

**Estimates of
National Expenditure
2023**

Vote 8: National Treasury

**National Treasury
Republic of South Africa**

Vote 8

National Treasury

Budget summary

R million	2023/24					2024/25	2025/26
	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total	Total
MTEF allocation							
Administration	552.0	4.8	149.3	–	706.1	570.9	596.2
Economic Policy, Tax, Financial Regulation and Research	137.7	33.9	0.9	–	172.5	172.4	180.8
Public Finance and Budget Management	868.9	3 433.4	3.4	–	4 305.6	3 411.3	3 565.7
Asset and Liability Management	134.7	–	0.7	1 000.0	1 135.4	135.0	139.5
Financial Accounting and Supply Chain Management Systems	1 166.9	62.2	8.2	–	1 237.3	1 179.8	1 232.4
International Financial Relations	66.2	1 607.4	0.7	917.1	2 591.3	2 876.1	3 004.9
Civil and Military Pensions, Contributions to Funds and Other Benefits	94.5	6 944.5	–	–	7 039.0	7 355.1	7 684.6
Revenue Administration	–	12 157.6	–	–	12 157.6	11 636.2	12 135.1
Financial Intelligence and State Security	–	5 544.5	–	–	5 544.5	5 804.0	6 085.8
Subtotal	3 020.8	29 788.3	163.2	1 917.1	34 889.4	33 140.8	34 625.2
Direct charge against the National Revenue Fund							
Provincial equitable share	–	567 527.7	–	–	567 527.7	587 499.7	614 270.8
Debt-service costs	340 460.3	–	–	–	340 460.3	362 839.9	397 074.0
General fuel levy sharing with metropolitan municipalities	–	15 433.5	–	–	15 433.5	16 126.6	16 849.1
Auditor-General of South Africa	–	123.1	–	–	123.1	128.6	134.3
Total expenditure estimates	343 481.1	612 872.5	163.2	1 967.6	958 484.5	999 735.6	1 062 953.5
Executive authority	Minister of Finance						
Accounting officer	Director-General of the National Treasury						
Website	www.treasury.gov.za						

The Estimates of National Expenditure is available at www.treasury.gov.za. Additional tables in Excel format can be found at www.treasury.gov.za and www.vulekamali.gov.za.

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, the maintenance of macroeconomic and financial sector stability, and the 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 South Africa's public finances. This role is further elaborated on in the Public Finance Management Act (1999) as well as the Municipal Financial Management Act (2003). 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
- oversee the implementation of the provincial and local government infrastructure portfolio

- ensure financial management governance and compliance with the Public Finance Management Act (1999) and the Municipal Financial Management Act (2003) across all spheres and entities in government.

Section 5(2) of the Municipal Financial Management Act (2003) further mandates the department to monitor municipal budgets, and promote good budgeting and fiscal management by municipalities. The mandate extends to the issuance of regulations on all aspects of the act, including investments, borrowing, budgeting, accounting, assets, reporting, competencies, expenditure, cost containment, supply chain, public-private partnerships, financial misconduct and criminal procedures.

Selected performance indicators

Table 8.1 Performance indicators by programme and related priority

Indicator	Programme	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of economic forecasts developed per year	Economic Policy, Tax, Financial Regulation and Research	Priority 2: Economic transformation and job creation	– ¹	4	4	4	4	4	4
Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations per year	Public Finance and Budget Management	Priority 1: A capable, ethical and developmental state	– ¹	4	4	4	4	4	4
Number of catalytic projects approved in spatially targeted areas within metropolitan cities, secondary cities and rural towns per year	Public Finance and Budget Management	Priority 5: Spatial integration, human settlements and local government	– ¹	61	60	20	35	35	40
Net loan debt as a percentage of GDP	Asset and Liability Management	Priority 1: A capable, ethical and developmental state	52.7% (R2.9tn)	64.7% (R3.6tn)	63.8% (R4tn)	67.4% (R4.5tn)	70.1% (R4.9tn)	71.4% (R5.3tn)	72.5% (R5.8tn)
Value of government gross annual borrowing	Asset and Liability Management		R415.8bn	R618.3bn	R388.4bn	R387.9bn	R515.6bn	R504.8bn	R555bn
Cost to service debt as a percentage of GDP	Asset and Liability Management		3.6% (R204.8bn)	4.1% (R232.6bn)	4.3% (R268.1bn)	4.6% (R307.2bn)	4.9% (R340.5bn)	4.9% (R362.8bn)	5% (R397.1bn)
Number of transversal term contracts implemented per year	Financial Accounting and Supply Chain Management Systems		52	41	35	16	13	10	10

1. No historical data available.

Expenditure overview

Over the medium term, the department will focus on: reviewing tax policy; supporting sustainable employment; supporting infrastructure development and economically integrated cities and communities; managing future spending growth, fiscal risk and government's assets and liabilities; streamlining government procurement; strengthening financial management in government; and facilitating regional and international cooperation.

The department's budget over the medium term is R3 trillion, of which 59.2 per cent (R1.8 trillion) is for transfers to provincial governments for the provincial equitable share. Cabinet has approved budget increases amounting to R76.9 billion over the MTEF period to the provincial equitable share for adjustments related to compensation of employees. Debt-service costs account for 35.6 per cent (R1.1 trillion) of direct charges against the National Revenue Fund over the medium term. However, Cabinet has approved an increase on debt-service costs of R18.6 billion over the period.

The following increases have been made for transfers to departmental agencies over the medium term: R1.5 billion for the South African Revenue Service to implement capital projects; R226.4 million for Secret Services for operations; and R265.3 million for the Financial Intelligence Centre, also for operations. An additional R91.3 million is allocated to compensation of employees for cost-of-living adjustments.

Reviewing tax policy

To meet government revenue requirements and improve the fairness of the tax system, over the MTEF period,

the department will continue developing tax policy proposals, drafting tax legislation such as the Rates Bill and Taxation Laws Amendment Bill, and drafting tax regulations to implement proposals. To this end, allocations to the *Tax Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme amount to R98.4 million over the medium term, comprising 19.2 per cent of the programme's budget.

Supporting sustainable employment

The Jobs Fund offers matched funding grants across 4 funding windows – enterprise development, work opportunities through infrastructure development, support for work seekers and institutional capacity building. Grant funding is made available through a competitive process to initiatives that innovatively solve employment challenges and have the potential to be scaled up. The fund's portfolio of projects is valued at an estimated R9 billion. Since the Jobs Fund's inception in 2011, project partners in the private sector, as well as non-governmental organisations, have committed R13.5 billion in matched funding. As at 31 December 2022, the fund had disbursed R6.4 billion and leveraged an additional R12.7 billion from project partners. The fund is allocated R1.4 billion over the medium term in the *Government Technical Advisory Centre* subprogramme in the *Public Finance and Budget Management* programme.

Supporting infrastructure development and economically integrated cities and communities

The department will continue to facilitate conditional grants and provide financial incentives for infrastructure planning and development to municipalities. This is through the *local government financial management grant*, aimed at promoting and supporting financial management reform and building capacity in municipalities; the *neighbourhood development partnership grant*, aimed at developing and implementing urban network plans; the *project preparation support grant*, aimed at and supporting metropolitan municipalities in developing a pipeline of investment-ready capital programmes and projects; and the *infrastructure skills development grant*, aimed at increasing the pool of professional engineers, planners and other built environment professionals in local government. Transfers to the grants are projected to be R6.3 billion over the medium term in the *Facilitation of Conditional Grants* subprogramme in the *Public Finance and Budget Management* programme.

Managing future spending growth, fiscal risk and government's assets and liabilities

Over the next 3 years, the department will continue to coordinate the national budgeting process and oversee expenditure planning in the *Programme Management for Public Finance and Budget Management*, *Public Finance and Budget Office and Coordination* subprogrammes. These subprogrammes are allocated R519.7 million over the period ahead in the *Public Finance and Budget Management* programme. The department will also continue to promote and enforce prudent financial management of state-owned entities through financial analysis and oversight. To this end, over the MTEF period, the department will review all corporate plans, annual reports and guarantee applications received from schedule 2 and 3B public entities. To carry out these activities, R409.9 million is allocated over the medium term across subprogrammes in the *Asset and Liability Management* programme.

Streamlining government procurement

The Office the Chief Procurement Officer plans to ensure that the Public Procurement Bill is passed through Parliament in 2023/24. The bill is aimed at ensuring that the state uses and leverages procurement to advance economic opportunities for historically disadvantaged people, women, young people, people with disabilities and small businesses; and promote local production. Preferential procurement regulations that provide for categories of preference in the awarding of bids in government were approved in January 2023 and will be implemented over the MTEF period. As such, over the next 3 years, the department will support the implementation of regulations across government. These activities will be carried out in the *Programme Management for Financial Accounting and Supply Chain Management Systems* subprogramme in the *Financial Accounting and Supply Chain Management Systems* programme, which is allocated R375.7 million over the medium term.

Strengthening financial management in government

Government's integrated financial management system is designed to enhance the effectiveness of back-end public service functions by improving access to information and the quality of data, eliminating the duplication of systems and resources, and limiting the use of manual processes. Over the MTEF period, the department will

continue to develop the system. Preliminary work for the implementation of some of its modules, such as eRecruitment, a centralised public service recruitment system and the establishment of a centre of excellence, which will provide technical support to users, commenced in 2022. The department will work towards their implementation over the medium term. R1.1 billion over the medium term is allocated towards the integrated financial management system.

Facilitating international and regional cooperation

Activities carried out in the *International Financial Relations* programme will continue to advance South Africa's interests through representation in international and regional financial institutions, as well as managing bilateral and multilateral relationships through regional engagements.

International commitments for the acquisition of shares in the African Development Bank and World Bank, along with related transfer payments, constitute an estimated 31.3 per cent (R2.7 billion) of spending in the *International Financial Relations* programme over the MTEF period. The department also facilitates regional cooperation within the Common Monetary Area with a budget allocation of R4.9 billion over the medium term. These funds are made available for compensation payments to Namibia, Lesotho and Eswatini for the use of the rand currency in these countries.

The department's key regional engagements over the next 3 years include providing technical support to regional capacity building institutions such as the Collaborative Africa Budget Reform Initiative, the International Finance Facility for Immunisation, the Commonwealth Fund for Technical Cooperation, the African Institute for Economic Development and Planning, and the International Monetary Fund's Regional Technical Assistance Centre for Southern Africa. To support these engagements, R88.8 million over the medium term is allocated in the *African Integration and Support* subprogramme in the *International Financial Relations* programme.

Expenditure trends and estimates

Table 8.2 Vote expenditure trends and 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. Revenue Administration											
9. Financial Intelligence and State Security											
Programme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
R million	2019/20	2020/21	2021/22	2022/23	2019/20	2022/23	2023/24	2024/25	2025/26	2022/23	2025/26
Programme 1	453.6	496.3	455.1	541.6	6.1%	0.1%	706.1	570.9	596.2	3.3%	0.1%
Programme 2	124.9	124.7	125.3	158.2	8.2%	0.0%	172.5	172.4	180.8	4.6%	0.0%
Programme 3	2 936.1	2 697.2	4 200.8	4 425.2	14.7%	0.4%	4 305.6	3 411.3	3 565.7	-6.9%	0.4%
Programme 4	96.7	3 022.6	26 663.2	6 024.4	296.4%	1.1%	1 135.4	135.0	139.5	-71.5%	0.2%
Programme 5	733.9	696.6	761.7	946.1	8.8%	0.1%	1 237.3	1 179.8	1 232.4	9.2%	0.1%
Programme 6	5 458.8	6 640.5	7 826.5	2 806.8	-19.9%	0.7%	2 591.3	2 876.1	3 004.9	2.3%	0.3%
Programme 7	5 487.1	5 188.8	6 042.8	7 012.1	8.5%	0.7%	7 039.0	7 355.1	7 684.6	3.1%	0.7%
Programme 8	9 529.0	10 271.9	11 295.2	11 527.8	6.6%	1.3%	12 157.6	11 636.2	12 135.1	1.7%	1.2%
Programme 9	4 951.1	4 942.9	4 999.5	5 395.5	2.9%	0.6%	5 544.5	5 804.0	6 085.8	4.1%	0.6%
Subtotal	29 771.2	34 081.5	62 369.9	38 837.7	9.3%	4.9%	34 889.4	33 140.8	34 625.2	-3.8%	3.6%
Direct charge against the National Revenue Fund	724 021.2	768 072.3	829 837.3	894 379.1	11.2%	95.1%	923 595.1	966 594.8	1 028 328.3	4.8%	96.4%
Provincial equitable share	505 553.8	520 717.0	544 834.9	570 868.2	4.1%	63.3%	567 527.7	587 499.7	614 270.8	2.5%	59.2%
Debt-service costs	204 769.4	232 595.7	268 071.6	307 738.8	14.5%	30.0%	340 460.3	362 839.9	397 074.0	8.9%	35.6%
General fuel levy sharing with metropolitan municipalities	13 166.8	14 026.9	14 617.3	15 334.8	5.2%	1.7%	15 433.5	16 126.6	16 849.1	3.2%	1.6%
National Revenue Fund payments	468.5	588.3	2 173.4	263.1	-17.5%	0.1%	50.5	-	-	-100.0%	0.0%
Auditor-General of South Africa	62.8	70.0	140.0	72.6	4.9%	0.0%	123.1	128.6	134.3	22.8%	0.0%
Public Finance Management Act (1999) section 70 payment: Land and Agricultural Development Bank of South Africa	-	74.4	-	101.6	0.0%	0.0%	-	-	-	-100.0%	0.0%
Total	753 792.5	802 153.8	892 207.2	933 216.8	7.4%	100.0%	958 484.5	999 735.6	1 062 953.5	4.4%	100.0%
Change to 2022 Budget estimate				21 251.0			30 555.6	25 470.0	16 391.9		

Table 8.2 Vote expenditure trends and estimates by programme and economic classification (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R million											
Current payments	206 783.7	234 476.5	270 210.0	310 423.1	14.5%	30.2%	343 481.1	366 070.4	400 446.4	8.9%	35.9%
Compensation of employees	804.8	778.6	826.0	888.4	3.3%	0.1%	920.0	932.4	973.3	3.1%	0.1%
Goods and services ¹	1 209.6	1 102.1	1 312.4	1 795.9	14.1%	0.2%	2 100.8	2 298.1	2 399.0	10.1%	0.2%
of which:											
Computer services	403.9	383.3	433.1	502.6	7.6%	0.1%	849.3	759.0	804.0	17.0%	0.1%
Consultants: Business and advisory services	554.5	479.3	671.3	1 009.8	22.1%	0.1%	933.7	1 196.6	1 234.4	6.9%	0.1%
Operating leases	82.8	127.9	74.3	86.9	1.6%	0.0%	91.7	93.8	98.0	4.1%	0.0%
Property payments	24.4	16.3	23.4	24.2	-0.2%	0.0%	25.9	26.8	28.0	4.9%	0.0%
Travel and subsistence	38.9	2.7	7.2	43.3	3.7%	0.0%	55.2	56.3	59.0	10.9%	0.0%
Venues and facilities	12.3	0.9	2.6	5.5	-23.5%	0.0%	21.2	35.7	40.8	95.3%	0.0%
Interest and rent on land	204 769.4	232 595.7	268 071.6	307 738.8	14.5%	30.0%	340 460.3	362 839.9	397 074.0	8.9%	35.6%
Transfers and subsidies¹	542 252.9	558 355.7	587 186.4	615 522.0	4.3%	68.1%	612 872.5	632 790.9	661 591.0	2.4%	63.8%
Provinces and municipalities	520 304.5	536 225.8	561 818.4	588 582.6	4.2%	65.3%	585 541.2	605 428.2	633 002.5	2.5%	61.0%
Departmental agencies and accounts	15 379.3	16 069.2	17 634.1	18 193.9	5.8%	2.0%	18 775.1	18 136.3	18 950.7	1.4%	1.9%
Foreign governments and international organisations	1 134.8	922.0	1 744.8	1 804.5	16.7%	0.2%	1 608.4	1 944.7	2 034.0	4.1%	0.2%
Households	5 434.3	5 138.8	5 989.2	6 940.9	8.5%	0.7%	6 947.8	7 281.7	7 603.7	3.1%	0.7%
Payments for capital assets	13.6	45.6	24.5	49.4	53.9%	0.0%	163.2	24.2	28.4	-16.8%	0.0%
Machinery and equipment	13.5	32.6	24.5	45.0	49.3%	0.0%	157.7	24.1	28.3	-14.3%	0.0%
Software and other intangible assets	0.0	13.0	0.0	4.4	476.0%	0.0%	5.5	0.1	0.1	-73.7%	0.0%
Payments for financial assets	4 742.3	9 276.0	34 786.2	7 222.3	15.1%	1.7%	1 967.6	850.1	887.7	-50.3%	0.3%
Total	753 792.5	802 153.8	892 207.2	933 216.8	7.4%	100.0%	958 484.5	999 735.6	1 062 953.5	4.4%	100.0%

1. Tables with expenditure trends, annual budget, adjusted appropriation and audited outcome are available at www.treasury.gov.za and www.vulekamali.gov.za.

Transfers and subsidies expenditure trends and estimates

Table 8.3 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R thousand											
Households											
Social benefits											
Current	5 430 999	5 136 192	5 985 874	6 938 841	8.5%	1.0%	6 945 464	7 279 340	7 601 211	3.1%	1.1%
Employee social benefits	11 347	7 437	5 369	9 682	-5.2%	-	2 009	2 106	2 189	-39.1%	-
Contribution to provident funds for associated institutions	250	183	260	287	4.7%	-	300	339	378	9.6%	-
Parliamentary awards	19	11	2	-	-100.0%	-	-	-	-	-	-
Other benefits	118 842	29 998	120 590	119 342	0.1%	-	115 785	120 985	126 405	1.9%	-
Injury on duty	647 903	572 317	717 440	820 772	8.2%	0.1%	746 205	767 890	824 655	0.2%	0.1%
Post-retirement medical scheme	3 182 124	3 584 225	4 448 559	5 147 406	17.4%	0.7%	5 242 502	5 463 779	5 682 437	3.4%	0.9%
Special pensions	474 629	552 946	464 809	476 160	0.1%	0.1%	495 000	514 800	535 392	4.0%	0.1%
Political Office Bearers Pension Fund	-	-	-	27 746	-	-	3 662	52 584	54 940	25.6%	-
Pension benefits: President of South Africa	10 409	6 076	10 430	10 800	1.2%	-	15 052	15 728	16 433	15.0%	-
Military pensions: Ex-service personnel	1 027	261	625	1 448	12.1%	-	1 821	2 163	2 991	27.4%	-
South African citizen force	193 905	268 203	201 289	228 051	5.6%	-	228 927	239 208	249 925	3.1%	-
Civil protection	19	22	7	21	3.4%	-	21	22	23	3.1%	-
Other benefits: Ex-service personnel	8 742	8 588	12 934	17 411	25.8%	-	14 158	16 121	18 082	1.3%	-
Non-statutory forces	778 589	102 411	-	-	-100.0%	-	-	-	-	-	-
Post-retirement medical scheme:	3 194	3 514	3 560	3 690	4.9%	-	3 704	3 870	4 043	3.1%	-
Parliamentary staff	-	-	-	76 025	-	-	76 318	79 745	83 318	3.1%	-
Early retirement costs: Government Pensions Administration Agency	-	-	-	-	-	-	-	-	-	-	-

Table 8.3 Vote transfers and subsidies trends and estimates (continued)

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	13 383 903	13 474 124	16 184 038	17 241 641	8.8%	2.6%	17 888 871	17 232 666	18 029 045	1.5%	2.8%
Finance and Accounting Services	2 217	2 632	2 200	2 307	1.3%	–	2 535	2 649	2 768	6.3%	–
Sector Education and Training Authority											
Communication	18	–	15	–	-100.0%	–	–	–	–	–	–
Cooperative Banks Development Agency	20 759	20 473	20 328	20 831	0.1%	–	20 911	21 850	22 829	3.1%	–
Financial Sector Conduct Authority	–	–	–	–	–	–	13 000	13 000	13 000	–	–
Financial and Fiscal Commission	54 319	63 821	63 199	63 839	5.5%	–	64 084	66 962	69 962	3.1%	–
Government Technical Advisory Centre	600 753	548 021	669 879	710 438	5.7%	0.1%	589 227	396 755	417 666	-16.2%	0.1%
Development Bank of Southern Africa	100 000	40 000	153 663	95 032	-1.7%	–	–	–	–	-100.0%	–
Government Technical Advisory Centre: Independent power producer project preparation support	–	–	100 000	–	–	–	–	–	–	–	–
Development Bank of Southern Africa: Support to the Infrastructure Fund operations	–	–	80 156	42 407	–	–	46 273	–	–	-100.0%	–
Development Bank of Southern Africa: Support to the Infrastructure Fund social housing programme	–	–	–	152 000	–	–	152 500	–	–	-100.0%	–
Accounting Standards Board	14 340	14 407	14 362	14 569	0.5%	–	14 626	15 283	15 968	3.1%	–
Independent Regulatory Board for Auditors	43 163	44 187	44 609	45 684	1.9%	–	45 857	49 917	52 153	4.5%	–
Auditor-General of South Africa	62 842	120 000	190 049	122 582	24.9%	–	123 052	128 578	134 338	3.1%	–
South African Revenue Service: Operations	7 814 599	7 972 738	10 154 053	10 931 257	11.8%	1.6%	11 606 355	11 082 680	11 579 184	1.9%	1.8%
South African Revenue Service: Office of the Tax Ombud	40 308	42 525	44 864	46 524	4.9%	–	51 241	53 542	55 941	6.3%	–
Financial Intelligence Centre: Operations	277 285	278 767	279 107	292 259	1.8%	–	366 351	400 719	442 721	14.8%	0.1%
Secret Services: Operations	4 353 300	4 326 553	4 367 554	4 701 912	2.6%	0.8%	4 792 859	5 000 731	5 222 515	3.6%	0.8%
Capital	1 995 421	2 595 053	1 450 033	952 268	-21.9%	0.3%	886 267	903 617	921 699	-1.1%	0.1%
Government Technical Advisory Centre	829	875	923	957	4.9%	–	999	1 044	1 091	4.5%	–
South African Revenue Service: Machinery and equipment	1 674 124	2 256 610	1 096 250	550 000	-31.0%	0.2%	500 000	500 000	500 000	-3.1%	0.1%
Financial Intelligence Centre: Machinery and equipment	17 039	17 976	18 152	24 561	13.0%	–	19 379	20 249	21 156	-4.9%	–
Secret Services: Machinery and equipment	303 429	319 592	334 708	376 750	7.5%	0.1%	365 889	382 324	399 452	2.0%	0.1%
Provinces and municipalities											
Municipal bank accounts											
Current	13 849 031	14 715 600	15 324 557	16 060 464	5.1%	2.6%	16 161 926	16 887 749	17 644 320	3.2%	2.6%
Local government financial management grant	532 822	544 862	552 061	566 395	2.1%	0.1%	568 571	594 105	620 721	3.1%	0.1%
Infrastructure skills development grant	149 416	143 860	155 217	159 246	2.1%	–	159 857	167 036	174 519	3.1%	–
General fuel levy sharing with metropolitan municipalities	13 166 793	14 026 878	14 617 279	15 334 823	5.2%	2.5%	15 433 498	16 126 608	16 849 080	3.2%	2.5%
Capital	901 723	793 139	1 658 923	1 653 960	22.4%	0.2%	1 851 605	1 040 736	1 087 361	-13.0%	0.2%
Programme and project preparation support grant	310 051	313 722	341 312	360 886	5.2%	0.1%	376 792	393 714	411 352	4.5%	0.1%
Neighbourhood development partnership grant	591 672	479 417	1 317 611	1 293 074	29.8%	0.2%	1 474 813	647 022	676 009	-19.4%	0.2%
Households											
Other transfers to households											
Current	3 276	2 589	3 328	2 096	-13.8%	–	2 303	2 406	2 514	6.2%	–
Bursaries for non-employees	3 276	2 589	3 328	2 096	-13.8%	–	2 303	2 406	2 514	6.2%	–
Foreign governments and international organisations											
Current	1 002 454	787 079	1 605 895	1 626 198	17.5%	0.2%	1 432 672	1 764 094	1 845 294	4.3%	0.3%
Common Monetary Area compensation	976 938	762 982	1 565 727	1 579 932	17.4%	0.2%	1 403 295	1 733 329	1 810 982	4.7%	0.3%
Collaborative Africa Budget Reform Initiative	2 152	2 213	2 293	2 458	4.5%	–	2 444	2 554	2 668	2.8%	–
Commonwealth Fund for Technical Cooperation	5 816	5 662	5 943	6 432	3.4%	–	6 994	7 308	7 635	5.9%	–
International Finance Facility for Immunisation	14 553	14 831	15 565	16 600	4.5%	–	16 126	16 850	17 605	2.0%	–
African Institute for Economic Development and Planning	1 191	1 316	1 143	1 280	2.4%	–	1 460	1 440	1 505	5.5%	–
Regional Technical Assistance Centre for Southern Africa	1 227	75	–	1 373	3.8%	–	1 353	1 413	1 476	2.4%	–
New Development Bank Project Preparation Fund	–	–	14 625	15 000	–	–	–	–	–	-100.0%	–
United Kingdom tax	577	–	599	3 123	75.6%	–	1 000	1 200	3 423	3.1%	–

Table 8.3 Vote transfers and subsidies trends and estimates (continued)

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R thousand											
Capital	132 319	134 898	138 867	178 327	10.5%	–	175 709	180 621	188 713	1.9%	–
African Development Fund	78 699	78 571	79 160	77 700	-0.4%	–	109 369	114 281	119 401	15.4%	–
World Bank Group	53 620	56 327	59 707	66 627	7.5%	–	66 340	66 340	69 312	1.3%	–
Financial Intermediary Fund	–	–	–	34 000	–	–	–	–	–	-100.0%	–
Provinces and municipalities											
Provincial revenue funds											
Current	505 553 753	520 717 021	544 834 911	570 868 206	4.1%	93.0%	567 527 713	587 499 698	614 270 842	2.5%	92.8%
Provincial equitable share	505 553 753	520 717 021	544 834 911	570 868 206	4.1%	93.0%	567 527 713	587 499 698	614 270 842	2.5%	92.8%
Total	542 252 879	558 355 695	587 186 426	615 522 001	4.3%	100.0%	612 872 530	632 790 927	661 590 999	2.4%	100.0%

Personnel information

Table 8.4 Vote personnel numbers and cost by salary level and programme¹

Programmes														Average growth rate (%)	Average: Salary level/ Total (%)				
Number of posts estimated for 31 March 2023																			
Number and cost ² of personnel posts filled/planned for on funded establishment														Average growth rate (%)	Average: Salary level/ Total (%)				
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate						2022/23 - 2025/26						
		2021/22	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26												
National Treasury		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2022/23 - 2025/26					
Salary level	1 066	150	1 033	826.0	0.8	1 048	860.2	0.8	1 135	920.0	0.8	1 086	932.4	0.9	1 117	973.3	0.9	2.1%	100.0%
1 – 6	151	106	126	34.0	0.3	150	42.9	0.3	173	47.0	0.3	175	50.5	0.3	177	52.0	0.3	5.7%	15.4%
7 – 10	371	38	374	206.2	0.6	373	215.7	0.6	389	223.1	0.6	365	221.0	0.6	382	237.3	0.6	0.8%	34.4%
11 – 12	286	–	279	264.0	0.9	257	251.9	1.0	290	281.5	1.0	262	270.2	1.0	273	284.9	1.0	2.0%	24.7%
13 – 16	258	6	255	317.5	1.2	268	349.7	1.3	283	368.3	1.3	283	390.7	1.4	285	399.0	1.4	2.1%	25.5%
Other	–	–	–	4.4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme	1 066	150	1 033	826.0	0.8	1 048	860.2	0.8	1 135	920.0	0.8	1 086	932.4	0.9	1 117	973.3	0.9	2.1%	100.0%
Programme 1	331	78	321	202.5	0.6	327	211.8	0.6	361	224.4	0.6	350	227.9	0.7	359	237.9	0.7	3.1%	31.9%
Programme 2	86	5	81	78.6	1.0	79	79.3	1.0	91	93.1	1.0	83	90.3	1.1	87	94.2	1.1	3.2%	7.8%
Programme 3	244	10	239	223.0	0.9	244	234.5	1.0	260	248.8	1.0	246	251.5	1.0	255	262.6	1.0	1.5%	22.9%
Programme 4	104	12	100	83.4	0.8	101	83.9	0.8	108	90.0	0.8	104	93.3	0.9	106	97.4	0.9	1.4%	9.5%
Programme 5	269	43	261	208.0	0.8	267	218.3	0.8	284	232.6	0.8	273	237.7	0.9	279	248.1	0.9	1.5%	25.2%
Programme 6	32	2	30	30.5	1.0	30	32.4	1.1	30	31.1	1.0	29	31.7	1.1	31	33.1	1.1	1.3%	2.8%

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

2. Rand million.

Departmental receipts

Table 8.5 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 (%)
	2019/20	2020/21	2021/22					2022/23	2019/20 - 2022/23	2023/24		
R thousand												
Departmental receipts	8 639 087	6 924 774	5 506 035	8 427 197	9 001 503	1.4%	37.9%	11 640 120	11 927 299	12 155 003	10.5%	66.9%
Sales of goods and services produced by department	75 443	14 251	9 523	247 798	247 798	48.6%	0.4%	545	561	576	-86.8%	0.4%
Sales by market establishments	83	110	84	120	120	13.1%	–	122	125	126	1.6%	–
of which:												
Rental parking: Covered and open	83	110	84	120	120	13.1%	–	122	125	126	1.6%	–
Administrative fees	1	1	1	20	20	171.4%	–	21	22	24	6.3%	–
of which:												
Required information: Duplicate certificates	1	1	1	20	20	171.4%	–	21	22	24	6.3%	–
Other sales	75 359	14 140	9 438	247 658	247 658	48.7%	0.4%	402	414	426	-88.0%	0.4%
of which:												
Commission: Insurance	106	90	120	100	100	-1.9%	–	105	107	110	3.2%	–
Directors fees	232	145	506	200	200	-4.8%	–	202	206	208	1.3%	–
Replacement of security cards	16	10	5	20	20	7.7%	–	20	21	23	4.8%	–
Fees for government guarantee insurance	74 975	13 855	8 777	247 268	247 268	48.9%	0.4%	–	–	–	-100.0%	0.4%
Sales of assets less than R5 000	30	40	30	70	70	32.6%	–	75	80	85	6.7%	–

Table 8.5 Departmental receipts by economic classification (continued)

