

Estimates of National Expenditure

2017

Abridged version

ISBN: 978-0-621-45118-4
RP: 09/2017

The 2017 Estimates of National Expenditure is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

Published by the National Treasury

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

Printed by FormeSet Printers Cape (Pty) Ltd

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**National Treasury
Republic of South Africa**

22 February 2017



Foreword

The 2017 Budget is presented at a time when indications are that the global economy could grow moderately better than the last forecast. Global GDP is expected to grow at 3.4 per cent in 2017, 0.3 percentage points higher than 2016. But uncertainty persists. The trade policies that the United States of America will pursue are unclear. The exact nature of Britain's exit from the European Union and economic impact are unknown. There is also evidence that globalisation is losing favour in some parts of the world and protectionism is growing. The global economy could be very different in future, depending on how these trends evolve.

Given the uncertainty, we have revised down South Africa's GDP growth projections and expect that tax revenue will be lower over the MTEF period as a result. We have also reduced the expenditure ceiling by R10.3 billion in 2017/18 and R15.9 billion in 2018/19, in line with government's fiscal objective of reducing the deficit, achieving a primary surplus and stabilising debt. Since its introduction in 2012, the expenditure ceiling in each financial year has never been breached.

Government is committed to delivering on its priorities despite the lowered revenue forecast and expenditure ceiling. It is critical that we allocate our limited resources wisely and use them effectively. In the 2017 Budget process, measures were taken to free-up resources and baselines were reduced across all departments by R7.5 billion in 2017/18, R7 billion in 2018/19 and R6.7 billion in 2019/20. The contingency reserve was also drawn down, and provisionally reserved funds were reallocated. However, the bulk of the funds allocated to priority areas within and across functions were reprioritised from lower-priority budget areas.

To ensure that funding remains focused on frontline service delivery, efforts have been intensified to improve efficiency in expenditure. Budget limits on compensation of employees introduced in the 2016 Appropriation Act are carried over to 2017. Departments will manage personnel headcount and employee earnings in line with these budget allocations.

Overall non-interest expenditure is still set to grow by an annual average of 1.4 per cent in real terms, from R1.24 trillion in 2017/18 to R1.43 trillion in 2019/20. Proposals in the budget include net increases in funding for the Post-School Education and Training, Basic Education, Economic Affairs and Health functions. The Post-School Education and Training function is the fastest growing, at 9.4 per cent over the medium term. The funding is mainly for universities to subsidise fee increases and for the National Student Financial Aid Scheme.

The publication is a concrete expression of the collaborative effort of highly dedicated civil servants across government throughout the process to prepare the Budget. We are particularly appreciative of this, as well as the contributions from the Ministers' Committee on the Budget and the Directors-General in central government. We are also thankful to all National Treasury staff who, under the expert guidance and leadership of the Minister of Finance, Pravin Gordhan, and his Deputy, Mcebisi Jonas, worked tirelessly to produce this crucial document.

The wide-ranging coverage of the Estimates of National Expenditure provides a coherent and summarised account of the prioritisation, spending plans and service delivery commitments of all 40 national votes and of government agencies. These plans constitute an important mechanism through which Parliament and the public hold institutions, including the National Treasury and its entities, to account.

Within the current difficult fiscal context not everything we believe would be beneficial to do, can be done now. Thus it is imperative that activities planned on budget be done effectively and efficiently.



Lungisa Fuzile
Director-General: National Treasury

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Introduction

The Estimates of National Expenditure and the 2017 Budget

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2017 MTEF period is from 2017/18 to 2019/20.

The ENE publication is the explanatory memorandum to the Appropriation Bill, which sets out the aggregate amount allocated to each national government vote by programme and main economic classification¹, as required by the Public Finance Management Act (1999). A set of more detailed e-publications on each vote² are available online.

The Appropriation Bill is tabled in the National Assembly every year in February by the Minister of Finance and provides the legal basis for departments to access funds from the National Revenue Fund for the first year of the MTEF period. The Division of Revenue Bill sets out the details of the allocation of nationally raised resources to provincial and local government.

The ENE publications contain information on: what government institutions aim to achieve over the medium term, and why; how they plan to spend their budget allocations in support of this; and what outputs and outcomes the spending is intended to produce. The publications also provide information on how institutions have spent their budgets in previous years, tables with performance data and targets, and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and selected entities. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. A summary table is included at the end of the chapter for votes that have infrastructure spending.

The e-publications contain programme personnel data tables and detailed information for all the entities that report to a vote's executive authority as well as additional summary data tables on provincial and municipal conditional grants, departmental public private partnerships, donor funding, and expenditure at the level of site service delivery, where applicable.

The 2017 Budget was prepared bearing in mind that resources to fund new spending priorities are limited. The process to prepare the Budget focused on the reprioritisation of funds from lower-priority spending areas to those identified as critical. The details of the reprioritisation are provided at the end of this chapter.

The budget process

Function groups

The Budget organises government institutions, including national government departments, provincial government departments and the entities reporting to these departments, into groups according to the functional tasks they are mandated to perform. The function groups are closely aligned with the 14 government outcomes in the 2014-2019 medium-term strategic framework, which is the first five-year implementation phase of the National Development Plan (NDP). Discussions of performance and expenditure take place at the function group level, with the aim of improving resource use and coordination to achieve the outcomes each function has been assigned.

-
1. Allocations are made by economic classification. The main categories of economic classification are: current payments (payments made for operational requirements such as those for compensation of employees and goods and services); transfers and subsidies; payments for capital assets (assets that can be used for more than one year); and payments for financial assets (loans or equity investments in public corporations).
 2. A national government vote is generally synonymous with a national government department. However, in certain instances, a vote may contain more than one national government department. For instance, the Police vote contains two departments; namely, the South African Police Service and the Civilian Secretariat for the Police Service.

Different programmes within a single department may be categorised into different functions, depending on their assigned tasks. For example, the Department of Energy's *Electrification and Energy and Project Management* programme is grouped into the Human Settlements and Municipal Infrastructure function, while the department's other programmes are included in the Economic Affairs function group.

The nine function groups for the 2017 MTEF period remain unchanged from the previous year. Table 1.1 lists the function groups, and the categorisation of departments and programmes into each.

Table 1.1 Function groups

Function group	Chapter in the NDP	MTSF outcome	National department	Selected entities ³
Basic Education	9	1, 5	- Basic Education	None
	15	14	- Arts and Culture - Sport and Recreation	None
Post-School Education and Training	3, 9	5	- Higher Education and Training	Sector education and training authorities (consolidated) National Student Financial Aid Scheme National Skills Fund
Health	10	2	- Health	National Health Laboratory Service
Social Protection	11	13	- Social Development	South African Social Security Agency
Defence, Public Order and Safety	12, 24	3	- Defence and Military Veterans - National Treasury (Programme 10)	Armaments Corporation of South Africa Legal Aid South Africa
			- Police - Independent Police Investigative Directorate - Civilian Secretariat for the Police Service	Electoral Commission
			- Justice and Constitutional Development - Correctional Services - Office of the Chief Justice - Home Affairs	
Economic Affairs	3, 5, 7	4, 6, 7, 11, 12	- Economic Development - Mineral Resources - Trade and Industry - Tourism - Small Business Development - Public Works (Programme 4)	Industrial Development Corporation of South Africa Property Management Trading Entity
	11	4, 5, 10, 13	- Labour - Public Works (Programme 3) - National Treasury (Programme 7) All expanded public works programmes in other national departments	Unemployment Insurance Fund Compensation Fund Development Bank of Southern Africa Land and Agricultural Development Bank South African Revenue Service
	9	5, 6, 10	- Science and Technology - Environmental Affairs	South African National Parks
	4	6	- Energy (except Programme 4) - Transport (except Programme 7) - Telecommunications and Postal Services - Water and Sanitation (except Programmes 3 and 4)	South African Nuclear Energy Corporation South African National Roads Agency Limited Road Accident Fund Passenger Rail Agency of South Africa Central Energy Fund Airports Company of South Africa Rand Water Water Services Trading Entity Trans-Caledon Tunnel Authority
Human Settlements and Municipal Infrastructure	8, 13	8, 9, 12	- Human Settlements - Water and Sanitation (Programmes 3 and 4) - Transport (Programme 7) - Energy (Programme 4) - Cooperative Governance (local and provincial conditional grants)	National Home Builders Registration Council
Agriculture, Rural Development and Land Reform	3, 6	7	- Agriculture, Forestry and Fisheries - Rural Development and Land Reform	Agricultural Research Council

3. The ENE e-publication includes every entity reporting to the executive authority.

Table 1.1 Function groups

Function group	Chapter in the NDP	MTSF outcome	National department	Selected entities
General Public Services	13	12	- The Presidency - Communications - Women - Parliament - Planning, Monitoring and Evaluation	South African Broadcasting Cooperation
			- National Treasury (all Programmes except Programme 6, 7, and 10) - Public Enterprises - Statistics South Africa - Cooperative Governance and Traditional Affairs - Public Service and Administration - Public Works (Programmes 1, 2, and 5)	
	7	11	- International Relations and Cooperation - National Treasury (Programme 6)	
MTSF OUTCOMES			NDP CHAPTERS	
[1] Quality basic education			[1] Key drivers	
[2] A long and healthy life for all South Africans			[2] Demographic trends	
[3] All people in South Africa are and feel safe			[3] Economy and employment	
[4] Decent employment through inclusive growth			[4] Economic infrastructure	
[5] A skilled and capable workforce to support an inclusive growth path			[5] Transitioning to a low carbon economy	
[6] An efficient, competitive and responsive economic infrastructure network			[6] Inclusive rural economy	
[7] Comprehensive rural development and land reform			[7] Positioning South Africa in the world	
[8] Sustainable human settlements and improved quality of household life			[8] Human settlements	
[9] Responsive, accountable, effective and efficient developmental local government			[9] Improving education, innovation and training	
[10] Protect and enhance our environmental assets and natural resources			[10] Promoting health	
[11] Create a better South Africa, a better Africa and a better world			[11] Social protection	
[12] An efficient, effective and development oriented public service			[12] Building safer communities	
[13] An inclusive and responsive social protection system			[13] Building a capable state	
[14] Nation building and social cohesion			[14] Promoting accountability and fighting corruption	
			[15] Transforming society and uniting the country	

Expenditure outcomes for 2015/16

The budget process assesses the expenditure outcomes of the previous financial year. This reveals whether government spent in line with the plans set out in the Appropriation Act, as adjusted through the adjustments budget in October. Actual national government expenditure in 2015/16 was R6.5 billion less than the budgeted amount. This, however, is lower than the average yearly underspending of R9.4 billion recorded between 2010/11 and 2014/15. Table 1.2 summarises expenditure outcomes for 2015/16.

