payments for capital assets	**0.4**	**0.3**	**0.7**	**1.0**	**37.2%**	**0.4%**	**0.9**	**0.9**	**0.9**	**-3.4%**	**0.6%**
Machinery and equipment	0.4	0.3	0.7	1.0	37.2%	0.4%	0.9	0.9	0.9	-3.4%	0.6%
Payments for financial assets	**0.0**	**0.0**	**0.0**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**124.3**	**131.3**	**151.2**	**164.0**	**9.7%**	**100.0%**	**141.0**	**148.0**	**158.1**	**-1.2%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**0.5%**	**0.5%**	**0.5%**	**0.4%**	**–**	**–**	**0.5%**	**0.5%**	**0.5%**	**–**	**–**
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**16.8**	**17.3**	**16.9**	**19.3**	**4.6%**	**12.3%**	**19.9**	**21.0**	**22.2**	**4.7%**	**13.5%**
Cooperative Banks Development Agency	16.8	17.3	16.9	19.3	4.6%	12.3%	19.9	21.0	22.2	4.7%	13.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	**10.8**	**11.4**	**12.0**	**10.6**	**-0.6%**	**7.8%**	**13.3**	**14.1**	**14.8**	**11.9%**	**8.6%**
Economic Research Southern Africa	10.8	11.4	12.0	10.6	-0.6%	7.8%	13.3	14.1	14.8	11.9%	8.6%

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

Programme 3: Public Finance and Budget Management

Programme purpose

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

Objectives

- Promote growth, social development and poverty reduction through sound fiscal and financial policies, and the effective, efficient and appropriate allocation of public funds annually.
- Prepare a national budget that gives effect to government's economic, fiscal, social and developmental goals, as expressed in the NDP and the government's 2014-2019 medium-term strategic framework, to provide fiscal policy advice by monitoring economic and fiscal trends and advising on policy options and the budget framework.
- Deepen transparency in the allocation of public finances through the annual production and publication of the Budget Review, Estimates of National Expenditure, Adjusted Estimates of National Expenditure, Medium Term Budget Policy Statement and appropriation legislation containing relevant, accurate and clear financial information and associated indicators of service delivery and performance.
- Contribute to public policy and programme development by providing support for planning, policy and programme analysis, budgeting and project management, including support for public finance reform in provinces and municipalities on an ongoing basis.
- Promote public and private investment in infrastructure and public services on an ongoing basis by providing technical support for capital expenditure planning and project analysis, advice on financing alternatives, support for municipal development, and financial assistance for neighbourhood development projects.
- Measure the appropriate use of public financial resources by monitoring, supporting and analysing public expenditure and service delivery for social, economic development and infrastructure investment on an ongoing basis.
- Support and enable budget analysis by a broad range of stakeholders, such as Parliament, on an ongoing basis through increased budget participation by the public.

Subprogrammes

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

Expenditure trends and estimates

Table 7.11 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management for Public Finance and Budget Management	20.6	17.9	21.4	24.1	5.3%	7.7%	26.6	27.9	29.9	7.4%	8.8%
Public Finance	52.3	59.2	56.6	63.2	6.5%	21.2%	57.6	61.4	65.7	1.3%	20.1%
Budget Office and Coordination	53.2	55.4	57.0	59.6	3.9%	20.6%	59.0	63.3	68.1	4.5%	20.3%
Intergovernmental Relations	73.8	89.0	102.0	105.5	12.6%	33.9%	95.0	101.7	109.2	1.2%	33.4%
Financial and Fiscal Commission	45.3	41.2	44.8	50.6	3.8%	16.7%	51.8	54.7	57.7	4.4%	17.4%
Total	**245.3**	**262.6**	**281.8**	**303.0**	**7.3%**	**100.0%**	**290.1**	**308.9**	**330.5**	**2.9%**	**100.0%**
Change to 2017 Budget estimate				16.9			(1.1)	(1.5)	(1.4)		
Economic classification											
Current payments	**198.4**	**218.7**	**235.0**	**250.3**	**8.0%**	**82.6%**	**236.1**	**252.3**	**270.5**	**2.6%**	**81.9%**
Compensation of employees	175.1	192.3	201.9	218.9	7.7%	72.1%	204.1	219.1	235.7	2.5%	71.2%
Goods and services[1]	23.3	26.4	33.1	31.4	10.4%	10.4%	32.0	33.2	34.8	3.5%	10.7%
of which:											
Bursaries: Employees	*0.7*	*0.8*	*0.6*	*1.2*	*19.3%*	*0.3%*	*1.6*	*1.6*	*1.4*	*7.3%*	*0.5%*
Consultants: Business and advisory services	*4.4*	*6.8*	*14.2*	*8.6*	*24.7%*	*3.1%*	*8.0*	*7.9*	*8.0*	*-2.2%*	*2.6%*
Consumables: Stationery, printing and office supplies	*5.8*	*5.7*	*2.1*	*7.1*	*6.6%*	*1.9%*	*7.5*	*7.9*	*8.9*	*7.9%*	*2.5%*
Operating leases	*0.6*	*0.6*	*0.9*	*1.0*	*18.8%*	*0.3%*	*1.1*	*1.1*	*1.1*	*4.2%*	*0.3%*
Travel and subsistence	*7.9*	*7.8*	*8.3*	*9.2*	*5.2%*	*3.0%*	*9.5*	*10.0*	*10.4*	*4.5%*	*3.2%*
Training and development	*0.4*	*0.2*	*0.5*	*0.8*	*27.7%*	*0.2%*	*0.9*	*1.0*	*1.0*	*5.6%*	*0.3%*
Transfers and subsidies[1]	**45.5**	**42.7**	**45.2**	**51.0**	**3.9%**	**16.9%**	**51.8**	**54.7**	**57.7**	**4.2%**	**17.5%**
Departmental agencies and accounts	45.3	41.2	44.8	50.6	3.8%	16.7%	51.8	54.7	57.7	4.4%	17.4%
Households	0.2	1.5	0.4	0.3	20.3%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	**1.3**	**1.1**	**1.5**	**1.8**	**10.7%**	**0.5%**	**2.2**	**2.0**	**2.3**	**8.2%**	**0.7%**
Machinery and equipment	1.3	1.1	1.5	1.8	10.7%	0.5%	2.2	2.0	2.3	8.2%	0.7%
Payments for financial assets	**0.0**	**0.1**	**0.0**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**245.3**	**262.6**	**281.8**	**303.0**	**7.3%**	**100.0%**	**290.1**	**308.9**	**330.5**	**2.9%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**0.9%**	**0.9%**	**1.0%**	**0.7%**	**–**	**–**	**1.0%**	**1.0%**	**1.0%**	**–**	**–**
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**45.3**	**41.2**	**44.8**	**50.6**	**3.8%**	**16.7%**	**51.8**	**54.7**	**57.7**	**4.4%**	**17.4%**
Financial and Fiscal Commission	45.3	41.2	44.8	50.6	3.8%	16.7%	51.8	54.7	57.7	4.4%	17.4%

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

Programme 4: Asset and Liability Management

Programme purpose

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

Objectives

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

- Meet government’s annual gross borrowing requirement consisting of the budget deficit and maturing debt by sourcing funds from domestic and international markets, and service government’s debt optimally.
- Ensure that government’s liquidity requirements are consistently met within credit risk guidelines through effective cash management and by making sound cash flow forecasts on an ongoing basis.
- Minimise and mitigate risks emanating from government’s fiscal obligations to develop and maintain a risk management framework for the debt and contingent liabilities of government, by implementing debt management strategies that minimise government’s exposure to adverse risks on an ongoing basis.

Subprogrammes

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

Expenditure trends and estimates

Table 7.12 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management for Asset and Liability Management	12.0	9.2	24.4	12.5	1.5%	0.4%	20.9	15.7	17.0	10.8%	0.6%
State-Owned Entity Financial Management and Governance	29.2	30.8	33.5	10 035.1	600.7%	61.1%	34.2	36.8	39.4	-84.2%	97.2%
Government Debt Management	19.3	19.4	18.8	18.6	-1.2%	0.5%	19.4	20.8	22.3	6.1%	0.8%
Financial Operations	20.0	21.0	22.5	22.4	3.9%	0.5%	24.3	25.9	27.6	7.2%	1.0%
Strategy and Risk Management	9.0	9.8	10.9	11.7	9.3%	0.2%	11.6	12.3	13.2	4.0%	0.5%
Financial Investments	3 000.0	3 174.0	–	–	-100.0%	37.3%	–	–	–	–	–
Total	**3 089.4**	**3 264.3**	**110.1**	**10 100.3**	**48.4%**	**100.0%**	**110.4**	**111.5**	**119.4**	**-77.2%**	**100.0%**
Change to 2017 Budget estimate				9 998.0			(29.0)	1.0	1.1		
Economic classification											
Current payments	**88.9**	**89.1**	**108.9**	**96.8**	**2.9%**	**2.3%**	**109.9**	**110.8**	**118.6**	**7.0%**	**4.2%**
Compensation of employees	69.3	72.1	77.0	78.5	4.2%	1.8%	78.7	84.5	91.2	5.1%	3.2%
Goods and services[1]	19.6	17.1	31.9	18.3	-2.2%	0.5%	31.2	26.2	27.4	14.4%	1.0%
of which:											
Audit costs: External	*0.5*	*0.5*	*0.6*	*0.7*	*6.6%*	–	*0.7*	*0.7*	*0.7*	*3.3%*	–
Bursaries: Employees	*0.6*	*0.6*	*0.6*	*1.0*	*21.5%*	–	*1.4*	*1.3*	*1.2*	*6.3%*	–
Computer services	*9.6*	*9.5*	*13.1*	*8.1*	*-5.5%*	*0.2%*	*11.6*	*12.3*	*12.9*	*16.9%*	*0.4%*
Consultants: Business and advisory services	*4.9*	*2.2*	*14.1*	*2.9*	*-16.1%*	*0.1%*	*11.4*	*5.6*	*5.9*	*26.8%*	*0.2%*
Travel and subsistence	*1.7*	*2.3*	*2.1*	*3.3*	*24.7%*	*0.1%*	*3.4*	*3.6*	*3.8*	*4.8%*	*0.1%*
Training and development	*0.4*	*0.4*	*0.4*	*0.7*	*17.6%*	–	*0.8*	*0.8*	*0.8*	*5.0%*	–
Transfers and subsidies[1]	**0.2**	**0.9**	**0.5**	**0.2**	**-1.3%**	–	–	–	–	**-100.0%**	–
Households	0.2	0.9	0.5	0.2	-1.3%	–	–	–	–	-100.0%	–