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)	
	2019/20	2020/21	2021/22					2022/23	2019/20	2022/23			2023/24
R thousand													
Sales of scrap, waste, arms and other used current goods	2	77	-	28	28	141.0%	-	30	32	35	7.7%	-	
of which:													
Waste paper	2	7	-	7	7	51.8%	-	8	9	11	16.3%	-	
Departmental publications	-	20	-	21	21	-	-	22	23	24	4.6%	-	
Scrap	-	50	-	-	-	-	-	-	-	-	-	-	
Interest, dividends and rent on land	8 310 124	6 634 658	5 448 513	7 888 401	8 462 707	0.6%	36.4%	11 348 245	11 635 256	11 862 942	11.9%	64.7%	
Interest	8 138 819	6 446 757	5 448 513	7 690 353	8 264 659	0.5%	35.7%	11 150 197	11 437 208	11 664 894	12.2%	63.6%	
Dividends	171 305	187 901	-	198 048	198 048	5.0%	0.7%	198 048	198 048	198 048	-	1.2%	
of which:													
South African Special Risks Insurance Association	171 305	187 901	-	198 048	198 048	5.0%	0.7%	198 048	198 048	198 048	-	1.2%	
Sales of capital assets	35	-	-	-	-	-100.0%	-	-	-	-	-	-	
Transactions in financial assets and liabilities	253 483	275 788	47 999	290 970	290 970	4.7%	1.1%	291 300	291 450	291 450	0.1%	1.7%	
National Revenue Fund receipts	12 801 333	25 769 918	6 068 425	3 921 105	4 573 527	-29.0%	62.1%	11 053 000	5 490 000	1 055 000	-38.7%	33.1%	
of which:													
Revaluation of profits on foreign currency transactions	8 958 256	11 042 461	3 172 356	3 892 000	4 128 433	-22.8%	34.4%	11 053 000	5 490 000	1 055 000	-36.5%	32.5%	
Premiums on loan transactions	3 462 654	14 327 910	1 380 512	27 779	442 778	-49.6%	24.7%	-	-	-	-100.0%	0.7%	
Other (mainly penalties on retail bonds and profit on script lending)	2 345	2 221	4 819	1 326	2 316	-0.4%	-	-	-	-	-100.0%	-	
Premiums on debt portfolio restructuring (switches)	378 078	397 326	1 313 261	-	-	-100.0%	2.6%	-	-	-	-	-	
International Monetary Fund revaluation profits	-	-	197 477	-	-	-	0.2%	-	-	-	-	-	
Total	21 440 420	32 694 692	11 574 460	12 348 302	13 575 030	-14.1%	100.0%	22 693 120	17 417 299	13 210 003	-0.9%	100.0%	

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 8.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)		
	2019/20	2020/21	2021/22				2022/23	2019/20	2022/23			2023/24	2024/25
R million													
Ministry	3.7	3.7	3.7	4.4	6.2%	0.8%	4.6	4.8	5.0	4.1%	0.8%		
Departmental Management	30.9	24.7	36.4	61.2	25.6%	7.9%	61.4	63.2	66.3	2.7%	10.4%		
Corporate Services	133.1	171.9	149.8	187.9	12.2%	33.0%	337.0	196.4	205.6	3.1%	38.4%		
Enterprise-wide Risk Management	31.6	29.5	32.5	37.3	5.7%	6.7%	40.8	42.3	43.6	5.4%	6.8%		
Financial Administration	47.3	46.9	54.9	57.1	6.5%	10.6%	55.5	51.1	53.4	-2.2%	9.0%		
Legal Services	22.2	25.1	26.3	23.9	2.6%	5.0%	24.4	24.9	26.0	2.8%	4.1%		
Internal Audit	34.2	19.6	18.8	26.2	-8.5%	5.1%	32.2	33.7	35.2	10.3%	5.3%		
Communications	10.9	9.5	10.8	8.1	-9.5%	2.0%	8.6	9.0	9.4	5.1%	1.5%		
Office Accommodation	139.7	165.4	121.8	135.4	-1.0%	28.9%	141.6	145.5	151.8	3.9%	23.8%		
Total	453.6	496.3	455.1	541.6	6.1%	100.0%	706.1	570.9	596.2	3.3%	100.0%		
Change to 2022 Budget estimate				20.0			162.1	7.4	-				

Table 8.6 Administration expenditure trends and estimates by subprogramme and economic classification (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2019/20	2020/21	2021/22				2022/23	2019/20	2022/23			2023/24
R million												
Current payments	438.9	450.0	432.4	504.9	4.8%	93.8%	552.0	552.9	577.4	4.6%	90.6%	
Compensation of employees	192.4	188.3	202.5	216.8	4.1%	41.1%	224.4	227.9	237.9	3.1%	37.6%	
Goods and services	246.5	261.7	229.9	288.1	5.3%	52.7%	327.6	325.1	339.5	5.6%	53.0%	
of which:												
Computer services	44.1	45.5	52.1	81.2	22.6%	11.5%	105.1	95.9	100.6	7.4%	15.9%	
Consultants: Business and advisory services	19.9	5.9	2.6	7.1	-29.1%	1.8%	13.3	14.4	15.0	28.5%	2.1%	
Legal services	12.4	16.8	16.6	15.8	8.4%	3.2%	15.9	16.0	16.7	1.8%	2.7%	
Contractors	17.7	12.6	14.9	18.5	1.6%	3.3%	20.1	20.5	21.1	4.4%	3.3%	
Operating leases	81.0	126.8	73.1	84.6	1.5%	18.8%	88.3	90.2	94.3	3.7%	14.8%	
Property payments	24.4	16.3	23.4	24.2	-0.2%	4.5%	25.9	26.8	28.0	4.9%	4.3%	
Transfers and subsidies	6.4	5.5	5.9	10.6	18.0%	1.5%	4.8	5.1	5.3	-20.6%	1.1%	
Departmental agencies and accounts	2.2	2.6	2.2	2.3	1.1%	0.5%	2.5	2.6	2.8	6.3%	0.4%	
Households	4.2	2.8	3.7	8.3	25.3%	1.0%	2.3	2.4	2.5	-32.7%	0.6%	
Payments for capital assets	8.0	40.8	16.7	26.1	48.1%	4.7%	149.3	12.9	13.6	-19.6%	8.4%	
Machinery and equipment	8.0	27.8	16.7	25.6	47.3%	4.0%	143.8	12.8	13.5	-19.3%	8.1%	
Software and other intangible assets	0.0	13.0	-	0.5	177.6%	0.7%	5.5	0.1	0.1	-45.4%	0.3%	
Payments for financial assets	0.2	0.0	-	-	-100.0%	-	-	-	-	-	-	
Total	453.6	496.3	455.1	541.6	6.1%	100.0%	706.1	570.9	596.2	3.3%	100.0%	
Proportion of total programme expenditure to vote expenditure	1.5%	1.5%	0.7%	1.6%	-	-	2.0%	1.7%	1.7%	-	-	
Details of transfers and subsidies												
Households												
Social benefits												
Current	2.1	0.8	1.7	6.2	43.8%	0.6%	-	-	-	-100.0%	0.3%	
Employee social benefits	2.1	0.8	1.7	6.2	43.8%	0.6%	-	-	-	-100.0%	0.3%	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	2.2	2.6	2.2	2.3	1.3%	0.5%	2.5	2.6	2.8	6.3%	0.4%	
Finance and Accounting Services	2.2	2.6	2.2	2.3	1.3%	0.5%	2.5	2.6	2.8	6.3%	0.4%	
Sector Education and Training Authority												
Households												
Other transfers to households												
Current	2.1	2.0	2.0	2.1	-0.5%	0.4%	2.3	2.4	2.5	6.2%	0.4%	
Bursaries for non-employees	2.1	2.0	2.0	2.1	-0.5%	0.4%	2.3	2.4	2.5	6.2%	0.4%	

Personnel information

Table 8.7 Administration personnel numbers and cost by salary level¹

Administration	Number of posts estimated for 31 March 2023		Number and cost ² of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/ Total (%)			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate										
			2021/22		2022/23		2023/24		2024/25		2025/26		2022/23 - 2025/26						
Salary level	331	78	321	202.5	0.6	327	211.8	0.6	361	224.4	0.6	350	227.9	0.7	359	237.9	0.7	3.1%	100.0%
1 – 6	110	72	101	26.4	0.3	109	29.5	0.3	130	33.5	0.3	130	35.5	0.3	131	36.4	0.3	6.3%	35.8%
7 – 10	120	2	124	68.9	0.6	113	64.4	0.6	121	68.7	0.6	117	70.2	0.6	123	75.4	0.6	2.9%	34.0%
11 – 12	59	-	58	51.7	0.9	59	55.0	0.9	64	59.3	0.9	57	55.5	1.0	59	58.3	1.0	-0.1%	17.1%
13 – 16	42	4	39	51.2	1.3	46	62.9	1.4	46	62.9	1.4	46	66.7	1.5	46	67.7	1.5	-	13.2%
Other	-	-	-	4.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

2. Rand million.

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

Programme purpose

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

Objectives

- Improve South Africa's macroeconomic and microeconomic framework by conducting ongoing analytical work and research, and developing policy advisory services.

- Build and maintain 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 on the promotion of economic growth, employment, microeconomic and macroeconomic stability.
- *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 undertaken towards the implementation of proposals for retirement reform.
- *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. Although 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; policy on small, medium and micro enterprises (SMMEs); 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 8.8 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2022/23	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Average Expenditure/Total (%)	
	2019/20	2020/21	2021/22		2019/20	2022/23	2023/24	2024/25	2025/26	2022/23	2025/26	2022/23	2025/26
R million													
Programme Management for Economic Policy, Tax, Financial Regulation and Research	33.4	37.1	31.1	51.2	15.3%	28.7%	50.4	46.6	49.8	-1.0%	29.0%		
Financial Sector Policy	19.5	18.0	21.2	24.7	8.2%	15.7%	38.6	39.4	40.6	18.0%	21.0%		
Tax Policy	30.0	27.4	28.0	32.6	2.8%	22.1%	33.6	31.7	33.1	0.5%	19.2%		
Economic Policy	21.1	21.8	24.7	28.8	11.0%	18.1%	28.9	32.8	34.6	6.2%	18.3%		
Cooperative Banks Development Agency	20.8	20.5	20.3	20.8	0.1%	15.5%	20.9	21.9	22.8	3.1%	12.6%		
Total	124.9	124.7	125.3	158.2	8.2%	100.0%	172.5	172.4	180.8	4.6%	100.0%		
Change to 2022 Budget estimate				–			12.1	12.0	–				

Table 8.8 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification (continued)

Economic classification	Audited outcome			Adjusted appropriation 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
R million											
Current payments	103.5	104.0	104.0	135.2	9.3%	83.8%	137.7	136.6	143.9	2.1%	80.9%
Compensation of employees	70.8	71.7	78.6	89.8	8.2%	58.3%	93.1	90.3	94.2	1.6%	53.7%
Goods and services	32.7	32.2	25.3	45.4	11.5%	25.5%	44.6	46.3	49.7	3.0%	27.2%
<i>of which:</i>											
<i>Bursaries: Employees</i>	0.2	0.4	0.3	0.3	29.1%	0.2%	0.5	0.6	0.6	21.9%	0.3%
<i>Consultants: Business and advisory services</i>	23.6	27.3	21.6	31.8	10.4%	19.6%	30.5	32.2	34.7	3.0%	18.9%
<i>Consumables: Stationery, printing and office supplies</i>	1.0	0.7	0.3	2.0	26.6%	0.8%	1.9	2.0	2.1	2.0%	1.2%
<i>Travel and subsistence</i>	4.7	0.2	0.1	5.1	3.0%	1.9%	6.1	6.5	6.8	10.0%	3.6%
<i>Training and development</i>	0.1	0.1	0.2	0.6	71.1%	0.2%	0.8	0.9	1.0	18.0%	0.5%
<i>Operating payments</i>	2.0	2.7	2.6	3.8	22.9%	2.1%	3.3	2.6	2.7	-10.4%	1.8%
Transfers and subsidies	21.1	20.7	20.8	20.9	-0.3%	15.7%	33.9	34.9	35.8	19.6%	18.4%
Departmental agencies and accounts	20.8	20.5	20.3	20.8	0.1%	15.5%	33.9	34.9	35.8	19.8%	18.3%
Households	0.4	0.2	0.5	0.1	-35.8%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	0.2	0.1	0.5	2.1	110.7%	0.5%	0.9	0.9	1.1	-19.1%	0.7%
Machinery and equipment	0.2	0.1	0.5	2.1	110.7%	0.5%	0.9	0.9	1.1	-19.1%	0.7%
Total	124.9	124.7	125.3	158.2	8.2%	100.0%	172.5	172.4	180.8	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.2%	0.5%	-	-	0.5%	0.5%	0.5%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.4	0.2	0.5	0.1	-35.8%	0.2%	-	-	-	-100.0%	-
Employee social benefits	0.4	0.2	0.5	0.1	-35.8%	0.2%	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	20.8	20.5	20.3	20.8	0.1%	15.5%	33.9	34.9	35.8	19.8%	18.3%
Cooperative Banks Development Agency	20.8	20.5	20.3	20.8	0.1%	15.5%	20.9	21.9	22.8	3.1%	12.6%
Financial Sector Conduct Authority	-	-	-	-	-	-	13.0	13.0	13.0	-	5.7%

Personnel information

Table 8.9 Economic Policy, Tax, Financial Regulation and Research personnel numbers and cost by salary level¹

Economic Policy, Tax, Financial Regulation and Research	Number of posts estimated for 31 March 2023		Number and cost ² of personnel posts filled/planned for on funded establishment										Average growth rate (%)	Average: Salary level/Total (%)					
	Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate												
			2021/22	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26											
Salary level	86	5	81	78.6	1.0	79	79.3	1.0	91	93.1	1.0	83	90.3	1.1	87	94.2	1.1	3.2%	100.0%
1 – 6	5	4	4	1.3	0.3	5	1.6	0.3	6	1.8	0.3	7	2.3	0.3	7	2.3	0.3	11.9%	7.4%
7 – 10	20	-	20	11.3	0.6	23	13.4	0.6	23	13.2	0.6	22	13.4	0.6	25	15.7	0.6	2.8%	27.4%
11 – 12	26	-	23	22.2	1.0	14	13.7	1.0	16	15.5	1.0	8	8.4	1.1	8	9.0	1.1	-15.5%	13.6%
13 – 16	35	1	34	43.8	1.3	37	50.6	1.4	46	62.5	1.4	46	66.3	1.4	46	67.3	1.5	7.7%	51.7%

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

2. Rand million.

Programme 3: Public Finance and Budget Management

Programme purpose

Provide analysis and advice on fiscal policy and public finances, intergovernmental financial relations, expenditure planning and priorities. Manage government's annual budget process and provide public finance management support. Facilitate employment creation and high-impact government initiatives, and strengthen infrastructure planning and delivery.

Objectives

- Promote growth, social development and the reduction of poverty through the implementation of sound fiscal and financial policies, and the effective, efficient and appropriate allocation of public funds annually.

- Prepare an annual national budget that gives effect to government's economic, fiscal, social and developmental goals as expressed in the National Development Plan and government's 2019-2024 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, Medium-term Budget Policy Statement, Adjusted Estimates of National Expenditure, 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, project management and 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 use of public financial resources by monitoring, supporting and analysing public expenditure and service delivery for social and economic development and infrastructure investment on an ongoing basis.
- Support and enable budget analysis by a broad range of stakeholders, including Parliament, on an ongoing basis through increased public participation with regards to the budget.
- Build capacity in the public sector by providing 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 supporting 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, work-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

- *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 3 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, Estimates of National Expenditure, Medium-term Budget Policy Statement and Adjusted Estimates of National Expenditure. This subprogramme also 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 3 spheres of

government on 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.

- *Facilitation of Conditional Grants* facilitates conditional grants administered by National Treasury aimed at strengthening public and private investment in improved living and working conditions in townships, and creating spatially resilient, efficient and integrated towns and cities. These grants are further aimed at promoting accelerated and 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.
- *Catalytic Infrastructure and Development Support Programme* provides technical assistance and support to National Treasury, provincial treasuries and municipalities by assigning professional advisers with experience and expertise in municipal financial management to facilitate key reforms and skills transfer through the municipal finance improvement programme. Activities in this subprogramme also help with developing infrastructure planning and project management capacity.
- *Government Technical Advisory Centre* provides technical consulting services, specialised procurement and project management support, infrastructure advice and knowledge management in support of the efficient, effective and transparent management of public finances. This subprogramme also comprises a fund to facilitate the creation of employment. The fund supports innovative and partnership-based approaches to sustainable employment creation; provides work-seeker support and enterprise development through the Jobs Fund; and supports research on employment, income distribution and inclusive growth.

Expenditure trends and estimates

Table 8.10 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
R million											
Programme Management for Public Finance and Budget Management	23.3	14.1	20.4	34.7	14.1%	0.6%	36.0	29.8	30.9	-3.8%	0.8%
Public Finance	68.5	68.6	69.7	64.7	-1.9%	1.9%	66.7	69.5	72.6	3.9%	1.7%
Budget Office and Coordination	59.9	55.5	58.8	66.4	3.5%	1.7%	68.4	71.3	74.5	3.9%	1.8%
Intergovernmental Relations	100.8	92.5	107.3	274.9	39.7%	4.0%	284.6	553.0	579.5	28.2%	10.8%
Financial and Fiscal Commission	54.3	63.8	63.2	63.8	5.5%	1.7%	64.1	67.0	70.0	3.1%	1.7%
Facilitation of Conditional Grants	1 584.0	1 481.9	2 366.2	2 379.6	14.5%	54.8%	2 580.0	1 801.9	1 882.6	-7.5%	55.0%
Catalytic Infrastructure and Development Support Programme	370.4	311.0	677.8	751.7	26.6%	14.8%	545.7	351.1	366.8	-21.3%	12.8%
Government Technical Advisory Centre	674.9	609.8	837.3	789.4	5.4%	20.4%	660.2	467.8	488.8	-14.8%	15.3%
Total	2 936.1	2 697.2	4 200.8	4 425.2	14.7%	100.0%	4 305.6	3 411.3	3 565.7	-6.9%	100.0%
Change to 2022 Budget estimate				(13.0)			(49.1)	(31.8)	-		
Economic classification											
Current payments	593.2	559.7	764.5	975.5	18.0%	20.3%	868.9	1 142.0	1 191.5	6.9%	26.6%
Compensation of employees	224.0	212.6	223.0	240.5	2.4%	6.3%	248.8	251.5	262.6	3.0%	6.4%
Goods and services	369.3	347.1	541.5	735.1	25.8%	14.0%	620.0	890.5	928.9	8.1%	20.2%
<i>of which:</i>											
<i>Bursaries: Employees</i>	0.5	1.2	0.7	1.3	40.1%	-	1.3	1.4	1.6	7.4%	-
<i>Computer services</i>	0.6	1.1	1.2	1.2	25.6%	-	1.3	1.4	1.5	6.0%	-
<i>Consultants: Business and advisory services</i>	354.7	339.2	532.5	716.6	26.4%	13.6%	599.4	867.6	905.1	8.1%	19.7%
<i>Consumables: Stationery, printing and office supplies</i>	0.7	1.5	1.0	1.5	25.7%	-	1.7	1.9	1.7	5.5%	-
<i>Travel and subsistence</i>	7.3	0.6	1.6	7.4	0.5%	0.1%	9.1	10.2	10.8	13.4%	0.2%
<i>Operating payments</i>	3.4	2.7	3.5	3.7	2.8%	0.1%	3.7	3.8	4.0	2.9%	0.1%
Transfers and subsidies	2 341.7	2 136.2	3 434.6	3 445.1	13.7%	79.7%	3 433.4	2 266.9	2 371.6	-11.7%	73.3%
Provinces and municipalities	1 584.0	1 481.9	2 366.2	2 379.6	14.5%	54.8%	2 580.0	1 801.9	1 882.6	-7.5%	55.0%
Departmental agencies and accounts	755.9	652.7	1 067.8	1 064.7	12.1%	24.8%	853.1	464.8	488.7	-22.9%	18.3%
Households	1.9	1.6	0.5	0.8	-25.1%	-	0.3	0.3	0.3	-31.5%	-
Payments for capital assets	1.2	1.2	1.7	4.6	58.3%	0.1%	3.4	2.4	2.6	-16.9%	0.1%
Machinery and equipment	1.2	1.2	1.7	4.6	58.3%	0.1%	3.4	2.4	2.6	-16.9%	0.1%
Payments for financial assets	0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Total	2 936.1	2 697.2	4 200.8	4 425.2	14.7%	100.0%	4 305.6	3 411.3	3 565.7	-6.9%	100.0%
Proportion of total programme expenditure to vote expenditure	9.9%	7.9%	6.7%	13.1%	-	-	12.3%	10.3%	10.3%	-	-

Table 8.10 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification (continued)

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
	R million										
Households											
Social benefits											
Current	1.9	1.6	0.5	0.8	-25.1%	–	0.3	0.3	0.3	-31.5%	–
Employee social benefits	1.9	1.6	0.5	0.8	-25.1%	–	0.3	0.3	0.3	-31.5%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	755.1	651.8	1 066.9	1 063.7	12.1%	24.8%	852.1	463.7	487.6	-22.9%	18.3%
Financial and Fiscal Commission	54.3	63.8	63.2	63.8	5.5%	1.7%	64.1	67.0	70.0	3.1%	1.7%
Government Technical Advisory Centre	600.8	548.0	669.9	710.4	5.7%	17.7%	589.2	396.8	417.7	-16.2%	13.5%
Development Bank of Southern Africa	100.0	40.0	153.7	95.0	-1.7%	2.7%	–	–	–	-100.0%	0.6%
Government Technical Advisory Centre: Independent power producer project preparation support	–	–	100.0	–	–	0.7%	–	–	–	–	–
Development Bank of Southern Africa: Support to the Infrastructure Fund operations	–	–	80.2	42.4	–	0.9%	46.3	–	–	-100.0%	0.6%
Development Bank of Southern Africa: Support to the Infrastructure Fund social housing programme	–	–	–	152.0	–	1.1%	152.5	–	–	-100.0%	1.9%
Capital	0.8	0.9	0.9	1.0	4.9%	–	1.0	1.0	1.1	4.5%	–
Government Technical Advisory Centre	0.8	0.9	0.9	1.0	4.9%	–	1.0	1.0	1.1	4.5%	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	682.2	688.7	707.3	725.6	2.1%	19.7%	728.4	761.1	795.2	3.1%	19.2%
Local government financial management grant	532.8	544.9	552.1	566.4	2.1%	15.4%	568.6	594.1	620.7	3.1%	15.0%
Infrastructure skills development grant	149.4	143.9	155.2	159.2	2.1%	4.3%	159.9	167.0	174.5	3.1%	4.2%
Capital	901.7	793.1	1 658.9	1 654.0	22.4%	35.1%	1 851.6	1 040.7	1 087.4	-13.0%	35.9%
Programme and project preparation support grant	310.1	313.7	341.3	360.9	5.2%	9.3%	376.8	393.7	411.4	4.5%	9.8%
Neighbourhood development partnership grant	591.7	479.4	1 317.6	1 293.1	29.8%	25.8%	1 474.8	647.0	676.0	-19.4%	26.0%

Personnel information

Table 8.11 Public Finance and Budget Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2023		Number and cost ² of personnel posts filled/planned for on funded establishment										Average growth rate (%)	Average: Salary level/ Total (%)						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2021/22	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26												
Public Finance and Budget Management		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Salary level	244	10	239	223.0	0.9	244	234.5	1.0	260	248.8	1.0	246	251.5	1.0	255	262.6	1.0	1.5%	100.0%
1 – 6	10	9	7	2.0	0.3	8	2.5	0.3	8	2.4	0.3	9	2.9	0.3	9	3.0	0.3	4.0%	3.4%
7 – 10	65	1	64	37.2	0.6	70	42.7	0.6	73	44.1	0.6	65	41.3	0.6	71	46.4	0.7	0.5%	27.8%
11 – 12	92	–	90	86.3	1.0	89	88.6	1.0	100	99.2	1.0	93	98.0	1.1	96	102.2	1.1	2.6%	37.6%
13 – 16	77	–	78	97.6	1.3	77	100.7	1.3	79	103.1	1.3	79	109.3	1.4	79	111.0	1.4	0.9%	31.2%

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

2. Rand million.

Programme 4: Asset and Liability Management

Programme purpose

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

Objectives

- Exercise oversight of state-owned entities on an ongoing basis by:
 - reviewing the corporate plans and annual financial statements of state-owned entities
 - coordinating the borrowing programmes of state-owned entities
 - 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 servicing government’s debt optimally.
- Ensure that government’s liquidity requirements are consistently met within credit risk guidelines by implementing effective cash management and 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* oversees and enables state-owned entities to meet government’s policy objectives in a financially and fiscally sustainable manner, and promotes sound corporate governance.
- *Government Debt Management* is responsible for government’s long-term funding needs. This 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 subprogramme’s operations. This subprogramme also invests government’s 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.

Expenditure trends and estimates

Table 8.12 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2019/20	2020/21	2021/22		2022/23	2019/20	2022/23	2023/24	2024/25	2025/26	2022/23	2025/26
R million												
Programme Management for Asset and Liability Management	8.0	6.3	7.6	28.7	53.1%	0.1%	37.3	33.6	33.7	5.5%	1.8%	
State-owned Entity Financial Management and Governance	33.9	2 962.1	26 600.9	5 934.2	459.6%	99.2%	1 037.0	38.8	40.5	-81.0%	94.8%	
Government Debt Management	22.5	19.9	18.5	20.3	-3.3%	0.2%	21.3	23.0	24.0	5.7%	1.2%	
Financial Operations	23.5	25.0	25.8	29.2	7.5%	0.3%	27.3	26.7	27.9	-1.5%	1.5%	
Strategy and Risk Management	8.9	9.2	10.4	11.9	10.5%	0.1%	12.4	12.9	13.4	4.0%	0.7%	
Total	96.7	3 022.6	26 663.2	6 024.4	296.4%	100.0%	1 135.4	135.0	139.5	-71.5%	100.0%	
Change to 2022 Budget estimate				4 898.4			15.4	7.0	–			
Economic classification												
Current payments	93.0	95.3	97.9	124.5	10.2%	1.1%	134.7	134.2	138.7	3.7%	7.2%	
Compensation of employees	78.4	80.0	83.4	86.7	3.4%	0.9%	90.0	93.3	97.4	4.0%	4.9%	
Goods and services	14.6	15.2	14.5	37.8	37.3%	0.2%	44.6	40.9	41.3	3.0%	2.2%	
<i>of which:</i>												
<i>Audit costs: External</i>	1.1	1.4	1.4	1.5	10.2%	–	1.6	1.6	1.7	3.7%	0.1%	
<i>Bursaries: Employees</i>	0.1	0.3	0.3	0.8	83.9%	–	0.9	0.8	0.8	-1.2%	–	
<i>Computer services</i>	8.6	10.6	10.0	12.1	11.8%	0.1%	9.6	7.1	7.4	-14.9%	0.5%	
<i>Consultants: Business and advisory services</i>	2.5	2.3	2.1	20.0	100.3%	0.1%	28.0	26.3	26.1	9.3%	1.4%	
<i>Travel and subsistence</i>	1.3	0.0	0.1	1.9	12.5%	–	2.7	3.0	3.1	18.3%	0.1%	
<i>Training and development</i>	0.3	0.0	0.2	0.5	25.6%	–	0.5	0.6	0.6	6.7%	–	
Transfers and subsidies	3.4	1.0	0.9	0.1	-66.4%	–	–	–	–	-100.0%	–	
Households	3.4	1.0	0.9	0.1	-66.4%	–	–	–	–	-100.0%	–	
Payments for capital assets	0.3	0.6	1.5	1.4	63.6%	–	0.7	0.8	0.8	-14.5%	0.1%	
Machinery and equipment	0.3	0.6	1.5	1.4	63.6%	–	0.7	0.8	0.8	-14.5%	0.1%	
Payments for financial assets	–	2 925.7	26 562.9	5 898.4	–	98.8%	1 000.0	–	–	-100.0%	92.8%	
Total	96.7	3 022.6	26 663.2	6 024.4	296.4%	100.0%	1 135.4	135.0	139.5	-71.5%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.3%	8.9%	42.8%	15.5%	–	–	3.3%	0.4%	0.4%	–	–	

Table 8.12 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification (continued)

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
		2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million												
Households												
Social benefits												
Current		3.4	1.0	0.9	0.1	-66.4%	-	-	-	-	-100.0%	-
Employee social benefits		3.4	1.0	0.9	0.1	-66.4%	-	-	-	-	-100.0%	-

Personnel information

Table 8.13 Asset and Liability Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2023			Number and cost ² of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/Total (%)			
Number of funded posts	Number of posts additional to the establishment	2021/22	Actual			Revised estimate			Medium-term expenditure estimate										
			2021/22	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26											
Asset and Liability Management			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	104	12	100	83.4	0.8	101	83.9	0.8	108	90.0	0.8	104	93.3	0.9	106	97.4	0.9	1.4%	100.0%
1 – 6	13	12	7	2.3	0.3	15	4.8	0.3	15	4.6	0.3	14	4.6	0.3	14	4.6	0.3	-2.3%	13.9%
7 – 10	37	-	39	23.9	0.6	38	24.8	0.7	39	25.0	0.6	36	24.7	0.7	36	25.7	0.7	-1.8%	35.5%
11 – 12	33	-	33	32.1	1.0	28	28.8	1.0	30	30.7	1.0	30	32.6	1.1	32	35.1	1.1	4.5%	29.0%
13 – 16	21	-	21	25.2	1.2	20	25.6	1.3	23	29.7	1.3	23	31.5	1.3	23	32.0	1.4	5.5%	21.6%

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

2. Rand million.

Programme 5: Financial Accounting and Supply Chain Management Systems

Programme purpose

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

Objectives

- Ensure compliance with the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) across the 3 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 financial systems at 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 3 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 in implementing 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:
 - introducing policy reforms to ensure that all procuring government institutions implement a single supply chain management policy
 - providing training solutions to bridge the skills gap for existing and future supply chain management practitioners.

Subprogrammes

- *Programme Management for Financial Accounting and Supply Chain Management Systems* supports the planning, monitoring and coordination of the 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 resources 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 and 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 to the Auditor-General of South Africa for the implementation of the amendments in the Public Audit Act (1995).
- *Service Charges: Commercial Banks* is a transfer payment that provides for bank charges for the deposit accounts of all government departments.