Table 1.2 2015/16 Expenditure outcomes

R million	2015/16 outcome
2015/16 main appropriation	1 222 345
<i>of which</i>	
<i>Direct charges</i>	537 847
2015/16 budget adjustments	28 785
<i>of which</i>	
<i>Direct charges</i>	6 909
2015/16 adjusted budget	1 251 130
<i>of which</i>	
<i>Direct charges</i>	544 756
2015/16 actual expenditure	1 244 625
<i>of which</i>	
<i>Direct charges</i>	544 848
2015/16 underspending	6 505
<i>of which</i>	
<i>Underspending on voted funds</i>	6 597
<i>Underspending on direct charges</i>	-92

The votes that underspent their adjusted appropriation by R300 million or more are listed in Table 1.3, together with the main reasons for the underspending.

Table 1.3 Largest contributors to the 2015/16 underspending

Vote name	Underspending R million	Percentage of adjusted budget (%)	Main reason
Cooperative Governance and Traditional Affairs	2 758	3.9%	Mainly due to local government equitable share funds being withheld to refund conditional grant amounts. Amounts not actually spent in previous financial years should have been returned to the National Revenue Fund.
Social Development	1 488	1.1%	Fewer applications received for social assistance grants than originally anticipated.
Human Settlements	501	1.6%	Mainly on transfers to the Social Housing Regulatory Authority, which has undergone institutional restructuring.
Basic Education	490	2.3%	Mainly on the school infrastructure backlogs grant due to delays in reaching the required consensus with communities, resulting in delayed implementation of projects that had already been allocated to implementing agents.
National Treasury	314	1.1%	Mainly related to transfer payments to the Jobs Fund scheduled for payment in March 2016. These payments were not made as the fund's partners had not yet met disbursement conditions, including job-creation targets, due to weak economic conditions.

Determining the level of resources available for allocation

Government remains committed to a fiscal policy strategy that narrows the budget deficit and stabilises national debt as a percentage of GDP. A budget deficit arises when government expenditure exceeds revenue, resulting in a gap that must be financed through borrowing. At the time of 2016 Medium-Term Budget Policy Statement, a lower economic growth outlook resulted in downward revisions to tax revenue projections. In response, government proposed new tax measures and reductions to the expenditure ceiling. This ceiling is reduced by R10.3 billion in 2017/18 and R15.9 billion in 2018/19 in the 2017 Budget.

Main budget expenditure ceiling

National Treasury introduced a ceiling on main budget non-interest expenditure in the 2012 budget. Aggregate allocations approved for the three-year MTEF period provide an upper limit within which departmental budgets are determined. The expenditure ceiling allows government to manage departmental spending levels in the context of a constrained fiscal framework. The expenditure ceiling figures differ from those for main budget non-interest expenditure because the ceiling excludes payments that are directly financed by dedicated revenue flows as well as payments that are not subject to policy oversight. These include:

- payments for government financial assets financed by the sale of financial assets
- payment transactions that are linked to the management of government debt
- direct charges that relate to specific payments made in terms of legislation, such as the skills development levy.

Table 1.4 shows the expenditure ceiling.

Table 1.4 Expenditure ceiling at the main budget level¹, 2013/14 – 2019/20

R million	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
2014 Budget Review	935 071	1 014 222	1 091 253	1 168 284			
2015 Budget Review		1 006 905	1 081 214	1 152 833	1 250 086		
2015 MTBPS		1 001 789	1 077 527	1 152 833	1 250 086	1 354 422	
2016 Budget Review		1 001 874	1 076 705	1 152 833	1 240 086	1 339 422	
2016 MTBPS			1 074 992	1 144 353	1 229 742	1 323 465	1 435 314
2017 Budget Review			1 074 992	1 144 353	1 229 823	1 323 553	1 435 408

¹ Non-interest spending financed from National Revenue Fund, excluding skills development levy, special appropriations in 2015/16 for Eskom and the New Development Bank, debt management and Gold and Foreign Exchange Contingency Reserve Account transactions.

Within the expenditure ceiling, the budget reallocates resources towards government priorities. The measures included a drawdown on the contingency reserve of R4 billion in 2017/18 and R5 billion in 2018/19, as well as on funds provisionally reserved in the last budget for specific priorities. However, the bulk of the funds allocated to priority areas in the 2017 Budget were reprioritised from lower-priority budget areas.

Baseline reductions were applied to all departments, conditional grants to provinces and municipalities, and to transfers to institutions. These reductions amount to R7.5 billion in 2017/18, R7 billion in 2018/19 and R6.7 billion in 2019/20, and are shown in Table 1.5 by economic classification.

Table 1.5 Total general baseline budget reductions by main economic classification category

R million	2017/18	2018/19	2019/20
Transfers and subsidies, including on conditional grants	-6 035	-5 479	-4 949
Goods and services	-699	-712	-845
Compensation of employees	-437	-471	-497
Payments for capital assets	-350	-332	-372
Total	-7 522	-6 994	-6 664

In addition to baseline reductions, funds were sourced from within programme budgets and reallocated directly from lower-priority areas to those of greater priority within and across functions.

Efforts have been intensified to improve efficiency in expenditure and ensure that funding remains focused on frontline service delivery. Compensation of employees budget limits introduced in the 2016 Appropriation Act will be carried over into the 2017 Appropriation Bill, with allocations for expenditure on compensation of employees being specifically and exclusively appropriated. Departments have to manage personnel establishments within these limits, and need to ensure that any decision to change headcount or employee earnings can be sustained over the 2017 MTEF period. For instance, they need to be prudent about filling posts, particularly funded vacant posts, and should take other measures where appropriate to keep personnel spending within approved limits.

Revised cost-containment instructions issued by the Office of the Chief Procurement Officer came into effect on 1 November 2016. The instructions require that government departments, institutions and public entities develop annual cost-containment plans setting out the specific measures they will take to improve cost efficiencies. The goal of the exercise is to eliminate wasteful expenditure, and ensure value for money in the delivery of programmes and services. The measures include restricting catering for internal meetings, reducing the use of consultants, limiting the size of delegations travelling to international events, conferences or meetings, and recovering the costs of private phone use from employees.

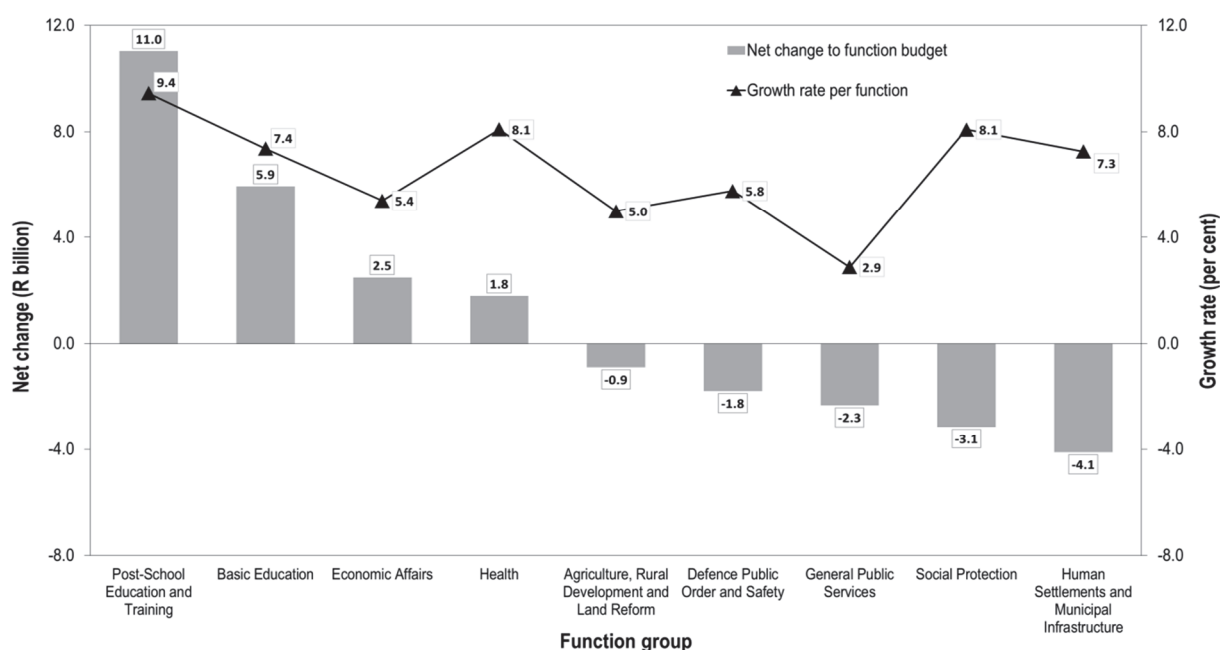
Allocation of resources

Consolidated expenditure⁴ amounts to R1.56 trillion in 2017/18, R1.68 trillion in 2018/19, and R1.81 trillion in 2019/20, and is expected to grow at 1.9 per cent in real terms over the period. Main budget expenditure excluding the contingency reserve is set to grow by an annual average of 1.4 per cent in real terms over the MTEF period, from R1.24 trillion in 2017/18 to R1.43 trillion in 2019/20. The 2017 Budget contains recommendations for the reallocation of resources within and across function groups. Recommendations include changing how institutional policies and practices should be adapted to best achieve government's outcomes.

The effects on main budget spending per function group due to changes to the allocation of resources to functions over the 2017 MTEF period are depicted in Figure 1.1, together with function spending growth rates.

4. Main budget level expenditure refers to expenditure financed through revenue collected by national government, which is deposited in the National Revenue Fund. Consolidated expenditure consists of main budget expenditure, as well as expenditure financed from revenue raised by the government entities, provinces and social security funds themselves. Consolidated government spending forms the basis for discussion in the Budget Review publication.