Table 7.12 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Payments for capital assets	**0.3**	**0.2**	**0.7**	**3.3**	**132.4%**	**–**	**0.5**	**0.7**	**0.8**	**-38.1%**	**0.1%**
Machinery and equipment	0.3	0.2	0.7	0.7	37.3%	–	0.5	0.7	0.8	4.9%	–
Software and other intangible assets	–	–	–	2.6	–	–	–	–	–	-100.0%	–
Payments for financial assets	**3 000.0**	**3 174.0**	**–**	**10 000.0**	**49.4%**	**97.6%**	**–**	**–**	**–**	**-100.0%**	**95.8%**
Total	**3 089.4**	**3 264.3**	**110.1**	**10 100.3**	**48.4%**	**100.0%**	**110.4**	**111.5**	**119.4**	**-77.2%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**11.8%**	**11.4%**	**0.4%**	**24.9%**	**–**	**–**	**0.4%**	**0.4%**	**0.4%**	**–**	**–**

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: Financial Accounting and Supply Chain Management Systems

Programme purpose

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

Objectives

- Ensure compliance with the implementation of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) across the three spheres of government by facilitating and undertaking special investigations to reduce fraud and corruption on an ongoing basis.
- Ensure sound financial management systems to meet the requirements of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) by:
  - providing capacity and support to all spheres of government on policies relating to accounting and reporting, internal auditing and risk management on an ongoing basis
  - developing and implementing government transversal accounting and reporting systems over the medium term
  - maintaining government's current financial systems at a level of 98 per cent availability, including providing reliable, efficient and effective support and user training, over the medium term
  - completing the development of the remaining integrated financial management system's modules on payroll, core financial management and inventory management, and beginning its rollout, over the medium term.
- Support government's efforts to build capacity in financial management across the three spheres of government by introducing minimum competency profiles and offering graduate internships in financial management annually.
- Improve financial management in provincial and local government by:
  - developing and implementing financial recovery plans and providing technical assistance on an ongoing basis
  - supporting municipalities to implement financial management reforms and ensuring their compliance with the Municipal Finance Management Act (2003), as required, over the medium term.
- Modernise the supply chain management system for government over the medium term by:
  - developing a centralised supplier database to register all suppliers that render services to government
  - introducing policy reforms to ensure that all procuring government institutions implement a single supply chain management policy
  - providing training solutions to close the skills gaps for existing and future supply chain management practitioners.

Subprogrammes

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

Expenditure trends and estimates

Table 7.13 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management for Financial Accounting and Supply Chain Management Systems	15.2	24.7	60.2	99.9	87.5%	5.3%	196.5	143.2	150.9	14.7%	13.1%
Office of the Chief Procurement Officer	38.6	55.3	67.5	74.7	24.6%	6.2%	70.3	75.7	80.8	2.6%	6.7%
Financial Systems	412.1	441.0	797.4	634.5	15.5%	60.2%	642.1	556.4	587.8	-2.5%	53.8%
Financial Reporting for National Accounts	86.4	83.0	85.1	99.2	4.7%	9.3%	101.9	108.0	114.7	4.9%	9.4%
Financial Management Policy and Compliance Improvement	117.8	128.5	120.3	124.3	1.8%	12.9%	137.8	146.7	156.6	8.0%	12.6%
Audit Statutory Bodies	61.3	41.9	79.1	46.3	-8.9%	6.0%	47.7	50.4	53.2	4.7%	4.4%
Service Charges: Commercial Banks	0.1	0.1	0.3	0.3	38.8%	–	0.3	0.3	0.3	5.4%	–
Total	**731.5**	**774.5**	**1 209.9**	**1 079.1**	**13.8%**	**100.0%**	**1 196.6**	**1 080.7**	**1 144.3**	**2.0%**	**100.0%**
Change to 2017 Budget estimate				(8.7)			(10.6)	(10.5)	(11.4)		
Economic classification											
Current payments	**619.8**	**682.9**	**668.8**	**969.6**	**16.1%**	**77.5%**	**1 085.9**	**964.5**	**1 021.8**	**1.8%**	**89.8%**
Compensation of employees	158.3	179.5	200.5	208.1	9.5%	19.7%	208.2	223.8	240.4	4.9%	19.6%
Goods and services[1]	461.5	503.4	468.2	761.5	18.2%	57.8%	877.7	740.7	781.4	0.9%	70.2%
of which:											
Audit costs: External	*6.5*	*3.9*	*3.8*	*7.5*	*4.8%*	*0.6%*	*5.4*	*5.7*	*6.0*	*-6.9%*	*0.5%*
Computer services	*384.6*	*338.8*	*353.2*	*582.2*	*14.8%*	*43.7%*	*571.3*	*486.5*	*514.8*	*-4.0%*	*47.9%*
Consultants: Business and advisory services	*49.9*	*137.4*	*88.7*	*144.7*	*42.6%*	*11.1%*	*267.9*	*217.9*	*228.8*	*16.5%*	*19.1%*
Legal services	*0.4*	*–*	*–*	*–*	*-100.0%*	*–*	*5.0*	*1.5*	*1.0*	*–*	*0.2%*
Travel and subsistence	*7.2*	*4.2*	*7.6*	*10.1*	*11.9%*	*0.8%*	*11.0*	*11.0*	*11.4*	*4.1%*	*1.0%*
Venues and facilities	*4.7*	*0.3*	*4.3*	*5.1*	*2.9%*	*0.4%*	*5.5*	*6.2*	*6.7*	*9.2%*	*0.5%*

Table 7.13 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Transfers and subsidies[1]	**106.5**	**83.5**	**121.6**	**99.5**	**-2.2%**	**10.8%**	**104.3**	**110.2**	**116.0**	**5.3%**	**9.6%**
Departmental agencies and accounts	106.1	83.1	120.6	99.4	-2.2%	10.8%	102.7	108.4	114.4	4.8%	9.4%
Households	0.4	0.4	1.0	0.1	-29.2%	0.1%	1.7	1.8	1.7	125.2%	0.1%
Payments for capital assets	**3.9**	**8.1**	**419.5**	**10.0**	**37.1%**	**11.6%**	**6.4**	**6.1**	**6.4**	**-13.8%**	**0.6%**
Machinery and equipment	3.9	8.1	3.4	8.3	28.5%	0.6%	5.8	5.4	5.7	-11.5%	0.6%
Software and other intangible assets	–	–	416.1	1.8	–	11.0%	0.6	0.6	0.7	-27.1%	0.1%
Payments for financial assets	**1.3**	**0.0**	**0.0**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**731.5**	**774.5**	**1 209.9**	**1 079.1**	**13.8%**	**100.0%**	**1 196.6**	**1 080.7**	**1 144.3**	**2.0%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**2.8%**	**2.7%**	**4.3%**	**2.7%**	**–**	**–**	**4.1%**	**3.5%**	**3.5%**	**–**	**–**
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**106.1**	**83.1**	**120.6**	**99.4**	**-2.2%**	**10.8%**	**102.7**	**108.4**	**114.4**	**4.8%**	**9.4%**
Accounting Standards Board	10.3	–	12.5	13.5	9.5%	1.0%	14.1	14.8	15.7	5.2%	1.3%
Independent Regulatory Board for Auditors	34.6	41.3	29.0	39.6	4.6%	3.8%	40.9	43.2	45.5	4.7%	3.8%
Auditor-General of South Africa	61.3	41.9	79.1	46.3	-8.9%	6.0%	47.7	50.4	53.2	4.7%	4.4%

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

Programme 6: International Financial Relations

Programme purpose

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

Objectives

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

Subprogrammes

- *Programme Management for International Financial Relations* supports the planning, monitoring and delivering of the programme's activities with the World Bank country office, the African Development Bank regional resource centre and the BRICS New Development Bank. The division oversees South Africa's representation in international and regional financial institutions; manages bilateral and multilateral relationships on behalf of National Treasury; and plans, implements and monitors programmes and activities that advance South Africa's national interests.

- *International Economic Cooperation* focuses on improving South Africa's participation in international and regional economic institutions. This entails working through key economic institutions and forums such as the Southern African Customs Union, the SADC, the United Nations Economic Commission for Africa, the African Union's New Partnership for Africa's Development, the International Monetary Fund, the G20, the G24, the BRICS group of countries, the Organisation for Economic Cooperation and Development, and the World Economic Forum.
- *African Integration and Support* enables National Treasury's participation in African interventions and arrangements that are mainly to bring about support and integration between African states and institutions. This subprogramme facilitates the transfer of funds to Lesotho, Namibia and Swaziland for the Common Monetary Area compensation. In this agreement, South Africa compensates the member countries for the use of the rand currency within their respective borders. It also includes the technical support provided to regional capacity building institutions such as the Collaborative Africa Budget Reform Initiative, the Infrastructure Consortium for Africa, the African Capacity Building Foundation, the African Institute for Economic Development and Planning, and the African Regional Technical Assistance Centre for Southern Africa.
- *International Development Funding Institutions* provides for subscriptions and contributions to international development institutions and banks. This subprogramme transfers funds to the African Development Bank and the International Bank for Reconstruction and Development of the World Bank Group for the purpose of paying for shares, the African Development Fund and the International Development Association of the World Bank Group to provide concessional loans and grants to low income countries. Capital transfers for the New Development Bank, in line with South Africa's agreed shareholding, are also facilitated through this subprogramme.
- *International Projects* transfers funds to international projects and interventions for various causes such as capacity building, and catastrophe and disaster relief for affected low income countries. To this end, National Treasury contributes to the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunisation. The facility transfers funds to the Global Alliance for Vaccines and Immunisation, a public-private global health partnership, to support health care, particularly the provision of vaccines to reduce the number of deaths preventable by vaccination among children in low income countries.