Expenditure trends and estimates

Table 8.14 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/ Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
R million											
Programme Management for Financial Accounting and Supply Chain Management Systems	38.8	32.1	42.9	122.3	46.6%	7.5%	120.1	125.0	130.6	2.2%	10.8%
Office of the Chief Procurement Officer	68.7	64.6	67.7	68.3	-0.2%	8.6%	76.6	82.9	86.4	8.2%	6.8%
Financial Systems	399.0	355.1	400.7	451.1	4.2%	51.2%	781.3	697.5	729.1	17.4%	57.9%
Financial Reporting for National Accounts	104.5	105.1	107.2	112.3	2.4%	13.7%	114.7	124.5	131.2	5.3%	10.5%
Financial Management Policy and Compliance Improvement	122.6	89.5	92.9	141.8	5.0%	14.2%	144.3	149.4	154.7	3.0%	12.8%
Audit Statutory Bodies	–	50.0	50.0	50.0	–	4.8%	–	–	–	-100.0%	1.1%
Service Charges: Commercial Banks	0.3	0.2	0.3	0.3	3.2%	–	0.3	0.4	0.4	3.3%	–
Total	733.9	696.6	761.7	946.1	8.8%	100.0%	1 237.3	1 179.8	1 232.4	9.2%	100.0%
Change to 2022 Budget estimate				(176.0)			(138.5)	7.8	–		

Table 8.14 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2019/20	2020/21	2021/22				2022/23	2019/20	2022/23			2023/24
R million												
Current payments	667.9	581.1	645.7	818.8	7.0%	86.5%	1 166.9	1 106.5	1 153.1	12.1%	92.4%	
Compensation of employees	207.7	196.9	208.0	224.8	2.7%	26.7%	232.6	237.7	248.1	3.3%	20.5%	
Goods and services	460.2	384.1	437.7	594.0	8.9%	59.8%	934.3	868.7	904.9	15.1%	71.9%	
of which:												
Audit costs: External	6.8	4.9	8.4	8.9	9.5%	0.9%	9.5	10.0	10.4	5.3%	0.8%	
Bursaries: Employees	0.9	1.6	0.8	1.8	26.9%	0.2%	2.4	2.8	2.9	17.5%	0.2%	
Computer services	350.4	325.7	369.8	408.0	5.2%	46.3%	733.3	654.6	694.5	19.4%	54.2%	
Consultants: Business and advisory services	86.3	44.0	50.9	153.8	21.3%	10.7%	165.2	175.5	170.4	3.5%	14.5%	
Travel and subsistence	7.0	0.9	1.7	8.5	6.9%	0.6%	9.8	11.3	11.6	10.8%	0.9%	
Venues and facilities	3.5	0.8	2.6	3.3	-1.7%	0.3%	4.1	4.4	4.6	11.9%	0.4%	
Transfers and subsidies	62.2	112.9	112.1	112.8	21.9%	12.7%	62.2	67.1	70.1	-14.7%	6.8%	
Departmental agencies and accounts	57.5	108.6	109.0	110.3	24.2%	12.3%	60.5	65.2	68.1	-14.8%	6.6%	
Households	4.7	4.3	3.1	2.5	-18.9%	0.5%	1.8	1.9	1.9	-8.4%	0.2%	
Payments for capital assets	3.8	2.6	3.9	14.5	56.5%	0.8%	8.2	6.2	9.3	-13.9%	0.8%	
Machinery and equipment	3.8	2.6	3.9	10.6	41.0%	0.7%	8.2	6.2	9.3	-4.4%	0.7%	
Software and other intangible assets	-	-	0.0	3.9	-	0.1%	-	-	-	-100.0%	0.1%	
Payments for financial assets	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-	
Total	733.9	696.6	761.7	946.1	8.8%	100.0%	1 237.3	1 179.8	1 232.4	9.2%	100.0%	
Proportion of total programme expenditure to vote expenditure	2.5%	2.0%	1.2%	2.8%	-	-	3.5%	3.6%	3.6%	-	-	
Details of transfers and subsidies												
Households												
Social benefits												
Current	3.6	3.7	1.8	2.5	-11.1%	0.4%	1.8	1.9	1.9	-8.4%	0.2%	
Employee social benefits	3.6	3.7	1.8	2.5	-11.1%	0.4%	1.8	1.9	1.9	-8.4%	0.2%	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	57.5	108.6	109.0	110.3	24.2%	12.3%	60.5	65.2	68.1	-14.8%	6.6%	
Accounting Standards Board	14.3	14.4	14.4	14.6	0.5%	1.8%	14.6	15.3	16.0	3.1%	1.3%	
Independent Regulatory Board for Auditors	43.2	44.2	44.6	45.7	1.9%	5.7%	45.9	49.9	52.2	4.5%	4.2%	
Auditor-General of South Africa	-	50.0	50.0	50.0	-	4.8%	-	-	-	-100.0%	1.1%	
Households												
Other transfers to households												
Current	1.1	0.6	1.3	-	-100.0%	0.1%	-	-	-	-	-	
Bursaries for non-employees	1.1	0.6	1.3	-	-100.0%	0.1%	-	-	-	-	-	

Personnel information

Table 8.15 Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level¹

Financial Accounting and Supply Chain Management Systems	Number of posts estimated for 31 March 2023		Number and cost ² of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/ Total (%)			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate										
			2021/22	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26											
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	269	43	261	208.0	0.8	267	218.3	0.8	284	232.6	0.8	273	237.7	0.9	279	248.1	0.9		
1 – 6	11	7	6	1.8	0.3	11	3.9	0.4	11	3.7	0.3	11	4.0	0.4	11	4.0	0.4	-	4.0%
7 – 10	119	35	117	59.6	0.5	121	65.4	0.5	124	66.7	0.5	118	67.3	0.6	119	69.3	0.6	-0.6%	43.7%
11 – 12	69	-	69	65.0	0.9	61	59.4	1.0	73	70.4	1.0	68	69.0	1.0	71	73.5	1.0	5.5%	24.8%
13 – 16	70	1	70	81.6	1.2	74	89.7	1.2	76	91.8	1.2	76	97.4	1.3	78	101.3	1.3	1.7%	27.5%

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

2. Rand million.

Programme 6: International Financial Relations

Programme purpose

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

Objectives

- Advance South Africa and Africa's economic interests by undertaking 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 in these institutions, as informed by government's secondment policy, on an ongoing basis.
- Promote regional economic integration in the Southern African Development Community (SADC) region and the Southern African Customs Union, and strengthen economic links within Africa by:
 - providing ongoing support to the committees of the SADC dealing with economic and financial protocols
 - providing ongoing support to the Southern African Customs Union to resolve regional challenges.

Subprogramme

- *Programme Management for International Financial Relations* supports the planning, monitoring and delivery of the programme's activities with the World Bank country office, the African Development Bank regional resource centre and the New Development Bank. This subprogramme 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 regional and international 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 Brazil-Russia-India-China-South Africa 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 aimed at bringing about support and integration between African states and institutions. This subprogramme facilitates the transfer of funds to Lesotho, Namibia and Eswatini for the Common Monetary Area compensation. In this agreement, South Africa compensates the member countries for the use of the rand within their borders. It also includes technical support provided to regional capacity-building institutions such as the Collaborative Budget Reform Initiative, the Infrastructure Consortium for Africa, the African Capacity Building Foundation, the African Institute for Economic Development and Planning, and the International Monetary Fund's 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 to pay for shares, and to the African Development Fund and the World Bank Group's International Development Association for the provision of concessional loans and grants to low-income countries. In line with South Africa's shareholding agreement, this subprogramme also facilitates capital transfers for the New Development Bank.
- *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 8.16 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2019/20	2020/21	2021/22		2022/23	2019/20 - 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2025/26
R million											
Programme Management for International Financial Relations	6.7	5.4	4.7	10.8	17.5%	0.1%	11.2	11.2	11.7	2.7%	0.4%
International Economic Cooperation	44.4	25.8	27.7	35.4	-7.2%	0.6%	55.6	71.4	74.9	28.3%	2.1%
African Integration and Support	981.5	766.6	1 569.2	1 619.0	18.2%	21.7%	1 408.6	1 738.7	1 816.6	3.9%	58.4%
International Development Funding Institutions	4 405.8	5 822.3	6 203.4	1 118.5	-36.7%	77.2%	1 092.8	1 030.7	1 076.4	-1.3%	38.3%
International Projects	20.4	20.5	21.5	23.0	4.2%	0.4%	23.1	24.2	25.2	3.1%	0.8%
Total	5 458.8	6 640.5	7 826.5	2 806.8	-19.9%	100.0%	2 591.3	2 876.1	3 004.9	2.3%	100.0%
Change to 2022 Budget estimate				169.0			1.0	1.0	-		
Economic classification											
Current payments	51.0	30.8	32.2	45.5	-3.7%	0.7%	66.2	81.6	85.6	23.5%	2.5%
Compensation of employees	31.6	29.1	30.5	29.8	-1.9%	0.5%	31.1	31.7	33.1	3.6%	1.1%
Goods and services	19.4	1.7	1.7	15.7	-6.8%	0.2%	35.1	49.9	52.6	49.5%	1.4%
<i>of which:</i>											
<i>Administrative fees</i>	0.4	0.0	0.1	0.5	4.6%	-	0.6	0.7	0.7	10.0%	-
<i>Bursaries: Employees</i>	0.1	0.2	0.2	0.5	63.4%	-	0.4	0.4	0.4	-4.3%	-
<i>Consultants: Business and advisory services</i>	0.7	0.7	-	0.8	6.4%	-	2.8	3.8	0.9	2.4%	0.1%
<i>Travel and subsistence</i>	9.1	0.1	0.9	10.8	6.0%	0.1%	12.6	12.3	12.8	5.9%	0.4%
<i>Operating payments</i>	0.4	0.5	0.4	0.4	4.3%	-	1.3	1.4	1.4	51.3%	-
<i>Venues and facilities</i>	8.6	-	-	1.6	-43.3%	-	16.6	30.6	35.5	182.7%	0.7%
Transfers and subsidies	1 134.2	922.1	1 744.2	1 801.4	16.7%	24.6%	1 607.4	1 943.5	2 030.6	4.1%	65.5%
Foreign governments and international organisations	1 134.2	922.0	1 744.2	1 801.4	16.7%	24.6%	1 607.4	1 943.5	2 030.6	4.1%	65.5%
Households	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.0	0.3	0.2	0.7	189.0%	-	0.7	1.0	1.0	11.4%	-
Machinery and equipment	0.0	0.3	0.2	0.7	189.0%	-	0.7	1.0	1.0	11.4%	-
Payments for financial assets	4 273.5	5 687.4	6 049.9	959.2	-39.2%	74.7%	917.1	850.1	887.7	-2.5%	32.0%
Total	5 458.8	6 640.5	7 826.5	2 806.8	-19.9%	100.0%	2 591.3	2 876.1	3 004.9	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	18.3%	19.5%	12.5%	8.3%	-	-	7.4%	8.7%	8.7%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Employee social benefits	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	1 001.9	787.1	1 605.3	1 623.1	17.4%	22.1%	1 431.7	1 762.9	1 841.9	4.3%	59.0%
Common Monetary Area compensation	976.9	763.0	1 565.7	1 579.9	17.4%	21.5%	1 403.3	1 733.3	1 811.0	4.7%	57.9%
Collaborative Africa Budget Reform Initiative	2.2	2.2	2.3	2.5	4.5%	-	2.4	2.6	2.7	2.8%	0.1%
Commonwealth Fund for Technical Cooperation	5.8	5.7	5.9	6.4	3.4%	0.1%	7.0	7.3	7.6	5.9%	0.3%
International Finance Facility for Immunisation	14.6	14.8	15.6	16.6	4.5%	0.3%	16.1	16.9	17.6	2.0%	0.6%
African Institute for Economic Development and Planning	1.2	1.3	1.1	1.3	2.4%	-	1.5	1.4	1.5	5.5%	0.1%
Regional Technical Assistance Centre for Southern Africa	1.2	0.1	-	1.4	3.8%	-	1.4	1.4	1.5	2.4%	-
New Development Bank Project Preparation Fund	-	-	14.6	15.0	-	0.1%	-	-	-	-100.0%	0.1%
Capital	132.3	134.9	138.9	178.3	10.5%	2.6%	175.7	180.6	188.7	1.9%	6.4%
African Development Fund	78.7	78.6	79.2	77.7	-0.4%	1.4%	109.4	114.3	119.4	15.4%	3.7%
World Bank Group	53.6	56.3	59.7	66.6	7.5%	1.0%	66.3	66.3	69.3	1.3%	2.4%
Financial Intermediary Fund	-	-	-	34.0	-	0.1%	-	-	-	-100.0%	0.3%

Personnel information

Table 8.17 International Financial Relations personnel numbers and cost by salary level¹

International Financial Relations	Number of posts estimated for 31 March 2023		Number and cost ² of personnel posts filled/planned for on funded establishment															Average growth rate (%)	Average: Salary level/ Total (%)
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate										
			2021/22			2022/23			2023/24			2024/25			2025/26				
Salary level			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
	32	2	30	30.5	1.0	30	32.4	1.1	30	31.1	1.0	29	31.7	1.1	31	33.1	1.1	1.3%	100.0%
1 – 6	2	2	1	0.3	0.3	2	0.6	0.3	3	0.9	0.3	4	1.3	0.3	5	1.7	0.3	35.7%	11.6%
7 – 10	10	–	9	5.3	0.6	8	5.0	0.6	9	5.4	0.6	7	4.2	0.6	8	4.8	0.6	-1.7%	26.0%
11 – 12	7	–	7	6.8	1.0	6	6.4	1.1	6	6.4	1.1	6	6.8	1.1	6	6.9	1.2	–	19.9%
13 – 16	13	–	13	18.1	1.4	14	20.3	1.5	12	18.3	1.5	12	19.4	1.6	12	19.7	1.6	-3.5%	42.5%

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

2. Rand million.

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

Programme purpose

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

Objectives

- Ensure the effective administration of pension, retirement and other policies on an ongoing basis by completing annual reviews and implementing recommendations in accordance with stakeholder agreements 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 receipt of a valid and correct claim
 - processing and paying injury-on-duty benefits to civil servants within 45 days of receipt of completed documentation
 - ensuring the accurate payment of military pensions within 45 days of receipt and medical accounts within 30 days of receipt of the claim with no backlog.

Subprogrammes

- *Government Pensions Administration Agency* provides administrative services, in accordance with the Temporary Employees 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 injured or disabled civil servants and former struggle veterans or, if they are deceased, their dependants in terms of various statutes, collective bargaining agreements and other commitments. All payments related to this subprogramme are administered by the *Government Pensions Administration Agency* 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 8.18 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average Expenditure/Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
R million											
Government Pensions Administration Agency	66.9	60.0	61.7	79.8	6.1%	1.1%	94.5	76.7	82.2	1.0%	1.1%
Civil Pensions and Contributions to Funds	4 437.9	4 749.3	5 766.3	6 685.4	14.6%	91.2%	6 699.5	7 020.9	7 331.4	3.1%	95.3%
Military Pensions and Other Benefits	982.3	379.5	214.9	246.9	-36.9%	7.7%	244.9	257.5	271.0	3.2%	3.5%
Total	5 487.1	5 188.8	6 042.8	7 012.1	8.5%	100.0%	7 039.0	7 355.1	7 684.6	3.1%	100.0%
Change to 2022 Budget estimate				-			-	-	-		
Economic classification											
Current payments	66.9	60.0	61.7	79.8	6.1%	1.1%	94.5	76.7	82.2	1.0%	1.1%
Goods and services	66.9	60.0	61.7	79.8	6.1%	1.1%	94.5	76.7	82.2	1.0%	1.1%
of which:											
Consultants: Business and advisory services	66.9	60.0	61.7	79.8	6.1%	1.1%	94.5	76.7	82.2	1.0%	1.1%
Transfers and subsidies	5 420.2	5 128.8	5 981.1	6 932.3	8.5%	98.9%	6 944.5	7 278.4	7 602.4	3.1%	98.9%
Foreign governments and international organisations	0.6	-	0.6	3.1	75.6%	-	1.0	1.2	3.4	3.1%	-
Households	5 419.7	5 128.8	5 980.5	6 929.2	8.5%	98.9%	6 943.5	7 277.2	7 599.0	3.1%	98.8%
Payments for financial assets	-	-	0.0	-	-	-	-	-	-	-	-
Total	5 487.1	5 188.8	6 042.8	7 012.1	8.5%	100.0%	7 039.0	7 355.1	7 684.6	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	18.4%	15.2%	9.7%	20.7%	-	-	20.2%	22.2%	22.2%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	5 419.6	5 128.7	5 980.5	6 929.1	8.5%	98.9%	6 943.4	7 277.2	7 599.0	3.1%	98.8%
Contribution to provident funds for associated institutions	0.3	0.2	0.3	0.3	4.7%	-	0.3	0.3	0.4	9.6%	-
Other benefits	118.8	30.0	120.6	119.3	0.1%	1.6%	115.8	121.0	126.4	1.9%	1.7%
Injury on duty	647.9	572.3	717.4	820.8	8.2%	11.6%	746.2	767.9	824.7	0.2%	10.9%
Post-retirement medical scheme	3 182.1	3 584.2	4 448.6	5 147.4	17.4%	68.9%	5 242.5	5 463.8	5 682.4	3.4%	74.0%
Special pensions	474.6	552.9	464.8	476.2	0.1%	8.3%	495.0	514.8	535.4	4.0%	6.9%
Political Office Bearers Pension Fund	-	-	-	27.7	-	0.1%	3.7	52.6	54.9	25.6%	0.5%
Pension benefits: President of South Africa	10.4	6.1	10.4	10.8	1.2%	0.2%	15.1	15.7	16.4	15.0%	0.2%
Military pensions: Ex-service personnel	1.0	0.3	0.6	1.4	12.1%	-	1.8	2.2	3.0	27.4%	-
South African citizen force	193.9	268.2	201.3	228.1	5.6%	3.8%	228.9	239.2	249.9	3.1%	3.3%
Other benefits: Ex-service personnel	8.7	8.6	12.9	17.4	25.8%	0.2%	14.2	16.1	18.1	1.3%	0.2%
Non-statutory forces	778.6	102.4	-	-	-100.0%	3.7%	-	-	-	-	-
Post-retirement medical scheme: Parliamentary staff	3.2	3.5	3.6	3.7	4.9%	0.1%	3.7	3.9	4.0	3.1%	0.1%
Early retirement costs: Government Pensions Administration Agency	-	-	-	76.0	-	0.3%	76.3	79.7	83.3	3.1%	1.1%
Foreign governments and international organisations											
Current	0.6	-	0.6	3.1	75.6%	-	1.0	1.2	3.4	3.1%	-
United Kingdom tax	0.6	-	0.6	3.1	75.6%	-	1.0	1.2	3.4	3.1%	-

Programme 8: Revenue Administration

Programme purpose

Ensure the efficient transfer of funds to the South African Revenue Service for the administration of an efficient tax system and for the provision of tax education to the public. Ensure maximum compliance with tax and customs legislation, maximise revenue collection and facilitate trade.

Objective

- Ensure the monthly transfer of funds to the South African Revenue Service for the administration of an effective tax system, the provision of tax education to the public, and maximum compliance with tax and customs legislation; maximise revenue collection.

Subprogrammes

- *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 8.19 Revenue Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
South African Revenue Service	9 529.0	10 271.9	11 295.2	11 527.8	6.6%	100.0%	12 157.6	11 636.2	12 135.1	1.7%	100.0%
Total	9 529.0	10 271.9	11 295.2	11 527.8	6.6%	100.0%	12 157.6	11 636.2	12 135.1	1.7%	100.0%
Change to 2022 Budget estimate				-			500.0	500.0	-		
Economic classification											
Transfers and subsidies	9 529.0	10 271.9	11 295.2	11 527.8	6.6%	100.0%	12 157.6	11 636.2	12 135.1	1.7%	100.0%
Departmental agencies and accounts	9 529.0	10 271.9	11 295.2	11 527.8	6.6%	100.0%	12 157.6	11 636.2	12 135.1	1.7%	100.0%
Total	9 529.0	10 271.9	11 295.2	11 527.8	6.6%	100.0%	12 157.6	11 636.2	12 135.1	1.7%	100.0%
Proportion of total programme expenditure to vote expenditure	32.0%	30.1%	18.1%	34.1%	-	-	34.8%	35.1%	35.0%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7 854.9	8 015.3	10 198.9	10 977.8	11.8%	86.9%	11 657.6	11 136.2	11 635.1	2.0%	95.7%
South African Revenue Service:	7 814.6	7 972.7	10 154.1	10 931.3	11.8%	86.5%	11 606.4	11 082.7	11 579.2	1.9%	95.2%
Operations											
South African Revenue Service: Office of the Tax Ombud	40.3	42.5	44.9	46.5	4.9%	0.4%	51.2	53.5	55.9	6.3%	0.4%
Capital	1 674.1	2 256.6	1 096.3	550.0	-31.0%	13.1%	500.0	500.0	500.0	-3.1%	4.3%
South African Revenue Service: Machinery and equipment	1 674.1	2 256.6	1 096.3	550.0	-31.0%	13.1%	500.0	500.0	500.0	-3.1%	4.3%

Programme 9: Financial Intelligence and State Security

Programme purpose

Ensure the efficient transfer of funds to the Financial Intelligence Centre and State Security Agency to enhance the state's ability to combat financial crime, including money laundering and terror financing activities. Gather intelligence for the purposes of national security, defence and combating crime.

Objective

- Ensure the monthly transfer of funds to the Financial Intelligence Centre and State Security Agency to enhance the state's ability to combat financial crime, including money laundering and terror financing activities, and gather intelligence for the purposes of national security, defence and combating crime.

Subprogrammes

- *Financial Intelligence Centre* facilitates transfer payments 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 transfer payments to the South African Secret Services, 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 8.20 Financial Intelligence and State Security 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 (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R million											
Financial Intelligence Centre	294.3	296.7	297.3	316.8	2.5%	5.9%	385.7	421.0	463.9	13.6%	7.0%
Secret Services	4 656.7	4 646.1	4 702.3	5 078.7	2.9%	94.1%	5 158.7	5 383.1	5 622.0	3.4%	93.0%
Total	4 951.1	4 942.9	4 999.5	5 395.5	2.9%	100.0%	5 544.5	5 804.0	6 085.8	4.1%	100.0%
Change to 2022 Budget estimate				-			142.3	160.1	-		
Economic classification											
Transfers and subsidies	4 951.1	4 942.9	4 999.5	5 395.5	2.9%	100.0%	5 544.5	5 804.0	6 085.8	4.1%	100.0%
Departmental agencies and accounts	4 951.1	4 942.9	4 999.5	5 395.5	2.9%	100.0%	5 544.5	5 804.0	6 085.8	4.1%	100.0%
Total	4 951.1	4 942.9	4 999.5	5 395.5	2.9%	100.0%	5 544.5	5 804.0	6 085.8	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	16.6%	14.5%	8.0%	15.9%	-	-	15.9%	17.5%	17.6%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4 630.6	4 605.3	4 646.7	4 994.2	2.6%	93.0%	5 159.2	5 401.5	5 665.2	4.3%	92.9%
Financial Intelligence Centre: Operations	277.3	278.8	279.1	292.3	1.8%	5.6%	366.4	400.7	442.7	14.8%	6.6%
Secret Services: Operations	4 353.3	4 326.6	4 367.6	4 701.9	2.6%	87.5%	4 792.9	5 000.7	5 222.5	3.6%	86.4%
Capital	320.5	337.6	352.9	401.3	7.8%	7.0%	385.3	402.6	420.6	1.6%	7.1%
Financial Intelligence Centre: Machinery and equipment	17.0	18.0	18.2	24.6	13.0%	0.4%	19.4	20.2	21.2	-4.9%	0.4%
Secret Services: Machinery and equipment	303.4	319.6	334.7	376.8	7.5%	6.6%	365.9	382.3	399.5	2.0%	6.7%

Entities

Accounting Standards Board

Selected performance indicators

Table 8.21 Accounting Standards Board performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of Accounting Forum meetings hosted on generally recognised accounting practice standard application issues per year	Administration	Priority 3: Education, skills and health	8	8	8	8	8	8	8
Number of articles per year to raise awareness on any new developments in relation to accounting practice standards among stakeholders	Administration	Priority 1: A capable, ethical and developmental state	5	5	4	4	4	4	4
Number of international board meetings attended per year	Administration	Priority 7: A better Africa and world	4	4	4	4	4	4	4

Entity overview

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

In line with its mandate, the board will implement its Taking Stock programme, which involves a mix of projects to ensure that stakeholders are not overburdened with too many new or revised reporting requirements. Over

the next 3 years, a major focus of the board will be on developing and implementing standards of generally recognised accounting practices using the information contained in the annual financial statements of its stakeholders, and ensuring these are in line with best practice.

Expenditure is expected to increase at an average annual rate of 3.1 per cent, from R14.7 million in 2022/23 to R16.1 million in 2025/26. Compensation of employees of the board's 7 employees account for an estimated 72.6 per cent (R33.3 million) of its expenditure over the period ahead, increasing from R10.9 million in 2022/23 to R11.7 million in 2025/26 at an average annual rate of 2.4 per cent. Expenditure on goods and services, the second-largest spending item, is expected to increase at an average annual rate of 5.5 per cent, from R3.7 million in 2022/23 to R4.3 million in 2025/26, due to the anticipated appointment of a consultant to assist with standard-setting activities for the Taking Stock programme. Revenue, which is derived mainly through transfers from the department, is expected to increase in line with expenditure.

Programmes/Objectives/Activities

Table 8.22 Accounting Standards Board expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/ Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Administration	14.5	11.7	13.5	14.7	0.3%	100.0%	14.8	15.4	16.1	3.1%	100.0%
Total	14.5	11.7	13.5	14.7	0.3%	100.0%	14.8	15.4	16.1	3.1%	100.0%

Statements of financial performance, cash flow and financial position

Table 8.23 Accounting Standards Board statements of financial performance, cash flow and financial position

Statement of financial performance											
R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/ Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Revenue											
Non-tax revenue	0.2	0.2	0.2	0.1	-26.2%	1.4%	0.1	0.1	0.1	9.1%	0.8%
Other non-tax revenue	0.2	0.2	0.2	0.1	-26.2%	1.4%	0.1	0.1	0.1	9.1%	0.8%
Transfers received	14.3	11.6	13.2	14.6	0.5%	98.6%	14.6	15.3	16.0	3.1%	99.2%
Total revenue	14.6	11.8	13.4	14.7	0.2%	100.0%	14.8	15.4	16.1	3.1%	100.0%
Expenses											
Current expenses	14.5	11.7	13.5	14.7	0.3%	100.0%	14.8	15.4	16.1	3.1%	100.0%
Compensation of employees	11.3	9.6	10.5	10.9	-1.3%	77.8%	10.5	11.1	11.7	2.4%	72.6%
Goods and services	3.1	2.1	2.9	3.7	5.9%	21.5%	4.2	4.3	4.3	5.5%	27.0%
Depreciation	0.1	0.1	0.1	0.1	-5.7%	0.7%	0.1	0.1	0.0	-14.4%	0.4%
Total expenses	14.5	11.7	13.5	14.7	0.3%	100.0%	14.8	15.4	16.1	3.1%	100.0%
Surplus/(Deficit)	-	-	(0.2)	-	-	-	-	-	-	-	-
Cash flow statement											
Cash flow from operating activities	(1.4)	2.2	(1.8)	(0.0)	-75.2%	100.0%	(0.1)	(0.1)	(0.1)	54.4%	100.0%
Receipts											
Transfers received	14.3	14.4	14.4	14.6	0.5%	99.9%	14.6	15.3	16.0	3.1%	100.0%
Financial transactions in assets and liabilities	0.0	0.0	0.0	-	-100.0%	0.1%	-	-	-	-	-
Total receipts	14.4	14.4	14.4	14.6	0.5%	100.0%	14.6	15.3	16.0	3.1%	100.0%
Payment											
Current payments	15.8	12.2	13.5	14.6	-2.6%	95.9%	14.7	15.4	16.0	3.2%	100.0%
Compensation of employees	13.0	9.9	10.8	11.5	-4.0%	77.2%	10.5	11.1	11.7	0.6%	73.9%
Goods and services	2.8	2.3	2.7	3.1	3.4%	18.7%	4.2	4.3	4.3	12.0%	26.1%
Transfers and subsidies	-	-	2.7	-	-	4.1%	-	-	-	-	-
Total payments	15.8	12.2	16.1	14.6	-2.6%	100.0%	14.7	15.4	16.0	3.2%	100.0%
Net cash flow from investing activities	0.2	0.0	0.1	0.2	3.1%	100.0%	0.1	(0.0)	0.1	-8.6%	100.0%
Acquisition of property, plant, equipment and intangible assets	(0.1)	(0.1)	(0.1)	-	-100.0%	-114.9%	-	(0.1)	-	-	350.0%
Proceeds from the sale of property, plant, equipment and intangible assets	0.0	-	0.0	-	-100.0%	4.1%	-	-	-	-	-
Other flows from investing activities	0.2	0.2	0.2	0.2	-10.4%	210.8%	0.1	0.1	0.1	-8.6%	-250.0%
Net increase/(decrease) in cash and cash equivalents	(1.3)	2.3	(1.6)	0.1	-148.7%	-0.1%	0.1	(0.1)	0.0	-30.8%	0.3%

Table 8.23 Accounting Standards Board statements of financial performance, cash flow and financial position (continued)

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25			2025/26
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25			2025/26
R million												
Carrying value of assets	0.3	0.4	0.2	0.2	-22.4%	16.3%	0.3	0.2	0.2	11.2%	32.8%	
of which:												
Acquisition of assets	(0.1)	(0.1)	(0.1)	-	-100.0%	-	-	(0.1)	-	-	-	
Receivables and prepayments	0.1	0.2	-	-	-100.0%	1.9%	-	-	-	-	-	
Cash and cash equivalents	1.3	3.6	1.9	0.4	-30.6%	81.8%	0.4	0.4	0.4	1.5%	67.2%	
Total assets	1.7	4.1	2.1	0.6	-29.5%	100.0%	0.7	0.7	0.7	4.3%	100.0%	
Accumulated surplus/(deficit)	0.3	0.4	0.2	0.1	-32.5%	14.0%	0.2	0.2	0.2	15.8%	24.2%	
Capital reserve fund	-	2.8	1.4	-	-	33.7%	-	-	-	-	-	
Trade and other payables	0.4	0.3	0.2	0.1	-31.5%	16.4%	0.1	0.1	0.1	1.4%	21.7%	
Provisions	0.9	0.6	0.4	0.3	-27.5%	35.9%	0.4	0.4	0.4	1.4%	54.1%	
Total equity and liabilities	1.7	4.1	2.1	0.6	-29.5%	100.0%	0.7	0.7	0.7	4.3%	100.0%	

Personnel information

Table 8.24 Accounting Standards Board personnel numbers and cost by salary level

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment											Average growth rate of personnel posts (%)	Average Salary level/ Total (%)						
Number of approved funded posts	Number of posts on establishment	Actual		Revised estimate			Medium-term expenditure estimate													
		2021/22		2022/23			2023/24		2024/25		2025/26	2022/23 - 2025/26								
Accounting Standards Board	Salary level	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
	7	7	7	10.5	1.5	7	10.9	1.6	7	10.5	1.5	7	11.1	1.6	7	11.7	1.7	-	100.0%	
	7 – 10	1	1	1	0.4	0.4	1	0.4	0.4	1	0.4	0.4	1	0.4	0.4	1	0.5	0.5	-	14.3%
	11 – 12	1	1	1	0.9	0.9	1	0.9	0.9	1	1.0	1.0	1	1.0	1.0	1	1.1	1.1	-	14.3%
	13 – 16	3	3	3	4.2	1.4	3	4.6	1.5	4	6.4	1.6	4	6.7	1.7	4	7.0	1.7	10.1%	53.6%
	17 – 22	2	2	2	5.1	2.5	2	5.0	2.5	1	2.8	2.8	1	3.0	3.0	1	3.2	3.2	-20.6%	17.9%

1. Rand million.

Cooperative Banks Development Agency

Selected performance indicators

Table 8.25 Cooperative Banks Development Agency performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of outreach and education activities conducted on cooperative financial institution models for groups and institutions per year	Administration	Priority 2: Economic transformation and job creation	5	26	33	12	10	10	12
Number of cooperative financial institutions provided with direct technical assistance per year	Capacity building and information		39	66	72	64	64	64	64

Entity overview

The Cooperative Banks Development Agency was established in terms of the Cooperative Banks Act (2007). The agency is mandated to facilitate, support and develop cooperative banking with the strategic focus of driving growth and sustainability in the cooperative banking sector, and contributing to a transformed financial services sector in terms of ownership and meaningful participation in the mainstream banking sector. The agency also promotes access to finance for SMMEs and the financial inclusion of underserved communities through the provision of retail banking services.