Figure 1.1: Net changes in allocations to function groups for 2017/18 – 2019/20



Changes are summarised as follows:

- Post-School Education and Training – R11 billion net increase⁵, mainly for universities to subsidise fee increases and to the National Student Financial Aid Scheme (NSFAS) for continuing and unfunded students.
- Basic Education – R5.9 billion net increase, mainly due to an increase of R6.3 billion pencilled⁴ in for the provincial equitable share for education and related activities.
- Economic Affairs – R2.5 billion net increase, mainly to fund post-retirement medical subsidies (R1.7 billion), to provide support for manufacturing competitiveness (R1.4 billion), and for tyre recycling initiatives (R685 million).
- Health – R1.8 billion net increase, mainly for the expansion of antiretroviral treatment (R1 billion) and an amount of R1 billion pencilled⁶ in for the provincial equitable share for the health sector.
- Human Settlements and Municipal Infrastructure – R4.1 billion net decrease, mainly due to reductions effected on the *human settlements development grant*, the *water services infrastructure grant* and transfers to the Passenger Rail Agency of South Africa.
- Social Protection – R3.1 billion net decrease, mainly due to decreased social assistance grant beneficiary estimates and reductions effected on transfers to the South African Social Security Agency.
- General Public Services – R2.3 billion net decrease, mainly due to reductions effected on the provincial equitable share and transfers to the South African Revenue Service.
- Defence, Public Order and Safety – R1.8 billion net decrease, mainly due to reductions effected on the compensation of employees budget of the Department of Correctional Services, the buildings and other fixed structures budget of the Departments of Police and Justice and Constitutional Development, and the goods and services budget of the Department of Defence and Military Veterans.
- Agriculture, Rural Development and Land Reform – R889.7 million net decrease, mainly due to reductions effected on the *comprehensive agricultural support programme*, goods and services, and in payments for capital assets in the Department of Rural Development and Land Reform.

5. This calculation excludes a R11 billion downward technical adjustment on the National Skills Fund and on the sector education and training authorities. These funds do not form part of the expenditure ceiling as they are provided for through direct charges against the National Revenue Fund. Direct charges against the National Revenue Fund are amounts spent in terms of statutes that do not require parliamentary approval. These items are shown separately in budget documentation and are not contained in appropriation legislation.

6. An aggregate monetary amount is allocated from the National Revenue Fund for the provincial equitable share. These funds are then allocated to specific function areas through separate provincial budgetary processes and legislative approval. The details of the function allocations of the funds by each of the provinces are not known with certainty at present.

The Post-School Education and Training function receives the majority of the funding sourced through the 2017 Budget process. The additional funds provide mainly for the increased allocation to NSFAS to provide assistance to unfunded new and continuing students. Government will fund the increase in fees at higher learning institutions for the 2017 academic year, up to a maximum of 8 per cent, for students from households earning R600 000 or less per year. The Post-School Education and Training function is also the fastest growing, increasing at 9.4 per cent over the medium term. The Social Protection and Health functions are both projected to grow at 8.1 per cent over the period. In total, all functions grow at an average of 6.6 per cent over the MTEF period, despite the reductions effected on the planning budget baselines.

Details of allocation amendments by function and by vote

The tables in this section provide details of increases and reductions to main budget non-interest expenditure for the MTEF period, with the net effect by function. The estimated⁷ function split of the changes to the provincial equitable share, where relevant, is also shown in the tables because provinces have key service delivery mandates aligned with the functions that they share with national departments. However, the details of the function allocations of the funds by each of the provinces are not known with certainty at present. These funds are allocated to specific function areas through separate provincial budgetary processes and legislative approval.

All changes are shown relative to the initial function planning baseline allocations for the 2017 MTEF period, which originate from the 2016 MTEF period's annual budget baselines. All changes made to baselines are shown in the tables to account comprehensively for the budget allocation decisions taken throughout the 2017 Budget process. Most of the budget amendments have been effected through the reprioritisation of funds.

Basic Education

The Basic Education function supports the NDP's goal of improving the accessibility and quality of basic education. The baseline of the function is increased by a net amount of R5.9 billion over the MTEF period, from R762.3 billion to R768.2 billion. The function comprises 19.2 per cent of non-interest expenditure allocated to votes.

Table 1.6 Basic Education

Function ¹ by vote				
R million	2017/18	2018/19	2019/20 ³	MTEF total
2016 MTEF function baseline²	238 433.2	253 119.6	270 727.2	762 280.0
2017 MTEF function baseline²	238 319.5	256 024.7	273 882.9	768 227.1
Annual growth rate (percentage)	7.7%	7.4%	7.0%	7.4%
Net change from the 2016 baseline (percentage)	0.0%	1.1%	1.2%	0.8%
Arts and Culture	-42.8	-51.2	-50.1	-144.1
Arts and culture entities: Municipal services payments	30.6	32.4	34.3	97.4
Pan South African Language Board: Addressing the going-concern status, as well as the mandate of the board	10.0	12.0	15.0	37.0
Museums: Addressing the going-concern status and operations of selected museums	10.8	11.4	12.0	34.2
Compensation of employees: Reduction	-2.6	-2.9	-3.0	-8.5
Goods and services: Reduction	-3.2	-2.9	-3.7	-9.8
Mzansi golden economy projects: Reduction	-5.2	-5.9	-6.2	-17.4
Community library services grant: Reduction	-20.8	-23.4	-27.0	-71.2
Office accommodation: Transfer of funding to arts and culture entities for municipal services payments	-30.6	-32.4	-34.3	-97.4
Payments for capital assets: Reduction	-31.9	-39.5	-37.1	-108.5

7. An aggregate monetary amount is allocated from the National Revenue Fund for the provincial equitable share. These funds are then allocated to specific function areas through separate provincial budgetary processes and legislative approval. The details of the function allocations of the funds by each of the provinces are not known with certainty at present.

Table 1.6 Basic Education

Function ¹ by vote	2017/18	2018/19	2019/20 ³	MTEF total
R million				
Basic Education	-62.4	-34.3	-34.2	-130.9
School infrastructure backlogs grant: Completion of the remaining accelerated school infrastructure delivery initiative projects	2 619.9	–	–	2 619.9
Learners with profound intellectual disabilities grant: Provision of educational opportunities	72.0	185.5	220.8	478.3
Learners with profound intellectual disabilities: Management of the grant	6.0	5.0	3.0	14.0
National school nutrition programme grant: Food inflation above CPI	120.0	130.0	140.0	390.0
Second Chance matric programme: Support to learners re-writing matric exams	–	50.0	82.5	132.5
South African Council for Educators: Professional development opportunities for educators	9.7	16.0	20.0	45.7
Operation Phakisa: Development of a rollout plan for the enhancement of ICTs in basic education	7.0	16.0	19.0	42.0
Early grade reading assessments: Improve teaching and reading achievements in the foundation phase	4.1	11.0	15.0	30.1
Education infrastructure grant: Conversion to school infrastructure backlogs grant and budget reallocation	-2 734.9	-122.0	-127.0	-2 983.9
School infrastructure backlogs grant: Reduction of capital portion	-25.2	–	–	-25.2
Payments for capital assets: Reduction	–	-0.1	-0.2	-0.3
Compensation of employees: Reduction	-5.3	-5.7	-6.0	-17.0
Goods and services: Reduction	-16.9	-5.1	-6.4	-28.5
Maths, science and technology grant: Reduction	-20.0	-21.0	-22.0	-63.0
Kha Ri Gude literacy project: Phasing out of the project	-98.8	-293.9	-372.9	-765.6
Sport and Recreation	-8.4	-9.4	-10.0	-27.8
Indigenous games: Increase in the number of participants	15.0	15.9	16.8	47.7
Residential support programme: Reduction	-15.0	-15.9	-16.8	-47.7
Compensation of employees: Reduction	-1.2	-1.8	-1.9	-4.9
Goods and services: Reduction	-7.2	-7.6	-8.1	-22.9
National Treasury	–	3 000.0	3 250.0	6 250.0
Provincial equitable share: Education and related activities	–	3 000.0	3 250.0	6 250.0
Net change to function baseline	-113.7	2 905.1	3 155.7	5 947.1

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in the final instance determined by provincial budgetary processes and is thus subject to change.

2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.

3. The modifications made to the 2019/20 function planning baseline throughout the course of the 2017 MTEF budget process are shown. The first 2017 MTEF estimates for 2019/20 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Post-School Education and Training

The Post-School Education and Training function aims to provide all South Africans with equitable access to relevant and quality post-school education and training. The baseline of the function is increased by R11 billion over the MTEF period. A downward technical adjustment totalling R11 billion is also effected on the National Skills Fund and on the sector education and training authorities, which do not form part of the expenditure ceiling. These allocations are funded through direct charges⁸ against the National Revenue Fund.

In net terms, the above changes to the function's allocation largely offset each other, taking the function's total baseline over the MTEF period from R231.3 billion to R231.4 billion. The function comprises 5.8 per cent of non-interest expenditure allocated to votes.

8. Direct charges against the National Revenue Fund are amounts spent in terms of statutes that do not require parliamentary approval. Hence these items are shown separately in budget documentation and are not contained in Appropriation legislation.

Table 1.7 Post-School Education and Training

Function ¹ by vote				
R million	2017/18	2018/19	2019/20 ³	MTEF total
2016 MTEF function baseline²	72 003.0	77 392.0	81 906.0	231 301.0
2017 MTEF function baseline²	68 948.9	78 639.6	83 775.5	231 364.0
Annual growth rate (percentage)	6.6%	14.1%	6.5%	9.1%
Net change from the 2016 Baseline (percentage)	-4.2%	1.6%	2.3%	0.0%
Higher Education and Training	-8.5	5 336.9	5 708.0	11 036.5
Universities: Fee increase subsidy (for the 2017 academic year, up to a maximum of 8 per cent, for students from households earning R600 000 or less per year)	-	2 618.0	2 775.1	5 393.1
National Student Financial Aid Scheme: Unfunded new and continuing students	-	2 559.5	2 764.3	5 323.8
Technical and vocational education and training colleges: Fee increase subsidy (for the 2017 academic year, up to a maximum of 8 per cent, for students from households earning R600 000 or less per year)	-	168.0	178.5	346.5
Payments for capital assets: Reduction	-0.1	-0.1	-0.1	-0.3
Goods and services: Reduction	-3.9	-3.8	-4.5	-12.2
Compensation of employees: Reduction	-4.5	-4.8	-5.2	-14.4
Subtotal: Net change to function baseline within the expenditure ceiling	-8.5	5 336.9	5 708.0	11 036.5
Direct charge against the National Revenue Fund				
National Skills Fund: Technical reduction	-609.1	-817.9	-767.7	-2 194.7
Sector education and training authorities: Technical reduction	-2 436.5	-3 271.4	-3 070.9	-8 778.8
Net change to function baseline	-3 054.1	1 247.6	1 869.5	63.0

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in the final instance determined by provincial budgetary processes and is thus subject to change.

2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.

3. The modifications made to the 2019/20 function planning baseline throughout the course of the 2017 MTEF budget process are shown. The first 2017 MTEF estimates for 2019/20 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Health

The Health function seeks to improve access to affordable quality health care by ensuring an appropriate balance between preventative care and curative services. The baseline of the function is increased by R1.8 billion over the MTEF period, from R574.4 billion to R576.2 billion. The function comprises 14.4 per cent of non-interest expenditure allocated to votes.