Expenditure trends and estimates

Table 7.14 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management for International Financial Relations	8.3	14.5	10.0	9.1	3.1%	0.3%	12.3	13.9	14.3	16.2%	0.2%
International Economic Cooperation	27.3	30.4	38.3	42.5	15.9%	0.9%	39.8	46.0	49.6	5.3%	0.8%
African Integration and Support	588.3	717.5	796.7	760.0	8.9%	18.4%	816.8	862.6	910.0	6.2%	14.5%
International Development Funding Institutions	557.6	2 762.7	4 091.8	4 999.2	107.7%	79.9%	4 513.4	4 801.6	5 065.3	0.4%	84.1%
International Projects	17.2	21.0	19.0	20.5	6.1%	0.5%	19.9	21.0	22.2	2.6%	0.4%
Total	**1 198.7**	**3 546.1**	**4 955.8**	**5 831.4**	**69.4%**	**100.0%**	**5 402.1**	**5 745.1**	**6 061.4**	**1.3%**	**100.0%**
Change to 2017 Budget estimate				(5.4)			(509.0)	(501.3)	(529.3)		

Table 7.14 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Economic classification R million	Audited outcome 2014/15	 2015/16	 2016/17	Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expen-diture/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate 2018/19	 2019/20	 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expen-diture/ Total (%) 2017/18 - 2020/21
Current payments	**35.4**	**44.7**	**47.2**	**50.9**	**12.9%**	**1.1%**	**51.5**	**59.1**	**62.8**	**7.2%**	**1.0%**
Compensation of employees	26.1	28.2	32.0	30.7	5.5%	0.8%	36.2	40.4	43.2	12.1%	0.7%
Goods and services[1]	9.3	16.5	15.2	20.3	29.6%	0.4%	15.4	18.8	19.6	-1.1%	0.3%
of which:											
Bursaries: Employees	*0.1*	*0.1*	*0.2*	*0.6*	*93.3%*	–	*0.7*	*0.8*	*0.8*	*9.5%*	–
Communication	*0.4*	*0.4*	*0.2*	*0.3*	*-6.9%*	–	*0.5*	*0.5*	*0.5*	*17.4%*	–
Travel and subsistence	*6.9*	*10.4*	*9.3*	*9.4*	*10.5%*	*0.2%*	*10.6*	*11.9*	*12.6*	*10.4%*	*0.2%*
Training and development	*0.2*	*0.0*	*0.1*	*0.2*	*10.2%*	–	*0.3*	*0.3*	*0.3*	*11.7%*	–
Operating payments	*0.2*	*0.3*	*0.4*	*1.1*	*78.4%*	–	*1.3*	*1.4*	*1.3*	*5.4%*	–
Venues and facilities	*0.3*	*4.4*	*0.8*	*6.1*	*183.9%*	*0.1%*	*1.0*	*2.9*	*3.0*	*-21.2%*	*0.1%*
Transfers and subsidies[1]	**788.3**	**829.2**	**906.4**	**910.7**	**4.9%**	**22.1%**	**972.8**	**1 027.3**	**1 083.8**	**6.0%**	**17.3%**
Foreign governments and international organisations	788.3	829.2	906.4	910.7	4.9%	22.1%	972.8	1 027.3	1 083.8	6.0%	17.3%
Households	0.0	0.0	0.0	0.0	-26.9%	–	–	–	–	-100.0%	–
Payments for capital assets	**0.1**	**0.2**	**1.1**	**0.6**	**72.5%**	**–**	**0.5**	**0.7**	**1.1**	**19.5%**	**–**
Machinery and equipment	0.1	0.2	1.1	0.6	72.5%	–	0.5	0.7	1.1	19.5%	–
Payments for financial assets	**374.8**	**2 672.0**	**4 001.1**	**4 869.1**	**135.1%**	**76.7%**	**4 377.3**	**4 657.9**	**4 913.7**	**0.3%**	**81.7%**
Total	**1 198.7**	**3 546.1**	**4 955.8**	**5 831.4**	**69.4%**	**100.0%**	**5 402.1**	**5 745.1**	**6 061.4**	**1.3%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**4.6%**	**12.4%**	**17.6%**	**14.4%**	**–**	**–**	**18.4%**	**18.8%**	**18.4%**	**–**	**–**
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	**605.5**	**738.6**	**815.7**	**780.6**	**8.8%**	**18.9%**	**836.7**	**883.6**	**932.2**	**6.1%**	**14.9%**
Common Monetary Area Compensation	581.6	712.5	792.3	754.9	9.1%	18.3%	804.9	849.9	896.7	5.9%	14.4%
Collaborative Africa Budget Reform Initiative	4.4	1.8	2.4	2.5	-17.1%	0.1%	1.7	1.8	1.9	-8.8%	–
Commonwealth Fund for Technical Cooperation	5.7	5.5	5.8	6.1	2.3%	0.1%	6.4	6.8	7.2	5.4%	0.1%
International Finance Facility for Immunisation	11.5	15.5	13.2	14.4	7.9%	0.4%	13.4	14.2	15.0	1.3%	0.2%
African Institute for Economic Development and Planning	0.9	1.2	1.0	1.2	7.9%	–	1.4	1.4	1.5	9.3%	–
Africa Regional Technical Assistance Centre for Southern Africa	0.4	1.0	1.0	1.4	60.3%	–	1.2	1.3	1.4	-2.1%	–
Infrastructure Consortium for Africa	1.0	1.0	–	–	-100.0%	–	–	–	–	–	–
African Risk Capacity	–	–	–	–	–	–	7.7	8.1	8.6	–	0.1%
Capital	**182.8**	**90.7**	**90.7**	**130.1**	**-10.7%**	**3.2%**	**136.1**	**143.7**	**151.7**	**5.2%**	**2.4%**
African Development Fund	92.1	–	–	73.5	-7.3%	1.1%	35.4	37.4	39.4	-18.7%	0.8%
World Bank Group	90.7	90.7	90.7	56.7	-14.5%	2.1%	100.7	106.4	112.2	25.6%	1.6%

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

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

Programme purpose

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

Objectives

- Ensure the effective administration of pension, retirement and other policies on an ongoing basis by completing annual reviews and implementing recommendations in accordance with stakeholder agreements reached on pension reforms, post-retirement medical benefits, political office bearers and pension legislation.
- Ensure good service to eligible applicants and recipients on an ongoing basis by:
  – processing member applications and making payments punctually, as required by applicable legislation

- processing post-retirement medical benefit applications within 60 days of receipt, and paying all medical subsidies within 7 days of receiving a valid and correct claim
- processing and paying injury on duty benefits to civil servants within 45 days of receiving completed documentation
- ensuring the punctual and accurate payments of military pensions within 45 days of receipt and medical accounts within 30 days of receipt of the claim while maintaining a zero backlog.

Subprogrammes

- *Government Pensions Administration Agency* provides administrative services, in accordance with the Temporary Employee Pension Fund Act (1979) and the Associated Institutions Pension Fund Act (1963), for post-retirement medical subsidies, as provided for and regulated by resolutions of the Public Service Coordinating Bargaining Council, the Military Pensions Act (1976), and military pensions in terms of this act; for injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act (1993); and special pensions in terms of the Special Pensions Act (1996) on behalf of National Treasury.
- *Civil Pensions and Contributions to Funds* provides for the processing and payment of pensions and medical subsidies to retired civil servants; and pension payments to the injured, disabled and dependants of deceased civil servants and former struggle veterans, in terms of various statutes, collective bargaining agreements and other commitments. The *Government Pensions Administration Agency* subprogramme administers all payments related to this subprogramme.
- *Military Pensions and Other Benefits* provides for the processing and payment of military pension benefits and medical claims arising from injuries sustained during various wars, including South Africa's liberation wars. These include payments to former members of the legislative assembly of the former Venda, Transkei, Ciskei and Bophuthatswana governments; judges or their widows/widowers in terms of the Judges' Remuneration and Conditions of Employment Act (2001); and former state presidents, among other benefits.

Expenditure trends and estimates

Table 7.15 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Government Pensions Administration Agency	54.4	56.6	61.3	65.2	6.2%	1.4%	68.9	72.7	76.7	5.6%	1.3%
Civil Pensions and Contributions to Funds	2 613.9	3 156.5	3 249.2	3 825.6	13.5%	75.9%	4 145.0	4 496.8	4 743.5	7.4%	80.2%
Military Pensions and Other Benefits	1 062.6	754.6	1 089.7	944.2	-3.9%	22.7%	950.0	1 005.0	1 061.1	4.0%	18.5%
Total	**3 730.9**	**3 967.7**	**4 400.2**	**4 835.0**	**9.0%**	**100.0%**	**5 163.8**	**5 574.5**	**5 881.2**	**6.7%**	**100.0%**
Change to 2017 Budget estimate				–			2.9	3.2	3.5		
Economic classification											
Current payments	**54.4**	**56.6**	**61.3**	**65.2**	**6.2%**	**1.4%**	**68.9**	**72.7**	**76.7**	**5.6%**	**1.3%**
Goods and services[1]	54.4	56.6	61.3	65.2	6.2%	1.4%	68.9	72.7	76.7	5.6%	1.3%
of which:											
Consultants: Business and advisory services	*54.4*	*56.6*	*61.3*	*65.2*	*6.2%*	*1.4%*	*68.9*	*72.7*	*76.7*	*5.6%*	*1.3%*
Transfers and subsidies[1]	**3 676.5**	**3 911.1**	**4 338.9**	**4 769.8**	**9.1%**	**98.6%**	**5 094.9**	**5 501.8**	**5 804.5**	**6.8%**	**98.7%**
Foreign governments and international organisations	2.3	2.1	1.2	2.6	3.9%	–	2.7	2.8	3.0	5.4%	0.1%
Households	3 674.2	3 909.0	4 337.6	4 767.2	9.1%	98.5%	5 092.2	5 498.9	5 801.5	6.8%	98.6%
Total	**3 730.9**	**3 967.7**	**4 400.2**	**4 835.0**	**9.0%**	**100.0%**	**5 163.8**	**5 574.5**	**5 881.2**	**6.7%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**14.2%**	**13.8%**	**15.6%**	**11.9%**	**–**	**–**	**17.6%**	**18.2%**	**17.9%**	**–**	**–**

Table 7.15 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Households											
Social benefits											
Current	**3 674.2**	**3 909.0**	**4 337.6**	**4 767.2**	**9.1%**	**98.5%**	**5 092.2**	**5 498.9**	**5 801.5**	**6.8%**	**98.6%**
Contribution to provident funds for associated institutions	0.3	0.3	0.3	0.3	-2.2%	–	0.3	0.4	0.4	8.2%	–
Other benefits	70.4	82.5	92.8	84.3	6.2%	1.9%	98.6	104.1	109.8	9.2%	1.8%
Injury on duty	526.4	514.9	563.5	577.2	3.1%	12.9%	652.3	688.8	726.7	8.0%	12.3%
Post-Retirement medical scheme	1 509.4	2 107.4	2 133.5	2 401.9	16.7%	48.1%	2 613.1	2 893.3	3 064.7	8.5%	51.1%
Special pensions	423.5	439.8	447.8	457.7	2.6%	10.4%	457.2	468.0	480.0	1.6%	8.7%
Political Office Bearers Pension Fund	72.0	–	–	291.2	59.3%	2.1%	306.1	323.2	341.0	5.4%	5.9%
Pension benefits: President of South Africa	7.9	7.3	7.7	7.8	-0.3%	0.2%	11.7	12.9	14.3	22.3%	0.2%
Military pensions: Ex-servicemen	11.7	2.9	2.3	3.4	-33.6%	0.1%	3.0	2.8	2.6	-8.7%	0.1%
South African citizen force	155.9	166.2	175.5	180.1	4.9%	4.0%	193.6	205.3	217.1	6.4%	3.7%
Other benefits: Ex-servicemen	20.2	10.5	12.3	23.3	5.0%	0.4%	16.0	18.3	19.9	-5.1%	0.4%
Non-statutory forces	874.8	575.0	899.6	737.3	-5.5%	18.2%	737.3	778.6	821.4	3.7%	14.3%
Post-retirement medical scheme - Parliamentary staff	1.7	2.2	2.4	2.6	15.8%	0.1%	2.9	3.2	3.5	10.0%	0.1%
Foreign governments and international organisations											
Current	**2.3**	**2.1**	**1.2**	**2.6**	**3.9%**	**–**	**2.7**	**2.8**	**3.0**	**5.4%**	**0.1%**
United Kingdom tax	2.3	2.1	1.2	2.6	3.9%	–	2.7	2.8	3.0	5.4%	0.1%

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

Programme 8: Technical Support and Development Finance

Programme purpose

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

Objectives

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

Subprogrammes

- *Local Government Financial Management Support* provides for transfers to municipalities to support the implementation of the Municipal Finance Management Act (2003), and technical assistance to provincial treasuries and municipalities through the municipal finance improvement programme. The municipal finance improvement programme provides technical assistance and support to National Treasury, provincial treasuries and municipalities by placing financial advisers with experience and expertise in municipal financial management to facilitate key reforms and skills transfer.