Over the medium term, the agency will focus on expanding the footprint of sustainable, professionalised, modernised and technology-enabled cooperative banking institutions, thereby increasing the sector's membership base, member deposits and assets. This plan includes collaboration and partnerships with

stakeholders to assist in developing institutions, strengthening organisations, enhancing operational efficiency through innovative technology interventions and solutions, and expanding the footprint of sustainable cooperative banking institutions through a holistic support programme. The agency will also work towards merging with the Small Enterprise Development Agency and the Small Enterprise Finance Agency over the MTEF period. The aim of the merger is to address the fragmentation and poor coordination of support provided to SMMEs and cooperatives at the local and provincial levels of government.

Expenditure is expected to decrease at an average annual rate of 0.5 per cent, from R27.1 million in 2022/23 to R26.7 million in 2025/26. This is due to a projected decrease in spending on goods and services owing to a reduction in operational activities in anticipation of the merger. Spending on the compensation of 18 employees is the agency's main cost driver, increasing at an average rate of 3.2 per cent, from R13.9 million in 2022/23 to R15.3 million in 2025/26. Revenue, which is expected to decrease in line with expenditure, is derived mainly through transfers from the department.

Programmes/Objectives/Activities

Table 8.26 Cooperative Banks Development Agency expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2019/20	2020/21	2021/22		2019/20 - 2022/23	Average: Expenditure/ Total (%)	2023/24	2024/25	2025/26	2022/23 - 2025/26	Average: Expenditure/ Total (%)
Administration	11.1	13.8	11.4	16.9	14.9%	57.6%	14.1	14.2	13.4	-7.4%	56.4%
Capacity building and information	7.6	7.5	7.6	10.2	10.5%	35.7%	10.5	11.3	13.3	9.0%	43.6%
Central support services	6.9	–	–	–	-100.0%	6.7%	–	–	–	–	–
Total	25.6	21.3	19.0	27.1	2.0%	100.0%	24.6	25.6	26.7	-0.5%	100.0%

Statements of financial performance, cash flow and financial position

Table 8.27 Cooperative Banks Development Agency statements of financial performance, cash flow and financial position

Statement of financial performance											
R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2019/20	2020/21	2021/22		2019/20 - 2022/23	Average: Expenditure/ Total (%)	2023/24	2024/25	2025/26	2022/23 - 2025/26	Average: Expenditure/ Total (%)
Revenue											
Non-tax revenue	7.7	8.6	5.8	6.3	-6.3%	25.4%	3.7	3.7	3.9	-14.9%	16.8%
Sale of goods and services other than capital assets	0.0	0.0	–	0.0	–	–	0.0	–	–	-100.0%	–
Other sales	0.0	0.0	–	0.0	–	–	0.0	–	–	-100.0%	–
Other non-tax revenue	7.7	8.6	5.8	6.3	-6.3%	25.4%	3.7	3.7	3.9	-14.9%	16.8%
Transfers received	21.1	20.5	20.4	20.8	-0.5%	74.6%	20.9	21.9	22.8	3.1%	83.2%
Total revenue	28.8	29.1	26.2	27.1	-2.0%	100.0%	24.6	25.6	26.7	-0.5%	100.0%
Expenses											
Current expenses	25.6	21.3	19.0	27.1	2.0%	100.0%	24.6	25.6	26.7	-0.5%	100.0%
Compensation of employees	12.0	12.3	10.3	13.9	5.1%	52.6%	13.9	14.9	15.3	3.2%	55.9%
Goods and services	13.3	8.8	8.4	12.9	-1.1%	46.3%	10.5	10.5	11.2	-4.5%	43.4%
Depreciation	0.3	0.2	0.3	0.3	6.1%	1.1%	0.2	0.2	0.2	-19.1%	0.7%
Total expenses	25.6	21.3	19.0	27.1	2.0%	100.0%	24.6	25.6	26.7	-0.5%	100.0%
Surplus/(Deficit)	3.2	7.8	7.2	–	-100.0%		–	–	–	–	
Cash flow statement											
Cash flow from operating activities	4.6	7.3	0.6	(3.0)	-186.4%	100.0%	(1.4)	(1.5)	(1.5)	-20.5%	100.0%
Receipts											
Non-tax receipts	1.0	0.6	0.7	0.3	-32.8%	2.9%	0.1	0.1	0.2	-19.5%	0.8%
Sales of goods and services other than capital assets	0.1	0.0	0.0	0.0	-75.1%	0.2%	0.0	–	–	-100.0%	–
Other sales	0.1	–	–	–	-100.0%	0.1%	–	–	–	–	–
Other tax receipts	0.8	0.6	0.7	0.3	-29.7%	2.7%	0.1	0.1	0.2	-19.4%	0.8%
Transfers received	23.8	21.5	20.8	20.8	-4.4%	97.1%	20.9	21.9	22.8	3.1%	99.2%
Total receipts	24.8	22.1	21.6	21.1	-5.2%	100.0%	21.1	22.0	23.0	2.9%	100.0%
Payment											
Current payments	20.2	14.8	20.9	20.1	-0.1%	95.9%	22.5	23.4	24.5	6.8%	95.9%
Compensation of employees	12.0	11.9	10.3	14.0	5.1%	61.8%	13.9	14.9	15.3	3.1%	61.5%
Goods and services	8.1	2.9	10.6	6.2	-8.9%	34.0%	8.6	8.5	9.2	14.2%	34.4%
Transfers and subsidies	–	–	–	4.0	–	4.1%	–	–	–	-100.0%	4.1%
Total payments	20.2	14.8	20.9	24.1	6.2%	100.0%	22.5	23.4	24.5	0.5%	100.0%

Table 8.27 Cooperative Banks Development Agency statements of financial performance, cash flow and financial position (continued)

Statement of financial performance											
R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/ Total (%) 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Net cash flow from investing activities	(0.1)	(0.8)	0.0	(0.1)	-3.4%	100.0%	-	-	-	-100.0%	-
Acquisition of property, plant, equipment and intangible assets	(0.0)	(0.7)	-	(0.0)	32.1%	32.9%	-	-	-	-100.0%	-
Acquisition of software and other intangible assets	(0.1)	(0.0)	(0.0)	(0.1)	-8.6%	22.2%	-	-	-	-100.0%	-
Proceeds from the sale of property, plant, equipment and intangible assets	-	0.0	0.0	-	-	44.9%	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	4.5	6.5	0.6	(3.1)	-188.6%	10.0%	(1.4)	(1.5)	(1.5)	-21.6%	-7.1%
Statement of financial position											
Carrying value of assets	0.1	0.7	0.4	0.7	70.2%	4.0%	0.6	0.4	0.3	-28.3%	9.7%
<i>of which:</i>											
Acquisition of assets	(0.0)	(0.7)	-	(0.0)	32.1%	-	-	-	-	-100.0%	-
Receivables and prepayments	0.0	0.0	0.0	0.0	-31.4%	0.1%	0.0	0.0	0.0	-6.5%	0.2%
Cash and cash equivalents	14.5	21.0	21.6	6.5	-23.4%	95.9%	4.3	3.7	3.5	-18.6%	90.0%
Total assets	14.6	21.7	22.1	7.2	-20.9%	100.0%	4.9	4.1	3.8	-19.5%	100.0%
Accumulated surplus/(deficit)	2.5	8.5	7.8	0.9	-27.6%	26.1%	0.6	0.3	0.8	-4.4%	13.1%
Capital and reserves	2.1	2.2	2.3	2.3	3.3%	16.8%	2.4	2.5	2.5	2.3%	52.0%
Capital reserve fund	8.5	9.5	10.0	3.0	-29.5%	47.3%	1.0	0.5	-	-100.0%	18.5%
Trade and other payables	1.2	0.6	1.1	0.4	-30.2%	5.3%	0.4	0.3	0.3	-14.5%	7.0%
Provisions	0.3	0.9	0.9	0.6	21.8%	4.6%	0.5	0.6	0.2	-28.9%	9.4%
Total equity and liabilities	14.6	21.7	22.1	7.2	-20.9%	100.0%	4.9	4.1	3.8	-19.5%	100.0%

Personnel information

Table 8.28 Cooperative Banks Development Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment										Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)						
Number of approved funded posts	Number of posts on establishment	Actual		Revised estimate			Medium-term expenditure estimate												
		2021/22		2022/23			2023/24		2024/25		2025/26		2022/23 - 2025/26						
Cooperative Banks Development Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	18	18	17	10.3	0.6	15	13.9	0.9	18	13.9	0.8	18	14.9	0.8	18	15.3	0.9	6.3%	100.0%
7 - 10	8	8	8	2.7	0.3	8	4.0	0.5	8	3.4	0.4	8	3.6	0.4	8	3.7	0.5	-	46.7%
11 - 12	7	7	6	4.2	0.7	4	5.2	1.3	7	6.9	1.0	7	7.4	1.1	7	7.6	1.1	20.5%	35.8%
13 - 16	3	3	3	3.3	1.1	3	4.7	1.6	3	3.6	1.2	3	3.9	1.3	3	4.0	1.3	-	17.5%

1. Rand million.

Development Bank of Southern Africa

Selected performance indicators

Table 8.29 Development Bank of Southern Africa performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Cost-to-income ratio (bank-wide) per year	Administration	Priority 2: Economic transformation and job creation	27%	25%	23.7%	35%	31.6%	30.5%	30.2%
Value of disbursements to infrastructure-related projects per year	Development finance		R15.4bn	R13.5bn	R12.9bn	R13.5bn	R14bn	R14.5bn	R15bn

Entity overview

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 the development of human resources and institutional capacity by mobilising financial and other resources from national and international private and public sector

partners for sustainable development projects and programmes in South Africa and other Southern African countries.

Over the medium term, the bank aims to create a sustainable infrastructure development ecosystem while accelerating and scaling up its development and implementation of catalytic infrastructure, which will entail driving investments in sectors such as energy, transport and logistics, water and sanitation, ICT, health, human settlements and education. For example, in the energy sector, the bank will intensify activities around the Just Transition framework, which seeks to address the strategic positioning of the bank as a responsible investor, in line with nationally determined contributions and South Africa's commitments to decarbonisation. This includes supporting and financing the implementation of the independent power producer programme. For purposes of scaling up the development and implementation of catalytic infrastructure over the MTEF period, the bank plans to disburse R15 billion by 2025/26.

Interest payments account for a projected 53.2 per cent (13.6 billion) of the bank's total spending over the period ahead. Expenditure is expected to increase at an average annual rate of 5.7 per cent, from R7.3 billion in 2022/23 to R8.6 billion in 2025/26, driven mainly by the high level of expected disbursements over the MTEF period. The bank derives revenue mainly from interest and fees from investments. Revenue is expected to increase at an average annual rate of 9.1 per cent, from R9.3 billion in 2022/23 to R12.1 billion in 2025/26.

Programmes/Objectives/Activities

Table 8.30 Development Bank of Southern Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/ Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Administration	1 145.3	865.4	970.1	1 395.7	6.8%	15.5%	1 653.3	1 648.9	1 736.8	7.6%	20.0%
Development finance	7 934.4	5 228.9	4 711.2	5 632.1	-10.8%	81.6%	6 152.7	6 269.5	6 557.2	5.2%	76.8%
Non-financing development activities	189.5	190.2	195.0	234.6	7.4%	2.9%	246.1	262.0	279.5	6.0%	3.2%
Total	9 269.1	6 284.5	5 876.3	7 262.4	-7.8%	100.0%	8 052.1	8 180.5	8 573.6	5.7%	100.0%

Statements of financial performance, cash flow and financial position

Table 8.31 Development Bank of Southern Africa statements of financial performance, cash flow and financial position

Statement of financial performance											
R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/ Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Revenue											
Non-tax revenue	9 772.9	7 667.2	9 467.6	9 044.9	-2.5%	98.5%	10 846.0	11 481.9	12 108.6	10.2%	98.8%
Sale of goods and services other than capital assets	255.5	187.9	279.8	261.6	0.8%	2.7%	313.2	340.2	383.0	13.5%	2.9%
Other non-tax revenue	9 517.4	7 479.3	9 187.8	8 783.3	-2.6%	95.8%	10 532.8	11 141.7	11 725.6	10.1%	95.8%
Transfers received	0.2	40.0	233.8	289.4	1 143.5%	1.5%	198.8	-	-	-100.0%	1.2%
Total revenue	9 773.1	7 707.2	9 701.4	9 334.4	-1.5%	100.0%	11 044.8	11 481.9	12 108.6	9.1%	100.0%
Expenses											
Current expenses	9 151.8	6 096.0	5 494.9	6 628.4	-10.2%	95.1%	7 607.2	7 868.7	8 259.1	7.6%	94.6%
Compensation of employees	739.0	821.3	849.1	1 012.2	11.1%	12.4%	1 058.3	1 133.7	1 214.6	6.3%	13.8%
Goods and services	4 520.6	1 792.9	1 423.6	2 026.9	-23.5%	32.4%	2 078.4	2 207.7	2 369.0	5.3%	27.1%
Depreciation	29.3	32.3	36.7	39.0	10.0%	0.5%	39.0	39.4	39.8	0.6%	0.5%
Interest, dividends and rent on land	3 862.8	3 449.5	3 185.5	3 550.2	-2.8%	49.9%	4 431.5	4 487.8	4 635.8	9.3%	53.2%
Transfers and subsidies	117.4	188.6	381.4	634.0	75.5%	4.9%	444.8	311.8	314.5	-20.8%	5.4%
Total expenses	9 269.1	6 284.5	5 876.3	7 262.4	-7.8%	100.0%	8 052.1	8 180.5	8 573.6	5.7%	100.0%
Surplus/(Deficit)	503.9	1 422.6	3 825.2	2 072.0	60.2%		2 992.7	3 301.4	3 535.0	19.5%	

Table 8.31 Development Bank of Southern Africa statements of financial performance, cash flow and financial position (continued)

Statement of financial performance				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome			2022/23				2019/20 - 2022/23	2023/24	2024/25		
R million	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2022/23 - 2025/26	
Statement of financial performance											
Cash flow statement											
Cash flow from operating activities	3 681.3	3 813.5	4 362.8	3 916.4	2.1%	100.0%	4 991.0	5 396.2	5 751.1	13.7%	100.0%
Receipts											
Non-tax receipts	8 481.5	8 655.6	8 224.2	8 863.8	1.5%	98.6%	10 948.8	11 579.8	12 200.5	11.2%	99.2%
Sales of goods and services other than capital assets	255.5	187.9	279.8	261.6	0.8%	2.8%	313.2	340.2	383.0	13.5%	2.9%
Other tax receipts	8 226.0	8 467.7	7 944.4	8 602.1	1.5%	95.7%	10 635.5	11 239.6	11 817.5	11.2%	96.2%
Transfers received	–	–	233.8	150.4	–	1.1%	55.4	–	–	-100.0%	0.5%
Financial transactions in assets and liabilities	30.8	26.6	23.4	27.5	-3.7%	0.3%	29.0	30.5	31.9	5.0%	0.3%
Total receipts	8 512.3	8 682.2	8 481.4	9 041.7	2.0%	100.0%	11 033.2	11 610.2	12 232.3	10.6%	100.0%
Payment											
Current payments	4 831.1	4 230.9	4 017.9	5 125.3	2.0%	96.1%	6 042.2	6 214.0	6 481.2	8.1%	100.0%
Compensation of employees	737.3	821.3	849.1	1 012.2	11.1%	18.1%	1 058.3	1 133.7	1 214.6	6.3%	18.6%
Goods and services	569.3	300.5	418.4	562.8	-0.4%	9.8%	607.8	592.4	630.9	3.9%	10.1%
Interest and rent on land	3 524.5	3 109.0	2 750.4	3 550.2	0.2%	68.2%	4 376.1	4 487.8	4 635.8	9.3%	71.4%
Payments for financial assets	–	637.8	100.7	–	–	3.9%	–	–	–	–	–
Total payments	4 831.1	4 868.7	4 118.6	5 125.3	2.0%	100.0%	6 042.2	6 214.0	6 481.2	8.1%	100.0%
Net cash flow from advancing activities (financial institutions only)	(9 016.6)	(1 977.4)	(1 744.5)	(6 201.5)	-11.7%	100.0%	(6 602.5)	(5 017.0)	(4 465.4)	-10.4%	100.0%
Disbursements and other payments	(15 772.0)	(13 678.0)	(13 245.3)	(13 807.8)	-4.3%	462.1%	(14 386.1)	(14 874.6)	(15 416.5)	3.7%	270.6%
Repayments and other receipts	6 755.4	11 700.6	11 500.9	7 606.3	4.0%	-362.1%	7 783.6	9 857.5	10 951.1	12.9%	-170.6%
Net cash flow from investing activities	32.6	1 331.4	(21.5)	(128.2)	-257.8%	100.0%	(128.3)	(178.9)	(229.8)	21.5%	100.0%
Acquisition of property, plant, equipment and intangible assets	(7.7)	(10.7)	(51.1)	(127.4)	154.4%	78.0%	(127.4)	(169.5)	(211.9)	18.5%	96.4%
Acquisition of software and other intangible assets	(8.6)	(12.3)	(9.1)	(22.6)	37.9%	8.1%	(22.6)	(30.1)	(37.6)	18.5%	17.1%
Proceeds from the sale of property, plant, equipment and intangible assets	2.6	0.3	–	–	-100.0%	2.0%	–	–	–	–	–
Other flows from investing activities	46.4	1 354.1	38.6	21.9	-22.2%	11.9%	21.8	20.7	19.7	-3.4%	-13.6%
Net cash flow from financing activities	5 838.7	2 352.4	(3 585.3)	(604.7)	-147.0%	100.0%	(184.0)	(64.1)	(947.0)	16.1%	100.0%
Borrowing activities	(19 520.1)	(21 187.3)	(13 338.5)	(16 018.0)	-6.4%	446.5%	(9 006.8)	(12 597.3)	(10 085.9)	-14.3%	7 064.5%
Other flows from financing activities	25 358.8	23 539.7	9 753.2	15 413.3	-15.3%	-346.5%	8 822.7	12 533.2	9 139.0	-16.0%	-6 964.5%
Net increase/(decrease) in cash and cash equivalents	536.0	5 519.8	(988.5)	(3 018.0)	-277.9%	8.8%	(1 923.8)	136.2	108.9	-133.0%	-15.6%
Statement of financial position											
Carrying value of assets of which:	497.7	487.3	508.3	628.8	8.1%	0.5%	689.9	850.1	1 059.9	19.0%	0.7%
Acquisition of assets	(7.7)	(10.7)	(51.1)	(127.4)	154.4%	100.0%	(127.4)	(169.5)	(211.9)	18.5%	100.0%
Investments	8 629.5	6 256.0	5 922.1	5 463.1	-14.1%	6.5%	4 874.2	3 974.1	3 233.7	-16.0%	4.0%
Loans	87 551.0	84 029.5	85 348.3	91 467.2	1.5%	86.1%	95 935.0	100 188.0	103 469.1	4.2%	89.3%
Receivables and prepayments	328.1	296.4	259.3	293.9	-3.6%	0.3%	370.9	389.4	408.9	11.6%	0.3%
Cash and cash equivalents	3 458.8	8 978.6	7 990.1	6 025.4	20.3%	6.6%	6 075.6	6 211.9	6 320.8	1.6%	5.6%
Total assets	100 465.1	100 047.7	100 028.0	103 878.4	1.1%	100.0%	107 945.7	111 613.5	114 492.3	3.3%	100.0%
Accumulated surplus/(deficit)	23 005.3	24 366.3	28 881.7	29 629.7	8.8%	26.2%	35 660.0	38 961.3	42 496.4	12.8%	33.4%
Capital and reserves	2 680.0	2 891.9	2 137.0	2 779.6	1.2%	2.6%	2 098.5	2 098.5	2 098.5	-8.9%	2.1%
Capital reserve fund	11 892.3	11 892.3	11 892.3	11 892.3	–	11.8%	11 892.3	11 892.3	11 892.3	–	10.9%
Borrowings	61 918.5	59 492.1	55 570.3	57 925.9	-2.2%	58.1%	55 263.1	55 460.1	54 643.2	-1.9%	51.1%
Deferred income	–	503.1	515.7	595.2	–	0.4%	601.7	682.9	752.6	8.1%	0.6%
Trade and other payables	696.3	740.0	890.7	912.0	9.4%	0.8%	2 099.3	2 175.6	2 254.2	35.2%	1.7%
Provisions	272.7	162.1	140.3	143.7	-19.2%	0.2%	330.7	342.7	355.1	35.2%	0.3%
Total equity and liabilities	100 465.1	100 047.7	100 028.0	103 878.4	1.1%	100.0%	107 945.7	111 613.5	114 492.3	3.3%	100.0%

Personnel information

Table 8.32 Development Bank of Southern Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2023			Number and cost ¹ of personnel posts filled/planned for on funded establishment															Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)
Number of funded posts	Number of approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									2022/23 - 2025/26	
			2021/22		2022/23		2023/24			2024/25			2025/26						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Development Bank of Southern Africa	676	676	602	849.1	1.4	676	1 012.2	1.5	676	1 058.3	1.6	676	1 133.7	1.7	676	1 214.6	1.8	-	100.0%
Salary level	676	676	602	849.1	1.4	676	1 012.2	1.5	676	1 058.3	1.6	676	1 133.7	1.7	676	1 214.6	1.8	-	100.0%
1 – 6	48	48	48	12.3	0.3	48	12.8	0.3	48	13.4	0.3	48	14.4	0.3	48	15.4	0.3	-	7.1%
7 – 10	145	145	145	93.4	0.6	145	97.7	0.7	145	102.2	0.7	145	109.5	0.8	145	117.3	0.8	-	21.4%
11 – 12	90	90	90	102.5	1.1	90	107.2	1.2	90	112.1	1.2	90	120.1	1.3	90	128.7	1.4	-	13.3%
13 – 16	367	367	293	537.4	1.8	367	695.1	1.9	367	726.8	2.0	367	778.5	2.1	367	834.1	2.3	-	54.3%
17 – 22	26	26	26	103.5	4.0	26	99.3	3.8	26	103.8	4.0	26	111.2	4.3	26	119.2	4.6	-	3.8%

1. Rand million.

Financial and Fiscal Commission

Selected performance indicators

Table 8.33 Financial and Fiscal Commission performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of policy briefs published per year	Research		8	4	11	10	10	10	10
Number of technical reports published per year	Research	Priority 1: A capable, ethical and developmental state	1	1	1	1	1	1	1
Annual submission to Parliament for the Division of Revenue Bill with recommendations	Research		1	1	1	1	1	1	1

Entity overview

The Financial and Fiscal Commission derives its mandate from the Financial and Fiscal Commission Act (1997), which requires the commission to advise relevant authorities on financial and fiscal requirements for national, provincial and local spheres of government in terms of section 220 of the Constitution. Other legislation that informs the commission's mandate includes the Borrowing Powers of Provincial Governments Act (1996), the Intergovernmental Fiscal Relations Act (1997), the Provincial Tax Regulation Process Act (2001), the Municipal Finance Management Act (2003), the Municipal Systems Amendment Act (2003), the Municipal Fiscal Powers and Functions Act (2007), and the Money Bills Amendment Procedure and Related Matters Act (2009).

Over the medium term, the commission will focus on providing stakeholders, including Parliament, with recommendations to improve the credibility of the South African fiscal framework and the effectiveness of public spending. The commission's contribution will include other policy research papers and briefings on a wide range of fiscal and financial topics. It will also focus on its organisational redesign and the relocation of its Johannesburg office to its office in Cape Town. After the organisational redesign, the commission is set to increase its number of personnel from 42 in 2022/23 to 60 in 2025/26.

Accordingly, spending on compensation of employees, the commission's main cost driver, is expected to increase at an average annual rate of 9.3 per cent, from R37.4 million in 2022/23 to R48.8 million in 2025/26. Spending on goods and services is expected to decrease at an average annual rate of 5.2 per cent, from R26.4 million in 2022/23 to R22.5 million in 2025/26, due to an expected decrease in spending on consultants and travel as a result of the relocation. The commission derives its revenue mainly through transfers from the department. These are set to increase in line with expenditure over the period ahead.

Programmes/Objectives/Activities**Table 8.34 Financial and Fiscal Commission expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
Administration	36.4	56.0	45.2	47.3	9.1%	72.6%	38.6	40.4	42.3	-3.6%	62.7%	
Research	20.8	10.8	20.3	16.6	-7.1%	27.4%	26.8	28.1	29.4	20.9%	37.3%	
Total	57.1	66.8	65.5	63.9	3.8%	100.0%	65.3	68.5	71.7	3.9%	100.0%	

Statements of financial performance, cash flow and financial position**Table 8.35 Financial and Fiscal Commission statements of financial performance, cash flow and financial position**

Statement of financial performance												
R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
Revenue												
Non-tax revenue	0.7	0.5	0.6	0.1	-47.8%	0.8%	1.3	1.5	1.8	157.7%	1.7%	
Other non-tax revenue	0.7	0.5	0.6	0.1	-47.8%	0.8%	1.3	1.5	1.8	157.7%	1.7%	
Transfers received	54.3	63.8	63.2	63.8	5.5%	99.2%	64.1	67.0	70.0	3.1%	98.3%	
Total revenue	55.1	64.3	63.8	63.9	5.1%	100.0%	65.3	68.5	71.7	3.9%	100.0%	
Expenses												
Current expenses	57.1	66.8	65.5	63.9	3.8%	100.0%	65.3	68.5	71.7	3.9%	100.0%	
Compensation of employees	35.2	31.1	30.0	37.4	2.0%	53.1%	44.5	46.6	48.8	9.3%	65.7%	
Goods and services	21.9	33.3	35.1	26.4	6.3%	45.8%	20.5	21.5	22.5	-5.2%	33.8%	
Depreciation	-	2.4	0.3	0.2	-	1.1%	0.4	0.4	0.4	26.7%	0.5%	
Total expenses	57.1	66.8	65.5	63.9	3.8%	100.0%	65.3	68.5	71.7	3.9%	100.0%	
Surplus/(Deficit)	(2.1)	(2.4)	(1.7)	-	-100.0%		-	-	-	-	-	
Cash flow statement												
Cash flow from operating activities	5.0	8.0	(5.6)	4.7	-2.1%	100.0%	6.1	6.2	6.2	9.7%	100.0%	
Receipts												
Non-tax receipts	0.1	0.5	0.6	0.1	2.0%	0.5%	1.2	1.3	1.3	132.1%	1.5%	
Other tax receipts	0.1	0.5	0.6	0.1	2.0%	0.5%	1.2	1.3	1.3	132.1%	1.5%	
Transfers received	54.3	63.8	63.2	63.8	5.5%	99.5%	64.1	67.0	70.0	3.1%	98.5%	
Financial transactions in assets and liabilities	-	0.0	0.0	-	-	-	-	-	-	-	-	
Total receipts	54.4	64.3	63.8	63.9	5.5%	100.0%	65.3	68.3	71.3	3.7%	100.0%	
Payment												
Current payments	49.4	56.3	69.4	59.2	6.2%	100.0%	59.3	62.1	65.1	3.2%	100.0%	
Compensation of employees	34.4	31.1	32.6	38.4	3.7%	59.2%	44.9	47.1	49.3	8.7%	73.1%	
Goods and services	15.0	25.2	36.8	20.8	11.6%	40.8%	14.3	15.0	15.7	-9.0%	26.9%	
Total payments	49.4	56.3	69.4	59.2	6.2%	100.0%	59.3	62.1	65.1	3.2%	100.0%	
Net cash flow from investing activities	(0.2)	(2.6)	(0.1)	(4.7)	203.5%	100.0%	(1.3)	(1.4)	(1.4)	-32.9%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(0.2)	(2.6)	(0.1)	(4.7)	203.5%	100.0%	-	-	-	-100.0%	25.0%	
Acquisition of software and other intangible assets	-	-	-	-	-	-	(1.3)	(1.4)	(1.4)	-	75.0%	
Net increase/(decrease) in cash and cash equivalents	4.9	5.4	(5.7)	(0.0)	-102.0%	2.0%	4.8	4.8	4.8	-5 121.8%	5.3%	
Statement of financial position												
Carrying value of assets	2.0	2.2	3.0	3.1	15.7%	11.9%	3.2	3.4	3.5	4.5%	14.3%	
<i>of which:</i>												
Acquisition of assets	(0.2)	(2.6)	(0.1)	(4.7)	203.5%	100.0%	-	-	-	-100.0%	-	
Investments	-	-	0.2	0.2	-	0.5%	0.2	0.2	0.3	4.5%	1.1%	
Receivables and prepayments	0.3	0.3	0.9	1.0	54.4%	2.9%	1.0	1.1	1.1	4.5%	4.5%	
Cash and cash equivalents	18.7	20.5	16.6	17.3	-2.5%	84.6%	18.1	18.9	19.7	4.5%	80.1%	
Total assets	20.9	23.0	20.7	21.6	1.1%	100.0%	22.6	23.6	24.6	4.5%	100.0%	
Accumulated surplus/(deficit)	15.4	17.1	3.5	3.7	-38.0%	45.4%	3.9	4.1	4.3	5.5%	17.3%	
Capital and reserves	0.9	0.9	0.9	0.9	-	4.3%	0.9	0.9	0.9	-	4.0%	
Trade and other payables	2.3	2.5	2.1	2.2	-2.4%	10.5%	2.2	2.3	2.5	4.5%	10.0%	
Provisions	2.3	2.5	14.2	14.9	87.0%	39.8%	15.5	16.2	16.9	4.5%	68.8%	
Total equity and liabilities	20.9	23.0	20.7	21.6	1.1%	100.0%	22.6	23.6	24.6	4.5%	100.0%	