Table 1.8 Health

Function ¹ by vote				
R million	2017/18	2018/19	2019/20 ³	MTEF total
2016 MTEF function baseline²	178 777.0	191 342.0	204 241.0	574 360.0
2017 MTEF function baseline²	178 625.2	191 275.4	206 256.3	576 156.8
Annual growth rate (percentage)	9.3%	7.1%	7.8%	8.1%
Net change from the 2016 baseline (percentage)	-0.1%	0.0%	1.0%	0.3%
Health	-151.8	-66.6	1 015.3	796.8
Comprehensive HIV, AIDS and TB grant: Antiretroviral therapy	-	-	1 000.0	1 000.0
National tertiary services grant: Nelson Mandela Children's Hospital	150.0	200.0	300.0	600.0
Multi-pronged mass medical communication campaign: Increase public awareness on healthcare and HIV and AIDS programmes and interventions	50.0	50.0	50.0	150.0
Diagnosis-related groups project: Alignment of planned growth to institutional capacity	-5.0	-5.0	0.0	-10.0
South African Health Product Regulatory Authority: Establishment	108.6	114.8	121.2	344.6
Pharmaceutical Trade and Product Regulation subprogramme: Function shift to the South African Health Product Regulatory Authority	-108.6	-114.8	-121.2	-344.6
Payments for capital assets: Reduction	-2.1	-1.7	-8.3	-12.0
Health				
Compensation of employees: Reduction	-9.1	-10.1	-10.6	-29.7
Goods and services: Reduction	-39.8	-19.0	-23.7	-60.5
Procurement of condoms: Alignment of planned growth to institutional capacity	-78.0	-50.0	-50.0	-150.0
Comprehensive HIV, AIDS and TB grant: Reduction	-102.4	-110.2	-114.7	-327.3
Health facility revitalisation grant: Reduction	-115.4	-120.7	-127.5	-363.6
National Treasury			1 000.0	1 000.0
Provincial equitable share: Health sector	-	-	1 000.0	1 000.0
Net change to function baseline	-151.8	-66.6	2 015.3	1 796.8

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in the final instance determined by provincial budgetary processes and is thus subject to change.

2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.

3. The modifications made to the 2019/20 function planning baseline throughout the course of the 2017 MTEF budget process are shown. The first 2017 MTEF estimates for 2019/20 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Social Protection

The Social Protection function aims to reduce poverty by providing income support to the poor. The baseline of the function is decreased by R3.1 billion over the MTEF period, from R582.9 billion to R579.8 billion. The function comprises 14.5 per cent of non-interest expenditure allocated to votes.

Table 1.9 Social Protection

Function ¹ by vote				
R million	2017/18	2018/19	2019/20 ³	MTEF total
2016 MTEF function baseline²	180 170.0	194 656.0	208 062.0	582 888.0
2017 MTEF function baseline²	179 357.7	193 034.2	207 361.6	579 753.4
Annual growth rate (percentage)	9.2%	7.6%	7.4%	8.1%
Net change from the 2016 baseline (percentage)	-0.5%	-0.8%	-0.3%	-0.5%
Social Development	-812.3	-1 621.8	-700.4	-3 134.6
Social assistance grants: Lower than anticipated take-up of grants	-626.5	-1 531.2	-604.1	-2 761.8
Social Worker Employment Grant: Employment of social workers	181.8	196.8	212.7	591.3
Social worker scholarships: Lower student numbers expected	-181.8	-196.8	-212.7	-591.3
Inspectorate for social grant fraud investigations: Establishment	25.5	27.0	28.7	81.2
Network refresh: IT turn-key solution	20.0	20.0	20.0	60.0
Early childhood development grant: Administration of the grant	2.2	2.3	2.4	6.9
Early childhood development grant: Reduction	-2.2	-2.3	-2.4	-6.9
Payments for capital assets: Reduction	-0.3	-0.3	-0.3	-0.9
Goods and services: Reduction	-3.0	-2.8	-3.5	-9.3
National Development Agency: Reduction	-2.9	-3.1	-3.3	-9.3
Appeals adjudication: Lower litigation costs expected	-5.0	-5.0	-5.0	-15.0
Social security policy development: Alignment of planned growth to institutional capacity	-5.0	-5.0	-5.0	-15.0
Compensation of employees: Reduction	-5.4	-5.7	-6.0	-17.2
South African Social Security Agency: Reduction	-209.7	-115.8	-121.8	-447.3
Net change to function baseline	-812.3	-1 621.8	-700.4	-3 134.6

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in the final instance determined by provincial budgetary processes and is thus subject to change.

2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.

3. The modifications made to the 2019/20 function planning baseline throughout the course of the 2017 MTEF budget process are shown. The first 2017 MTEF estimates for 2019/20 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Defence, Public Order and Safety

The Defence, Public Order and Safety function aims to enhance measures in domestic and international public protection. The baseline of the function is decreased by R1.8 billion over the MTEF period, from R626.8 billion to R625.1 billion. The function comprises 15.7 per cent of non-interest expenditure allocated to votes.

Table 1.10 Defence, Public Order and Safety

Function ¹ by vote				
R million	2017/18	2018/19	2019/20 ³	MTEF total
2016 MTEF function baseline²	196 824.0	208 018.0	222 000.0	626 842.0
2017 MTEF function baseline²	196 044.6	207 893.2	221 121.8	625 059.6
Annual growth rate (percentage)	4.9%	6.0%	6.4%	5.8%
Net change from the 2016 baseline (percentage)	-0.4%	-0.1%	-0.4%	-0.3%
Correctional Services	-234.8	-247.1	-272.7	-754.6
Goods and services: Nutrition, health and hygiene services for inmates	29.1	49.0	61.5	139.5
Payments for capital assets: Reduction	-9.3	-8.8	-11.0	-29.1
Goods and services: Reduction	-79.1	-94.2	-119.4	-292.8
Compensation of employees: Reduction	-175.5	-193.1	-203.8	-572.3
Defence and Military Veterans	-125.8	-115.4	-144.7	-385.9
Goods and services: Medicine and medical supplies	200.5	300.6	430.5	931.6
Payments for capital assets: Reduction	-4.1	-4.1	-5.2	-13.4
Department of Military Veterans: Reduction	-12.6	-13.3	-14.0	-39.9
Goods and services: Reduction	-309.6	-398.6	-556.0	-1 264.1

Table 1.10 Defence, Public Order and Safety

Function¹ by vote				
R million	2017/18	2018/19	2019/20 ³	MTEF total
Home Affairs	-4.9	642.4	5.1	642.6
Electoral Commission: 2019 national government elections	–	630.0	–	630.0
Advance passenger processing system: Goods and services	51.0	51.0	51.0	153.1
Payments for capital assets: Reduction	-0.1	-0.1	-0.1	-0.3
Goods and services: Reduction	-20.3	-18.3	-23.4	-61.9
Compensation of employees: Reduction	-35.6	-20.3	-22.4	-78.2
Justice and Constitutional Development	-196.4	-201.5	-223.4	-621.3
Commission of Inquiry into Higher Education and Training: Extension of commission's work to the 2017/18 financial year	20.0	–	–	20.0
Machinery and equipment: Reduction	-29.6	-10.1	-10.7	-50.4
Buildings and other fixed structures: Reduction	-186.8	-191.4	-212.8	-591.0
Office of the Chief Justice and Judicial Administration	9.6	10.1	10.7	30.4
Superior courts: Capacitation	18.7	16.0	15.6	50.3
Microsoft software licences: Purchase	9.6	10.1	10.7	30.4
Compensation of employees: Reduction	-18.7	-16.0	-15.6	-50.3
Police	-227.0	-213.3	-253.2	-693.6
Building lease payments	213.3	243.1	274.7	731.1
Civilian Secretariat for the Police Service: Goods and services (reduction)	-0.4	-0.4	-0.4	-1.2
Civilian Secretariat for the Police Service: Compensation of employees (reduction)	-1.0	-1.1	-1.2	-3.2
Payments for capital assets: Reduction	-37.9	-36.5	-41.7	-116.1
Criminal justice system revamp programme: Reduction	-51.0	-51.0	-51.0	-153.1
Goods and services: Reduction	-136.7	-124.3	-158.9	-419.9
Buildings and other fixed structures: Reduction	-213.3	-243.1	-274.7	-731.1
Net change to function baseline	-779.4	-124.8	-878.2	-1 782.4

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in the final instance determined by provincial budgetary processes and is thus subject to change.

2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.

3. The modifications made to the 2019/20 function planning baseline throughout the course of the 2017 MTEF budget process are shown. The first 2017 MTEF estimates for 2019/20 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Economic Affairs

The objective of the Economic Affairs function is to stimulate socioeconomic development and promote inclusive economic growth through sector specific interventions. The baseline of the function is increased by R2.5 billion over the MTEF period, from R341.4 billion to R343.9 billion. The function comprises 8.6 per cent of non-interest expenditure allocated to votes.

Table 1.11 Economic Affairs

Function¹ by vote				
R million	2017/18	2018/19	2019/20 ³	MTEF total
2016 MTEF function baseline²	107 870.0	113 324.0	120 234.0	341 428.0
2017 MTEF function baseline²	107 625.2	115 529.8	120 785.1	343 920.2
Annual growth rate (percentage)	4.3%	7.3%	4.5%	5.4%
Net change from the 2016 baseline (percentage)	-0.2%	1.9%	0.4%	0.7%
Agriculture, Forestry and Fisheries	9.7	9.7	10.3	29.7
Expanded public works programme incentive: Working for Fisheries	9.7	9.7	10.3	29.7
Cooperative Governance and Traditional Affairs	-31.6	-28.1	-35.8	-95.5
Compensation of employees: Reduction	-0.8	-0.8	-0.9	-2.4
Goods and services: Reduction	-30.8	-27.3	-35.0	-93.0
Economic Development	83.0	93.7	109.4	286.0
Competition Commission: Capacitation	39.4	50.1	60.9	150.4
Presidential Infrastructure Coordinating Commission: Technical project management team and technical unit	15.0	15.0	15.0	45.0
Steel Development Fund: Establishment	30.0	30.0	35.0	95.0
Goods and services: Reduction	-0.4	-0.3	-0.4	-1.2
Compensation of employees: Reduction	-1.0	-1.0	-1.1	-3.1