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

Expenditure trends and estimates

Table 7.16 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Local Government Financial Management Support	547.9	573.9	587.9	627.8	4.6%	22.5%	645.5	681.4	1 232.9	25.2%	26.4%
Urban Development and Support	875.4	848.3	873.9	983.3	3.9%	34.4%	924.8	962.2	1 015.0	1.1%	32.2%
Employment Creation Facilitation	1 213.2	749.5	698.2	610.0	-20.5%	31.4%	875.3	970.5	1 084.1	21.1%	29.3%
Government Technical Advisory Centre	79.8	83.6	88.0	80.8	0.4%	3.2%	71.9	76.5	81.2	0.2%	2.6%
Infrastructure Development Support	177.1	216.9	230.4	256.7	13.2%	8.5%	281.4	297.1	313.8	6.9%	9.5%
Total	**2 893.3**	**2 472.2**	**2 478.4**	**2 558.5**	**-4.0%**	**100.0%**	**2 798.8**	**2 987.8**	**3 726.9**	**13.4%**	**100.0%**
Change to 2017 Budget estimate				(314.8)			(431.5)	(422.2)	(385.0)		
Economic classification											
Current payments	**91.7**	**283.8**	**310.4**	**354.4**	**57.0%**	**10.0%**	**407.8**	**430.6**	**454.3**	**8.6%**	**13.6%**
Compensation of employees	5.4	–	–	–	-100.0%	0.1%	–	–	–	–	–
Goods and services[1]	86.2	283.8	310.4	354.4	60.2%	9.9%	407.8	430.6	454.3	8.6%	13.6%
of which:											
Administrative fees	*0.5*	–	–	–	*-100.0%*	–	–	–	–	–	–
Advertising	*0.1*	–	–	–	*-100.0%*	–	–	–	–	–	–
Minor assets	*0.6*	–	–	–	*-100.0%*	–	–	–	–	–	–
Consultants: Business and advisory services	*83.0*	*283.8*	*310.4*	*354.4*	*62.2%*	*9.9%*	*407.8*	*430.6*	*454.3*	*8.6%*	*13.6%*
Transfers and subsidies[1]	**2 800.7**	**2 188.4**	**2 168.0**	**2 204.1**	**-7.7%**	**90.0%**	**2 391.1**	**2 557.1**	**3 272.6**	**14.1%**	**86.4%**
Provinces and municipalities	1 399.0	1 411.8	1 454.4	1 598.3	4.5%	56.4%	1 541.5	1 613.5	2 216.3	11.5%	57.7%
Departmental agencies and accounts	138.1	776.6	713.6	605.8	63.7%	21.5%	849.5	943.6	1 056.3	20.4%	28.6%
Public corporations and private enterprises	1 263.7	–	–	–	-100.0%	12.1%	–	–	–	–	–
Payments for capital assets	**1.0**	**–**	**–**	**–**	**-100.0%**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and equipment	1.0	–	–	–	-100.0%	–	–	–	–	–	–
Total	**2 893.3**	**2 472.2**	**2 478.4**	**2 558.5**	**-4.0%**	**100.0%**	**2 798.8**	**2 987.8**	**3 726.9**	**13.4%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**11.1%**	**8.6%**	**8.8%**	**6.3%**	**–**	**–**	**9.5%**	**9.8%**	**11.3%**	**–**	**–**

Table 7.16 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Departmental agencies and accounts											
Departmental agencies											
(non-business entities)											
Current	**137.7**	**776.1**	**713.6**	**605.0**	**63.8%**	**21.5%**	**848.8**	**942.8**	**1 055.4**	**20.4%**	**28.6%**
Government Technical Advisory Centre	107.7	776.1	713.6	605.0	77.8%	21.2%	848.8	942.8	1 055.4	20.4%	28.6%
Neighbourhood development partnership grant (Indirect)	30.0	–	–	–	-100.0%	0.3%	–	–	–	–	–
Capital	**0.4**	**0.5**	**–**	**0.7**	**25.5%**	**–**	**0.8**	**0.8**	**0.9**	**5.6%**	**–**
Government Technical Advisory Centre	0.4	0.5	–	0.7	25.5%	–	0.8	0.8	0.9	5.6%	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	**1 263.7**	**–**	**–**	**–**	**-100.0%**	**12.1%**	**–**	**–**	**–**	**–**	**–**
Development Bank of Southern Africa	1 164.9	–	–	–	-100.0%	11.2%	–	–	–	–	–
Municipal Finance Improvement Programme	98.8	–	–	–	-100.0%	0.9%	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	**553.6**	**577.0**	**595.7**	**642.8**	**5.1%**	**22.8%**	**646.1**	**682.2**	**1 234.1**	**24.3%**	**26.6%**
Local government financial management grant	449.1	452.5	465.3	502.0	3.8%	18.0%	504.6	532.8	561.7	3.8%	17.4%
Infrastructure skills development grant	104.4	124.5	130.5	140.8	10.5%	4.8%	141.5	149.4	157.9	3.9%	4.9%
Municipal restructuring grant	–	–	–	–	–	–	–	–	514.4	–	4.3%
Capital	**845.4**	**834.9**	**858.7**	**955.5**	**4.2%**	**33.6%**	**895.5**	**931.2**	**982.3**	**0.9%**	**31.2%**
Integrated city development grant	255.0	251.3	266.8	292.1	4.6%	10.2%	293.6	310.1	327.3	3.9%	10.1%
Neighbourhood development partnership grant	590.4	583.6	591.9	663.4	4.0%	23.4%	601.9	621.2	654.9	-0.4%	21.1%

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

Programme 9: Revenue Administration

Programme purpose

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

Objectives

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

Subprogramme

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

Expenditure trends and estimates

Table 7.17 Revenue Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
South African Revenue Service	9 440.3	9 334.4	9 363.7	10 168.2	2.5%	100.0%	9 007.2	9 130.3	9 630.9	-1.8%	100.0%
Total	**9 440.3**	**9 334.4**	**9 363.7**	**10 168.2**	**2.5%**	**100.0%**	**9 007.2**	**9 130.3**	**9 630.9**	**-1.8%**	**100.0%**
Change to 2017 Budget estimate				(50.0)			(1 553.0)	(1 841.8)	(1 944.7)		
Economic classification											
Transfers and subsidies[1]	**9 440.3**	**9 334.4**	**9 363.7**	**10 168.2**	**2.5%**	**100.0%**	**9 007.2**	**9 130.3**	**9 630.9**	**-1.8%**	**100.0%**
Departmental agencies and accounts	9 440.3	9 334.4	9 363.7	10 168.2	2.5%	100.0%	9 007.2	9 130.3	9 630.9	-1.8%	100.0%
Total	**9 440.3**	**9 334.4**	**9 363.7**	**10 168.2**	**2.5%**	**100.0%**	**9 007.2**	**9 130.3**	**9 630.9**	**-1.8%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**36.1%**	**32.5%**	**33.2%**	**25.1%**	**–**	**–**	**30.7%**	**29.8%**	**29.3%**	**–**	**–**
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**8 596.2**	**8 391.0**	**8 320.3**	**9 026.6**	**1.6%**	**89.6%**	**7 799.4**	**7 854.9**	**8 285.3**	**-2.8%**	**86.9%**
South African Revenue Service: Operations	8 596.2	8 391.0	8 320.3	8 991.6	1.5%	89.5%	7 757.9	7 814.6	8 242.8	-2.9%	86.5%
South African Revenue Service: Office of the Tax Ombud	–	–	–	35.0	–	0.1%	41.5	40.3	42.5	6.7%	0.4%
Capital	**844.1**	**943.4**	**1 043.4**	**1 141.6**	**10.6%**	**10.4%**	**1 207.8**	**1 275.4**	**1 345.6**	**5.6%**	**13.1%**
South African Revenue Service: Machinery and equipment	844.1	943.4	1 043.4	1 141.6	10.6%	10.4%	1 207.8	1 275.4	1 345.6	5.6%	13.1%

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

Programme 10: Financial Intelligence and State Security

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

Table 7.18 Financial Intelligence and State Security expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Financial Intelligence Centre	198.1	239.5	256.4	270.2	10.9%	5.1%	278.7	294.3	310.5	4.7%	5.8%
Secret Services	4 168.2	4 322.6	4 556.1	4 735.4	4.3%	94.9%	4 484.8	4 656.7	4 912.7	1.2%	94.2%
Total	**4 366.3**	**4 562.1**	**4 812.5**	**5 005.6**	**4.7%**	**100.0%**	**4 763.5**	**4 951.1**	**5 223.2**	**1.4%**	**100.0%**
Change to 2017 Budget estimate				–			(532.4)	(641.5)	(676.9)		
Economic classification											
Transfers and subsidies[1]	**4 366.3**	**4 562.1**	**4 812.5**	**5 005.6**	**4.7%**	**100.0%**	**4 763.5**	**4 951.1**	**5 223.2**	**1.4%**	**100.0%**
Departmental agencies and accounts	4 366.3	4 562.1	4 812.5	5 005.6	4.7%	100.0%	4 763.5	4 951.1	5 223.2	1.4%	100.0%
Total	**4 366.3**	**4 562.1**	**4 812.5**	**5 005.6**	**4.7%**	**100.0%**	**4 763.5**	**4 951.1**	**5 223.2**	**1.4%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**16.7%**	**15.9%**	**17.1%**	**12.4%**	**–**	**–**	**16.2%**	**16.2%**	**15.9%**	**–**	**–**
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**4 068.1**	**4 242.0**	**4 392.3**	**4 686.8**	**4.8%**	**92.8%**	**4 330.3**	**4 493.6**	**4 740.6**	**0.4%**	**91.5%**
Financial Intelligence Centre: Operations	186.7	226.7	239.6	254.9	11.0%	4.8%	262.6	277.3	292.5	4.7%	5.5%
Secret Services: Operations	3 881.4	4 015.4	4 152.6	4 431.9	4.5%	87.9%	4 067.8	4 216.3	4 448.0	0.1%	86.1%
Capital	**298.2**	**320.0**	**420.2**	**318.8**	**2.3%**	**7.2%**	**433.2**	**457.5**	**482.6**	**14.8%**	**8.5%**
Financial Intelligence Centre: Machinery and equipment	11.4	12.8	16.7	15.3	10.1%	0.3%	16.1	17.0	18.0	5.6%	0.3%
Secret Services: Machinery and equipment	286.7	307.2	403.5	303.6	1.9%	6.9%	417.1	440.4	464.6	15.2%	8.2%