Personnel information

Table 8.36 Financial and Fiscal Commission personnel numbers and cost by salary level

Number of posts estimated for 31 March 2023			Number and cost ¹ of personnel posts filled/planned for on funded establishment															Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)
Financial and Fiscal Commission	Number of approved funded posts	Number of posts on establishment	Actual			Revised estimate			Medium-term expenditure estimate									2022/23 - 2025/26	
			2021/22		2022/23		2023/24			2024/25			2025/26						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	45	65	40	30.0	0.8	42	37.4	0.9	60	44.5	0.7	60	46.6	0.8	60	48.8	0.8	12.6%	100.0%
1 – 6	17	15	15	6.4	0.4	17	6.0	0.4	15	5.3	0.4	15	5.3	0.4	15	5.6	0.4	-4.1%	28.9%
7 – 10	8	23	6	6.0	1.0	7	5.4	0.8	18	10.2	0.6	18	10.7	0.6	18	11.2	0.6	37.0%	26.7%
11 – 12	4	12	5	7.4	1.5	5	6.0	1.2	12	9.3	0.8	12	10.0	0.8	12	10.5	0.9	33.9%	18.0%
13 – 16	15	14	13	9.2	0.7	12	18.1	1.5	14	17.7	1.3	14	18.5	1.3	14	19.4	1.4	5.3%	24.6%
17 – 22	1	1	1	1.1	1.1	1	1.9	1.9	1	2.0	2.0	1	2.0	2.0	1	2.1	2.1	–	1.8%

1. Rand million.

Financial Intelligence Centre

Selected performance indicators

Table 8.37 Financial Intelligence Centre performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of Financial Intelligence Centre inspection reports issued per year	Delivery of intelligence on financial crimes and regulatory services in terms of the Financial Intelligence Centre Act (2001)	Priority 6: Social cohesion and safer communities	287	381	404	430	430	440	450
Number of proactive high-priority financial intelligence reports issued to stakeholders per year	Delivery of intelligence on financial crimes and regulatory services in terms of the Financial Intelligence Centre Act (2001)		32	52	131	65	70	75	80
Percentage response to requests for technical assistance from countries within the Eastern and Southern Africa Anti-Money Laundering Group region per year	Delivery of intelligence on financial crimes and regulatory services in terms of the Financial Intelligence Centre Act (2001)		100% (9)	100% (5)	100% (3)	100%	100%	100%	100%
Number of policy-making activities attended within regional and intergovernmental organisations per year	Delivery of intelligence on financial crimes in terms of the Financial Intelligence Centre Act (2001)	Priority 7: A Better Africa and world	8	7	8	8	8	8	8
Percentage of reactive financial intelligence reports issued to stakeholders per year	Delivery of intelligence on financial crimes in terms of the Financial Intelligence Centre Act (2001)		134% (2 010/ 1 500)	134% (2 077/ 1 550)	144% (2 300/ 1 600)	100%	100%	100%	100%
Number of medium-priority to lower-priority financial intelligence reports issued to stakeholders per year	Delivery of intelligence on financial crimes in terms of the Financial Intelligence Centre Act (2001)		713	713	651	600	650	700	750
Number of elevated financial intelligence reports issued to stakeholders on illicit financial flows per year	Delivery of intelligence on financial crimes in terms of the Financial Intelligence Centre Act (2001)	– ¹	– ¹	32	20	35	40	45	

1. No historical data available.

Entity overview

The Financial Intelligence Centre was established by the Financial Intelligence Centre Act (2001) to combat money laundering activities and the financing of terrorist and related activities, identify the proceeds of unlawful activities, exchange information with law enforcement and other local and international agencies, supervise and enforce compliance with the act, and facilitate effective supervision and enforcement by supervisory bodies in

terms of the act. To deliver on this mandate and protect the integrity of South Africa's financial system, the act works in conjunction with other legislation, which includes the Prevention of Organised Crime Act (1998), the Protection of Constitutional Democracy Against Terrorist and Related Activities Act (2004), and the South African Police Service Act (1995).

To address concerns identified in the Financial Action Task Force action plan, as well as in response to the recommendations from the state capture commission, over the medium term, the centre will focus on augmenting its human resource capacity, and enhancing and maintaining its ICT network and systems. This is expected to enable it to improve its oversight responsibility and combating of financial crimes and terror financing by enhancing analytical software to reinforce the integrity of South Africa's financial system and improving access to information for clients. As a result, expenditure is expected to increase at an average annual rate of 7.2 per cent, from R371.1 million in 2022/23 to R457.5 million in 2025/26. An additional R265.3 million over the period ahead is allocated to augment human resource capacity.

The centre plans to add 107 permanent personnel to its establishment over the medium term with interdisciplinary skills in supervision and monitoring, forensic accounting, enforcement, compliance and strategic analysis to combat money laundering and counter terror financing and related activities. This is expected to drive an increase over the MTEF period in the number of high-priority financial intelligence reports issued to stakeholders from 65 to 80, the number of medium-priority to lower-priority reports from 600 to 750, and the number of elevated financial intelligence reports on illicit financial flows from 20 to 45. Spending on compensation of employees is expected to increase at an average annual rate of 13 per cent, from R203.9 million in 2022/23 to R294.5 million in 2025/26. Spending on goods and services is expected to decrease at an average annual rate of 0.8 per cent, from R150.1 million in 2022/23 to R146.7 million in 2025/26 as contract staff are made permanent.

Programmes/Objectives/Activities

Table 8.38 Financial Intelligence Centre expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Administration	52.4	52.7	59.5	64.3	7.0%	17.6%	72.0	76.5	85.5	10.0%	17.9%
Delivery of intelligence on financial crimes and regulatory services in terms of the Financial Intelligence Centre Act (2001)	178.9	176.0	168.2	196.8	3.2%	55.5%	234.5	246.6	259.7	9.7%	56.4%
Enablement of financial intelligence regulatory capabilities	76.4	81.0	83.5	110.0	12.9%	26.9%	98.5	103.2	112.3	0.7%	25.7%
Total	307.7	309.7	311.2	371.1	6.4%	100.0%	405.0	426.3	457.5	7.2%	100.0%

Statements of financial performance, cash flow and financial position

Table 8.39 Financial Intelligence Centre statements of financial performance, cash flow and financial position

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Statement of financial performance											
Revenue											
Non-tax revenue	6.5	2.8	2.8	2.0	-32.4%	1.1%	1.8	1.8	1.8	-3.5%	0.5%
Other non-tax revenue	6.5	2.8	2.8	2.0	-32.4%	1.1%	1.8	1.8	1.8	-3.5%	0.5%
Transfers received	298.7	291.4	310.1	344.9	4.9%	98.9%	389.2	421.0	463.9	10.4%	99.5%
Total revenue	305.1	294.3	312.9	346.9	4.4%	100.0%	391.0	422.8	465.7	10.3%	100.0%
Expenses											
Current expenses	307.7	309.7	311.2	371.1	6.4%	100.0%	405.0	426.3	457.5	7.2%	100.0%
Compensation of employees	187.8	183.7	180.9	203.9	2.8%	58.4%	257.2	273.9	294.5	13.0%	61.8%
Goods and services	99.6	107.8	113.5	150.1	14.6%	36.0%	132.2	136.9	146.7	-0.8%	34.3%
Depreciation	20.3	18.1	16.7	17.0	-5.7%	5.6%	15.5	15.5	16.3	-1.4%	3.9%
Interest, dividends and rent on land	0.0	0.1	0.1	0.1	61.0%	-	0.1	0.1	0.1	1.8%	-
Total expenses	307.7	309.7	311.2	371.1	6.4%	100.0%	405.0	426.3	457.5	7.2%	100.0%
Surplus/(Deficit)	(2.6)	(15.4)	1.7	(24.1)	110.1%		(14.0)	(3.6)	8.2	-169.8%	

Table 8.39 Financial Intelligence Centre statements of financial performance, cash flow and financial position (continued)

Cash flow statement		Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R million												
Cash flow from operating activities		14.7	12.7	(1.6)	(35.2)	-233.7%	100.0%	(1.8)	12.0	24.6	-188.7%	100.0%
Receipts												
Non-tax receipts		6.5	2.6	2.1	2.0	-32.4%	1.1%	1.8	1.8	1.8	-3.5%	0.5%
Other tax receipts		6.5	2.6	2.1	2.0	-32.4%	1.1%	1.8	1.8	1.8	-3.5%	0.5%
Transfers received		294.3	290.2	297.3	316.8	2.5%	98.9%	385.7	421.0	463.9	13.6%	99.5%
Financial transactions in assets and liabilities		-	0.3	(0.0)	-	-	-	-	-	-	-	-
Total receipts		300.8	293.1	299.3	318.8	2.0%	100.0%	387.5	422.8	465.7	13.5%	100.0%
Payment												
Current payments		286.1	280.4	300.9	354.0	7.4%	100.0%	389.4	410.8	441.1	7.6%	100.0%
Compensation of employees		187.8	183.7	180.5	203.9	2.8%	62.2%	257.2	273.9	294.5	13.0%	64.3%
Goods and services		98.0	96.6	119.9	150.1	15.3%	37.7%	132.2	136.9	146.7	-0.8%	35.7%
Interest and rent on land		0.3	0.1	0.5	-	-100.0%	0.1%	-	-	-	-	-
Total payments		286.1	280.4	300.9	354.0	7.4%	100.0%	389.4	410.8	441.1	7.6%	100.0%
Net cash flow from investing activities		(19.1)	(5.5)	(10.3)	(5.9)	-32.4%	100.0%	(1.3)	(10.6)	(4.1)	-11.7%	100.0%
Acquisition of property, plant, equipment and intangible assets		(12.1)	(4.6)	(4.5)	(6.0)	-20.8%	72.9%	(1.4)	(10.6)	(4.1)	-12.2%	102.3%
Acquisition of software and other intangible assets		(7.0)	(1.0)	(6.9)	-	-100.0%	30.5%	-	-	-	-	-
Proceeds from the sale of property, plant, equipment and intangible assets		0.0	0.1	1.1	0.1	221.8%	-3.4%	0.1	-	-	-100.0%	-2.3%
Net cash flow from financing activities		(23.4)	(16.0)	(0.6)	27.4	-205.5%	100.0%	(0.1)	-	-	-100.0%	-
Deferred income		27.3	14.7	-	-	-100.0%	-52.1%	-	-	-	-	-
Repayment of finance leases		(0.6)	(0.5)	(0.6)	(0.7)	3.8%	25.8%	(0.1)	-	-	-100.0%	-
Other flows from financing activities		(50.0)	(30.3)	-	28.1	-182.5%	126.3%	-	-	-	-100.0%	-
Net increase/(decrease) in cash and cash equivalents		(27.7)	(8.8)	(12.5)	(13.6)	-21.1%	-4.9%	(3.3)	1.4	20.5	-214.5%	0.1%
Statement of financial position												
Carrying value of assets		74.4	60.3	54.1	49.8	-12.5%	39.8%	40.5	38.6	28.2	-17.3%	35.0%
<i>of which:</i>												
Acquisition of assets		(12.1)	(4.6)	(4.5)	(6.0)	-20.8%	100.0%	(1.4)	(10.6)	(4.1)	-12.2%	100.0%
Investments		0.7	-	-	0.9	10.7%	0.3%	0.9	1.0	1.0	2.8%	0.8%
Inventory		0.1	0.1	0.1	0.1	0.6%	-	0.1	0.1	0.1	6.5%	0.1%
Receivables and prepayments		7.3	9.8	14.1	7.0	-1.3%	6.5%	7.3	7.7	7.6	2.9%	6.6%
Cash and cash equivalents		96.4	87.6	75.0	61.4	-14.0%	53.3%	58.1	59.5	80.0	9.2%	57.5%
Total assets		178.7	157.8	143.3	119.2	-12.6%	100.0%	106.9	106.8	116.8	-0.7%	100.0%
Accumulated surplus/(deficit)		110.7	58.6	60.3	60.1	-18.4%	47.9%	60.1	60.4	60.4	0.2%	53.7%
Finance lease		-	0.8	0.2	0.7	-	0.3%	0.1	-	-	-100.0%	0.2%
Deferred income		30.9	44.5	31.6	14.6	-22.1%	20.0%	3.5	-	-	-100.0%	3.9%
Trade and other payables		24.6	41.8	43.4	39.9	17.5%	26.0%	41.2	44.5	54.4	10.9%	40.1%
Provisions		12.6	12.1	7.9	3.9	-32.3%	5.9%	2.0	1.9	2.1	-19.3%	2.2%
Total equity and liabilities		178.7	157.8	143.3	119.2	-12.6%	100.0%	106.9	106.8	116.8	-0.7%	100.0%

Personnel information

Table 8.40 Financial Intelligence Centre personnel numbers and cost by salary level

Number of posts estimated for 31 March 2023			Number and cost ¹ of personnel posts filled/planned for on funded establishment												Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)			
Number of funded posts	Number of approved establishment	Number of posts on funded establishment	Actual			Revised estimate			Medium-term expenditure estimate										
			2021/22		2022/23		2023/24		2024/25		2025/26		2022/23 - 2025/26						
Financial Intelligence Centre	Salary level	243	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
		243	201	180.9	0.9	243	203.9	0.8	324	257.2	0.8	324	273.9	0.8	324	294.5	0.9	10.1%	100.0%
1 - 6	26	26	12	2.9	0.2	26	5.3	0.2	33	6.4	0.2	33	6.8	0.2	33	7.7	0.2	8.3%	10.3%
7 - 10	103	103	77	43.0	0.6	103	55.6	0.5	160	84.6	0.5	160	90.4	0.6	160	97.6	0.6	15.8%	47.6%
11 - 12	45	45	43	36.9	0.9	45	40.9	0.9	58	52.7	0.9	58	56.1	1.0	58	60.2	1.0	8.8%	18.1%
13 - 16	63	63	63	83.9	1.3	63	86.9	1.4	67	97.8	1.5	67	103.9	1.6	67	111.2	1.7	2.1%	22.0%
17 - 22	6	6	6	14.3	2.4	6	15.2	2.5	6	15.7	2.6	6	16.7	2.8	6	17.9	3.0	-	2.0%

1. Rand million.

Financial Sector Conduct Authority

Selected performance indicators

Table 8.41 Financial Sector Conduct Authority performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of on-site inspections on regulated entities per year	Conduct of business supervision	Priority 7: A better Africa and world	240	134	144	122	122	122	122
Percentage of off-site compliance reports submitted by financial services providers analysed per year	Conduct of business supervision		80% (6 739/ 8 424)	0	95.5% (9 487/ 9 934)	80%	80%	80%	80%
Number of empowerment workshops conducted with SMMEs per year	Conduct of business supervision		14	44	81	20	44	44	44
Percentage of planned inspections conducted on money laundering and compliance with the Financial Intelligence Centre Act (2001)	Retirement funds supervision		- ¹	- ¹	- ¹	80%	- ²	- ²	- ²
Percentage of regulatory information of prudentially supervised entities analysed	Regulatory policy		- ¹	- ¹	- ¹	65%	- ²	- ²	- ²
Percentage of test cases resolved within 6 months of defining the parameters	Retirement funds supervision		- ¹	- ¹	- ¹	90%	- ²	- ²	- ²
Percentage of returns received from registered funds analysed (off-site reviews) within agreed timeframes per year	Retirement funds supervision		- ¹	78.3% (8 587/ 10 962)	91.3% (3 475/ 3 806)	80%	90%	100%	100%

1. No historical data available.

2. Indicator discontinued.

Entity overview

The Financial Sector Conduct Authority was established in 2018 by the Financial Sector Regulation Act (2017) as 1 of the 2 pillars of the twin peaks model for regulating the financial sector. As such, the authority assumes the role of the market conduct regulator of financial institutions that provide financial products and services, and financial institutions licensed in terms of financial sector legislation. The authority assumed the business operations of the Financial Services Board in 2018/19. The authority's ongoing objective is to play a meaningful role in promoting growth and employment, and reducing poverty through regulating the financial services sector and protecting consumers, and promoting an integrated approach to financial inclusion and employment.

Over the medium term, the authority will focus on implementing its revised strategy, which is aimed at enabling it to be more responsive and forward-looking, and includes an expanded mandate to supervise banks. These objectives are intended to improve industry practices to achieve fair outcomes for financial customers; act against misconduct to support confidence and integrity in the financial sector; promote the development of an innovative, inclusive and sustainable financial sector; empower households and small businesses to be financially resilient; and accelerate the transformation of the authority into a socially responsible, efficient and responsive conduct regulator. This will be done by conducting environmental assessments to identify and understand trends; attracting specialist expertise to deal with emerging issues such as climate change; and proactively monitoring pricing and selling practices, new business models and financial products. The authority's expenditure estimates include an amount of R13 million per year to establish the Ombud Council, which is a distinct regulatory body over the financial sector and statutory ombud schemes over the period ahead.

Compensation of employees accounts for an estimated 64.1 per cent (R1.9 billion) of the authority's expenditure, increasing from R587.3 million in 2022/23 to R672 million in 2025/26 at an average annual rate of 4.6 per cent. Total spending is expected to increase at an average annual rate of 4.9 per cent, from R905.9 million in 2022/23 to R1 billion in 2025/26.

The authority generates revenue mainly through levies raised from financial institutions and fees for their licensing. Revenue is expected to increase at an average annual rate of 6.9 per cent, from R887.4 million in 2022/23 to R1.1 billion in 2025/26. This includes additional allocations of R13 million per year over the medium term to establish the Ombud Council and appoint its personnel.

Programmes/Objectives/Activities

Table 8.42 Financial Sector Conduct Authority expenditure trends and estimates by programme/objective/activity

R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
Administration	452.6	457.0	471.5	346.6	-8.5%	46.8%	389.2	392.0	406.4	5.5%	38.9%	
Licensing and business centre	63.2	75.3	82.3	102.4	17.4%	8.8%	108.5	112.3	117.0	4.5%	11.2%	
Regulatory policy	67.3	62.3	63.9	72.7	2.6%	7.2%	77.4	79.8	83.6	4.8%	8.0%	
Conduct of business supervision	113.4	134.8	143.4	175.9	15.8%	15.4%	185.2	193.0	202.2	4.8%	19.2%	
Market integrity	36.0	30.9	27.2	31.7	-4.1%	3.4%	33.3	34.8	36.2	4.5%	3.5%	
Retirement funds supervision	91.1	89.5	93.6	97.0	2.1%	10.1%	102.8	106.4	110.6	4.5%	10.6%	
Investigations and enforcement	77.5	69.7	77.5	79.6	0.9%	8.3%	87.7	87.3	90.8	4.5%	8.8%	
Total	901.1	919.5	959.3	905.9	0.2%	100.0%	984.0	1 005.6	1 046.9	4.9%	100.0%	

Statements of financial performance, cash flow and financial position

Table 8.43 Financial Sector Conduct Authority statements of financial performance, cash flow and financial position

Statement of financial performance												
R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
Revenue												
Non-tax revenue	926.1	950.5	954.3	887.4	-1.4%	100.0%	971.0	974.0	1 072.3	6.5%	99.0%	
Sale of goods and services other than capital assets	827.1	837.0	876.7	821.9	-0.2%	90.5%	917.1	920.3	1 018.4	7.4%	93.2%	
Other non-tax revenue	98.9	113.5	77.6	65.6	-12.8%	9.5%	53.9	53.7	53.9	-6.3%	5.8%	
Transfers received	-	-	-	-	-	-	13.0	13.0	13.0	-	1.0%	
Total revenue	926.1	950.5	954.3	887.4	-1.4%	100.0%	984.0	987.0	1 085.3	6.9%	100.0%	
Expenses												
Current expenses	765.9	775.5	811.0	905.9	5.8%	88.5%	971.0	992.6	1 033.9	4.5%	99.0%	
Compensation of employees	487.1	502.2	541.9	587.3	6.4%	57.5%	623.7	644.4	672.0	4.6%	64.1%	
Goods and services	258.0	252.6	248.0	289.6	3.9%	28.5%	316.8	317.8	331.5	4.6%	31.9%	
Depreciation	20.9	20.6	21.1	28.9	11.5%	2.5%	30.5	30.5	30.5	1.7%	3.1%	
Transfers and subsidies	135.1	144.0	148.3	-	-100.0%	11.5%	13.0	13.0	13.0	-	1.0%	
Total expenses	901.1	919.5	959.3	905.9	0.2%	100.0%	984.0	1 005.6	1 046.9	4.9%	100.0%	
Surplus/(Deficit)	25.0	31.0	(5.0)	(18.4)	-190.3%		-	(18.6)	38.4	-227.8%		
Cash flow statement												
Cash flow from operating activities	77.1	68.2	(31.0)	10.4	-48.8%	100.0%	35.3	63.3	67.2	86.5%	100.0%	
Receipts												
Non-tax receipts	771.6	971.4	977.1	887.4	4.8%	100.0%	928.1	974.2	1 017.8	4.7%	99.0%	
Sales of goods and services other than capital assets	730.7	946.3	950.5	872.4	6.1%	96.9%	912.3	957.5	1 000.4	4.7%	97.3%	
Other sales	1.1	27.6	15.4	19.2	160.2%	1.7%	16.5	12.4	13.0	-12.3%	1.6%	
Other tax receipts	40.8	25.0	26.5	15.1	-28.3%	3.1%	15.8	16.7	17.4	5.0%	1.7%	
Transfers received	-	-	-	-	-	-	13.0	13.0	13.0	-	1.0%	
Total receipts	771.6	971.4	977.1	887.4	4.8%	100.0%	941.1	987.2	1 030.8	5.1%	100.0%	
Payment												
Current payments	602.8	770.1	825.2	872.4	13.1%	88.3%	905.8	923.9	963.6	3.4%	99.9%	
Compensation of employees	465.4	530.0	556.9	587.3	8.1%	62.0%	616.6	643.7	672.0	4.6%	68.6%	
Goods and services	137.4	240.1	268.2	285.0	27.5%	26.4%	289.2	280.3	291.7	0.8%	31.3%	
Transfers and subsidies	91.6	133.0	182.9	4.7	-62.8%	11.7%	-	-	-	-100.0%	0.1%	
Total payments	694.5	903.1	1 008.1	877.1	8.1%	100.0%	905.8	923.9	963.6	3.2%	100.0%	

Table 8.43 Financial Sector Conduct Authority statements of financial performance, cash flow and financial position (continued)

Cash flow statement		Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
		2019/20	2020/21	2021/22				2022/23	2019/20	2022/23		
R million												
Net cash flow from investing activities		(15.3)	(10.0)	(10.2)	(156.0)	116.9%	100.0%	(64.8)	(53.7)	-	-100.0%	-
Acquisition of property, plant, equipment and intangible assets		(9.5)	(6.1)	(4.2)	(13.8)	13.4%	43.1%	(4.8)	(3.7)	-	-100.0%	-
Acquisition of software and other intangible assets		(3.0)	(2.4)	(6.0)	(142.2)	262.1%	48.4%	(60.0)	(50.0)	-	-100.0%	-
Other flows from investing activities		(2.8)	(1.5)	0.0	-	-100.0%	8.4%	-	-	-	-	-
Net cash flow from financing activities		(0.5)	(0.0)	(0.0)	-	-100.0%	-	-	-	-	-	-
Repayment of finance leases		(0.5)	(0.0)	(0.0)	-	-100.0%	-	-	-	-	-	-
Other flows from financing activities		(0.0)	-	-	-	-100.0%	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents		61.3	58.2	(41.3)	(145.7)	-233.5%	-1.8%	(29.5)	9.6	67.2	-177.3%	-2.9%
Statement of financial position												
Carrying value of assets of which:		73.7	61.4	49.7	176.8	33.9%	11.2%	216.0	239.3	208.8	5.7%	27.8%
Acquisition of assets		(9.5)	(6.1)	(4.2)	(13.8)	13.4%	100.0%	(4.8)	(3.7)	-	-100.0%	-
Investments		61.0	86.5	91.4	90.6	14.1%	10.1%	90.6	90.6	90.6	-	12.0%
Accrued investment interest		0.1	0.1	0.1	0.1	8.6%	-	0.1	0.1	0.1	-11.2%	-
Receivables and prepayments		192.7	132.9	94.2	78.5	-25.9%	14.9%	67.9	55.1	45.7	-16.5%	8.2%
Cash and cash equivalents		542.4	600.6	559.4	413.7	-8.6%	63.8%	371.2	367.8	422.0	0.7%	52.0%
Total assets		869.9	881.5	794.8	759.8	-4.4%	100.0%	745.8	752.9	767.2	0.3%	100.0%
Accumulated surplus/(deficit)		348.4	361.1	349.3	330.9	-1.7%	42.1%	307.9	289.4	273.3	-6.2%	39.7%
Capital and reserves		116.3	134.6	141.4	141.4	6.7%	16.3%	141.4	141.4	141.4	-	18.7%
Finance lease		0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Trade and other payables		311.7	274.1	188.3	172.0	-18.0%	28.3%	181.4	205.6	236.0	11.1%	26.3%
Taxation		-	4.7	-	-	-	0.1%	-	-	-	-	-
Provisions		93.5	107.0	115.8	115.5	7.3%	13.2%	115.2	116.5	116.5	0.3%	15.3%
Total equity and liabilities		869.9	881.5	794.8	759.8	-4.4%	100.0%	745.8	752.9	767.2	0.3%	100.0%

Personnel information**Table 8.44 Financial Sector Conduct Authority personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment										Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)							
		Actual			Revised estimate			Medium-term expenditure estimate												
Number of approved funded establishment posts	Number of posts on approved funded establishment	2021/22		2022/23		2023/24		2024/25		2025/26		2022/23 - 2025/26								
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost									
Financial Sector Conduct Authority		720	673	634	541.9	0.9	720	587.3	0.8	720	623.7	0.9	720	644.4	0.9	720	672.0	0.9	-	100.0%
Salary level																				
1-6	55	70	42	12.9	0.3	55	8.8	0.2	55	9.2	0.2	55	9.6	0.2	55	10.0	0.2	-	7.6%	
7-10	359	353	325	181.1	0.6	359	171.3	0.5	359	182.3	0.5	359	188.5	0.5	359	195.7	0.5	-	49.9%	
11-12	137	116	114	109.1	1.0	137	120.5	0.9	137	125.9	0.9	137	133.8	1.0	137	138.4	1.0	-	19.0%	
13-16	145	111	129	173.5	1.3	145	201.8	1.4	145	215.9	1.5	145	220.7	1.5	145	230.3	1.6	-	20.1%	
17-22	24	23	24	65.3	2.7	24	84.9	3.5	24	90.4	3.8	24	91.8	3.8	24	97.6	4.1	-	3.3%	

1. Rand million.

Government Pensions Administration Agency

Selected performance indicators

Table 8.45 Government Pensions Administration Agency performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Percentage of benefits, excluding death benefits, paid per year within 45 working days of liability date after receiving duly completed documents	Benefit administration	Priority 6: Social cohesion and safer communities	81% (R111bn/ R137bn)	61.4% (R108bn/ R176bn)	76.6% (R134bn/ R175bn)	86%	87%	87%	87%
Percentage of National Treasury benefits ¹ , excluding death benefits, paid per year within 20 working days of receipt of duly completed documents	Benefit administration		90% (R5.5bn/ R6.1bn)	99.8% (R5.1bn/ R5.11bn)	99.3% (R5.9bn/ R6bn)	89%	90%	91%	91%

1. Benefits include civil and military pensions, post-retirement medical subsidies, civil pensions not administered by the agency and injury-on-duty payments.

Entity overview

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

The agency aims to optimise its performance over the medium term through its modernisation programme. This will entail procuring new pension administration, client relationship management and financial management solutions. These interventions are expected to lead to a reduction in turnaround times for processing and paying benefits from 45 days to less than 25 days, improve the management and accuracy of client data, and enable the agency to reach 65 per cent of clients through digital platforms.

These investments are expected to drive an increase in spending on goods and services at an average annual rate of 11 per cent, from R479.9 million in 2022/23 to R656.6 million in 2025/26, and an increase in total expenditure at an average annual rate of 6.4 per cent, from R1.2 billion in 2022/23 to R1.5 billion in 2025/26. Spending on compensation of employees, which accounts for 47.7 per cent of the agency's planned spending, is expected to increase at an average annual rate of 3.2 per cent, from R620.8 million in 2022/23 to R683.2 million in 2025/26. The agency derives its revenue mainly through administration fees charged to its major clients – the Government Employees Pension Fund and National Treasury. Revenue is expected to increase in line with expenditure.