Table 1.11 Economic Affairs

Function ¹ by vote	2017/18	2018/19	2019/20 ³	MTEF total
R million				
Energy	15.1	17.2	19.6	51.9
National Radioactive Waste Disposal Institute: Establishment	30.0	33.0	36.3	99.3
Private enterprises: Solar water heaters	–	24.3	–	24.3
Compensation of employees: Maintain personnel establishment	4.6	4.9	5.2	14.7
Goods and services: Development of a fuel audit and monitoring system	1.0	–	–	1.0
South African Nuclear Energy Corporation Limited: Reduction	-7.2	-7.6	-8.0	-22.9
National Nuclear Regulator: Alignment of planned growth to institutional capacity	–	-24.3	–	-24.3
Goods and services: Reduction	-13.2	-13.0	-13.8	-40.1
Environmental Affairs	187.7	304.3	220.8	712.7
Recycling and Economic Development Initiative of South Africa: Waste Management Bureau (tyre recycling initiatives)	210.0	230.0	245.0	685.0
Economic competitiveness and support package: Green Fund (increased financial investment in greening catalytic initiatives)	–	95.0	–	95.0
Expanded public works programme incentive: Working for Water	9.4	9.7	10.3	29.3
Expanded public works programme incentive: Working on Fire	0.2	0.2	0.2	0.6
Payments for capital assets: Reduction	-1.7	-1.6	-2.0	-5.2
Expanded public works programme incentive: Environmental protection and infrastructure programmes (reduction)	-8.2	-8.2	-8.7	-25.1
Goods and services: Reduction	-10.6	-8.6	-11.1	-30.3
Compensation of employees: Reduction	-11.5	-12.2	-12.9	-36.6
Health	-0.6	-0.6	-0.7	-1.9
Goods and services: Reduction	-0.2	-0.2	-0.2	-0.7
Compensation of employees: Reduction	-0.4	-0.4	-0.4	-1.2
Labour	33.8	42.2	20.6	96.6
Commission for Conciliation, Mediation and Arbitration: Appointment of full-time interpreters and execution of the Metal and Engineering Industries Bargaining Council dispute resolution function	55.2	57.2	43.4	155.8
Compensation of employees: Career counsellors and public employment service practitioners	3.0	9.9	2.9	15.8
Payments for capital assets: Reduction	-0.4	-0.4	-0.5	-1.3
Compensation Fund: Administration of civil servants' injury on duty claims	-4.1	-5.0	-5.4	-14.6
Supported employment enterprises: Adequacy of accumulated surpluses	-6.3	-6.9	-6.1	-19.3
Goods and services: Reduction	-13.6	-12.6	-13.7	-39.9
Mineral Resources	-67.8	82.1	-88.9	-74.6
Economic competitiveness and support package: Council for Geoscience (digital information system, equipment and facilities)	–	90.0	–	90.0
Economic competitiveness and support package: Mintek (equipment and facilities, research and development, and efficiency projects)	–	70.0	–	70.0
Expanded public works programme: Rehabilitation of derelict and ownerless mines	1.0	1.0	1.1	3.2
Payments for capital assets: Reduction	-0.1	-0.1	-0.1	-0.4
Goods and services: Reduction	-2.3	-2.1	-2.7	-7.1
Compensation of employees: Reduction	-6.4	-6.8	-7.2	-20.3
Petroleum Agency of South Africa: Reduction	-60.0	-70.0	-80.0	-210.0
National Treasury	442.4	510.3	660.1	1 612.8
Post-retirement medical subsidies: Government contributions to medical aid schemes on behalf of pensioners	453.1	524.8	675.6	1 653.6
Goods and services: Reduction	-1.6	-1.3	-1.6	-4.5
Government Technical Advisory Centre: Reduction	-9.1	-13.2	-13.9	-36.2
Public Works	-176.4	-113.3	-109.0	-398.8
Compensation of employees: Reduction	-1.7	-1.9	-2.0	-5.5
Goods and services: Reduction	-1.3	-2.7	-3.2	-7.2
Transfers and subsidies: Non-state sector programme (reduction)	-6.4	-6.7	-7.0	-20.1
Expanded public works programme integrated grant for municipalities (reduction)	-25.0	-28.6	-19.5	-73.1
Expanded public works programme integrated grant for provinces (reduction)	-28.2	-32.3	-22.0	-82.6
Property Management Trading Entity: Reduction	-113.7	-41.1	-55.4	-210.2
Rural Development and Land Reform	-1.0	-1.1	-1.1	-3.1
Payments for capital assets: Reduction	–	-0.1	–	-0.1
Goods and services: Reduction	-0.2	-0.2	-0.3	-0.7
Compensation of employees: Reduction	-0.7	-0.8	-0.8	-2.3

Table 1.11 Economic Affairs

Function ¹ by vote	2017/18	2018/19	2019/20 ³	MTEF total
R million				
Science and Technology	-5.3	159.7	-6.0	148.4
Council for Scientific and Industrial Research: Mining research and development	27.0	63.0	60.0	150.0
Economic competitiveness and support package: Technology centres	-	80.0	-	80.0
Economic competitiveness and support package: Industry partnerships	-	62.0	-	62.0
Economic competitiveness and support package: Technology research and development, and internships	-	23.0	-	23.0
Goods and services: Reduction	-1.8	-1.6	-2.0	-5.4
Compensation of employees: Reduction	-3.5	-3.7	-3.9	-11.1
Basic science and infrastructure programme: Alignment of planned growth to institutional capacity	-27.0	-63.0	-60.0	-150.0
Small Business Development	-9.7	-10.1	-10.8	-30.6
Goods and services: Reduction	-0.7	-0.6	-0.8	-2.1
Compensation of employees: Reduction	-1.5	-1.6	-1.7	-4.8
Small Enterprise Development Agency: Reduction	-7.4	-7.9	-8.3	-23.6
Telecommunications and Postal Services	-22.1	-23.6	-24.9	-70.6
Sentech: Digital terrestrial television dual illumination	193.0	-	-	193.0
Payments for capital assets: Reduction	-0.1	-	-0.1	-0.1
Compensation of employees: Reduction	-2.4	-2.5	-2.7	-7.6
Goods and services: Reduction	-16.4	-17.5	-18.5	-52.4
Universal Service and Access Fund: Broadcasting digital migration (Decrease in the number of set top boxes to be manufactured)	-196.3	-3.5	-3.7	-203.5
Tourism	72.9	115.4	97.1	285.4
South African Tourism: Increased support for international business events	78.2	97.5	115.8	291.5
Goods and services: Tourist destination development	30.7	34.7	39.1	104.5
Economic competitiveness and support package: Incentive investment projects	-	30.0	-	30.0
Payments for capital assets: Reduction	-1.0	-0.9	-1.1	-2.9
Compensation of employees: Reduction	-3.0	-3.2	-3.4	-9.6
Expanded public works programme: Social Responsibility (reclassification of funds to new incentive programmes)	-12.1	-12.7	-13.4	-38.1
Tourism incentive programme: Alignment of planned growth to institutional capacity	-20.0	-30.0	-40.0	-90.0
Trade and Industry	-15.7	1 334.5	-17.5	1 301.3
Economic competitiveness and support package: Manufacturing competitiveness	-	1 350.0	-	1 350.0
Payments for capital assets: Reduction	-0.3	-0.3	-0.4	-1.0
Goods and services: Reduction	-5.3	-4.7	-6.0	-16.1
Compensation of employees: Reduction	-10.0	-10.5	-11.1	-31.7
Transport	-269.4	-195.8	-211.9	-677.1
Compensation of employees: Filling of critical posts	11.6	12.7	13.9	38.2
Ports Regulator: Strengthening economic regulation of port infrastructure	3.0	5.0	10.0	18.0
South African Maritime Safety Authority: Maritime and aeronautical rescue coordination centre	5.0	5.3	5.6	15.9
Rail economic regulation: Development of capacity	2.0	2.0	2.0	6.0
Goods and services: Reduction	-8.8	-9.2	-9.7	-27.7
Roads transport and rail transport: Alignment of planned growth to institutional capacity	-10.0	-12.3	-17.6	-39.9
South African National Roads Agency: Reduction	-272.2	-199.2	-216.0	-687.4
Water and Sanitation	-489.7	-90.8	-100.1	-680.6
Catchment management agencies: Establishment	-	70.0	70.0	140.0
Payments for capital assets: Reduction	-2.8	-3.2	-3.9	-10.0
Compensation of employees: Reduction	-15.0	-15.9	-16.8	-47.6
Goods and services: Reduction	-56.8	-59.3	-62.3	-178.4
Water Services Trading Entity: Adequacy of accumulated surpluses	-415.1	-82.4	-87.0	-584.5
Net change to function baseline	-244.8	2 205.8	531.1	2 492.2

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in the final instance determined by provincial budgetary processes and is thus subject to change.

2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.

3. The modifications made to the 2019/20 function planning baseline throughout the course of the 2017 MTEF budget process are shown. The first 2017 MTEF estimates for 2019/20 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Human Settlements and Municipal Infrastructure

The Human Settlements and Municipal Infrastructure function seeks to boost investment in local industries in order to promote more efficient and competitive markets, and provide infrastructure to low-income communities. The baseline of the function is decreased by R4.1 billion over the MTEF period, from R605.2 billion to R601.1 billion. The function comprises 15.1 per cent of non-interest expenditure allocated to votes.

Table 1.12 Human Settlements and Municipal Infrastructure

Function ¹ by vote				
R million	2017/18	2018/19	2019/20 ³	MTEF total
2016 MTEF function baseline²	189 280.0	201 565.0	214 376.0	605 221.0
2017 MTEF function baseline²	186 569.0	200 403.5	214 140.1	601 112.7
Annual growth rate (percentage)	7.5%	7.4%	6.9%	7.3%
Net change from the 2016 baseline (percentage)	-1.4%	-0.6%	-0.1%	-0.7%
Cooperative Governance and Traditional Affairs	-100.9	893.2	942.9	1 735.3
Local government equitable share: Provision of basic municipal services	–	1 000.0	1 050.0	2 050.0
Goods and services: Reduction	-0.9	-0.8	-1.1	-2.8
Municipal infrastructure grant: Reduction	-100.0	-106.0	-106.0	-312.0
Energy	-30.6	-33.7	963.0	898.7
Integrated national electrification programme (municipal) grant: Universal access to electricity by 2025	–	–	1 000.0	1 000.0
Goods and services: Reduction	-0.2	-0.1	-0.2	-0.5
Compensation of employees: Reduction	-0.5	-0.5	-0.6	-1.6
Integrated national electrification programme local indirect grant: Eskom: Reduction	-30.0	-33.0	-36.3	-99.3
Human Settlements	-1 102.0	-1 205.3	-1 230.9	-3 538.2
Social and Rental Housing Fund: Shift of the institutional subsidies from provinces	200.0	200.0	200.0	600.0
Goods and services: Programme and project management capacity building	6.7	7.8	7.7	22.3
Payments for capital assets: Reduction	-0.1	-0.1	-0.1	-0.2
Compensation of employees: Reduction	-4.3	-4.3	-4.5	-13.0
Housing Development Agency: Reduction	-5.0	-6.0	-6.0	-17.0
National Housing Finance Corporation: Reduction	–	-25.8	-61.7	-87.5
Rural Housing Loan Fund: Reduction	–	-52.9	-55.9	-108.8
The Social Housing Regulatory Authority: Reduction	-118.5	-61.5	-22.7	-202.6
Urban settlements development grant: Reduction	-90.0	-96.0	-96.3	-282.3
Human settlements development grant: Reduction	-1 091.0	-1 166.7	-1 191.4	-3 449.1
National Treasury	-0.2	-0.2	-0.3	-0.7
Goods and services: Reduction	-0.2	-0.2	-0.3	-0.7
Transport	-1 036.1	-307.4	-370.1	-1 713.6
Compensation of employees: Reduction	-0.6	-0.6	-0.6	-1.8
Goods and services: Reduction	-18.0	-19.2	-21.1	-58.3
Public transport network grant: Reduction	-200.3	-210.6	-211.4	-622.4
Passenger Rail Agency of South Africa: Reduction	-817.2	-77.0	-136.9	-1 031.1
Water and Sanitation	-441.1	-508.1	-540.5	-1 489.7
Payments for capital assets: Reduction	-1.4	-1.7	-2.1	-5.2
Goods and services: Reduction	-3.2	-2.2	-2.9	-8.3
Compensation of employees: Reduction	-3.4	-3.6	-3.8	-10.8
Regional bulk infrastructure indirect grant: Shift to catchment management agencies	–	-20.0	-20.0	-40.0
Accelerated community infrastructure programme: Shift to catchment management agencies	–	-50.0	-50.0	-100.0
Regional bulk infrastructure indirect grant: Payments for capital assets (reduction)	-32.7	-30.5	-38.3	-101.6
Water services infrastructure grant: Reduction	-400.4	-400.0	-423.4	-1 223.8
Net change to function baseline	-2 711.0	-1 161.5	-235.9	-4 108.3