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

Entities[1]

Development Bank of Southern Africa

Mandate

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

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

Selected performance indicators

Table 7.19 Development Bank of Southern Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Cost to income ratio (bank-wide)	Administration	Outcome 12: An efficient, effective and development oriented public service	34%	29%	15%	35.4%	35.4%	35.1%	35.1%
Total value of disbursements to infrastructure related projects per year	Development finance		R13bn	R17.1bn	R12.4bn	R20bn	R23.5bn	R31bn	R32.7bn
Value of bank-wide net profit/(loss) per year	Development finance		R1.2bn	R2.6bn	R2.8bn	R1.4bn	R1.6bn	R1.8bn	R1.9bn
Number of schools completed per year for which the bank has provided financial support as part of the accelerated schools infrastructure delivery initiative	Non-financing development activities	Outcome 1: Quality basic education	15	35	12	–[1]	–[1]	–[1]	–[1]
Number of houses completed per year for which the bank has provided financial support (Elliotdale housing scheme)	Non-financing development activities	Outcome 8: Sustainable human settlements and improved quality of household life	1 128	1 382	342	–[1]	–[1]	–[1]	–[1]

1. *Indicator discontinued.*

Expenditure analysis

Over the medium term, the Development Bank of Southern Africa intends to continue focusing on social and economic infrastructure development with an emphasis on driving financial and non-financial investments in the energy, transport, water and communications sectors. It will also focus on supporting social sectors such as health, education and housing. The bank aims to accelerate infrastructure financing in South Africa that targets municipalities, state-owned companies, independent power producers and public-private partnerships; and infrastructure support in the rest of Africa that targets state-owned companies and public-private partnerships. Its mandate and activities are in line with the NDP's vision of strengthened financial services, and outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (responsive, accountable, effective and efficient developmental local government) of government's 2014-2019 medium term strategic framework.

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

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

To alleviate capacity constraints and expand lending to these targeted municipalities, an estimated R100 million per year over the medium term has been set aside for the bank to continue providing development planning and implementation support for infrastructure projects in these municipalities.

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

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

Programmes/Objectives/Activities

Table 7.20 Development Bank of Southern Africa expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Administration	1 109.7	710.8	901.7	1 238.1	3.7%	17.8%	1 364.6	1 501.8	1 584.4	8.6%	16.6%
Development finance	3 747.9	4 503.4	3 910.2	5 637.2	14.6%	79.2%	6 527.0	7 463.7	7 874.2	11.8%	80.1%
Non-financing development activities	118.1	162.6	174.0	231.4	25.1%	3.0%	278.9	296.7	313.0	10.6%	3.3%
Total	**4 975.7**	**5 376.8**	**4 986.0**	**7 106.7**	**12.6%**	**100.0%**	**8 170.5**	**9 262.2**	**9 771.6**	**11.2%**	**100.0%**

Statements of historical financial performance and position

Table 7.21 Development Bank of Southern Africa statements of historical financial performance and position

Statement of financial performance	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
R million	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Revenue									
Non-tax revenue	**5 261.3**	**6 189.9**	**6 518.5**	**7 953.5**	**7 445.4**	**7 806.8**	**8 601.6**	**8 527.6**	**109.5%**
Sale of goods and services other than capital assets	163.5	232.9	358.7	275.9	298.9	318.3	610.0	333.9	81.1%
of which:									
Sales by market establishment	*163.5*	*232.9*	*358.7*	*275.9*	*298.9*	*318.3*	*610.0*	*333.9*	*81.1%*
Other non-tax revenue	5 097.9	5 957.0	6 159.9	7 677.6	7 146.4	7 488.5	7 991.6	8 193.7	111.1%
Total revenue	**5 261.3**	**6 189.9**	**6 518.5**	**7 953.5**	**7 445.4**	**7 806.8**	**8 601.6**	**8 527.6**	**109.5%**
Expenses									
Current expenses	**4 700.6**	**4 931.7**	**5 321.5**	**5 314.1**	**6 273.1**	**4 923.6**	**7 360.4**	**6 871.7**	**93.2%**
Compensation of employees	628.2	607.3	772.7	730.9	879.5	603.6	953.4	874.3	87.1%
Goods and services	1 132.9	1 296.4	1 052.5	1 197.2	1 243.1	585.0	1 347.2	1 504.8	96.0%
Depreciation	23.8	25.1	29.0	30.6	36.0	31.2	36.0	38.2	100.3%
Interest, dividends and rent on land	2 915.5	3 002.9	3 467.4	3 355.4	4 114.6	3 703.8	5 023.8	4 454.4	93.5%
Transfers and subsidies	**117.3**	**44.1**	**286.0**	**62.6**	**180.0**	**62.4**	**190.0**	**235.0**	**52.3%**
Total expenses	**4 817.9**	**4 975.7**	**5 607.5**	**5 376.8**	**6 453.1**	**4 986.0**	**7 550.4**	**7 106.7**	**91.9%**
Surplus/(Deficit)	**443.0**	**1 214.0**	**911.0**	**2 577.0**	**992.0**	**2 821.0**	**1 051.0**	**1 421.0**	
Statement of financial position									
Carrying value of assets	578.4	580.4	616.1	580.3	563.7	503.4	562.7	546.7	95.3%
of which:									
Acquisition of assets	*(23.8)*	*(7.0)*	*(35.0)*	*(30.6)*	*(35.0)*	*(25.5)*	*(35.0)*	*(66.2)*	*100.4%*
Investments	8 190.3	8 203.6	5 246.3	8 757.3	8 853.9	7 933.0	9 392.4	8 223.8	104.5%
Loans	56 862.6	58 030.6	72 504.9	70 785.3	84 583.2	72 795.5	93 200.0	91 811.1	95.5%
Receivables and prepayments	305.7	227.9	146.7	138.5	146.7	122.0	151.9	146.7	84.6%
Cash and cash equivalents	796.9	3 901.7	3 108.8	2 084.6	155.0	2 299.2	79.1	881.0	221.4%
Total assets	**66 733.9**	**70 944.1**	**81 622.7**	**82 346.0**	**94 302.6**	**83 653.1**	**103 386.1**	**101 609.2**	**97.8%**
Accumulated surplus/(deficit)	11 681.1	12 460.6	13 322.5	14 544.9	15 510.5	17 514.6	16 561.6	18 459.6	110.3%
Capital and reserves	5 360.3	6 322.1	6 134.4	2 827.9	2 793.3	2 624.5	2 793.3	2 815.7	85.4%
Capital reserve fund	5 100.0	4 900.0	7 900.0	11 892.3	11 892.3	11 892.3	11 892.3	11 892.3	110.3%
Borrowings	43 597.4	46 163.5	52 722.4	51 791.2	62 525.6	50 612.5	70 393.4	66 851.9	94.0%
Trade and other payables	837.8	811.8	1 142.0	894.8	294.2	838.6	324.9	1 343.0	149.6%
Provisions	152.0	283.1	398.3	391.8	1 283.6	167.3	1 417.6	243.5	33.4%
Derivatives financial instruments	5.2	3.1	3.1	3.1	3.1	3.2	3.1	3.2	87.5%
Total equity and liabilities	**66 733.9**	**70 944.1**	**81 622.7**	**82 346.0**	**94 302.6**	**83 653.1**	**103 386.1**	**101 609.2**	**97.8%**

Statements of estimates of financial performance and position

Table 7.22 Development Bank of Southern Africa statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	**8 527.6**	**11.3%**	**100.0%**	**9 805.6**	**11 092.9**	**11 703.0**	**11.1%**	**100.0%**
Sale of goods and services other than capital assets	333.9	12.8%	3.8%	316.7	356.0	375.6	4.0%	3.4%
of which:								
Sales by market establishment	*333.9*	*12.8%*	*3.8%*	*316.7*	*356.0*	*375.6*	*4.0%*	*3.4%*
Other non-tax revenue	8 193.7	11.2%	96.2%	9 488.9	10 736.9	11 327.4	11.4%	96.6%
Total revenue	**8 527.6**	**11.3%**	**100.0%**	**9 805.6**	**11 092.9**	**11 703.0**	**11.1%**	**100.0%**

Table 7.22 Development Bank of Southern Africa statements of estimates of financial performance and position

Statement of financial performance R million	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expen-diture/ Total (%) 2014/15 - 2017/18	Medium-term estimate 2018/19	2019/20	2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expen-diture/ Total (%) 2017/18 - 2020/21
Expenses								
Current expenses	**6 871.7**	**11.7%**	**98.3%**	**7 916.5**	**8 976.2**	**9 469.9**	**11.3%**	**96.9%**
Compensation of employees	874.3	12.9%	12.6%	972.7	1 035.2	1 092.1	7.7%	11.6%
Goods and services	1 504.8	5.1%	20.3%	1 588.4	1 696.4	1 789.7	6.0%	19.3%
Depreciation	38.2	15.0%	0.6%	38.2	38.2	40.3	1.8%	0.5%
Interest, dividends and rent on land	4 454.4	14.0%	64.9%	5 317.1	6 206.3	6 547.7	13.7%	65.4%
Transfers and subsidies	**235.0**	**74.7%**	**1.7%**	**254.0**	**286.0**	**301.7**	**8.7%**	**3.1%**
Total expenses	**7 106.7**	**12.6%**	**100.0%**	**8 170.5**	**9 262.2**	**9 771.6**	**11.2%**	**100.0%**
Surplus/(Deficit)	**1 421.0**			**1 635.0**	**1 831.0**	**1 931.0**		
Statement of financial position								
Carrying value of assets	546.7	-2.0%	0.7%	543.4	540.2	533.7	-0.8%	0.5%
of which:								
Acquisition of assets	*(66.2)*	*111.0%*	*-0.0%*	*(49.1)*	*(52.1)*	*(35.0)*	*-19.1%*	*-0.0%*
Investments	8 223.8	0.1%	9.9%	8 226.4	8 123.5	7 393.0	-3.5%	6.7%
Loans	91 811.1	16.5%	86.3%	106 731.6	126 311.7	117 584.2	8.6%	91.7%
Receivables and prepayments	146.7	-13.7%	0.2%	151.9	157.4	157.4	2.4%	0.1%
Cash and cash equivalents	881.0	-39.1%	2.9%	1 153.0	1 280.8	1 631.5	22.8%	1.0%
Total assets	**101 609.2**	**12.7%**	**100.0%**	**116 806.4**	**136 413.7**	**127 299.9**	**7.8%**	**100.0%**
Accumulated surplus/(deficit)	18 459.6	14.0%	18.6%	20 094.7	21 925.4	24 635.8	10.1%	17.7%
Capital and reserves	2 815.7	-23.6%	4.6%	2 815.7	2 815.7	2 815.7	–	2.4%
Capital reserve fund	11 892.3	34.4%	11.8%	11 892.3	11 892.3	11 892.3	–	10.0%
Borrowings	66 851.9	13.1%	63.6%	80 210.8	97 790.9	85 852.2	8.7%	68.4%
Trade and other payables	1 343.0	18.3%	1.1%	1 519.5	1 690.1	1 789.6	10.0%	1.3%
Provisions	243.5	-4.9%	0.3%	270.2	295.9	310.9	8.5%	0.2%
Derivatives financial instruments	3.2	1.3%	0.0%	3.2	3.2	3.2	–	0.0%
Total equity and liabilities	**101 609.2**	**12.7%**	**100.0%**	**116 806.4**	**136 413.7**	**127 299.9**	**7.8%**	**100.0%**