Programmes/Objectives/Activities**Table 8.46 Government Pensions Administration Agency expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
Administration	736.7	666.2	725.4	804.5	3.0%	66.1%	900.4	950.3	983.5	6.9%	66.4%	
Benefit administration	403.7	366.3	320.1	414.0	0.8%	33.9%	476.3	464.2	482.5	5.2%	33.6%	
Total	1 140.3	1 032.5	1 045.5	1 218.5	2.2%	100.0%	1 376.7	1 414.5	1 466.0	6.4%	100.0%	

Statements of financial performance, cash flow and financial position**Table 8.47 Government Pensions Administration Agency statements of financial performance, cash flow and financial position**

Statement of financial performance												
R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
Revenue												
Non-tax revenue	1 111.7	1 006.2	983.5	1 218.5	3.1%	100.0%	1 376.7	1 414.5	1 466.0	6.4%	100.0%	
Sale of goods and services other than capital assets	1 107.2	1 003.6	980.9	1 218.5	3.2%	99.8%	1 376.7	1 414.5	1 466.0	6.4%	100.0%	
Other non-tax revenue	4.5	2.6	2.6	-	-100.0%	0.2%	-	-	-	-	-	
Total revenue	1 111.7	1 006.2	983.5	1 218.5	3.1%	100.0%	1 376.7	1 414.5	1 466.0	6.4%	100.0%	
Expenses												
Current expenses	1 140.3	1 032.5	1 045.5	1 218.5	2.2%	100.0%	1 376.7	1 414.5	1 466.0	6.4%	100.0%	
Compensation of employees	530.8	518.0	511.7	620.8	5.4%	49.2%	641.6	659.7	683.2	3.2%	47.7%	
Goods and services	494.9	379.6	442.6	479.9	-1.0%	40.5%	591.3	632.3	656.6	11.0%	43.0%	
Depreciation	114.7	134.9	91.3	117.9	0.9%	10.4%	143.8	122.5	126.2	2.3%	9.3%	
Total expenses	1 140.3	1 032.5	1 045.5	1 218.5	2.2%	100.0%	1 376.7	1 414.5	1 466.0	6.4%	100.0%	
Surplus/(Deficit)	(28.7)	(26.4)	(62.0)	-	-100.0%	-	-	-	-	-	-	
Cash flow statement												
Cash flow from operating activities	126.6	96.3	91.3	117.9	-2.4%	100.0%	150.6	129.6	133.6	4.3%	100.0%	
Receipts												
Non-tax receipts	1 137.8	996.1	1 075.0	1 218.5	2.3%	100.0%	1 376.7	1 414.5	1 466.0	6.4%	100.0%	
Sales of goods and services other than capital assets	1 133.5	996.1	1 075.0	1 218.5	2.4%	99.9%	1 376.7	1 414.5	1 466.0	6.4%	100.0%	
Other tax receipts	4.3	-	-	-	-100.0%	0.1%	-	-	-	-	-	
Total receipts	1 137.8	996.1	1 075.0	1 218.5	2.3%	100.0%	1 376.7	1 414.5	1 466.0	6.4%	100.0%	
Payment												
Current payments	1 011.2	899.8	983.7	1 100.6	2.9%	100.0%	1 226.1	1 284.9	1 332.4	6.6%	100.0%	
Compensation of employees	524.0	572.0	575.7	620.8	5.8%	57.6%	641.6	659.7	683.2	3.2%	52.8%	
Goods and services	487.2	327.8	408.0	479.9	-0.5%	42.4%	584.5	625.2	649.2	10.6%	47.2%	
Total payments	1 011.2	899.8	983.7	1 100.6	2.9%	100.0%	1 226.1	1 284.9	1 332.4	6.6%	100.0%	
Net cash flow from investing activities	(95.9)	(105.2)	(143.7)	(117.9)	7.1%	100.0%	(143.3)	(122.0)	(125.7)	2.2%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(24.4)	(18.7)	(68.6)	(47.6)	25.0%	32.8%	(71.4)	(48.0)	(49.5)	1.3%	42.2%	
Acquisition of software and other intangible assets	(72.0)	(86.5)	(75.1)	(70.2)	-0.8%	67.3%	(71.9)	(74.1)	(76.3)	2.8%	57.8%	
Proceeds from the sale of property, plant, equipment and intangible assets	0.5	-	-	-	-100.0%	-0.1%	-	-	-	-	-	
Net increase/(decrease) in cash and cash equivalents	30.7	(8.8)	(52.5)	(0.0)	-103.3%	-0.8%	7.3	7.6	7.8	-2 049.8%	0.4%	
Statement of financial position												
Carrying value of assets	350.2	320.6	259.7	320.6	-2.9%	61.3%	259.7	259.7	259.7	-6.8%	57.9%	
<i>of which:</i>												
Acquisition of assets	(24.4)	(18.7)	(68.6)	(47.6)	25.0%	100.0%	(71.4)	(48.0)	(49.5)	1.3%	100.0%	
Inventory	0.8	1.3	1.9	1.3	15.4%	0.3%	1.9	1.9	1.9	13.8%	0.4%	
Receivables and prepayments	117.9	131.3	130.2	126.8	2.4%	25.0%	130.2	130.2	130.2	0.9%	27.4%	
Cash and cash equivalents	73.8	65.0	69.2	65.0	-4.2%	13.4%	69.2	69.2	69.2	2.1%	14.4%	
Total assets	542.7	518.2	460.9	513.7	-1.8%	100.0%	460.9	460.9	460.9	-3.5%	100.0%	
Accumulated surplus/(deficit)	391.4	365.0	303.0	365.0	-2.3%	68.5%	303.0	303.0	303.0	-6.0%	67.1%	
Trade and other payables	126.0	116.9	132.6	97.8	-8.1%	22.9%	132.6	132.6	132.6	10.7%	26.3%	
Provisions	25.3	50.9	50.9	50.9	26.2%	8.6%	25.3	25.3	25.3	-20.8%	6.6%	
Total equity and liabilities	542.7	532.8	486.5	513.7	-1.8%	100.0%	460.9	460.9	460.9	-3.5%	100.0%	

Personnel information

Table 8.48 Government Pensions Administration Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)		
Number of funded posts	Number of approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									2022/23 - 2025/26			
		2021/22		2022/23		2023/24			2024/25			2025/26								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Government Pensions Administration Agency		1 365	1 365	1 365	511.7	0.4	1 453	620.7	0.4	1 453	641.6	0.4	1 453	659.7	0.5	1 453	683.2	0.5	-	100.0%
Salary level																				
1 – 6	827	827	827	183.0	0.2	879	234.1	0.3	879	246.9	0.3	879	247.3	0.3	879	246.1	0.3	-	60.5%	
7 – 10	393	393	393	172.1	0.4	429	218.9	0.5	429	216.7	0.5	429	228.5	0.5	429	245.0	0.6	-	29.5%	
11 – 12	94	94	94	89.3	0.9	92	95.0	1.0	92	98.2	1.1	92	104.5	1.1	92	108.5	1.2	-	6.3%	
13 – 16	51	51	51	67.4	1.3	53	72.7	1.4	53	79.8	1.5	53	79.5	1.5	53	83.5	1.6	-	3.6%	

1. Rand million.

Government Technical Advisory Centre

Selected performance indicators

Table 8.49 Government Technical Advisory Centre performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
			Number of foundational public-private partnership capacity building events held per year	Transaction and advisory services	Priority 2: Economic transformation and job creation	4	4	4	4
Number of project appraisal reports completed per year	Transaction and advisory services	5	11	12		12	14	19	21

Entity overview

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

Over the medium term, the entity will focus on assisting organs of state to build their capacity for efficient public financial management, and work towards a revised funding model that will allow it to be more financially sustainable. To achieve this, it plans to strengthen partnerships between government, the private sector and civil society by convening spaces for policy formulation, service delivery and accountability; become a thought leader on impediments to the effective functioning of government; and provide fast-tracked, flexible and specialised expertise within the remit of the Public Finance Management Act (1999).

Expenditure is expected to decrease, from R321.7 million in 2022/23 to R283.3 million in 2025/26, as the centre anticipates low demand from departments for technical services as a result of funding limitations. Compensation of employees accounts for a projected 57.1 per cent (R510 million) of planned spending, increasing at an average annual rate of 6.6 per cent, from R146.7 million in 2022/23 to R177.9 million in 2025/26. This increase will be offset by an anticipated decrease in spending on goods and services.

The centre derives its revenue through allocations from the department, the recovery of costs from other departments and organs of state, donor funds, administration fees and interest. Revenue is expected to decrease at an average annual rate of 4.1 per cent, from R321.7 million in 2022/23 to R283.3 million in 2025/26, in line with the expected low demand for the centre's services.

Table 8.50 Government Technical Advisory Centre expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average Expenditure/Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Administration	65.3	57.0	52.3	67.6	1.1%	24.8%	70.8	60.8	63.7	-1.9%	23.5%
Transaction and advisory services	121.2	88.9	76.0	115.2	-1.7%	40.6%	114.3	121.1	125.1	2.8%	42.5%
Project management unit (Jobs Fund, municipal finance improvement programme)	80.3	80.8	76.3	100.2	7.7%	34.6%	93.2	94.2	94.5	-1.9%	34.1%
Total	266.8	226.6	204.7	283.0	2.0%	100.0%	278.3	276.1	283.3	-	100.0%

Statements of financial performance, cash flow and financial position**Table 8.51 Government Technical Advisory Centre statements of financial performance, cash flow and financial position**

Statement of financial performance

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average Expenditure/Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average Expenditure/Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Revenue											
Non-tax revenue	183.7	171.9	162.9	243.2	9.8%	75.4%	196.2	196.5	200.2	-6.3%	72.0%
Sale of goods and services other than capital assets	144.7	135.7	129.6	219.0	14.8%	61.7%	151.2	146.8	147.4	-12.4%	56.9%
Other non-tax revenue	39.0	36.2	33.2	24.2	-14.8%	13.7%	44.9	49.7	52.8	29.8%	15.1%
Transfers received	72.3	39.6	60.1	78.5	2.8%	24.6%	82.2	79.6	83.2	1.9%	28.0%
Total revenue	255.9	211.5	223.0	321.7	7.9%	100.0%	278.3	276.1	283.3	-4.1%	100.0%
Expenses											
Current expenses	266.7	225.7	203.6	318.8	6.1%	99.5%	272.3	276.1	283.3	-3.9%	99.2%
Compensation of employees	129.5	135.5	130.2	146.7	4.2%	54.4%	162.4	169.7	177.9	6.6%	57.1%
Goods and services	135.0	88.6	72.0	169.1	7.8%	44.4%	106.7	103.0	102.0	-15.5%	41.1%
Depreciation	2.2	1.6	1.4	3.1	12.3%	0.8%	3.2	3.3	3.5	4.4%	1.1%
Transfers and subsidies	0.1	0.9	1.1	2.9	206.8%	0.5%	6.0	-	-	-100.0%	0.8%
Total expenses	266.8	226.6	204.7	321.7	6.4%	100.0%	278.3	276.1	283.3	-4.1%	100.0%
Surplus/(Deficit)	(10.8)	(15.1)	18.3	-	-100.0%	-	-	-	-	-	-

Cash flow statement

Cash flow from operating activities	3.0	(13.4)	18.3	4.0	10.3%	100.0%	4.5	4.1	4.9	7.5%	100.0%
Receipts											
Non-tax receipts	183.7	171.9	162.9	243.2	9.8%	75.4%	196.2	196.5	200.2	-6.3%	72.0%
Sales of goods and services other than capital assets	144.7	146.2	129.6	219.0	14.8%	63.0%	151.2	146.8	147.4	-12.4%	56.9%
Other sales	0.6	10.5	-	0.6	-	1.3%	0.6	0.6	0.6	1.5%	0.2%
Other tax receipts	39.0	25.7	33.2	24.2	-14.8%	12.5%	44.9	49.7	52.8	29.8%	15.1%
Transfers received	72.3	39.6	60.1	78.5	2.8%	24.6%	82.2	79.6	83.2	1.9%	28.0%
Total receipts	255.9	211.5	223.0	321.7	7.9%	100.0%	278.3	276.1	283.3	-4.1%	100.0%
Payment											
Current payments	250.9	223.9	203.5	314.8	7.9%	99.3%	273.8	272.0	278.4	-4.0%	99.8%
Compensation of employees	129.5	135.5	130.2	146.7	4.2%	55.3%	162.4	169.7	177.9	6.6%	57.9%
Goods and services	121.4	88.4	73.3	168.1	11.5%	44.0%	111.4	102.2	100.5	-15.8%	41.8%
Transfers and subsidies	2.1	0.9	1.2	2.9	11.8%	0.7%	-	-	-	-100.0%	0.2%
Total payments	253.0	224.8	204.7	317.7	7.9%	100.0%	273.8	272.0	278.4	-4.3%	100.0%
Net cash flow from investing activities	(0.5)	(0.7)	(1.9)	(4.0)	106.5%	100.0%	(2.4)	(2.5)	(2.6)	-13.4%	100.0%
Acquisition of property, plant, equipment and intangible assets	(0.5)	(0.7)	(1.9)	(4.0)	106.5%	100.0%	(2.4)	(2.5)	(2.6)	-13.4%	100.0%
Net increase/(decrease) in cash and cash equivalents	2.5	(14.1)	16.4	0.0	-100.0%	0.7%	2.2	1.6	2.4	332 548.6%	0.5%

Statement of financial position

Carrying value of assets	3.9	3.0	3.4	11.1	41.6%	0.5%	2.4	2.5	2.6	-38.5%	0.5%
<i>of which:</i>											
Acquisition of assets	(0.5)	(0.7)	(1.9)	(4.0)	106.5%	100.0%	(2.4)	(2.5)	(2.6)	-13.4%	100.0%
Inventory	0.8	-	-	-	-100.0%	-	-	-	-	-	-
Accrued investment interest	-	5.1	-	-	-	0.1%	-	-	-	-	-
Receivables and prepayments	20.5	17.4	27.4	44.4	29.3%	2.6%	48.7	51.1	52.2	5.5%	5.2%
Cash and cash equivalents	940.7	1 014.1	1 630.6	849.7	-3.3%	96.7%	882.9	920.2	925.6	2.9%	94.3%
Total assets	966.0	1 039.6	1 661.4	905.2	-2.1%	100.0%	934.0	973.8	980.4	2.7%	100.0%
Accumulated surplus/(deficit)	229.5	214.4	232.6	183.6	-7.2%	19.7%	179.9	178.7	167.2	-3.1%	18.7%
Capital reserve fund	707.2	795.4	-	661.0	-2.2%	55.7%	690.7	721.7	728.3	3.3%	73.8%
Trade and other payables	26.6	27.0	1 427.6	58.3	29.9%	24.4%	60.9	70.9	82.2	12.1%	7.2%
Provisions	2.6	2.8	1.2	2.3	-4.2%	0.2%	2.4	2.5	2.6	4.3%	0.3%
Total equity and liabilities	966.0	1 039.6	1 661.4	905.2	-2.1%	100.0%	934.0	973.8	980.4	2.7%	100.0%

Personnel information

Table 8.52 Government Technical Advisory Centre personnel numbers and cost by salary level

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)	
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									2022/23 - 2025/26		
		2021/22		2022/23		2023/24			2024/25			2025/26							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Government Technical Advisory Centre		165	130.2	0.8	167	146.7	0.9	171	162.4	0.9	171	169.7	1.0	171	177.9	1.0	0.8%	100.0%	
Salary level	167	167																	
7 – 10	47	47	44	34.3	0.8	47	23.6	0.5	49	46.9	1.0	49	49.0	1.0	49	51.3	1.0	1.4%	28.5%
11 – 12	65	65	66	53.7	0.8	65	55.4	0.9	67	62.2	0.9	67	65.0	1.0	67	68.1	1.0	1.0%	39.1%
13 – 16	55	55	55	42.2	0.8	55	67.8	1.2	55	53.3	1.0	55	55.7	1.0	55	58.4	1.1	–	32.4%

¹ Rand million.

Independent Regulatory Board for Auditors

Selected performance indicators

Table 8.53 Independent Regulatory Board for Auditors performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of planned inspections completed per year	Inspections	Priority 3: Education, skills and health	136	125	121	117	117	117	117
Number of monitoring visits completed per year	Inspections		42	44	46	43	43	43	43
Percentage of target dates met for issuing audit pronouncements, audit reports and comment letters per year according to the committee for accounting standards project timetable	Standards		100% (16)	100% (10)	100% (17)	85%	85%	85%	85%

Entity overview

The Independent Regulatory Board for Auditors was established in terms of the Auditing Profession Act (2005) and became operational in April 2006. The board is mandated to: protect the public by regulating audits performed by registered auditors; improve the development and maintenance of internationally comparable ethical and auditing standards for auditors that promote investment and, as a consequence, employment in South Africa; set out measures to advance the implementation of appropriate standards of competence and good ethics in the auditing profession; and provide for procedures for disciplinary action in instances of improper conduct. Over the medium term, the board will focus on ensuring that it is sustainable and relevant; ensuring the quality of industry audits; facilitating comprehensive stakeholder engagements; and conducting disciplinary hearings and investigations, which will require the appointment of consultants.

Expenditure is expected to increase at an average annual rate of 7.5 per cent, from R182.5 million in 2022/23 to R226.6 million in 2025/26. Spending on compensation of employees, the board's main cost driver, is expected to increase at an average annual rate of 6.9 per cent, from R122 million in 2022/23 to R149.2 million in 2025/26. The board is set to receive 23.6 per cent (R147.9 million) of its revenue over the period ahead through transfers from the department and the remainder through the registration of auditors and trainees, annual renewal charges, and fees for the inspection of registered auditors. Revenue is expected to increase in line with expenditure.

Programmes/Objectives/Activities**Table 8.54 Independent Regulatory Board for Auditors expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
Administration	43.0	48.0	40.1	52.9	7.2%	29.2%	61.8	67.7	67.3	8.4%	30.3%	
Legal	42.5	33.9	24.0	32.7	-8.3%	21.2%	32.6	35.4	38.0	5.1%	16.9%	
Education	8.4	9.9	11.1	14.7	20.5%	6.9%	18.9	20.3	22.0	14.3%	9.2%	
Inspections	32.0	31.7	37.0	41.7	9.2%	22.6%	44.6	48.2	52.1	7.8%	22.7%	
Investigations	15.2	15.2	20.9	26.7	20.7%	12.3%	26.0	25.9	29.6	3.5%	13.2%	
Standards	11.3	11.1	12.8	13.8	6.9%	7.8%	15.4	16.7	17.7	8.5%	7.7%	
Total	152.4	149.9	145.9	182.5	6.2%	100.0%	199.3	214.3	226.6	7.5%	100.0%	

Statements of financial performance, cash flow and financial position**Table 8.55 Independent Regulatory Board for Auditors statements of financial performance, cash flow and financial position**

Statement of financial performance												
R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
Revenue												
Non-tax revenue	115.3	148.3	118.0	136.8	5.9%	74.3%	153.4	164.4	174.5	8.4%	76.4%	
Sale of goods and services other than capital assets	111.7	145.6	113.8	133.5	6.1%	72.3%	149.4	160.0	169.9	8.4%	74.4%	
Other non-tax revenue	3.6	2.7	4.2	3.3	-2.5%	2.0%	4.0	4.4	4.6	11.0%	2.0%	
Transfers received	43.2	44.2	44.6	45.7	1.9%	25.7%	45.9	49.9	52.2	4.5%	23.6%	
Total revenue	158.5	192.5	162.6	182.5	4.8%	100.0%	199.3	214.3	226.6	7.5%	100.0%	
Expenses												
Current expenses	152.4	149.9	145.9	182.5	6.2%	100.0%	199.3	214.3	226.6	7.5%	100.0%	
Compensation of employees	89.4	96.3	102.3	122.0	10.9%	65.0%	130.0	139.3	149.2	6.9%	65.7%	
Goods and services	61.2	51.7	42.0	57.7	-1.9%	33.8%	64.6	68.0	72.2	7.8%	31.9%	
Depreciation	1.8	1.9	1.5	2.8	15.5%	1.3%	4.7	7.0	5.3	22.9%	2.4%	
Total expenses	152.4	149.9	145.9	182.5	6.2%	100.0%	199.3	214.3	226.6	7.5%	100.0%	
Surplus/(Deficit)	6.1	42.6	16.8	-	-100.0%	-	-	-	-	-	-	
Cash flow statement												
Cash flow from operating activities	11.6	47.2	22.6	2.8	-37.9%	100.0%	9.9	11.5	7.1	37.0%	100.0%	
Receipts												
Non-tax receipts	115.1	146.6	117.4	136.9	5.9%	74.2%	150.0	158.5	165.6	6.6%	75.9%	
Sales of goods and services other than capital assets	111.7	144.2	113.3	133.6	6.2%	72.3%	146.7	155.1	162.0	6.6%	74.2%	
Other tax receipts	3.4	2.4	4.1	3.3	-1.4%	1.9%	3.3	3.4	3.6	3.0%	1.7%	
Transfers received	43.2	44.2	44.6	45.7	1.9%	25.7%	45.9	49.9	52.2	4.5%	24.1%	
Financial transactions in assets and liabilities	0.1	-	-	-	-100.0%	-	-	-	-	-	-	
Total receipts	158.4	190.8	162.0	182.6	4.9%	100.0%	195.8	208.4	217.8	6.0%	100.0%	
Payment												
Current payments	146.8	143.6	139.4	179.8	7.0%	100.0%	186.0	197.0	210.7	5.4%	100.0%	
Compensation of employees	89.4	96.3	102.3	122.0	10.9%	67.3%	126.9	134.6	142.7	5.4%	68.0%	
Goods and services	57.4	47.3	37.1	57.8	0.2%	32.7%	59.0	62.4	68.0	5.5%	32.0%	
Total payments	146.8	143.6	139.4	179.8	7.0%	100.0%	186.0	197.0	210.7	5.4%	100.0%	
Net cash flow from investing activities	(1.6)	(0.4)	(11.3)	(7.5)	68.2%	100.0%	(7.7)	(7.7)	(7.7)	1.0%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(0.8)	(0.4)	(2.4)	(1.9)	33.8%	45.7%	(2.3)	(2.3)	(2.3)	7.0%	28.4%	
Investment property	-	-	(7.9)	-	-	17.4%	-	-	-	-	-	
Acquisition of software and other intangible assets	(0.7)	(0.1)	(1.0)	(5.6)	98.8%	41.0%	(5.4)	(5.4)	(5.4)	-1.2%	71.6%	
Proceeds from the sale of property, plant, equipment and intangible assets	0.0	0.0	0.0	-	-100.0%	-1.5%	-	-	-	-	-	
Other flows from investing activities	(0.1)	0.1	(0.1)	-	-100.0%	-2.7%	-	-	-	-	-	
Net increase/(decrease) in cash and cash equivalents	10.0	46.8	11.3	(4.7)	-177.9%	10.7%	2.2	3.7	(0.6)	-49.8%	-	

Table 8.55 Independent Regulatory Board for Auditors statements of financial performance, cash flow and financial position (continued)

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R million											
Carrying value of assets	5.8	4.4	14.1	4.4	-8.6%	8.2%	16.2	17.0	17.1	56.8%	12.6%
of which:											
Acquisition of assets	(0.8)	(0.4)	(2.4)	(1.9)	33.8%	100.0%	(2.3)	(2.3)	(2.3)	7.0%	100.0%
Investments	10.0	10.0	10.0	10.0	-	12.4%	10.0	10.0	10.0	-	9.4%
Inventory	0.2	0.2	0.2	0.2	-1.9%	0.3%	0.2	0.2	0.2	-6.0%	0.2%
Loans	0.4	0.3	0.4	0.3	-7.1%	0.4%	1.1	1.1	1.1	51.7%	0.8%
Receivables and prepayments	5.2	7.2	8.1	7.2	11.2%	8.1%	3.5	3.8	4.0	-17.7%	4.4%
Cash and cash equivalents	27.7	74.5	85.8	74.5	39.0%	70.7%	76.6	78.4	77.8	1.5%	72.5%
Total assets	49.3	96.6	118.5	96.6	25.1%	100.0%	107.5	110.4	110.1	4.5%	100.0%
Capital and reserves	38.0	80.6	97.4	80.6	28.5%	81.6%	98.0	97.6	97.5	6.5%	87.9%
Trade and other payables	11.3	15.9	21.1	15.9	12.2%	18.4%	9.6	12.8	12.6	-7.5%	12.1%
Total equity and liabilities	49.3	96.6	118.5	96.6	25.1%	100.0%	107.5	110.4	110.1	4.5%	100.0%

Personnel information**Table 8.56 Independent Regulatory Board for Auditors personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment										Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)						
Number of approved funded posts	Number of posts on establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2021/22		2022/23		2023/24		2024/25		2025/26		2022/23 - 2025/26							
Independent Regulatory Board for Auditors		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Salary level	101	101	101	102.3	1.0	101	122.0	1.2	101	130.0	1.3	101	139.3	1.4	101	149.2	1.5	-	100.0%
1 – 6	6	6	6	1.6	0.3	6	1.4	0.2	6	1.5	0.3	6	1.6	0.3	6	1.7	0.3	-	5.9%
7 – 10	30	30	30	12.3	0.4	30	16.4	0.5	30	17.5	0.6	30	18.7	0.6	30	20.0	0.7	-	29.7%
11 – 12	10	10	10	5.5	0.5	10	10.4	1.0	10	11.1	1.1	10	11.9	1.2	10	12.7	1.3	-	9.9%
13 – 16	49	49	49	60.5	1.2	49	75.3	1.5	49	80.2	1.6	49	85.9	1.8	49	92.0	1.9	-	48.5%
17 – 22	6	6	6	22.5	3.7	6	18.5	3.1	6	19.7	3.3	6	21.2	3.5	6	22.7	3.8	-	5.9%

1. Rand million.

Land and Agricultural Development Bank of South Africa**Selected performance indicators****Table 8.57 Land and Agricultural Development Bank of South Africa performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Cost-to-income ratio per year	Administration	Priority 2: Economic transformation and job creation	111%	-958%	91%	83%	44%	46%	46%
			(R688.1m/ R619.9m)	(R565m/ R-59m)	(R531m/ R586m)				
Capital adequacy ratio per year	Administration		4%	10%	12%	10%	23%	28%	35%
			(R2bn/ R47.5bn)	(R4bn/ R41.1bn)	(R4.2bn/ R34.7bn)				
Value of development loan book disbursements per year	Administration		R3bn	R3.5bn	R4bn	R4.5bn	R2.3bn	R3.8bn	R4.8bn

Entity overview

As a development finance institution, the mandate of the Land and Agricultural Development Bank of South Africa is to address agricultural and rural development. The bank operates in the primary agriculture and agribusiness sectors, and is regulated by the Land and Agricultural Development Bank Act (2002) and the Public Finance Management Act (1999). The bank is expected to play a pivotal role in advancing agriculture and rural development. Due to liquidity constraints, over the MTEF period, the bank will aim to reduce the size of its loan book, funding liabilities and the ratio of non-performing loans to total gross loans. It also plans to increase its development loan book over the medium term to become a predominant portfolio.

Expenditure is expected to decrease at an average annual rate of 18.9 per cent, from R3.1 billion in 2022/23 to R1.6 billion in 2025/26, mainly driven by the projected decrease in interest expenses as a result of constrained disbursements and customer settlements. Interest expenses account for an estimated 48.5 per cent (R3.1 billion) of total expenditure, and decrease at an average annual rate of 23.7 per cent, from R1.8 billion in 2022/23 to R801.6 million in 2025/26. Expenditure on goods and services, the second-largest cost area, is expected to decrease at an average annual rate of 13.6 per cent, from R872.7 million in 2022/23 to R563.1 million in 2025/26, due to cost-cutting measures implemented in line with the projected reduction in the loan book. Spending on compensation of employees also decreases, at an average annual rate of 13.5 per cent, from R367.7 million in 2022/23 to R238.1 million in 2025/26, mainly as a result of the bank not approving salary and board member fee increases and performance bonuses over the MTEF period.

The bank has been operating in default since April 2020. Despite its challenges, it has been able to repay 43 per cent of its debt at the time of default. The bank expects to generate R8.4 billion in revenue over the medium term, 95.1 per cent of which is expected to be derived through interest income, decreasing at an average annual rate of 9 per cent, from R2.7 billion in 2022/23 to R2 billion in 2025/26, in line with the projected reduction in the loan book.