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in the final instance determined by provincial budgetary processes and is thus subject to change.

2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.

3. The modifications made to the 2019/20 function planning baseline throughout the course of the 2017 MTEF budget process are shown. The first 2017 MTEF estimates for 2019/20 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Agriculture, Rural Development and Land Reform

The Agriculture, Rural Development and Land Reform function seeks to boost investment in local industries in order to promote more sustainable agriculture, rural development and social and economic advancement in communities. The baseline of the function is decreased by R889.7 million over the MTEF period, from R81.4 billion to R80.5 billion. The function comprises 2 per cent of non-interest expenditure allocated to votes.

Table 1.13 Agriculture, Rural Development and Land reform

Function ¹ by vote				
R million	2017/18	2018/19	2019/20 ³	MTEF total
2016 MTEF function baseline²	25 627.0	27 024.0	28 761.0	81 412.0
2017 MTEF function baseline²	25 353.9	26 730.4	28 438.1	80 522.3
Annual growth rate (percentage)	3.2%	5.4%	6.4%	5.0%
Net change from the 2016 baseline (percentage)	-1.1%	-1.1%	-1.1%	-1.1%
Agriculture, Forestry and Fisheries	91.1	130.7	131.5	353.2
Land and Agricultural Development Bank of South Africa: Support for emerging farmers	100.0	120.0	150.0	370.0
Agriculture census: Agricultural and rural statistics	90.0	100.0	51.0	241.0
Goods and services: Import-export systems	25.0	25.0	25.0	75.0
Payments for capital assets: Reduction	-1.2	-1.1	-1.4	-3.7
Compensation of employees: Reduction	-23.4	-24.7	-26.0	-74.1
Comprehensive agricultural support programme: Reduction	-92.8	-82.8	-60.3	-235.9
Rural Development and Land Reform	-364.2	-424.3	-454.4	-1 242.9
Agricultural land holding account: Reduction	-14.9	-15.8	-16.7	-47.4
Compensation of employees: Reduction	-23.7	-25.6	-27.0	-76.2
Payments for capital assets: Reduction	-130.0	-170.0	-175.5	-475.5
Goods and services: Alignment of planned growth to institutional capacity	-195.7	-212.9	-235.2	-643.8
Net change to function baseline	-273.1	-293.6	-322.9	-889.7

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in the final instance determined by provincial budgetary processes and is thus subject to change.

2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.

3. The modifications made to the 2019/20 function planning baseline throughout the course of the 2017 MTEF budget process are shown. The first 2017 MTEF estimates for 2019/20 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

General Public Services

The General Public Services function aims to deliver an efficient public service through the improvement of general government administrative services. The baseline of the function is reduced by R2.3 billion over the MTEF period, from R188.7 billion to R186.3 billion. The function comprises 4.7 per cent of non-interest expenditure allocated to votes.

Table 1.14 General Public Services

Function ¹ by vote				
R million	2017/18	2018/19	2019/20 ³	MTEF total
2016 MTEF function baseline²	60 300.0	62 248.0	66 112.0	188 660.0
2017 MTEF function baseline²	60 008.3	61 778.9	64 554.0	186 341.1
Annual growth rate (percentage)	1.2%	3.0%	4.5%	2.9%
Net change from the 2016 baseline (percentage)	-0.5%	-0.8%	-2.4%	-1.2%
Cooperative Governance and Traditional Affairs	-10.3	-9.8	-10.8	-30.9
Payments for capital assets: Reduction	-0.1	-0.1	-0.1	-0.2
Goods and services: Reduction	-6.6	-6.6	-7.4	-20.7
Compensation of employees: Reduction	-3.0	-3.0	-3.2	-9.2
Municipal Infrastructure Support Agency: Reduction	-3.9	-3.5	-3.7	-11.1
Department of Traditional Affairs: Goods and services (shared administrative services)	3.3	3.5	3.7	10.5
Communications	-5.9	-6.2	-6.7	-18.8
Departmental capacity building: Compensation of employees	5.8	6.5	7.2	19.5
Departmental capacity building: Goods and services	2.9	-	2.5	5.4
Digital terrestrial television project: Media Development and Diversity Agency	5.0	5.0	4.9	14.9
Digital terrestrial television project: Goods and services	3.7	3.4	-	7.1
Government Communication and Information System: Goods and services (reduction)	-0.3	-0.3	-0.4	-1.0
Government Communication and Information System: Compensation of employees (reduction)	-0.8	-0.8	-0.9	-2.5
Independent Communications Authority of South Africa: Reduction	-4.8	-5.1	-5.4	-15.3
South African Broadcasting Corporation: Reduction	-17.4	-14.9	-14.6	-46.9

Table 1.14 General Public Services

Function ¹ by vote	2017/18	2018/19	2019/20 ³	MTEF total
R million				
International Relations and Cooperation	661.9	583.1	-76.4	1 168.6
Rand foreign exchange related budget pressures: Goods and services	352.6	313.8	0.0	666.4
Rand foreign exchange related budget pressures: Compensation of employees	330.6	294.2	0.0	624.8
Rand foreign exchange related budget pressures: Transfers and subsidies	44.1	39.2	0.0	83.3
Rand foreign exchange related budget pressures: Payments for capital assets	7.3	6.5	0.0	13.9
Foreign allowances: Goods and services	21.3	15.4	18.0	54.7
Foreign allowances: Compensation of employees	19.9	14.5	16.8	51.2
Foreign allowances: Transfers and subsidies	2.7	1.9	2.2	6.8
Foreign allowances: Payments for capital assets	0.4	0.3	0.4	1.1
Payments for capital assets: Reduction	-2.7	-2.6	-3.3	-8.6
Goods and services: Reduction	-64.3	-50.2	-60.5	-175.1
African Union: Increased membership contribution	50.0	50.0	50.0	150.0
African Renaissance and International Cooperation Fund: Reduction	-100.0	-100.0	-100.0	-300.0
National Treasury	-882.6	-954.2	-1 340.3	-3 177.2
Goods and services: Mainly for the chief procurement office	54.4	205.8	191.6	451.8
Direct charge: National revenue fund payments	387.6	–	–	387.6
Integrated financial management system: Operational requirements	130.0	120.0	0.0	250.0
Payments for capital assets: Reduction	-0.2	-0.1	-0.2	-0.5
Compensation of employees: Reduction	-8.9	-9.2	-9.7	-27.7
Government Technical Advisory Centre: Reduction	-9.9	-10.7	-11.0	-31.7
Secret Services: Reduction	-64.4	-68.1	-71.9	-204.4
Jobs Fund: Efficiency savings and rescheduling of projects	-4.9	-180.4	-191.8	-377.1
Provincial equitable share: Reduction	-500.0	-528.7	-558.3	-1 586.9
South African Revenue Service: Reduction	-866.3	-482.9	-689.1	-2 038.2
Parliament	-19.2	-19.7	-21.7	-60.6
Baseline: Reduction	-19.2	-19.7	-21.6	-60.5
Planning, Monitoring and Evaluation	15.7	-51.8	-18.2	-54.2
University of Cape Town: National income dynamics study	25.0	–	–	25.0
Payments for capital assets: Reduction	-0.1	-0.1	-0.1	-0.3
National Youth Development Agency: Reduction	-4.4	-4.6	-4.9	-13.9
Compensation of employees: Reduction	-3.1	-6.2	-11.7	-21.0
Goods and services: Reduction	-1.7	-40.9	-1.5	-44.1
Public Enterprises	-12.8	-12.8	-13.1	-38.7
Compensation of employees: Reduction	-1.9	-1.9	-2.1	-5.9
Goods and services: Reduction	-10.9	-10.8	-11.0	-32.7
Public Service and Administration	-3.7	-4.1	-4.9	-12.8
Public engagement programmes: Expansion	14.5	15.6	14.1	44.2
Office accommodation: Lease payments	13.2	13.7	16.5	43.4
National School of Government: Compensation of employees (establishment of sales unit)	4.4	4.3	4.3	13.1
Compensation of employees: Reduction	-3.1	-3.3	-3.5	-9.8
Goods and services: Reduction	-29.2	-30.6	-32.3	-92.0
Centre for Public Service Innovation: Goods and services (reduction)	-0.2	-0.2	-0.2	-0.6
Centre for Public Service Innovation: Compensation of employees (reduction)	-0.2	-0.2	-0.2	-0.7
National School of Government: Goods and services (reduction)	-0.5	-0.5	-0.5	-1.4
Public Service Commission: Goods and services (reduction)	-0.6	-0.6	-0.7	-1.9
Public Service Commission: Compensation of employees (reduction)	-2.1	-2.3	-2.5	-6.9
Public Works	-6.6	-54.2	-54.5	-115.3
Agrément South Africa: Operationalisation	15.9	16.9	17.8	50.6
Built environment: Technical capacity	4.7	4.9	5.2	14.8
Internal audit unit: Capacitation	3.4	3.7	3.9	11.0
Compensation of employees: Reduction	-3.7	-4.0	-4.2	-11.9
Payments for capital assets: Reduction	-24.2	-25.6	-27.1	-77.0
Goods and services: Reduction	-2.8	-50.0	-50.0	-102.8

Table 1.14 General Public Services

Function¹ by vote				
R million	2017/18	2018/19	2019/20 ³	MTEF total
Statistics South Africa	-22.0	48.3	-24.0	2.4
Continuous population survey: Rollout of survey	0.0	70.0	0.0	70.0
Payments for capital assets: Reduction	-2.7	-2.5	-3.2	-8.3
Goods and services: Reduction	-4.3	-3.7	-4.8	-12.8
Compensation of employees: Reduction	-15.0	-15.4	-16.1	-46.5
The Presidency	-5.1	-5.1	-5.7	-16.0
Payments for capital assets: Reduction	-0.1	-0.1	-0.2	-0.4
Goods and services: Reduction	-1.4	-1.3	-1.6	-4.4
Compensation of employees: Reduction	-3.5	-3.7	-3.9	-11.2
Women	-1.3	17.1	18.0	33.8
Compensation of employees: Core programmes (capacity building)	-0.8	10.8	11.4	21.4
Goods and services: Core programmes (capacity building)	-0.4	6.4	6.6	12.5
Payments for capital assets: Reduction	0.0	0.0	0.0	-0.1
Net change to function baseline	-291.7	-469.10	-1 558.0	-2 318.9

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in the final instance determined by provincial budgetary processes and is thus subject to change.