Personnel information

Table 7.23 Development Bank of Southern Africa personnel numbers and cost by salary level

	Number of posts estimated for 31 March 2018		Number and cost[1] of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)
			2016/17			2017/18			2018/19			2019/20			2020/21			2017/18 - 2020/21	
Development Bank of Southern Africa			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	**708**	**708**	**588**	**603.6**	**1.0**	**708**	**874.3**	**1.2**	**708**	**972.7**	**1.4**	**708**	**1 035.2**	**1.5**	**708**	**1 092.1**	**1.5**	**7.7%**	**100.0%**
1 – 6	69	69	54	9.9	0.2	69	15.2	0.2	69	17.0	0.2	69	18.1	0.3	69	19.1	0.3	7.7%	9.7%
7 – 10	233	233	176	89.9	0.5	233	138.0	0.6	233	153.8	0.7	233	163.7	0.7	233	172.6	0.7	7.7%	32.9%
11 – 12	128	128	102	100.8	1.0	128	145.5	1.1	128	162.1	1.3	128	172.5	1.3	128	182.0	1.4	7.7%	18.1%
13 – 16	264	264	243	345.6	1.4	264	507.8	1.9	264	565.7	2.1	264	602.1	2.3	264	635.1	2.4	7.7%	37.3%
17 – 22	14	14	13	57.5	4.4	14	67.7	4.8	14	74.1	5.3	14	78.8	5.6	14	83.3	5.9	7.1%	2.0%

1. *Rand million.*

Land and Agricultural Development Bank of South Africa

Mandate

The mandate of the Land and Agricultural Development Bank of South Africa, as a development finance institution, is to address agricultural and rural development in South Africa. The bank operates in the agricultural and agribusiness sectors and is regulated by the Land and Agricultural Development Bank Act (2002) and the Public Finance Management Act (1999). Its broader mandate, as expressed in the Land and Agricultural Development Bank Act (2002), is to promote: the equitable ownership of agricultural land, particularly by historically disadvantaged people; agrarian reform, land redistribution or development programmes for historically disadvantaged people; land access for agricultural purposes; productivity, profitability, investment and innovation in agriculture; the growth of the agricultural sectors and better use of land; rural development and job creation; and commercial agriculture and food security.

Selected performance indicators

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

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

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

Expenditure analysis

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

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

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

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

Programmes/Objectives/Activities

Table 7.25 Land and Agricultural Development Bank of South Africa expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Administration	352.9	566.0	576.4	558.9	16.6%	13.4%	607.9	652.3	621.4	3.6%	12.3%
Corporate Banking	2 291.2	2 507.0	2 867.8	3 236.6	12.2%	71.1%	3 309.6	3 487.3	3 761.0	5.1%	69.7%
Commercial Development Banking	464.2	489.9	570.6	846.5	22.2%	15.2%	925.0	901.9	867.1	0.8%	17.9%
Retail emerging markets	29.2	–	–	–	-100.0%	0.2%	–	–	–	–	–
Total	**3 137.5**	**3 562.8**	**4 014.8**	**4 641.9**	**13.9%**	**100.0%**	**4 842.5**	**5 041.5**	**5 249.6**	**4.2%**	**100.0%**

Statements of historical financial performance and position

Table 7.26 Land and Agricultural Development Bank of South Africa statements of historical financial performance and position

Statement of financial performance	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
R million	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Revenue									
Non-tax revenue	**2 686.2**	**3 429.8**	**3 636.9**	**3 634.6**	**4 150.5**	**4 320.6**	**5 346.5**	**4 886.3**	**102.9%**
Sale of goods and services other than capital assets	38.2	47.4	15.8	59.4	123.9	69.9	116.1	104.3	95.6%
of which:									
Administrative fees	*26.9*	*–*	*–*	*42.1*	*111.6*	*39.6*	*103.0*	*81.5*	*67.6%*
Sales by market establishment	*11.4*	*47.4*	*15.8*	*17.3*	*12.3*	*30.3*	*13.1*	*22.9*	*224.4%*
Other non-tax revenue	2 648.0	3 382.5	3 621.1	3 575.2	4 026.6	4 250.6	5 230.5	4 782.0	103.0%
Total revenue	**2 686.2**	**3 429.8**	**3 636.9**	**3 634.6**	**4 150.5**	**4 320.6**	**5 346.5**	**4 886.3**	**102.9%**
Expenses									
Current expenses	**2 454.8**	**3 099.2**	**3 116.0**	**3 508.5**	**3 876.5**	**3 945.9**	**4 995.4**	**4 571.8**	**104.7%**
Compensation of employees	399.0	343.6	351.8	318.0	404.3	331.9	432.6	394.0	87.4%
Goods and services	201.9	507.4	264.8	692.8	663.8	575.3	566.4	463.3	131.9%
Depreciation	26.8	18.2	12.1	15.0	9.8	9.8	22.8	22.8	91.9%
Interest, dividends and rent on land	1 827.0	2 230.0	2 487.3	2 482.7	2 798.6	3 028.9	3 973.5	3 691.8	103.1%
Total expenses	**2 482.9**	**3 137.5**	**3 162.2**	**3 562.8**	**3 922.3**	**4 014.8**	**5 049.3**	**4 641.9**	**105.1%**
Surplus/(Deficit)	**203.0**	**292.0**	**475.0**	**72.0**	**228.0**	**306.0**	**297.0**	**244.0**	
Statement of financial position									
Carrying value of assets	227.4	224.3	213.9	224.7	253.4	240.1	237.6	258.8	101.7%
of which:									
Acquisition of assets	*(6.5)*	*(5.9)*	*(5.8)*	*(5.8)*	*(51.1)*	*(24.5)*	*(2.5)*	*(2.5)*	*58.8%*
Investments	1 428.1	1 637.7	440.5	572.5	612.2	1 328.9	2 142.6	1 365.8	106.1%
Inventory	183.5	0.2	–	–	–	–	–	–	0.1%
Receivables and prepayments	33 147.8	37 027.6	40 068.4	36 834.0	41 800.0	40 975.6	46 403.8	39 645.8	95.7%
Cash and cash equivalents	2 898.8	1 605.7	1 400.0	2 120.6	1 842.9	1 211.3	1 511.2	3 031.9	104.1%
Non-current assets held for sale	–	53.1	53.6	47.6	50.0	48.0	47.6	49.6	131.1%
Derivatives financial instruments	–	–	–	–	–	15.1	–	–	–
Total assets	**37 885.6**	**40 548.5**	**42 176.3**	**39 799.5**	**44 558.5**	**43 819.0**	**50 342.9**	**44 352.0**	**96.3%**
Accumulated surplus/(deficit)	6 879.1	3 085.3	1 923.0	3 157.1	3 427.3	3 427.3	4 402.9	4 402.9	84.6%
Capital and reserves	135.4	134.8	134.8	135.1	134.8	134.8	134.8	134.8	99.9%
Capital reserve fund	–	4 397.7	4 397.7	1 766.6	1 766.6	1 766.6	1 766.6	1 766.6	122.3%
Borrowings	29 824.5	6 373.5	6 940.2	4 661.3	7 750.0	5 162.3	11 227.3	6 800.0	41.3%
Trade and other payables	207.1	647.7	365.4	188.2	201.4	164.0	389.6	343.0	115.4%
Provisions	791.7	495.7	742.0	528.4	535.2	445.3	537.8	537.8	77.0%
Derivatives financial instruments	47.7	25 413.9	27 673.4	29 362.8	30 743.3	32 718.7	31 883.9	30 366.8	130.5%
Total equity and liabilities	**37 885.6**	**40 548.5**	**42 176.3**	**39 799.5**	**44 558.5**	**43 819.0**	**50 342.9**	**44 352.0**	**96.3%**

Statements of estimates of financial performance and position

Table 7.27 Land and Agricultural Development Bank of South Africa statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	**4 886.3**	**12.5%**	**100.0%**	**5 101.8**	**5 319.5**	**5 536.2**	**4.3%**	**100.0%**
Sale of goods and services other than capital assets	104.3	30.1%	1.7%	116.4	128.6	134.4	8.8%	2.3%
of which:								
Administrative fees	*81.5*	*–*	*0.9%*	*93.6*	*105.8*	*111.5*	*11.0%*	*1.9%*
Sales by market establishment	*22.9*	*-21.6%*	*0.8%*	*22.9*	*22.9*	*22.9*	*–*	*0.4%*
Other non-tax revenue	4 782.0	12.2%	98.3%	4 985.4	5 190.9	5 401.9	4.1%	97.7%
Total revenue	**4 886.3**	**12.5%**	**100.0%**	**5 101.8**	**5 319.5**	**5 536.2**	**4.3%**	**100.0%**
Expenses								
Current expenses	**4 571.8**	**13.8%**	**98.5%**	**4 769.5**	**4 965.3**	**5 170.1**	**4.2%**	**98.5%**
Compensation of employees	394.0	4.7%	9.2%	424.7	457.9	493.7	7.8%	8.9%
Goods and services	463.3	-3.0%	15.0%	502.9	539.1	496.7	2.3%	10.1%
Depreciation	22.8	7.8%	0.4%	16.7	12.4	–	-100.0%	0.3%
Interest, dividends and rent on land	3 691.8	18.3%	73.9%	3 825.2	3 955.9	4 179.8	4.2%	79.2%
Total expenses	**4 641.9**	**13.9%**	**100.0%**	**4 842.5**	**5 041.5**	**5 249.6**	**4.2%**	**100.0%**
Surplus/(Deficit)	**244.0**			**259.0**	**278.0**	**287.0**		