Programmes/Objectives/Activities

Table 8.58 Land and Agricultural Development Bank of South Africa expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R million											
Administration	1 484.9	569.0	450.6	648.1	-24.1%	18.3%	1 467.7	1 252.4	749.2	5.0%	42.6%
Corporate banking	962.1	726.0	562.8	461.8	-21.7%	16.5%	325.1	195.1	140.5	-32.7%	10.8%
Commercial development banking	3 683.7	3 068.8	1 978.9	1 977.5	-18.7%	65.1%	1 097.6	900.9	757.7	-27.4%	46.6%
Total	6 130.7	4 363.9	2 992.3	3 087.3	-20.4%	100.0%	2 890.4	2 348.4	1 647.4	-18.9%	100.0%

Statements of financial performance, cash flow and financial position

Table 8.59 Land and Agricultural Development Bank of South Africa statements of financial performance, cash flow and financial position

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R million											
Revenue											
Non-tax revenue	4 884.4	3 444.2	4 505.9	2 812.3	-16.8%	100.0%	3 338.7	2 891.3	2 164.0	-8.4%	100.0%
Sale of goods and services other than capital assets	398.9	120.6	79.1	107.8	-35.3%	4.3%	154.8	149.3	125.3	5.1%	4.9%
Other non-tax revenue	4 485.5	3 323.6	4 426.8	2 704.5	-15.5%	95.7%	3 184.0	2 742.0	2 038.7	-9.0%	95.1%
Total revenue	4 884.4	3 444.2	4 505.9	2 812.3	-16.8%	100.0%	3 338.7	2 891.3	2 164.0	-8.4%	100.0%
Expenses											
Current expenses	6 065.1	4 312.1	2 965.0	3 058.5	-20.4%	99.0%	2 860.1	2 316.8	1 614.4	-19.2%	98.7%
Compensation of employees	378.9	383.2	329.0	367.7	-1.0%	9.5%	316.7	282.5	238.1	-13.5%	12.3%
Goods and services	1 572.4	829.1	240.0	872.7	-17.8%	20.2%	1 230.1	1 032.6	563.1	-13.6%	37.2%
Depreciation	37.3	33.0	21.1	14.8	-26.5%	0.6%	13.8	15.5	11.7	-7.7%	0.6%
Interest, dividends and rent on land	4 076.5	3 066.8	2 374.8	1 803.3	-23.8%	68.6%	1 299.5	986.1	801.6	-23.7%	48.5%
Transfers and subsidies	65.6	51.9	27.3	28.9	-23.9%	1.0%	30.3	31.6	32.9	4.5%	1.3%
Total expenses	6 130.7	4 363.9	2 992.3	3 087.3	-20.4%	100.0%	2 890.4	2 348.4	1 647.4	-18.9%	100.0%
Surplus/(Deficit)	(1 246.3)	(919.7)	1 513.6	(275.0)	-39.6%		448.3	543.0	516.7	-223.4%	

Table 8.59 Land and Agricultural Development Bank of South Africa statements of financial performance, cash flow and financial position (continued)

Cash flow statement	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2019/20	2020/21	2021/22				2022/23	2019/20	2022/23			2023/24
R million												
Cash flow from operating activities	(565.6)	(620.9)	230.6	199.2	-170.6%	100.0%	793.2	781.8	694.2	51.6%	100.0%	
Receipts												
Non-tax receipts	4 519.4	3 276.5	3 155.1	2 569.3	-17.2%	100.0%	2 585.2	2 221.8	1 908.1	-9.4%	100.0%	
Sales of goods and services other than capital assets	66.7	47.1	32.0	38.8	-16.5%	1.4%	45.0	52.6	60.4	15.9%	2.2%	
Other tax receipts	4 452.7	3 229.4	3 123.0	2 530.4	-17.2%	98.6%	2 540.2	2 169.2	1 847.6	-10.0%	97.8%	
Total receipts	4 519.4	3 276.5	3 155.1	2 569.3	-17.2%	100.0%	2 585.2	2 221.8	1 908.1	-9.4%	100.0%	
Payment												
Current payments	5 019.3	3 845.5	2 897.1	2 341.2	-22.4%	98.8%	1 761.7	1 408.4	1 180.9	-20.4%	98.0%	
Compensation of employees	378.9	383.2	329.0	367.7	-1.0%	11.0%	325.2	282.5	238.1	-13.5%	18.2%	
Goods and services	563.9	395.5	193.3	170.2	-32.9%	8.8%	137.1	139.8	141.3	-6.0%	9.0%	
Interest and rent on land	4 076.5	3 066.8	2 374.8	1 803.3	-23.8%	79.0%	1 299.5	986.1	801.6	-23.7%	70.8%	
Transfers and subsidies	65.6	51.9	27.3	28.9	-23.9%	1.2%	30.3	31.6	32.9	4.5%	2.0%	
Total payments	5 084.9	3 897.3	2 924.4	2 370.1	-22.5%	100.0%	1 792.0	1 440.0	1 213.9	-20.0%	100.0%	
Net cash flow from advancing activities (financial institutions only)	4 858.6	8 582.6	9 854.4	1 166.4	-37.8%	100.0%	2 375.8	1 789.6	987.9	-5.4%	100.0%	
Repayments and other receipts	4 858.6	8 582.6	9 854.4	1 166.4	-37.8%	100.0%	2 375.8	1 789.6	987.9	-5.4%	100.0%	
Net cash flow from investing activities	(0.9)	(43.6)	(62.5)	(62.5)	318.9%	100.0%	-	-	-	-100.0%	-	
Acquisition of property, plant, equipment and intangible assets	(0.9)	(43.6)	(62.5)	(62.5)	318.9%	100.0%	-	-	-	-100.0%	-	
Net cash flow from financing activities	(6 909.8)	(2 944.8)	(5 735.7)	(5 979.0)	-4.7%	100.0%	(3 433.8)	(2 444.7)	(1 555.4)	-36.2%	100.0%	
Borrowing activities	(6 909.8)	(5 944.8)	(5 735.7)	(11 979.0)	20.1%	150.6%	(4 433.8)	(2 444.7)	(1 555.4)	-49.4%	132.4%	
Other flows from financing activities	-	3 000.0	-	6 000.0	-	-50.6%	1 000.0	-	-	-100.0%	-32.4%	
Net increase/(decrease) in cash and cash equivalents	(2 617.6)	4 973.4	4 286.8	(4 675.9)	21.3%	15.8%	(264.9)	126.7	126.7	-130.0%	-36.9%	
Statement of financial position												
Carrying value of assets of which:	99.6	140.3	132.0	94.9	-1.6%	0.3%	90.9	86.1	80.7	-5.3%	0.4%	
Acquisition of assets	(0.9)	(43.6)	(62.5)	(62.5)	318.9%	100.0%	-	-	-	-100.0%	-	
Investments	1 443.2	1 431.3	1 295.1	1 195.5	-6.1%	3.9%	1 258.7	1 112.0	1 123.2	-2.1%	5.0%	
Loans	39 606.8	30 887.9	20 856.6	19 867.1	-20.5%	78.0%	17 491.3	15 701.7	14 713.8	-9.5%	71.9%	
Receivables and prepayments	720.8	206.5	421.4	317.1	-23.9%	1.2%	332.0	346.9	361.5	4.5%	1.5%	
Cash and cash equivalents	585.0	5 558.4	9 845.2	5 169.3	106.7%	16.4%	4 904.4	5 031.2	4 712.4	-3.0%	21.2%	
Non-current assets held for sale	105.1	4.1	9.6	21.1	-41.5%	0.1%	12.1	7.5	3.8	-43.7%	-	
Derivatives financial instruments	79.1	11.3	9.9	1.8	-71.7%	0.1%	1.8	0.8	-	-100.0%	-	
Total assets	42 639.6	38 239.7	32 569.8	26 666.7	-14.5%	100.0%	24 091.3	22 286.2	20 995.3	-7.7%	100.0%	
Accumulated surplus/(deficit)	(4 130.1)	(5 245.3)	(3 887.5)	2 841.9	-188.3%	-6.2%	9 290.2	10 833.2	11 349.9	58.7%	38.0%	
Capital reserve fund	3 789.5	6 848.7	6 801.2	6 000.0	16.6%	17.5%	1 000.0	-	-	-100.0%	6.7%	
Borrowings	28 946.8	25 252.4	16 664.9	11 582.7	-26.3%	57.1%	8 879.9	7 297.0	6 061.6	-19.4%	35.5%	
Trade and other payables	952.5	139.8	176.5	203.6	-40.2%	1.0%	203.1	206.9	211.2	1.2%	0.9%	
Provisions	675.1	421.8	316.6	333.8	-20.9%	1.2%	344.3	355.1	387.1	5.1%	1.5%	
Derivatives financial instruments	12 405.8	10 822.4	12 498.1	5 704.7	-22.8%	29.3%	4 373.8	3 594.0	2 985.5	-19.4%	17.5%	
Total equity and liabilities	42 639.6	38 239.7	32 569.8	26 666.7	-14.5%	100.0%	24 091.3	22 286.2	20 995.3	-7.7%	100.0%	

Personnel information**Table 8.60 Land and Agricultural Development Bank of South Africa personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)		
Number of approved funded posts	Number of posts on establishment	Actual			Revised estimate			Medium-term expenditure estimate											2022/23 - 2025/26	
		2021/22		2022/23		2023/24			2024/25			2025/26								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Land and Agricultural Development Bank of South Africa		348	348	348	329.0	0.9	348	367.7	1.1	280	316.7	1.1	226	282.5	1.2	167	238.1	1.4	-21.7%	100.0%
Salary level	348	348	348	329.0	0.9	348	367.7	1.1	280	316.7	1.1	226	282.5	1.2	167	238.1	1.4	-21.7%	100.0%	
1 – 6	6	6	6	2.6	0.4	6	2.9	0.5	6	2.5	0.4	4	2.3	0.6	4	1.9	0.5	-12.6%	2.0%	
7 – 10	84	84	84	49.9	0.6	84	55.7	0.7	75	47.3	0.6	59	42.7	0.7	47	36.0	0.8	-17.6%	26.3%	
11 – 12	171	171	171	139.3	0.8	171	155.7	0.9	122	133.8	1.1	101	119.4	1.2	77	100.6	1.3	-23.4%	45.9%	
13 – 16	78	78	78	107.0	1.4	78	119.6	1.5	68	104.1	1.5	53	92.3	1.7	30	77.7	2.6	-27.3%	22.0%	
17 – 22	9	9	9	30.1	3.3	9	33.7	3.7	9	29.0	3.2	9	25.9	2.9	9	21.8	2.4	-	3.8%	

1. Rand million.

Office of the Ombud for Financial Services Providers**Selected performance indicators****Table 8.61 Office of the Ombud for Financial Services Providers performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Percentage of complaints closed within 9 months of date of receipt per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers	Priority 1: A capable, ethical and developmental state	96% (8 504/ 8 835)	92% (9 708/ 10 552)	94% (12 089/ 12 829)	92%	92%	92%	92%
Number of activities related to brand awareness, financial literacy and customer awareness activities per year	Enhanced stakeholder management	Priority 3: Education, skills and health	70	28	185	65	117	117	117

Entity overview

The legislative mandate of the Office of the Ombud for Financial Services Providers is stated in the Financial Advisory and Intermediary Services Act (2002), in terms of which the organisation is established. The act gives the ombud statutory powers to consider and dispose of complaints against financial services providers, primarily intermediaries selling investment products. The ombud will focus on the needs and requirements of its stakeholders over the medium term by ensuring that cases are properly assessed and appropriately handled until finalisation, informing stakeholders on the role and functions of the ombud, acquiring and retaining appropriate skills to fulfil its mandate, ensuring that risk is adequately managed across the enterprise, and ensuring that appeals or reviews of its decisions are appropriately dealt with.

Expenditure is expected to increase at an average annual rate of 3.7 per cent, from R69.9 million in 2022/23 to R77.9 million in 2025/26. Spending on compensation of employees accounts for 62.1 per cent (R151.1 million) of the ombud's total planned expenditure, increasing at an average annual rate of 4.2 per cent, from R43.3 million in 2022/23 to R49 million in 2025/26. The ombud derives revenue mainly through levies collected by the Financial Sector Conduct Authority from financial services providers. This is set to increase at an average annual rate of 7.8 per cent, from R62.2 million in 2022/23 to R77.9 million in 2025/26, in line with the introduction of the special levy on banks.

Programmes/Objectives/Activities**Table 8.62 Office of the Ombud for Financial Services Providers expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2019/20	2020/21	2021/22		2019/20 - 2022/23	Average: Expenditure/ Total (%)	2023/24	2024/25	2025/26	2022/23 - 2025/26	Average: Expenditure/ Total (%)
Administration	17.8	18.6	26.5	31.0	20.2%	44.5%	36.4	36.4	34.4	3.5%	44.2%
Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers	20.5	21.6	29.4	34.6	19.1%	50.4%	40.7	42.3	39.1	4.2%	50.0%
Enhanced stakeholder management	1.8	2.0	2.8	4.4	35.2%	5.0%	4.5	4.7	4.4	0.4%	5.8%
Total	40.1	42.2	58.8	69.9	20.4%	100.0%	81.6	83.5	77.9	3.7%	100.0%

Statements of financial performance, cash flow and financial position**Table 8.63 Office of the Ombud for Financial Services Providers statements of financial performance, cash flow and financial position**

Statement of financial performance											
R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2019/20	2020/21	2021/22		2022/23	2019/20 - 2022/23	Average: Expenditure/ Total (%)	2023/24	2024/25	2025/26	2022/23 - 2025/26
Revenue											
Non-tax revenue	0.0	0.0	1.0	1.3	997.0%	1.0%	1.0	1.0	1.2	-3.1%	1.5%
Other non-tax revenue	0.0	0.0	1.0	1.3	997.0%	1.0%	1.0	1.0	1.2	-3.1%	1.5%
Transfers received	64.4	57.6	57.8	60.9	-1.8%	99.0%	82.5	82.5	76.7	8.0%	98.5%
Total revenue	64.4	57.6	58.8	62.2	-1.1%	100.0%	83.5	83.5	77.9	7.8%	100.0%
Expenses											
Current expenses	40.1	42.2	58.8	69.9	20.4%	100.0%	81.6	83.5	77.9	3.7%	100.0%
Compensation of employees	26.5	26.5	32.7	43.3	17.8%	61.7%	49.9	52.2	49.0	4.2%	62.1%
Goods and services	12.5	14.4	23.0	23.5	23.5%	34.5%	28.1	28.5	26.1	3.4%	33.9%
Depreciation	1.1	1.2	3.1	3.0	41.5%	3.7%	3.5	2.8	2.8	-2.7%	3.9%
Interest, dividends and rent on land	0.0	0.0	0.0	0.0	-0.9%	0.1%	0.1	0.1	0.1	36.6%	0.1%
Total expenses	40.1	42.2	58.8	69.9	20.4%	100.0%	81.6	83.5	77.9	3.7%	100.0%
Surplus/(Deficit)	24.3	15.4	(0.1)	(7.7)	-168.2%		1.9	-	-	-100.0%	
Cash flow statement											
Cash flow from operating activities	3.3	5.6	48.1	(6.6)	-225.9%	100.0%	6.2	2.7	1.5	-160.8%	100.0%
Receipts											
Non-tax receipts	-	-	1.0	1.3	-	0.8%	1.0	1.0	1.2	-3.1%	1.5%
Other tax receipts	-	-	1.0	1.3	-	0.8%	1.0	1.0	1.2	-3.1%	1.5%
Transfers received	42.2	46.0	102.5	61.3	13.2%	99.2%	83.1	82.6	76.7	7.8%	98.5%
Total receipts	42.2	46.0	103.5	62.6	14.0%	100.0%	84.1	83.6	77.9	7.6%	100.0%
Payment											
Current payments	39.0	40.4	55.4	69.2	21.1%	100.0%	77.9	80.9	76.4	3.4%	100.0%
Compensation of employees	26.5	26.5	32.7	43.3	17.8%	63.9%	49.9	52.2	49.0	4.2%	63.8%
Goods and services	12.4	13.9	22.6	25.8	27.7%	36.1%	27.9	28.7	27.3	1.9%	36.1%
Interest and rent on land	0.0	0.0	-	0.0	-0.9%	-	0.1	0.1	0.1	36.6%	0.1%
Total payments	39.0	40.4	55.4	69.2	21.1%	100.0%	77.9	80.9	76.4	3.4%	100.0%
Net cash flow from investing activities	(1.5)	(6.9)	(4.6)	(1.6)	3.6%	100.0%	(1.9)	(0.5)	-	-100.0%	-
Acquisition of property, plant, equipment and intangible assets	(1.3)	(1.6)	(3.7)	(0.8)	-13.9%	59.4%	(0.5)	-	-	-100.0%	-
Acquisition of software and other intangible assets	(0.2)	(5.3)	(1.0)	(0.8)	56.5%	41.3%	(1.4)	(0.5)	-	-100.0%	-
Proceeds from the sale of property, plant, equipment and intangible assets	0.0	0.0	0.1	-	-100.0%	-0.7%	-	-	-	-	-
Net cash flow from financing activities	(0.0)	(0.0)	0.0	(0.0)	7.4%	100.0%	(0.0)	-	0.0	-206.0%	-
Repayment of finance leases	(0.0)	(0.0)	0.1	(0.0)	7.4%	114.4%	(0.0)	-	0.0	-206.0%	-
Other flows from financing activities	-	-	(0.0)	-	-	-14.4%	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	1.8	(1.3)	43.6	(8.2)	-266.1%	15.9%	4.3	2.2	1.5	-156.8%	-0.5%
Statement of financial position											
Carrying value of assets	2.8	8.5	9.9	11.4	60.4%	14.7%	9.9	7.6	5.7	-20.8%	15.9%
of which:											
Acquisition of assets	(1.3)	(1.6)	(3.7)	(0.8)	-13.9%	100.0%	(0.5)	-	-	-100.0%	-
Investments	-	-	1.5	1.5	-	1.3%	1.6	1.8	1.9	8.0%	3.1%
Receivables and prepayments	37.6	49.2	2.9	2.5	-59.7%	44.4%	1.8	1.7	1.7	-11.1%	3.6%
Cash and cash equivalents	3.4	2.1	45.7	37.5	121.9%	39.6%	41.8	44.0	45.5	6.7%	77.4%
Total assets	43.8	59.8	60.0	52.9	6.5%	100.0%	55.1	55.1	54.9	1.2%	100.0%
Accumulated surplus/(deficit)	41.9	57.3	57.3	49.6	5.8%	95.2%	51.5	51.5	51.5	1.2%	93.6%
Finance lease	0.0	-	0.1	-	-100.0%	-	-	-	-	-	-
Trade and other payables	0.6	0.8	0.8	1.4	36.6%	1.7%	1.7	1.7	1.3	-3.5%	2.8%
Provisions	1.3	1.6	1.9	1.9	13.2%	3.1%	1.9	2.0	2.1	3.9%	3.6%
Total equity and liabilities	43.8	59.8	60.0	52.9	6.5%	100.0%	55.1	55.1	54.9	1.2%	100.0%

Personnel information**Table 8.64 Office of the Ombud for Financial Services Providers personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)					
Number of funded posts	Number of approved posts on establishment	Actual			Revised estimate			Medium-term expenditure estimate												
		2021/22		2022/23		2023/24		2024/25		2025/26		2022/23 - 2025/26								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost	Unit cost						
Office of the Ombud for Financial Services Providers		74	74	66	32.8	0.5	74	43.3	0.6	74	49.9	0.7	74	52.2	0.7	74	49.0	0.7	-	100.0%
Salary level																				
1 – 6	20	20	19	3.2	0.2	20	3.6	0.2	20	4.4	0.2	20	4.2	0.2	20	4.0	0.2	-	27.0%	
7 – 10	39	39	36	14.7	0.4	39	18.4	0.5	39	20.4	0.5	39	21.5	0.6	39	20.3	0.5	-	52.7%	
11 – 12	6	6	4	3.6	0.9	6	5.5	0.9	6	6.4	1.1	6	6.8	1.1	6	6.3	1.1	-	8.1%	
13 – 16	8	8	6	8.8	1.5	8	13.0	1.6	8	15.3	1.9	8	16.1	2.0	8	15.1	1.9	-	10.8%	
17 – 22	1	1	1	2.6	2.6	1	2.8	2.8	1	3.4	3.4	1	3.6	3.6	1	3.3	3.3	-	1.4%	

1. Rand million.

Office of the Pension Funds Adjudicator**Selected performance indicators****Table 8.65 Office of the Pension Funds Adjudicator performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Percentage of valid complaints resolved per year within 9 months of the complaint being lodged	Dispose of complaints received	Priority 3: Education, skills and health	88% (6 808/ 7 737)	83% (5 822/ 7 014)	83% (7 228/ 8 708)	100%	100%	100%	100%
Number of days taken per year for the new complaints unit to refer premature complaints to respondents	Dispose of complaints received		- ¹	5	5	5	5	5	5

1. No historical data available.

Entity overview

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

Over the MTEF period, the adjudicator plans to develop the capability of its staff, restructure internal processes and continue to modernise its ICT systems in an effort to resolve 85 per cent of pension fund complaints within 6 months. It will also aim to intensify its engagements with relevant stakeholders such as regulators and pension funds, and continue to conduct outreach programmes to create awareness about its existence and mandate.

Expenditure is expected to increase at an average annual rate of 6.2 per cent, from R87.4 million in 2022/23 to R104.7 million in 2025/26, mainly due to planned capital investments in ICT infrastructure and the automation of key processes, as well as increased legal and professional fees related to complaints management. Spending on compensation of employees, the main cost driver, is expected to increase at an average annual rate of 3.1 per cent, from R54.7 million in 2022/23 to R60 million in 2025/26. The adjudicator derives its revenue mainly through levies collected from pension funds. Revenue is projected to increase at an average annual rate of 5.9 per cent, from R83.1 million in 2022/23 to R98.6 million in 2025/26.

Programmes/Objectives/Activities**Table 8.66 Office of the Pension Funds Adjudicator expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
Administration	12.3	15.3	15.3	19.0	15.5%	21.1%	20.3	21.4	22.1	5.2%	21.1%
Dispose of complaints received	44.9	47.8	53.4	62.9	11.9%	71.4%	72.2	74.4	76.1	6.5%	72.7%
Achieve operational excellence	4.9	4.8	4.5	5.1	1.1%	6.7%	5.5	5.8	6.0	5.9%	5.7%
Effective stakeholder relationships	0.9	0.8	0.2	0.5	-19.4%	0.8%	0.5	0.5	0.5	3.0%	0.5%
Total	63.0	68.8	73.4	87.4	11.5%	100.0%	98.6	102.1	104.7	6.2%	100.0%

Statements of financial performance, cash flow and financial position**Table 8.67 Office of the Pension Funds Adjudicator statements of financial performance, cash flow and financial position**

Statement of financial performance											
R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
Revenue											
Non-tax revenue	0.0	0.1	0.4	0.4	176.8%	0.3%	6.7	6.8	7.0	158.7%	5.5%
Other non-tax revenue	0.0	0.1	0.4	0.4	176.8%	0.3%	6.7	6.8	7.0	158.7%	5.5%
Transfers received	70.8	75.4	79.3	82.7	5.3%	99.7%	83.7	88.1	91.7	3.5%	94.5%
Total revenue	70.8	75.5	79.7	83.1	5.5%	100.0%	90.4	95.0	98.6	5.9%	100.0%
Expenses											
Current expenses	63.0	68.8	73.4	87.4	11.5%	100.0%	98.6	102.1	104.7	6.2%	100.0%
Compensation of employees	36.4	41.2	42.7	54.7	14.5%	59.6%	58.1	59.3	60.0	3.1%	59.2%
Goods and services	24.2	25.2	26.7	30.1	7.6%	36.5%	31.9	33.8	35.3	5.4%	33.4%
Depreciation	2.5	2.4	4.0	2.6	1.6%	3.9%	8.6	9.0	9.4	53.8%	7.4%
Total expenses	63.0	68.8	73.4	87.4	11.5%	100.0%	98.6	102.1	104.7	6.2%	100.0%
Surplus/(Deficit)	7.8	6.8	6.3	(4.3)	-182.0%		(8.2)	(7.1)	(6.1)	12.4%	
Cash flow statement											
Cash flow from operating activities	16.0	14.9	8.3	(1.7)	-147.4%	100.0%	2.9	3.1	6.2	-253.9%	100.0%
Receipts											
Non-tax receipts	0.0	0.1	0.4	0.4	176.8%	0.3%	0.4	0.2	0.1	-37.2%	0.3%
Other tax receipts	0.0	0.1	0.4	0.4	176.8%	0.3%	0.4	0.2	0.1	-37.2%	0.3%
Transfers received	75.8	80.0	78.8	82.7	3.0%	99.7%	86.9	91.3	95.9	5.0%	99.7%
Total receipts	75.8	80.2	79.2	83.1	3.1%	100.0%	87.3	91.5	96.0	4.9%	100.0%
Payment											
Current payments	59.8	65.3	70.9	84.8	12.4%	100.0%	84.4	88.4	89.8	1.9%	100.0%
Compensation of employees	35.8	39.5	43.7	54.7	15.1%	61.7%	54.7	57.1	57.1	1.5%	64.4%
Goods and services	24.0	25.8	27.2	30.1	7.9%	38.3%	29.7	31.3	32.6	2.7%	35.6%
Total payments	59.8	65.3	70.9	84.8	12.4%	100.0%	84.4	88.4	89.8	1.9%	100.0%
Net cash flow from investing activities	(2.1)	(9.7)	(8.3)	(9.7)	67.6%	100.0%	(7.0)	(5.0)	(5.0)	-19.8%	100.0%
Acquisition of property, plant, equipment and intangible assets	(1.9)	(9.4)	(7.4)	(6.4)	51.1%	85.8%	(4.9)	(3.5)	(4.0)	-14.5%	71.5%
Acquisition of software and other intangible assets	(0.2)	(0.3)	(0.9)	(3.3)	152.9%	14.2%	(2.1)	(1.5)	(1.0)	-32.8%	28.5%
Net increase/(decrease) in cash and cash equivalents	14.0	5.2	(0.0)	(11.4)	-193.5%	4.2%	(4.1)	(1.9)	1.2	-147.2%	-4.5%
Statement of financial position											
Carrying value of assets	6.5	13.9	18.5	9.7	14.5%	39.3%	12.0	12.6	13.1	10.4%	56.8%
<i>of which:</i>											
Acquisition of assets	(1.9)	(9.4)	(7.4)	(6.4)	51.1%	100.0%	(4.9)	(3.5)	(4.0)	-14.5%	100.0%
Receivables and prepayments	8.3	4.2	4.7	6.4	-8.2%	21.8%	8.1	8.5	8.8	11.3%	38.1%
Cash and cash equivalents	15.7	20.9	20.9	0.5	-68.3%	38.9%	1.3	1.3	1.4	39.9%	5.2%
Total assets	30.5	39.1	44.1	16.7	-18.3%	100.0%	21.3	22.3	23.3	11.9%	100.0%
Accumulated surplus/(deficit)	26.6	33.1	39.4	14.4	-18.4%	87.0%	19.4	20.4	21.3	13.7%	90.0%
Trade and other payables	2.1	0.6	0.7	0.5	-38.2%	3.3%	0.7	0.7	0.7	12.9%	3.1%
Provisions	1.8	5.4	3.9	1.7	-1.1%	9.7%	1.2	1.3	1.4	-7.5%	6.9%
Total equity and liabilities	30.5	39.1	44.1	16.7	-18.3%	100.0%	21.3	22.3	23.3	11.9%	100.0%

Personnel information**Table 8.68 Office of the Pension Funds Adjudicator personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)				
Number of funded posts	Number of approved establishment posts	Actual			Revised estimate			Medium-term expenditure estimate											
		2021/22		2022/23		2023/24		2024/25		2025/26		2022/23 - 2025/26							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Office of the Pension Funds Adjudicator																			
Salary level	70	68	66	42.7	0.6	68	54.7	0.8	81	58.1	0.7	79	59.3	0.8	79	60.0	0.8	5.1%	100.0%
1 – 6	22	22	20	5.7	0.3	20	5.9	0.3	28	9.9	0.4	28	6.7	0.2	28	6.8	0.2	11.9%	33.7%
7 – 10	29	29	29	12.9	0.4	29	17.7	0.6	24	11.7	0.5	24	15.7	0.7	24	15.9	0.7	-6.1%	33.3%
11 – 12	11	10	10	8.1	0.8	11	12.8	1.2	17	15.2	0.9	15	14.7	1.0	15	14.8	1.0	10.9%	18.8%
13 – 16	6	5	5	9.9	2.0	6	11.8	2.0	10	15.0	1.5	10	15.1	1.5	10	15.3	1.5	18.6%	11.6%
17 – 22	2	2	2	6.1	3.1	2	6.5	3.3	2	6.3	3.2	2	7.1	3.5	2	7.1	3.6	–	2.6%

1. Rand million.

Public Investment Corporation**Selected performance indicators****Table 8.69 Public Investment Corporation performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Value of net profit after tax per year	Administration		R189m	R528m	R305m	R198m	R263m	R282m	R335m
Total amount of funds under management per year	Investments	Priority 7: A better Africa and world	R1.9tn	R2.3tn	R2.5tn	R2.6tn	R2.7tn	R2.8tn	R3tn

Entity overview

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

Over the medium term, the corporation will focus on implementing client mandates through its highly skilled investment team, maintaining a robust communication technology platform, applying risk management practices, and ensuring that its investment decisions are based on sound principles.

Expenditure is expected to increase at average annual rate of 2.6 per cent, from R913.6 million in 2022/23 to R988.1 million in 2025/26. Spending on compensation of employees accounts for 47.5 per cent (R1.4 billion) of the corporation's expenditure over the medium term, increasing at an average annual rate of 2.2 per cent, from R438.1 million in 2022/23 to R467 million in 2025/26.

The corporation derives its revenue mainly through fees charged for the management of client assets, board fees and interest income. Revenue is set to increase at an average annual rate of 14.7 per cent, from R1.3 billion in 2022/23 to R2 billion in 2025/26, mainly as a result of an anticipated increase in management fees, growth in the corporation's equities portfolio, and an increase in assets under management.