2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.

3. The modifications made to the 2019/20 function planning baseline throughout the course of the 2017 MTEF budget process are shown. The first 2017 MTEF estimates for 2019/20 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Provisional allocations

An amount of R14.8 billion is provisionally allocated pending further work being undertaken, including impact evaluations and further development of business plans, where applicable. The specific details of these allocations will be finalised during the course of the 2018 Budget process and then allocated to specific votes. Table 1.16 shows the provisional allocation of these resources by function.

Table 1.15 Provisional allocations

R million	2018/19	2019/20	Total
Economic Affairs	–	6 112	6 112
Post-School Education and Training	–	5 000	5 000
Social Protection	211	1 654	1 865
Human Settlements and Municipal Infrastructure	–	1 800	1 800
Total	211	14 566	14 777

Overview of MTEF period expenditure

This table below shows the expenditure over the MTEF period for the three main classification categories of spending; consolidated government expenditure⁹, main budget non-interest expenditure, and the expenditure ceiling.

Table 1.16 2017 MTEF expenditure

R million	2017/18	2018/19	2019/20	Total	Average real growth (%)
Consolidated government expenditure	1 563 127	1 677 089	1 814 321	5 054 537	1.9
<i>of which</i>					
Debt-service costs	162 353	180 652	197 320	540 324	
Contingency reserve	6 000	10 000	20 000	36 000	
Main budget non-interest expenditure	1 246 862	1 341 532	1 454 872	4 043 266	1.9
<i>of which</i>					
National government	590 178	631 447	681 600	1 903 226	
Provincial government	538 160	578 614	620 995	1 737 770	
Local government	112 524	121 470	132 277	366 271	
Contingency reserve	6 000	10 000	20 000	36 000	
Expenditure ceiling	1 229 823	1 323 553	1 435 408	3 988 784	1.9
<i>of which</i>					
National government	573 139	613 469	662 136	1 848 744	
Provincial government	538 160	578 614	620 995	1 737 770	
Local government	112 524	121 470	132 277	366 271	
Contingency reserve	6 000	10 000	20 000	36 000	

The details of main budget expenditure allocated to a vote are discussed in the pages of the ENE publications, with a summary provided in the tables below.

Summary tables

Table 1: Main budget framework 2013/14 to 2019/20

Table 2: Expenditure by national vote 2013/14 to 2019/20

Table 3: Expenditure by economic classification 2013/14 to 2019/20

Table 4: Amounts to be appropriated from the National Revenue Fund for 2017/18

Table 5a: Conditional grants to provinces 2013/14 to 2019/20

Table 5b: Conditional grants to municipalities 2013/14 to 2019/20

Table 6: Training expenditure per vote 2013/14 to 2019/20

Table 7a: Infrastructure expenditure per vote 2013/14 to 2019/20

Table 7b: Type of infrastructure investment 2013/14 to 2019/20

Table 8: Personnel expenditure per vote 2013/14 to 2019/20

Table 9: Personnel numbers and unit cost per vote 2015/16 to 2019/20

Table 10: Departmental receipts per vote 2013/14 to 2019/20

9. Consolidated expenditure consists of main budget expenditure, as well as of expenditure financed from revenue raised by the government entities, provinces and social security funds themselves. Main budget expenditure refers to expenditure financed through revenue collected by national government, which is deposited in the National Revenue Fund. Consolidated government spending forms the basis for discussion in the Budget Review publication, while main budget expenditure is discussed in the ENE publications. The expenditure ceiling is an agreed upon upper limit from which departments prepare budgets. Compared to main budget level expenditure, it excludes payments that are directly financed by dedicated revenue flows and payments that are not subject to policy oversight.

Table 1 Main budget framework: 2013/14 to 2019/20

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Revenue (National Revenue Fund)							
Tax revenue (gross)	900 014.7	986 295.0	1 069 982.6	1 144 382.2	1 265 488.2	1 384 398.9	1 507 552.7
Departmental and other receipts, and repayments	30 725.8	30 899.6	57 273.7	31 957.0	32 880.0	29 052.8	28 489.1
Less: Southern African Customs Union (SACU) payments ¹	43 374.4	51 737.7	51 021.9	39 448.3	55 950.9	62 421.2	64 527.4
Total revenue	887 366.2	965 456.9	1 076 234.3	1 136 890.9	1 242 417.3	1 351 030.5	1 471 514.4
<i>Percentage of GDP</i>	24.5%	25.0%	26.3%	25.8%	26.2%	26.3%	26.5%
Expenditure							
Debt-service costs	101 184.7	114 798.4	128 795.6	146 281.4	162 353.1	180 651.5	197 319.8
<i>Percentage of GDP</i>	2.8%	3.0%	3.2%	3.3%	3.4%	3.5%	3.6%
Current payments ²	179 101.5	187 528.7	196 868.5	213 541.7	220 492.2	232 640.8	247 663.6
Transfers and subsidies	749 484.1	808 093.3	870 810.4	927 643.5	999 131.9	1 079 634.1	1 152 982.1
Payments for capital assets ²	14 002.7	16 197.7	18 273.2	13 746.1	15 831.5	14 079.7	14 450.2
Payments for financial assets	3 985.6	5 282.0	29 875.2	6 209.9	5 406.7	4 966.3	5 209.9
Provisional allocation not assigned to votes	–	–	–	–	–	210.9	14 566.4
Total	1 047 758.6	1 131 900.1	1 244 622.9	1 307 422.5	1 403 215.4	1 512 183.3	1 632 192.0
Contingency reserve	–	–	–	–	6 000.0	10 000.0	20 000.0
Total expenditure	1 047 758.6	1 131 900.1	1 244 622.9	1 307 422.5	1 409 215.4	1 522 183.3	1 652 192.0
<i>Percentage of GDP</i>	28.9%	29.3%	30.5%	29.6%	29.7%	29.7%	29.8%
Main budget balance³	-160 392.4	-166 443.2	-168 388.5	-170 531.6	-166 798.1	-171 152.8	-180 677.6
<i>Percentage of GDP</i>	-4.4%	-4.3%	-4.1%	-3.9%	-3.5%	-3.3%	-3.3%
GDP	3 624 308.0	3 863 080.0	4 086 812.0	4 409 810.7	4 741 206.4	5 129 165.2	5 545 542.2

1. Payments in terms of SACU agreements. 2017/18 figures are preliminary.

2. Excludes conditional grants to provinces and local government. These are included in transfers and subsidies.

3. A positive number reflects a surplus and a negative number reflects a deficit.

Table 2 Expenditure by national vote: 2013/14 to 2019/20

R million	Audited outcome			Adjusted appropriation
	2013/14	2014/15	2015/16	2016/17
1 The Presidency	391.5	421.3	466.7	489.8
2 Parliament	1 535.5	1 667.8	1 693.6	1 659.6
3 Communications	1 348.4	1 287.2	1 288.0	1 349.7
4 Cooperative Governance and Traditional Affairs	56 401.6	59 386.5	68 097.5	73 021.9
5 Home Affairs	6 861.6	7 069.5	7 343.4	8 155.8
6 International Relations and Cooperation	5 915.5	6 066.5	6 644.8	6 838.7
7 National Treasury	25 107.1	26 182.5	28 690.8	28 471.4
8 Planning, Monitoring and Evaluation	670.3	740.6	748.8	797.7
9 Public Enterprises	269.4	296.1	23 259.7	268.0
10 Public Service and Administration	785.8	787.8	840.9	779.8
11 Public Works	6 022.7	6 022.0	6 281.1	6 512.8
12 Statistics South Africa	1 728.4	2 156.4	2 273.5	2 538.1
13 Women	161.6	177.5	188.4	196.9
14 Basic Education	17 011.1	19 528.9	20 796.1	22 413.5
15 Higher Education and Training	36 397.3	39 053.5	41 943.4	49 188.3
16 Health	30 224.5	33 539.0	35 984.9	38 597.4
17 Social Development	117 110.8	127 860.5	136 405.7	147 933.2
18 Correctional Services	18 650.6	19 529.3	20 588.7	21 580.2
19 Defence and Military Veterans	40 447.5	42 842.4	45 071.5	47 236.5
20 Independent Police Investigative Directorate	193.1	232.4	234.2	242.1
21 Justice and Constitutional Development	13 048.6	14 218.0	14 971.8	16 040.7
22 Office of the Chief Justice and Judicial Administration	679.1	680.2	767.7	874.0
23 Police	68 791.4	72 507.2	76 720.8	80 984.9
24 Agriculture, Forestry and Fisheries	6 111.3	6 628.9	6 400.5	6 515.0
25 Economic Development	771.4	694.9	883.7	674.7
26 Energy	6 477.1	6 220.1	7 142.1	7 550.6
27 Environmental Affairs	5 200.3	5 675.1	5 937.9	6 425.1
28 Labour	2 371.4	2 419.9	2 612.0	2 842.9
29 Mineral Resources	1 387.2	1 475.2	1 638.5	1 669.1
30 Science and Technology	6 169.5	6 389.0	7 437.5	7 429.0
31 Small Business Development	1 052.4	1 125.5	1 098.9	1 318.4
32 Telecommunications and Postal Services	1 701.5	1 568.1	1 300.1	2 417.4
33 Tourism	1 512.7	1 557.6	1 777.4	2 009.5
34 Trade and Industry	8 327.9	8 659.8	9 471.7	10 389.5
35 Transport	43 036.8	49 147.1	53 320.8	56 285.9
36 Water and Sanitation	10 505.9	11 616.7	15 557.0	15 524.6
37 Arts and Culture	2 806.5	3 494.3	3 762.4	4 062.6
38 Human Settlements	27 443.3	29 358.2	30 034.5	30 696.4
39 Rural Development and Land Reform	9 454.1	9 395.8	9 118.0	10 124.3
40 Sport and Recreation South Africa	1 073.0	966.8	979.9	1 026.6
Total appropriation by vote	585 155.6	628 646.2	699 774.9	723 132.4
Plus:				
Direct charges against the National Revenue Fund				
President and deputy president salaries (The Presidency)	2.6	4.8	5.6	6.0
Members' remuneration (Parliament)	401.9	479.8	440.3	529.8
Debt-service costs (National Treasury)	101 184.7	114 798.4	128 795.6	147 689.2
Provincial equitable share (National Treasury)	336 495.3	359 921.8	386 500.0	410 698.6
General fuel levy sharing with metropolitan municipalities (National Treasury)	9 613.4	10 190.2	10 658.9	11 223.8
National Revenue Fund payments (National Treasury)	516.3	1 525.5	681.7	1 221.4
Skills levy and sector education and training authorities (Higher Education and Training)	12 090.2	13 838.8	15 156.4	15 462.2
Magistrates' salaries (Justice and Constitutional Development)	1 510.0	1 622.4	1 721.8	2 010.2
Judges' salaries (Office of the Chief Justice and Judicial Administration)	788.7	872.2	887.7	950.1
International Oil Pollution Compensation Fund (Transport)	–	–	–	1.7
Total direct charges against the National Revenue Fund	462 603.0	503 253.9	544 848.0	589 793.0
Provisional allocation not assigned to votes	–	–	–	–
Total	1 047 758.6	1 131 900.1	1 244 622.9	1 312 925.3
Contingency reserve	–	–	–	–
National government projected underspending	–	–	–	-3 000.0
Local government repayment to the National Revenue Fund	–	–	–	-1 200.0
Total	1 047 758.6	1 131 900.1	1 244 622.9	1 308 725.3