Table 7.27 Land and Agricultural Development Bank of South Africa statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Carrying value of assets	258.8	4.9%	0.6%	245.6	231.4	218.9	-5.4%	0.5%
of which:								
Acquisition of assets	*(2.5)*	*-24.9%*	*-0.0%*	*(1.2)*	*(0.9)*	*–*	*-100.0%*	*-0.0%*
Investments	1 365.8	-5.9%	2.9%	1 906.8	1 952.7	1 994.7	13.5%	3.8%
Receivables and prepayments	39 645.8	2.3%	91.7%	40 840.9	42 389.9	44 184.1	3.7%	88.8%
Cash and cash equivalents	3 031.9	23.6%	4.7%	2 897.2	3 241.2	3 573.3	5.6%	6.8%
Non-current assets held for sale	49.6	-2.2%	0.1%	49.6	49.6	49.6	–	0.1%
Total assets	**44 352.0**	**3.0%**	**100.0%**	**45 940.2**	**47 864.8**	**50 020.7**	**4.1%**	**100.0%**
Accumulated surplus/(deficit)	4 402.9	12.6%	8.3%	4 804.0	5 289.3	6 201.6	12.1%	10.8%
Capital and reserves	134.8	–	0.3%	134.8	134.8	134.8	–	0.3%
Capital reserve fund	1 766.6	-26.2%	5.8%	1 766.6	1 766.6	–	-100.0%	2.8%
Borrowings	6 800.0	2.2%	13.6%	7 845.3	8 161.6	8 521.7	7.8%	16.4%
Trade and other payables	343.0	-19.1%	0.8%	354.5	368.8	385.0	3.9%	0.8%
Provisions	537.8	2.8%	1.2%	587.4	637.9	693.3	8.8%	1.3%
Derivatives financial instruments	30 366.8	6.1%	69.9%	31 381.0	32 646.5	34 084.3	3.9%	67.5%
Total equity and liabilities	**44 352.0**	**3.0%**	**100.0%**	**46 873.6**	**49 005.5**	**50 020.7**	**4.1%**	**100.0%**

Personnel information

Table 7.28 Land and Agricultural Development Bank of South Africa personnel numbers and cost by salary level

	Number of posts estimated for 31 March 2018		Number and cost[1] of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)
			2016/17			2017/18			2018/19			2019/20			2020/21			2017/18 - 2020/21	
Land and Agricultural Development Bank of South Africa			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	**433**	**433**	**433**	**331.9**	**0.8**	**433**	**394.0**	**0.9**	**433**	**424.7**	**1.0**	**433**	**457.9**	**1.1**	**433**	**493.7**	**1.1**	**7.8%**	**100.0%**
1 – 6	36	36	36	7.0	0.2	36	8.4	0.2	36	9.0	0.3	36	9.7	0.3	36	10.5	0.3	7.8%	8.3%
7 – 10	209	209	209	121.2	0.6	209	143.9	0.7	209	155.1	0.7	209	167.2	0.8	209	180.3	0.9	7.8%	48.3%
11 – 12	154	154	154	127.7	0.8	154	151.5	1.0	154	163.4	1.1	154	176.1	1.1	154	189.9	1.2	7.8%	35.6%
13 – 16	24	24	24	42.0	1.7	24	49.8	2.1	24	53.7	2.2	24	57.9	2.4	24	62.4	2.6	7.8%	5.5%
17 – 22	10	10	10	34.0	3.4	10	40.4	4.0	10	43.5	4.4	10	46.9	4.7	10	50.6	5.1	7.8%	2.3%

1. *Rand million.*

South African Revenue Service

Mandate

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

Selected performance indicators

Table 7.29 South African Revenue Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Customs revenue collected per year	Business and individual tax	Outcome 12: An efficient, effective and development oriented public service	R202.2bn	R302.3bn	R335.8bn	–[1]	–[1]	–[1]	–[1]
Revenue collected (excluding customs and excise revenue) per year	Business and individual tax		R791.5bn	R767.7bn	R835.7bn	R892.5bn	–[1]	–[1]	–[1]
Percentage of compliance of personnel income tax filing per year	Business and individual tax		91.6% (R4.89m/ R5.34m)	92% (R4.2m/ R4.57m)	91.5% (R4.3m/ R4.7m)	91.5% (R4.3m/ R4.7m)	92.3% (R4.34m/ R4.7m)	92.3% (R4.34m/ R4.7m)	93% (R4.37m/ R4.7m)
Percentage of trade audited to obtain preferred trader status per year	Customs and excise		21% (R20.7m/ R98.57m)	29% (R7.8m/ R26.9m)	28% (R7.9m/ R28.2m)	20% (R5.6m/ R28.2m)	20% (R5.6m/ R28.2m)	15% (R4.2m/ R28.2m)	15% (R4.2m/ R28.2m)

Table 7.29 South African Revenue Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage uptake of personal income tax eFiling channel per year	Digital information services and technology	Outcome 12: An efficient, effective and development oriented public service	–[2]	–[2]	53% (R2.5m/ R4.7m)	52% (R2.4m/ R4.7m)	52.% (R4.2m/ R4.7m)	53% (R2.5m/ R4.7m)	53% (R2.5m/ R4.7m)

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

Expenditure analysis

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

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

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

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

Programmes/Objectives/Activities

Table 7.30 South African Revenue Service expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Administration	3 565.6	4 426.2	4 663.0	5 242.4	13.7%	42.2%	4 485.9	4 257.1	4 376.7	-5.8%	43.2%
Business & Individual Tax	1 978.5	1 596.4	1 613.4	1 691.1	-5.1%	16.5%	1 775.7	1 629.6	1 709.8	0.4%	16.1%
Enforcement	1 596.6	1 691.6	1 647.5	1 752.4	3.2%	15.9%	1 720.2	1 529.7	1 597.3	-3.0%	15.6%
Customs & Excise	1 077.4	1 070.8	1 190.1	1 275.4	5.8%	10.9%	1 243.8	1 120.5	1 173.6	-2.7%	11.3%
Digital, Information, Services & Technology	1 166.7	1 166.5	1 278.6	1 478.0	8.2%	12.1%	1 480.3	1 189.2	1 283.1	-4.6%	12.8%
Projects	110.0	252.9	258.7	213.3	24.7%	2.0%	–	–	–	-100.0%	0.5%
Office of the Tax Ombud	11.0	25.2	29.4	40.8	54.6%	0.2%	38.5	42.9	46.0	4.1%	0.4%
African Tax Administration Forum	12.6	13.1	13.6	14.3	4.2%	0.1%	15.1	15.9	16.8	5.6%	0.1%
Davis Tax Committee	4.2	2.9	1.7	4.3	0.7%	0.0%	4.6	4.8	5.1	5.6%	0.0%
SARS Advisory Board	–	1.0	0.0	–	–	0.0%	–	–	–	–	–
Total	**9 522.7**	**10 246.6**	**10 696.0**	**11 711.9**	**7.1%**	**100.0%**	**10 764.1**	**9 789.7**	**10 208.5**	**-4.5%**	**100.0%**

Statements of historical financial performance and position

Table 7.31 South African Revenue Service statements of historical financial performance and position

Statement of financial performance	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
R million	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Revenue									
Non-tax revenue	**310.0**	**525.5**	**473.9**	**565.0**	**535.6**	**1 185.4**	**469.2**	**469.2**	**153.5%**
Sale of goods and services other than capital assets	250.0	305.7	297.4	320.5	305.6	925.1	308.6	308.6	160.1%
of which:									
Administrative fees	*250.0*	*305.7*	*297.4*	*320.5*	*305.6*	*925.1*	*308.6*	*308.6*	*160.1%*
Other non-tax revenue	60.0	219.8	176.4	244.5	230.0	260.2	160.6	160.6	141.2%
Transfers received	**9 440.3**	**9 440.3**	**9 334.4**	**9 334.4**	**9 363.7**	**10 009.2**	**10 212.2**	**10 218.2**	**101.7%**
Total revenue	**9 750.3**	**9 965.9**	**9 808.3**	**9 899.4**	**9 899.3**	**11 194.5**	**10 681.4**	**10 687.4**	**104.0%**
Expenses									
Current expenses	**9 693.1**	**9 522.7**	**10 740.0**	**10 246.6**	**11 317.6**	**10 696.0**	**11 870.9**	**11 711.9**	**96.7%**
Compensation of employees	6 442.5	6 467.5	6 718.8	6 742.9	7 285.7	7 012.1	7 869.0	7 731.2	98.7%
Goods and services	2 685.3	2 418.2	3 383.1	2 883.2	3 299.7	3 156.2	3 214.0	3 340.2	93.8%
Depreciation	558.3	630.3	633.3	615.8	729.5	524.4	785.7	637.3	89.0%
Interest, dividends and rent on land	7.0	6.7	4.8	4.7	2.7	3.2	2.1	3.2	107.3%
Total expenses	**9 693.1**	**9 522.7**	**10 740.0**	**10 246.6**	**11 317.6**	**10 696.0**	**11 870.9**	**11 711.9**	**96.7%**
Surplus/(Deficit)	**57.0**	**443.0**	**(932.0)**	**(347.0)**	**(1 418.0)**	**499.0**	**(1 189.0)**	**(1 025.0)**	
Statement of financial position									
Carrying value of assets	3 751.8	2 712.9	3 830.0	2 586.4	3 561.5	3 229.6	3 238.3	3 421.5	83.1%
of which:									
Acquisition of assets	*(756.8)*	*(540.5)*	*(1 750.4)*	*(487.1)*	*(1 704.7)*	*(1 238.6)*	*(462.5)*	*(829.2)*	*66.2%*
Loans	56.6	81.0	71.0	80.5	70.5	80.5	60.5	70.5	120.9%
Accrued investment interest	–	31.0	41.3	5.5	15.7	–	16.9	–	49.3%
Receivables and prepayments	155.5	138.7	131.5	143.0	135.7	129.7	138.0	132.7	97.1%
Cash and cash equivalents	1 684.0	3 415.1	1 228.6	3 370.2	955.7	2 454.2	124.6	1 116.5	259.4%
Total assets	**5 647.9**	**6 378.8**	**5 302.4**	**6 185.5**	**4 739.1**	**5 894.1**	**3 578.2**	**4 741.3**	**120.4%**
Accumulated surplus/(deficit)	3 790.2	4 615.3	3 683.6	4 272.5	2 854.2	3 148.3	1 664.7	2 123.8	118.1%
Capital and reserves	93.5	190.2	397.6	224.2	224.5	262.2	224.5	433.0	118.0%
Finance lease	7.3	21.6	12.3	13.1	11.8	13.8	5.7	7.3	150.2%
Deferred income	0.6	0.4	–	0.3	–	977.5	–	977.2	322 673.8%
Trade and other payables	953.5	840.9	591.0	922.3	847.6	732.6	830.4	334.3	87.8%
Provisions	802.9	710.5	617.9	753.0	800.9	759.8	852.9	865.7	100.5%
Total equity and liabilities	**5 647.9**	**6 378.8**	**5 302.4**	**6 185.5**	**4 739.1**	**5 894.1**	**3 578.2**	**4 741.3**	**120.4%**