Programmes/Objectives/Activities**Table 8.70 Public Investment Corporation expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
Administration	599.3	456.6	611.5	456.8	-8.7%	48.5%	467.2	472.8	494.0	2.6%	50.0%
Investments	599.3	605.3	589.0	456.8	-8.7%	51.5%	467.2	472.8	494.0	2.6%	50.0%
Total	1 198.7	1 061.9	1 200.5	913.6	-8.7%	100.0%	934.3	945.5	988.1	2.6%	100.0%

Statements of financial performance, cash flow and financial position**Table 8.71 Public Investment Corporation statements of financial performance, cash flow and financial position**

Statement of financial performance											
R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
Revenue											
Non-tax revenue	1 339.0	1 323.3	1 505.0	1 327.2	-0.3%	100.0%	1 726.7	1 828.4	2 002.4	14.7%	100.0%
Sale of goods and services other than capital assets	1 130.8	1 119.8	1 061.7	1 044.5	-2.6%	79.6%	1 431.3	1 519.7	1 679.8	17.2%	82.1%
Other non-tax revenue	208.3	203.6	443.3	282.7	10.7%	20.4%	295.5	308.7	322.6	4.5%	17.9%
Total revenue	1 339.0	1 323.3	1 505.0	1 327.2	-0.3%	100.0%	1 726.7	1 828.4	2 002.4	14.7%	100.0%
Expenses											
Current expenses	1 142.5	867.3	1 150.5	759.9	-12.7%	89.0%	775.4	779.1	814.1	2.3%	82.7%
Compensation of employees	390.7	496.5	759.1	438.1	3.9%	47.6%	442.5	446.9	467.0	2.2%	47.5%
Goods and services	692.6	319.2	339.8	271.8	-26.8%	36.5%	280.6	277.5	290.0	2.2%	29.6%
Depreciation	59.2	51.6	51.6	50.0	-5.5%	4.9%	52.3	54.6	57.1	4.5%	5.7%
Transfers and subsidies	56.2	194.5	50.0	153.6	39.8%	11.0%	158.9	166.4	173.9	4.2%	17.3%
Total expenses	1 198.7	1 061.9	1 200.5	913.6	-8.7%	100.0%	934.3	945.5	988.1	2.6%	100.0%
Surplus/(Deficit)	140.4	261.4	304.5	413.6	43.4%		792.4	882.9	1 014.4	34.9%	
Cash flow statement											
Cash flow from operating activities	345.3	214.3	78.3	182.4	-19.2%	100.0%	410.7	493.4	607.4	49.3%	100.0%
Receipts											
Non-tax receipts	1 331.0	1 296.6	1 273.8	1 327.2	-0.1%	100.0%	1 726.7	1 828.4	2 002.4	14.7%	100.0%
Sales of goods and services other than capital assets	1 130.8	1 119.8	1 061.7	1 044.5	-2.6%	83.3%	1 431.3	1 519.7	1 679.8	17.2%	82.1%
Other tax receipts	200.3	176.9	212.1	282.7	12.2%	16.7%	295.5	308.7	322.6	4.5%	17.9%
Total receipts	1 331.0	1 296.6	1 273.8	1 327.2	-0.1%	100.0%	1 726.7	1 828.4	2 002.4	14.7%	100.0%
Payment											
Current payments	985.7	962.6	1 121.4	1 079.0	3.1%	94.3%	1 246.6	1 261.8	1 318.6	6.9%	94.5%
Compensation of employees	507.5	496.5	579.2	503.4	-0.3%	47.4%	511.9	515.9	539.1	2.3%	40.0%
Goods and services	477.9	466.0	542.0	575.3	6.4%	46.8%	703.0	719.1	751.5	9.3%	52.9%
Interest and rent on land	0.2	0.0	0.3	0.3	6.5%	-	31.6	26.8	28.0	358.3%	1.6%
Transfers and subsidies	-	119.7	74.0	65.8	-	5.7%	69.4	73.2	76.5	5.2%	5.5%
Total payments	985.7	1 082.3	1 195.4	1 144.8	5.1%	100.0%	1 316.0	1 335.0	1 395.1	6.8%	100.0%
Net cash flow from investing activities	(175.4)	(43.8)	130.8	(492.4)	41.1%	100.0%	(494.6)	(429.3)	(448.6)	-3.1%	100.0%
Acquisition of property, plant, equipment and intangible assets	(6.8)	(1.1)	(8.2)	(10.2)	14.6%	0.5%	(4.4)	(4.1)	(4.3)	-25.1%	1.2%
Acquisition of software and other intangible assets	(10.8)	(17.4)	(6.6)	(13.8)	8.6%	10.9%	(86.5)	(95.0)	(99.3)	92.8%	16.1%
Proceeds from the sale of property, plant, equipment and intangible assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Other flows from investing activities	(157.9)	(25.2)	145.6	(468.4)	43.7%	88.5%	(403.7)	(330.2)	(345.1)	-9.7%	82.6%
Net cash flow from financing activities	(25.3)	(24.6)	(25.2)	(33.4)	9.7%	100.0%	(33.7)	(34.0)	(35.6)	2.2%	100.0%
Other flows from financing activities	(25.3)	(24.6)	(25.2)	(33.4)	9.7%	100.0%	(33.7)	(34.0)	(35.6)	2.2%	100.0%
Net increase/(decrease) in cash and cash equivalents	144.6	145.9	183.9	(343.4)	-233.4%	0.9%	(117.6)	30.1	123.2	-171.1%	-8.6%
Statement of financial position											
Carrying value of assets of which:	83.1	93.1	95.0	433.6	73.4%	4.4%	524.5	623.6	651.6	14.5%	12.2%
<i>Acquisition of assets</i>	<i>(6.8)</i>	<i>(1.1)</i>	<i>(8.2)</i>	<i>(10.2)</i>	<i>14.6%</i>	<i>100.0%</i>	<i>(4.4)</i>	<i>(4.1)</i>	<i>(4.3)</i>	<i>-25.1%</i>	<i>100.0%</i>
Investments	2 572.0	2 901.2	3 019.5	2 759.5	2.4%	71.1%	2 892.9	2 986.7	3 121.1	4.2%	64.9%
Receivables and prepayments	166.9	135.2	166.3	126.8	-8.7%	3.8%	129.1	130.4	136.3	2.4%	2.9%
Cash and cash equivalents	463.1	608.5	792.4	582.5	8.0%	15.3%	588.4	688.9	719.9	7.3%	14.2%
Taxation	229.2	169.3	193.5	255.7	3.7%	5.4%	258.3	260.9	272.6	2.2%	5.8%
Total assets	3 514.3	3 907.4	4 266.6	4 158.2	5.8%	100.0%	4 393.1	4 690.4	4 901.5	5.6%	100.0%
Accumulated surplus/(deficit)	1 905.1	2 410.0	2 711.0	2 570.7	10.5%	60.3%	2 749.9	3 027.0	3 163.2	7.2%	63.4%
Capital and reserves	947.2	957.0	963.0	1 015.9	2.4%	24.6%	1 026.1	1 036.3	1 083.0	2.2%	23.0%
Finance lease	24.4	30.2	-	30.8	8.1%	0.6%	31.1	31.4	32.8	2.2%	0.7%
Trade and other payables	325.3	271.2	202.6	322.6	-0.3%	7.2%	334.4	346.7	362.3	4.0%	7.5%
Provisions	213.3	139.9	270.1	218.2	0.8%	5.3%	220.4	222.6	232.6	2.2%	4.9%
Derivatives financial instruments	99.0	99.0	120.0	-	-100.0%	2.0%	31.3	26.5	27.6	-	0.5%
Total equity and liabilities	3 514.3	3 907.4	4 266.6	4 158.2	5.8%	100.0%	4 393.1	4 690.4	4 901.5	5.6%	100.0%

Personnel information

Table 8.72 Public Investment Corporation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment											Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)					
Number of approved funded posts	Number of posts on establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2021/22		2022/23		2023/24		2024/25		2025/26		2022/23 - 2025/26							
Public Investment Corporation		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	385	573	381	759.1	2.0	385	438.1	1.1	385	442.5	1.1	385	446.9	1.2	385	467.0	1.2	-	100.0%
1 – 6	13	7	13	5.3	0.4	13	2.5	0.2	13	2.5	0.2	13	2.6	0.2	13	2.7	0.2	-	3.4%
7 – 10	156	226	160	190.4	1.2	156	97.9	0.6	156	96.3	0.6	156	91.6	0.6	156	95.7	0.6	-	40.5%
11 – 12	60	89	58	83.9	1.4	60	61.1	1.0	60	56.9	0.9	60	61.6	1.0	60	64.3	1.1	-	15.6%
13 – 16	112	207	107	230.8	2.2	112	127.7	1.1	112	137.6	1.2	112	139.6	1.2	112	145.9	1.3	-	29.1%
17 – 22	44	44	43	248.7	5.8	44	148.9	3.4	44	149.2	3.4	44	151.6	3.4	44	158.4	3.6	-	11.4%

1. Rand million.

South African Revenue Service

Selected performance indicators

Table 8.73 South African Revenue Service performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Percentage of revenue collected per year as agreed with the minister	Operation orchestration and enabling	Priority 2: Economic transformation and job creation	99%	103.1%	101.1%	100%	100%	100%	100%
			(R1 355.8bn/ R1 369.7bn)	(R1 249.7bn/ R1 212.2bn)	(R1 563.8bn/ R1 547.1bn)				
Percentage of taxpayers and traders satisfied with the clarity and certainty of guidance provided by the revenue service per year	Operation orchestration and enabling		- ¹	74.5%	69.1%	75%	80%	82%	85%
					(3 210/ 4 648)				
Percentage of cases referred to the National Prosecuting Authority and accepted for prosecution per year	Standard operations		- ¹	- ¹	- ¹	90%	90%	95%	95%
Percentage of standard taxpayers' returns auto-assessed by the revenue service per year	Standard operations		- ¹	83.7%	91%	90%	93%	95%	95%
				(R3.6m/ R4.3m)	(R2.8m/ R3.1m)				

1. No historical data available.

Entity overview

In terms of the South African Revenue Service Act (1997), the South African Revenue Service is mandated to collect all revenue due to the state and administer trade to support government in meeting its key developmental objectives for growth. This involves facilitating legitimate trade, protecting South Africa's ports of entry, and eliminating illegal trade and tax evasion.

As its principal contribution to South Africa's economic and social development, the 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 policy and delivery priorities by collecting all of the revenue target set by the Minister of Finance. As the achievement of this goal is contingent on how easy it is for taxpayers and traders to comply with their tax obligations, by 2025/26, the entity plans to ensure that 85 per cent of taxpayers and traders are satisfied with the clarity of guidance it provides, and to conduct auto-assessments on 95 per cent of standard taxpayers. It aims to do this effectively through modernising its ICT systems to encourage eFiling, improve the experience of taxpayers, monitor compliance and make tax collection more efficient, develop and administer a

tax and customs system of voluntary compliance, and, where appropriate, enforce tax directives responsibly and decisively.

The entity plans to collaborate with law enforcement agencies such as the South African Police Service, the National Prosecuting Authority, the Financial Intelligence Centre and the Special Investigating Unit to enforce tax compliance by taxpayers and traders, and address illicit financial flows. The entity has established a syndicated tax and customs crime division responsible for investigating criminal and illicit organised crime and syndicated evasion schemes across all taxes. The division is mandated to investigate suspected tax-related crimes specifically identified by the state capture commission reports, and to support the entity's investigating directorate in cases relating to other unlawful activities where tax fraud or evasion are implied, given the strong link between tax crimes and other financial crimes such as money laundering and illicit financial flows.

Accordingly, the entity has used additional funding of R1 billion per year allocated for the 2022 MTEF period to recruit critical skills and ICT capacity to improve tax compliance and contribute towards countering money laundering and terror financing. The entity has filled 187 of the targeted 337 posts to be filled through this allocation and will continue its recruitment drive into the MTEF period. A further R1.5 billion is added to the entity's baseline over the medium term to fund its capital projects.

Expenditure is expected to increase at an average annual rate of 1 per cent, from R12.2 billion in 2022/23 to R12.6 billion in 2025/26. The entity is set to derive 95.8 per cent (R35.9 billion) of its revenue through transfers from the department. These allocations are set to increase at an average annual rate of 1.4 per cent, from R11.6 billion in 2022/23 to R12.1 billion in 2025/26.

Programmes/Objectives/Activities

Table 8.74 South African Revenue Service expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/Total (%)
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Administration	3 117.6	2 833.0	3 453.4	4 075.0	9.3%	29.9%	4 036.1	2 841.6	2 655.3	-13.3%	27.3%
Operation Orchestration and Enabling	257.4	331.2	360.2	320.7	7.6%	2.8%	335.7	351.6	368.5	4.7%	2.8%
Standard Operations	2 123.2	3 157.3	2 314.2	2 319.8	3.0%	22.3%	2 425.5	2 537.2	2 655.4	4.6%	19.9%
Audit, Investigation and Dispute Resolution	2 802.0	1 543.4	1 258.5	1 339.0	-21.8%	15.6%	1 399.7	1 464.7	1 533.6	4.6%	11.5%
Segments Operations	317.0	357.5	393.9	406.1	8.6%	3.3%	424.6	444.2	464.8	4.6%	3.5%
Projects	32.9	7.1	17.7	43.4	9.7%	0.2%	39.7	39.7	39.7	-2.9%	0.3%
Office of The Tax Ombud	40.7	41.3	44.4	51.2	7.9%	0.4%	51.2	53.5	55.9	3.0%	0.4%
Customs Operations	90.4	40.0	1 260.4	1 305.1	143.4%	5.8%	1 369.6	1 439.9	1 516.8	5.1%	11.3%
Data and Technology	1 992.9	2 202.7	1 947.1	2 172.8	2.9%	18.6%	2 506.5	2 775.8	3 081.1	12.3%	21.1%
Product, Process and Segments	66.6	44.1	192.1	212.2	47.1%	1.1%	221.8	231.9	242.7	4.6%	1.8%
Total	10 840.8	10 557.6	11 242.0	12 245.1	4.1%	100.0%	12 810.4	12 180.1	12 613.9	1.0%	100.0%

Statements of financial performance, cash flow and financial position

Table 8.75 South African Revenue Service statements of financial performance, cash flow and financial position

Statement of financial performance												
R million	Audited outcome				Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2019/20	2020/21	2021/22	2022/23		2019/20 - 2022/23	Average Expenditure/ Total (%)	2023/24	2024/25	2025/26	2022/23 - 2025/26	Average Expenditure/ Total (%)
Revenue												
Non-tax revenue	530.2	1 015.0	484.7	881.9	18.5%	6.4%	428.7	392.1	395.5	-23.5%	4.2%	
Sale of goods and services other than capital assets	448.5	333.1	411.9	385.3	-4.9%	3.5%	388.7	392.1	395.5	0.9%	3.1%	
Other non-tax revenue	81.7	681.9	72.8	496.6	82.5%	2.9%	40.0	-	-	-100.0%	1.1%	
Transfers received	9 529.0	10 271.9	11 295.2	11 635.8	6.9%	93.6%	12 157.6	11 636.2	12 135.1	1.4%	95.8%	
Total revenue	10 059.3	11 286.8	11 779.9	12 517.7	7.6%	100.0%	12 586.3	12 028.3	12 530.7	-	100.0%	
Expenses												
Current expenses	10 840.8	10 557.6	11 242.0	12 245.1	4.1%	100.0%	12 810.4	12 180.1	12 613.9	1.0%	100.0%	
Compensation of employees	7 446.8	7 623.5	8 194.5	8 220.5	3.3%	70.2%	8 319.4	7 418.3	7 481.0	-3.1%	63.1%	
Goods and services	2 842.9	2 672.3	2 751.7	3 284.6	4.9%	25.7%	3 806.6	4 149.7	4 589.4	11.8%	31.7%	
Depreciation	552.4	261.7	295.7	740.0	10.2%	4.1%	684.4	612.0	543.6	-9.8%	5.2%	
Interest, dividends and rent on land	(1.3)	0.0	0.1	-	-100.0%	-	-	-	-	-	-	
Total expenses	10 840.8	10 557.6	11 242.0	12 245.1	4.1%	100.0%	12 810.4	12 180.1	12 613.9	1.0%	100.0%	
Surplus/(Deficit)	(781.6)	729.3	537.9	272.6	-170.4%		(224.1)	(151.7)	(83.3)	-167.4%		
Cash flow statement												
Cash flow from operating activities	(342.6)	847.6	1 204.4	205.1	-184.3%	100.0%	560.0	522.1	543.0	38.3%	100.0%	
Receipts												
Non-tax receipts	448.9	416.2	483.1	459.2	0.8%	4.1%	428.7	392.1	395.5	-4.9%	3.4%	
Sales of goods and services other than capital assets	371.2	373.0	425.1	385.3	1.2%	3.5%	388.7	392.1	395.5	0.9%	3.2%	
Other sales	371.2	373.0	425.1	385.3	1.2%	3.5%	388.7	392.1	395.5	0.9%	3.2%	
Other tax receipts	77.7	43.2	58.0	73.8	-1.7%	0.6%	40.0	-	-	-100.0%	0.2%	
Transfers received	9 529.0	10 271.9	11 295.2	11 635.8	6.9%	95.9%	12 157.6	11 636.2	12 135.1	1.4%	96.6%	
Total receipts	9 978.0	10 688.1	11 778.3	12 094.9	6.6%	100.0%	12 586.3	12 028.3	12 530.7	1.2%	100.0%	
Payment												
Current payments	10 320.5	9 840.5	10 573.8	11 889.8	4.8%	100.0%	12 026.3	11 506.2	11 987.7	0.3%	100.0%	
Compensation of employees	7 675.3	7 378.8	7 776.2	8 867.8	4.9%	74.4%	8 319.4	7 418.3	7 481.0	-5.5%	67.7%	
Goods and services	2 646.5	2 460.5	2 797.5	3 022.0	4.5%	25.6%	3 707.0	4 087.9	4 506.7	14.2%	32.3%	
Interest and rent on land	(1.3)	1.3	0.1	-	-100.0%	-	-	-	-	-	-	
Total payments	10 320.5	9 840.5	10 573.8	11 889.8	4.8%	100.0%	12 026.3	11 506.2	11 987.7	0.3%	100.0%	
Net cash flow from investing activities	(324.8)	(585.4)	(517.6)	(1 012.6)	46.1%	100.0%	(460.3)	(460.3)	(460.3)	-23.1%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(92.8)	(374.4)	(333.0)	(476.6)	72.6%	51.0%	(143.3)	(143.3)	(143.3)	-33.0%	35.1%	
Acquisition of software and other intangible assets	(233.2)	(207.0)	(182.9)	(535.9)	32.0%	48.9%	(317.0)	(317.0)	(317.0)	-16.1%	64.9%	
Proceeds from the sale of property, plant, equipment and intangible assets	1.2	1.0	1.8	-	-100.0%	-0.2%	-	-	-	-	-	
Other flows from investing activities	-	(5.0)	(3.5)	-	-	0.4%	-	-	-	-	-	
Net cash flow from financing activities	7.4	7.1	28.6	(10.2)	-211.6%	100.0%	(10.2)	(8.9)	-	-100.0%	-	
Borrowing activities	20.0	12.6	-	-	-100.0%	112.2%	-	-	-	-	-	
Repayment of finance leases	(12.6)	(5.5)	29.3	(10.2)	-6.8%	-11.6%	(10.2)	(8.9)	-	-100.0%	-	
Other flows from financing activities	-	-	(0.8)	-	-	-0.7%	-	-	-	-	-	
Net increase/(decrease) in cash and cash equivalents	(660.0)	269.3	715.4	(817.7)	7.4%	-1.0%	89.4	52.9	82.7	-146.6%	-1.2%	
Statement of financial position												
Carrying value of assets of which:	3 352.3	4 224.8	4 441.8	4 714.3	12.0%	78.8%	4 490.2	4 338.5	4 255.2	-3.4%	79.6%	
<i>Acquisition of assets</i>	<i>(92.8)</i>	<i>(374.4)</i>	<i>(333.0)</i>	<i>(476.6)</i>	<i>72.6%</i>	<i>100.0%</i>	<i>(143.3)</i>	<i>(143.3)</i>	<i>(143.3)</i>	<i>-33.0%</i>	<i>100.0%</i>	
Inventory	21.5	26.9	28.0	32.7	15.0%	0.5%	33.7	35.7	37.7	4.9%	0.6%	
Loans	11.7	-	-	-	-100.0%	0.1%	-	-	-	-	-	
Receivables and prepayments	268.0	324.3	367.4	368.5	11.2%	6.3%	403.6	405.6	373.6	0.5%	6.9%	
Cash and cash equivalents	436.7	706.0	1 421.4	603.7	11.4%	14.3%	693.1	746.0	828.7	11.1%	12.9%	
Total assets	4 090.2	5 281.9	6 258.5	5 719.2	11.8%	100.0%	5 620.7	5 525.8	5 495.2	-1.3%	100.0%	
Accumulated surplus/(deficit)	2 731.4	3 630.4	4 168.3	4 018.1	13.7%	68.1%	3 794.0	3 642.3	3 559.0	-4.0%	67.1%	
Capital and reserves	300.0	99.5	102.7	103.9	-29.8%	3.2%	128.1	137.8	137.8	9.9%	2.3%	
Finance lease	4.4	0.1	29.4	19.2	63.4%	0.2%	8.9	-	-	-100.0%	0.1%	
Deferred income	0.1	0.1	0.2	0.2	14.8%	-	0.2	0.2	0.2	-	-	
Trade and other payables	611.3	965.7	737.0	1 019.7	18.6%	15.7%	1 094.2	1 147.9	1 228.4	6.4%	20.1%	
Provisions	443.0	586.1	1 220.8	558.1	8.0%	12.8%	595.2	597.6	569.9	0.7%	10.4%	
Total equity and liabilities	4 090.2	5 281.9	6 258.5	5 719.2	11.8%	100.0%	5 620.7	5 525.8	5 495.2	-1.3%	100.0%	

South African Special Risks Insurance Association

Selected performance indicators

Table 8.76 South African Special Risks Insurance Association performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Percentage growth of gross written premium income compared to previous year	Sustainable revenue growth: Maintain sustainable underwriting profit	Priority 2: Economic transformation and job creation	- ¹	- ¹	13%	10%	10%	10%	10%
Percentage of all fast-tracked claims to be settled within 30 days from date of submission per year	Customer-centricity: Deliver value-added services to customers	Priority 1: A capable, ethical and developmental state	90% (1 605/ 1 783)	90% (2 064/ 2 282)	0%	90%	90%	90%	95%
Average number of days taken per year to process claims less than R250 000	Customer-centricity: Deliver value-added services to customers	Priority 2: Economic transformation and job creation	30	30	0	25	25	25	25
Average number of days taken per year to process claims	Customer-centricity: Deliver value-added services to customers		25	30	0	50	50	50	50
Percentage of large loss claims finalised per year within 60 days	Customer-centricity: Deliver value-added services to customers		70% (670/ 957)	83% (263/ 317)	0%	70%	70%	75%	80%

1. No historical data available.

Entity overview

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

Over the medium term, the insurer aims to rebuild its capital base through: passing on higher premiums to the industry; revising its reinsurance structure, which requires 40 per cent of its insurance business to be ceded in 2023/24 and 2024/25 to reinsurers with catastrophe cover of R10 billion; and taking account of equity contributions to settle all valid claims related to the civil unrest in KwaZulu-Natal and Gauteng in July 2021.

The association's expenditure is expected to increase at an average annual rate of 7.1 per cent, from R4 billion in 2022/23 to R4.9 billion in 2025/26, due to the ceding of projected reinsurance costs to reinsurers. The bulk of this spending is on goods and services, which accounts for an estimated 95.7 per cent (R14.6 billion) of the insurer's budget over the period ahead. Compensation of employees is expected to increase at an average annual rate of 4 per cent, from R173.4 million in 2022/23 to R194.8 million in 2025/26, mainly due to new appointments, annual increases and performance bonuses. To reduce reliance on consultants, the association's number of personnel is expected to increase from 159 to 187 over the MTEF period.

The association is set to derive 99.3 per cent (R18.7 billion) of its revenue through annual premium increases and customer retentions. Revenue is expected to increase at an average annual rate of 3 per cent, from R5.9 billion in 2022/23 to R6.4 billion in 2025/26.

Programmes/Objectives/Activities**Table 8.77 South African Special Risks Insurance Association expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
Administration	776.3	1 321.4	1 708.5	3 373.8	63.2%	46.2%	3 497.2	1 931.1	1 682.4	-20.7%	55.6%	
Sustainability revenue growth	347.3	408.4	445.8	586.4	19.1%	12.5%	535.5	597.1	647.5	3.4%	12.4%	
Sustainable revenue growth: Maintain sustainable underwriting profit	1 223.8	-	-	-	-100.0%	12.8%	-	0.0	-	-	-	
Sustainability: Sustainable growth	5.2	5.3	5.9	6.4	7.1%	0.2%	-	-	-	-100.0%	-	
Customer-centricity: Deliver value-added services to customers	13.6	12.2	19.9	19.4	12.7%	0.4%	15.0	16.1	16.8	-4.7%	0.4%	
Socioeconomic impact: Capacity building in the financial sector	16.8	18.1	19.5	12.7	-8.9%	0.5%	15.1	15.8	16.5	9.1%	0.3%	
Digitisation: Distribution capability	3.5	9.4	12.8	18.5	74.6%	0.3%	-	-	-	-100.0%	0.1%	
Regulatory environment: Proactively manage compliance	0.0	-	-	-	-100.0%	-	-	-	-	-	-	
Sustainability: Capital efficiency	-	351.7	25 889.9	-	-	27.2%	1 302.7	2 381.0	2 569.6	-	31.1%	
Total	2 386.5	2 126.6	28 102.3	4 017.2	19.0%	100.0%	5 365.5	4 941.0	4 932.9	7.1%	100.0%	

Statements of financial performance, cash flow and financial position**Table 8.78 South African Special Risks Insurance Association statements of financial performance, cash flow and financial position**

Statement of financial performance												
R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22	2022/23				2019/20 - 2022/23	2023/24	2024/25		
Revenue												
Non-tax revenue	2 719.3	3 629.2	3 808.2	5 718.4	28.1%	94.8%	6 212.0	6 071.6	6 419.9	3.9%	99.3%	
Sale of goods and services other than capital assets	2 462.7	2 823.0	3 466.8	5 083.6	27.3%	82.4%	5 717.5	5 483.8	5 755.2	4.2%	89.6%	
Other non-tax revenue	256.6	806.2	341.5	634.8	35.3%	12.5%	494.6	587.8	664.7	1.5%	9.7%	
Transfers received	-	-	837.0	158.6	-	5.2%	-	-	-	-100.0%	0.7%	
Total revenue	2 719.3	3 629.2	4 645.2	5 877.0	29.3%	100.0%	6 212.0	6 071.6	6 419.9	3.0%	100.0%	
Expenses												
Current expenses	2 118.6	1 588.0	28 102.3	4 017.2	23.8%	90.9%	5 365.5	4 941.0	4 932.9	7.1%	100.0%	
Compensation of employees	113.2	123.9	145.1	173.4	15.3%	3.8%	180.7	189.6	194.8	4.0%	3.9%	
Goods and services	1 990.3	1 443.8	27 935.3	3 828.9	24.4%	86.5%	5 168.8	4 724.4	4 705.0	7.1%	95.7%	
Depreciation	15.2	20.4	21.9	14.9	-0.5%	0.5%	16.1	27.0	33.1	30.4%	0.5%	
Transfers and subsidies	267.9	538.6	-	-	-100.0%	9.1%	-	-	-	-	-	
Total expenses	2 386.5	2 126.6	28 102.3	4 017.2	19.0%	100.0%	5 365.5	4 941.0	4 932.9	7.1%	100.0%	
Surplus/(Deficit)	332.8	1 502.6	(23 457.1)	1 859.8	77.5%		846.5	1 130.5	1 487.1	-7.2%		
Cash flow statement												
Cash flow from operating activities	868.7	844.7	(16 915.7)	(4 099.1)	-267.7%	100.0%	(6.7)	1 373.4	1 665.2	-174.1%	100.0%	
Receipts												
Non-tax receipts	3 138.6	3 240.6	3 786.6	5 738.8	22.3%	99.9%	6 139.7	5 878.1	6 390.1	3.6%	100.0%	
Sales of goods and services other than capital assets	2 456.1	2 801.5	3 479.5	5 189.7	28.3%	86.6%	5 645.2	5 290.3	5 725.4	3.3%	90.5%	
Other tax receipts	682.4	439.1	307.0	549.1	-7.0%	13.2%	494.6	587.8	664.7	6.6%	9.5%	
Financial transactions in assets and liabilities	0.6	0.3	17.8	0.3	-22.1%	0.1%	-	-	-	-100.0%	-	
Total receipts	3 139.2	3 240.9	3 804.4	5 739.1	22.3%	100.0%	6 139.7	5 878.1	6 390.1	3.6%	100.0%	
Payment												
Current payments	2 102.2	1 934.0	20 571.2	9 836.7	67.3%	93.1%	6 144.8	4 503.0	4 723.0	-21.7%	100.0%	
Compensation of employees	95.5	126.7	153.1	157.4	18.1%	3.0%	181.0	187.8	193.7	7.2%	3.2%	
Goods and services	2 006.6	1 807.4	20 418.1	9 679.3	69.0%	90.2%	5 963.8	4 315.2	4 529.3	-22.4%	96.8%	
Transfers and subsidies	168.3	462.1	148.9	1.5	-79.3%	6.9%	1.6	1.7	1.9	8.0%	-	
Total payments	2 270.5	2 396.2	20 720.1	9 838.2	63.0%	100.0%	6 146.4	4 504.7	4 724.9	-21.7%	100.0%	

Table 8.78 South African Special Risks Insurance Association statements of financial performance, cash flow and financial position (continued)

Cash flow statement	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2019/20	2020/21	2021/22				2022/23	2019/20	2022/23			2023/24
R million												
Net cash flow from investing activities	(772.0)	(1 726.3)	6 237.6	(8 654.9)	123.8%	100.0%	5.1	(375.6)	(1 268.6)	-47.3%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(7.5)	(1.0)	(5.0)	(7.0)	-2.6%	0.3%	(12.4)	(4.8)	(4.3)	-14.5%	-60.2%	
Acquisition of software and other intangible assets	(22.2)	(40.0)	(23.8)	(26.1)	5.5%	1.3%	(89.8)	(62.1)	(20.3)	-8.1%	-436.3%	
Proceeds from the sale of property, plant, equipment and intangible assets	–	0.2	0.2	–	–	–	–	–	–	–	–	
Other flows from investing activities	(742.3)	(1 685.5)	6 266.1	(8 621.8)	126.5%	98.5%	107.2	(308.7)	(1 244.0)	-47.6%	596.6%	
Net cash flow from financing activities	(7.2)	(109.1)	21 995.8	–	-100.0%	–	–	–	–	–	–	
Repayment of finance leases	(7.2)	(6.7)	(4.2)	–	-100.0%	–	–	–	–	–	–	
Other flows from financing activities	–	(102.3)	22 000.0	–	–	–	–	–	–	–	–	
Net increase/(decrease) in cash and cash equivalents	89.5	(990.6)	11 317.7	(12 754.0)	-622.3%	-80.0%	(1.6)	997.7	396.6	-131.4%	-72.3%	
Statement of financial position												
Carrying value of assets of which:	189.9	204.4	243.0	310.9	17.9%	2.0%	437.1	502.4	516.2	18.4%	3.3%	
Acquisition of assets	(7.5)	(1.0)	(5.0)	(7.0)	-2.6%	100.0%	(12.4)	(4.8)	(4.3)	-14.5%	100.0%	
Investments	4 190.4	6 252.5	37.3	8 658.4	27.4%	44.4%	8 551.2	8 859.9	10 103.9	5.3%	67.5%	
Receivables and prepayments	258.0	330.4	4 273.3	949.9	54.4%	8.8%	589.1	364.9	391.9	-25.6%	4.4%	
Cash and cash equivalents	4 251.7	3 261.1	14 578.8	1 824.8	-24.6%	41.9%	1 823.2	2 821.0	3 217.6	20.8%	17.8%	
Taxation	30.8	–	776.7	935.3	211.9%	2.9%	935.3	935.3	935.3	–	7.0%	
Total assets	8 920.9	10 048.4	19 909.1	12 679.4	12.4%	100.0%	12 336.0	13 483.4	15 164.8	6.1%	100.0%	
Accumulated surplus/(deficit)	6 958.2	8 358.4	(15 098.6)	(13 238.8)	-223.9%	-4.8%	(12 392.4)	(11 261.8)	(9 774.8)	-9.6%	-88.2%	
Capital reserve fund	–	–	22 000.0	22 000.0	–	71.0%	22 000.0	22 000.0	22 000.0	–	165.0%	
Finance lease	20.1	13.4	8.6	8.6	-24.6%	0.1%	8.6	8.6	8.6	–	0.1%	
Deferred income	10.2	11.0	99.4	180.8	160.4%	0.5%	165.6	2.8	–	-100.0%	0.7%	
Trade and other payables	64.4	112.5	184.4	419.6	86.8%	1.5%	414.3	355.3	355.3	-5.4%	2.9%	
Taxation	139.5	207.9	–	–	-100.0%	0.9%	–	–	–	–	–	
Provisions	1 728.5	1 345.2	12 715.3	3 309.2	24.2%	30.7%	2 139.8	2 378.5	2 575.7	-8.0%	19.5%	
Total equity and liabilities	8 920.9	10 048.4	19 909.1	12 679.4	12.4%	100.0%	12 336.0	13 483.4	15 164.8	6.1%	100.0%	

Personnel information**Table 8.79 South African Special Risks Insurance Association personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment											Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)					
Number of approved funded posts	Number of posts on establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2021/22		2022/23		2023/24		2024/25		2025/26		2022/23 - 2025/26							
South African Special Risks Insurance Association		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	145	145	180	145.1	0.8	159	173.4	1.1	177	180.7	1.0	187	189.6	1.0	187	194.8	1.0	5.6%	100.0%
1 – 6	18	18	6	6.4	1.1	18	4.6	0.3	18	5.6	0.3	18	5.7	0.3	18	6.0	0.3	–	10.2%
7 – 10	70	70	19	4.1	0.2	74	65.6	0.9	89	66.4	0.7	94	69.2	0.7	94	68.7	0.7	8.3%	49.3%
11 – 12	31	31	80	44.0	0.5	36	33.8	0.9	39	36.2	0.9	44	39.7	0.9	44	41.7	0.9	6.9%	22.9%
13 – 16	20	20	68	69.0	1.0	23	45.2	2.0	23	47.9	2.1	23	49.4	2.1	23	51.6	2.2	–	13.0%
17 – 22	6	6	7	21.6	3.1	8	24.2	3.0	8	24.5	3.1	8	25.7	3.2	8	26.9	3.4	–	4.5%

1. Rand million.