Statements of estimates of financial performance and position

Table 7.32 South African Revenue Service statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	**469.2**	**-3.7%**	**6.5%**	**307.8**	**310.9**	**314.0**	**-12.5%**	**3.5%**
Sale of goods and services other than capital assets	308.6	0.3%	4.4%	307.8	310.9	314.0	0.6%	3.2%
of which:								
Administrative fees	*308.6*	*0.3%*	*4.4%*	*307.8*	*310.9*	*314.0*	*0.6%*	*3.2%*
Other non-tax revenue	160.6	-9.9%	2.1%	–	–	–	-100.0%	0.4%
Transfers received	**10 218.2**	**2.7%**	**93.5%**	**9 007.2**	**9 130.3**	**9 630.9**	**-2.0%**	**96.5%**
Total revenue	**10 687.4**	**2.4%**	**100.0%**	**9 315.0**	**9 441.2**	**9 944.8**	**-2.4%**	**100.0%**
Expenses								
Current expenses	**11 711.9**	**7.1%**	**100.0%**	**10 764.1**	**9 789.7**	**10 208.5**	**-4.5%**	**100.0%**
Compensation of employees	7 731.2	6.1%	66.3%	7 380.6	6 579.1	6 910.2	-3.7%	67.4%
Goods and services	3 340.2	11.4%	27.9%	2 811.3	2 781.1	2 980.5	-3.7%	28.1%
Depreciation	637.3	0.4%	5.7%	569.8	428.6	317.8	-20.7%	4.6%
Interest, dividends and rent on land	3.2	-21.5%	0.0%	2.5	1.0	0.0	-86.5%	0.0%
Total expenses	**11 711.9**	**7.1%**	**100.0%**	**10 764.1**	**9 789.7**	**10 208.5**	**-4.5%**	**100.0%**
Surplus/(Deficit)	**(1 025.0)**			**(1 449.0)**	**(349.0)**	**(264.0)**		
Statement of financial position								
Carrying value of assets	3 421.5	8.0%	52.8%	2 949.7	2 601.1	2 337.4	-11.9%	82.7%
of which:								
Acquisition of assets	*(829.2)*	*15.3%*	*-13.7%*	*(97.9)*	*(80.0)*	*(54.1)*	*-59.7%*	*-6.3%*
Loans	70.5	-4.5%	1.4%	60.5	50.5	40.5	-16.9%	1.6%
Receivables and prepayments	132.7	-1.5%	2.4%	136.2	137.2	139.5	1.7%	4.1%
Cash and cash equivalents	1 116.5	-31.1%	43.3%	159.2	159.2	367.8	-30.9%	11.6%
Total assets	**4 741.3**	**-9.4%**	**100.0%**	**3 305.7**	**2 948.0**	**2 885.3**	**-15.3%**	**100.0%**

Table 7.32 South African Revenue Service statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Accumulated surplus/(deficit)	2 123.8	-22.8%	59.9%	1 651.9	1 303.4	1 039.7	-21.2%	43.8%
Capital and reserves	433.0	31.6%	5.0%	433.0	433.0	433.0	–	13.0%
Finance lease	7.3	-30.3%	0.2%	2.2	0.0	0.0	-100.0%	0.1%
Deferred income	977.2	1 254.8%	9.3%	–	–	–	-100.0%	5.2%
Trade and other payables	334.3	-26.5%	11.9%	703.4	695.5	894.1	38.8%	20.7%
Provisions	865.7	6.8%	13.6%	515.2	516.1	518.5	-15.7%	17.3%
Total equity and liabilities	**4 741.3**	**-9.4%**	**100.0%**	**3 305.7**	**2 948.0**	**2 885.3**	**-15.3%**	**100.0%**

Personnel information

Table 7.33 South African Revenue Service personnel numbers and cost by salary level

	Number of posts estimated for 31 March 2018		Number and cost[1] of personnel posts filled / planned for on funded establishment																Number	
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate										Average growth rate (%)	Average: Salary level/Total (%)
			2016/17			2017/18			2018/19			2019/20			2020/21				2017/18 - 2020/21	
South African Revenue Service			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	**14 413**	**14 413**	**13 617**	**7 012.1**	**0.5**	**14 413**	**7 731.2**	**0.5**	**13 160**	**7 380.6**	**0.6**	**11 645**	**6 579.1**	**0.6**	**12 212**	**6 910.2**	**0.6**	**-3.7%**	**100.0%**
1 – 6	1 356	1 356	1 120	212.7	0.2	1 356	230.9	0.2	940	194.8	0.2	771	161.5	0.2	739	154.2	0.2	-12.6%	7.3%
7 – 10	8 689	8 689	8 474	3 019.1	0.4	8 689	3 224.7	0.4	8 085	3 060.4	0.4	7 222	2 747.5	0.4	7 617	2 898.2	0.4	-3.5%	61.5%
11 – 12	2 489	2 489	2 316	1 719.4	0.7	2 489	1 920.3	0.8	2 355	1 849.9	0.8	2 061	1 627.4	0.8	2 208	1 739.1	0.8	-3.2%	17.7%
13 – 16	1 831	1 831	1 663	1 948.3	1.2	1 831	2 232.7	1.2	1 733	2 150.9	1.2	1 548	1 931.0	1.2	1 604	1 999.4	1.2	-3.6%	13.1%
17 – 22	48	48	44	112.7	2.6	48	122.6	2.6	46	124.6	2.7	42	111.7	2.7	44	119.3	2.7	-0.9%	0.4%

1. *Rand million.*

Other entities

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

- The **Accounting Standards Board** develops uniform standards of generally recognised accounting practice for all spheres of government in terms of section 216(1)(a) of the Constitution and the Public Finance Management Act (1999). A further function of the board is to promote transparency in and the effective management of revenue, expenditure, assets and liabilities of the entities to which the standards apply. The board's total budget for 2018/19 is R14.3 million.
- The **Cooperative Banks Development Agency** was established in terms of the Cooperative Banks Act (2007), as amended, with the South African Reserve Bank as the sole supervisor of cooperative banks. The agency is mandated to provide for the registration and supervision of deposit taking financial services cooperatives, and savings and credit cooperatives, collectively referred to as cooperative financial institutions. The agency also facilitates, promotes and funds the education and training of these institutions. Its total budget for 2018/19 is R39.8 million.
- The **Financial and Fiscal Commission** derives its mandate from the Financial and Fiscal Commission Act (1997). The commission's legislative mandate is to advise the relevant legislative authorities on the financial and fiscal requirements for the national, provincial and local spheres of government in terms of section 220 of the Constitution. The commission's total budget for 2018/19 is R51.9 million.
- The **Financial Intelligence Centre** was established by the Financial Intelligence Centre Act (2001) and began operations in 2003. The act mandates the centre to identify the proceeds of unlawful activities, combat money laundering activities, combat the financing of terrorist and related activities, exchange information with law enforcement and other local and international agencies, supervise and enforce compliance with the act, and facilitate effective supervision and enforcement by supervisory bodies. The organisation's total budget for 2018/19 is R296.8 million.
- The **Financial Services Board** is an independent institution established by statute to oversee the South African non-banking financial services industry in the public interest. The board's legislative mandate is

primarily derived from the Financial Services Board Act (1990). Its total budget for 2018/19 is R862.9 million.

- The **Government Pensions Administration Agency** provides pensions administration services to the Government Employees Pension Fund in terms of the Government Employees Pension Fund Act (1979) and the Associated Institutions Pension Fund Act (1963). The agency's total budget for 2018/19 is R1.1 billion.
- The **Government Technical Advisory Centre** is mandated to assist organs of state in building their capacity for efficient, effective and transparent financial management. Its overarching objectives are to: render consulting services to government departments and other organs of state; provide specialised procurement support for high impact government initiatives; render advice on the feasibility of infrastructure projects; and provide knowledge management for projects undertaken and any ancillary support. The centre's total budget for 2018/19 is R454.8 million.
- The **Independent Regulatory Board for Auditors** develops and maintains auditing and ethical standards that are internationally comparable, provides an appropriate framework for the education and training of properly qualified auditors, inspects and reviews the work of registered auditors, and investigates and takes appropriate action against registered auditors who do not comply with standards and are guilty of improper conduct. The board's total budget for 2018/19 is R126.6 million.
- The **Office of the Ombud for Financial Services Providers** is mandated to consider and dispose of complaints against financial services providers, primarily intermediaries selling investment products. The organisation's total budget for 2018/19 is R54.2 million.
- The **Office of the Pension Funds Adjudicator** investigates and determines complaints lodged in terms of the Pension Funds Act (1956). The office ensures a procedurally fair, economical and expeditious resolution of complaints in terms of the act. The office has jurisdiction only over funds that are registered under the Pension Funds Act (1956). The organisation's total budget for 2018/19 is R66.2 million.
- The **Public Investment Corporation** is one of the largest investment managers in Africa, managing assets worth more than R1.7 trillion. The corporation is mandated to invest funds on behalf of its clients, based on the investment mandates as agreed on with each client and approved by the Financial Services Board. The corporation's clients are public sector entities, most of which are pension, provident, social security, development and guardian funds. The corporation's total budget for 2018/19 is R1.2 billion.
- **South African Airways** is South Arica's national air carrier, which operates a full service network in the international, regional and domestic markets. On 12 December 2014, the president transferred the administration, powers and functions entrusted by the South African Airways Act (2007) and all amendments thereto, from the Minister of Public Enterprises to the Minister of Finance in terms of section 97 of the Constitution. The airline's total budget for 2018/19 is R35.1 billion.
- The **South African Special Risks Insurance Association** was established in 1979 and was registered in terms of section 21 of the Companies Act (1973). The association is mandated to support the insurance industry by providing cover for special risks such as riots, strikes, political unrest, terrorist attacks, civil commotion, public disorder and labour disturbances. Its total budget for 2018/19 is R2.3 billion.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R million				2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Neighbourhood development partnership grant	Long term township regeneration planning, catalytic and third party nodal development	Various	9 000.0	590.4	607.0	591.9	663.4	601.9	621.2	654.9
Total			**9 000.0**	**590.4**	**607.0**	**591.9**	**663.4**	**601.9**	**621.2**	**654.9**