Table 2 Expenditure by national vote: 2013/14 to 2019/20

Revised estimate	Medium-term expenditure estimates				R million
	2016/17	2017/18	2018/19		
489.8	495.2	514.9	549.9	1	The Presidency
1 659.6	1 711.9	1 782.6	1 897.9	2	Parliament
1 349.7	1 425.1	1 520.7	1 612.3	3	Communications
71 200.4	78 414.5	85 113.8	91 060.4	4	Cooperative Governance and Traditional Affairs
8 155.8	7 055.5	7 816.0	7 647.1	5	Home Affairs
6 838.7	6 574.9	6 765.7	6 505.5	6	International Relations and Cooperation
28 433.6	30 799.2	32 395.0	34 014.0	7	National Treasury
788.5	923.5	942.5	995.9	8	Planning, Monitoring and Evaluation
268.0	266.7	277.2	296.5	9	Public Enterprises
777.7	897.1	944.6	1 008.5	10	Public Service and Administration
6 510.8	7 038.1	7 494.3	7 937.8	11	Public Works
2 538.1	2 146.3	2 248.8	2 309.1	12	Statistics South Africa
194.7	206.2	234.0	248.5	13	Women
21 626.8	23 408.6	24 795.3	26 196.0	14	Basic Education
49 188.3	52 307.6	60 671.8	64 320.9	15	Higher Education and Training
38 507.4	42 625.7	46 667.0	50 384.9	16	Health
147 133.2	160 707.8	173 186.7	186 109.7	17	Social Development
21 580.2	22 814.1	24 453.6	26 155.8	18	Correctional Services
47 236.5	48 618.8	50 610.3	53 966.4	19	Defence and Military Veterans
242.1	255.5	267.0	285.8	20	Independent Police Investigative Directorate
16 040.7	16 786.8	17 643.7	18 798.6	21	Justice and Constitutional Development
874.0	1 018.6	1 071.0	1 143.9	22	Office of the Chief Justice and Judicial Administration
80 984.9	87 025.1	92 741.0	98 945.9	23	Police
6 515.0	6 807.0	7 139.4	7 576.8	24	Agriculture, Forestry and Fisheries
666.0	797.2	844.7	904.3	25	Economic Development
7 340.0	8 113.5	8 469.9	9 950.8	26	Energy
6 425.1	6 848.2	7 061.2	7 378.0	27	Environmental Affairs
2 836.4	3 065.8	3 266.5	3 451.5	28	Labour
1 669.1	1 779.4	1 906.7	1 850.0	29	Mineral Resources
7 429.0	7 557.2	7 916.0	8 191.4	30	Science and Technology
1 207.4	1 449.8	1 529.9	1 618.3	31	Small Business Development
2 144.8	1 614.2	1 727.5	1 828.8	32	Telecommunications and Postal Services
2 009.5	2 140.2	2 288.1	2 397.1	33	Tourism
10 389.5	9 274.8	9 965.9	9 116.0	34	Trade and Industry
56 285.9	59 795.2	64 950.2	68 545.9	35	Transport
15 524.6	15 107.4	16 560.8	17 514.8	36	Water and Sanitation
4 025.7	4 449.8	4 491.7	4 752.3	37	Arts and Culture
30 696.4	33 464.3	35 414.7	37 447.5	38	Human Settlements
10 124.3	10 184.2	10 653.4	11 290.7	39	Rural Development and Land Reform
1 026.6	1 066.6	1 125.6	1 190.9	40	Sport and Recreation South Africa
718 934.8	767 037.9	825 469.4	877 396.3		Total appropriation by vote
					Plus:
					Direct charges against the National Revenue Fund
6.0	6.4	6.7	7.3		President and deputy president salaries (The Presidency)
529.8	556.3	588.6	633.3		Members' remuneration (Parliament)
146 281.4	162 353.1	180 651.5	197 319.8		Debt-service costs (National Treasury)
410 698.6	441 331.1	471 522.5	506 103.7		Provincial equitable share (National Treasury)
11 223.8	11 785.0	12 468.6	13 166.8		General fuel levy sharing with metropolitan municipalities (National Treasury)
1 453.6	387.6	–	–		National Revenue Fund payments (National Treasury)
15 462.2	16 641.5	17 968.2	19 454.1		Skills levy and sector education and training authorities (Higher Education and Training)
1 880.6	2 140.5	2 264.7	2 435.4		Magistrates' salaries (Justice and Constitutional Development)
950.1	966.1	1 022.1	1 098.5		Judges' salaries (Office of the Chief Justice and Judicial Administration)
1.7	10.0	10.2	10.4		International Oil Pollution Compensation Fund (Transport)
588 487.7	636 177.5	686 503.0	740 229.2		Total direct charges against the National Revenue Fund
–	–	210.9	14 566.4		Provisional allocation not assigned to votes
1 307 422.5	1 403 215.4	1 512 183.3	1 632 192.0		Total
–	6 000.0	10 000.0	20 000.0		Contingency reserve
–	–	–	–		National government projected underspending
–	–	–	–		Local government repayment to the National Revenue Fund
1 307 422.5	1 409 215.4	1 522 183.3	1 652 192.0		Total

Table 3 Expenditure by economic classification: 2013/14 to 2019/20

R million	Audited outcome			Adjusted appropriation
	2013/14	2014/15	2015/16	2016/17
Current payments				
Compensation of employees	120 620.4	129 542.2	136 387.3	148 530.8
Salaries and wages	100 547.0	108 763.0	114 044.1	122 802.2
Social contributions	20 073.4	20 779.2	22 343.2	25 728.6
Goods and services	58 423.7	57 883.1	60 366.1	65 586.7
Interest and rent on land	101 242.1	114 901.8	128 910.6	147 788.9
Interest (including interest on unitary payments)	101 240.8	114 899.9	128 902.5	147 787.9
Rent on land	1.3	1.9	8.1	1.0
Total current payments	280 286.2	302 327.1	325 664.0	361 906.5
Transfers and subsidies to:				
Provinces and municipalities	493 472.0	527 542.4	570 140.0	605 571.8
Provinces	410 584.6	439 548.9	471 425.7	500 508.2
Provincial revenue funds	410 572.2	439 544.4	471 424.2	500 502.3
Provincial agencies and funds	12.3	4.5	1.5	5.9
Municipalities	82 887.5	87 993.5	98 714.3	105 063.6
Municipal bank accounts	82 887.4	87 993.5	98 714.3	105 063.5
Municipal agencies and funds	0.0	0.1	0.0	0.0
Departmental agencies and accounts	79 497.3	86 327.9	91 866.8	99 797.9
Social security funds	18.7	30.8	19.2	22.6
Departmental agencies (non-business entities)	79 478.6	86 297.1	91 847.6	99 775.3
Higher education institutions	22 507.0	24 375.1	26 373.3	27 976.3
Foreign governments and international organisations	1 934.1	1 803.0	1 934.4	2 157.9
Public corporations and private enterprises	28 001.3	32 181.7	35 676.7	36 340.6
Public corporations	22 183.9	26 790.9	30 129.7	30 138.3
Subsidies on products or production	9 348.6	9 888.9	10 525.6	10 661.4
Other transfers to public corporations	12 835.4	16 902.0	19 604.1	19 476.9
Private enterprises	5 817.4	5 390.8	5 547.1	6 202.3
Subsidies on products or production	4 775.5	4 520.2	4 682.9	5 082.9
Other transfers to private enterprises	1 041.9	870.5	864.2	1 119.5
Non-profit institutions	2 930.6	3 234.9	3 619.7	4 023.4
Households	121 141.7	132 628.3	141 199.4	154 600.1
Social benefits	113 816.5	124 458.1	133 048.1	145 122.3
Other transfers to households	7 325.2	8 170.2	8 151.3	9 477.8
Total transfers and subsidies	749 484.1	808 093.3	870 810.4	930 467.9
Payments for capital assets				
Buildings and other fixed structures	8 853.6	11 013.0	13 629.9	10 767.6
Buildings	4 746.1	6 518.5	6 073.8	5 908.5
Other fixed structures	4 107.4	4 494.5	7 556.1	4 859.1
Machinery and equipment	4 890.2	4 874.6	4 368.3	3 730.5
Transport equipment	2 291.7	2 069.8	2 049.9	1 421.0
Other machinery and equipment	2 598.5	2 804.8	2 318.4	2 309.5
Heritage assets	0.1	0.1	0.3	2.0
Specialised military assets	0.2	4.4	58.1	1.0
Biological assets	4.8	3.4	6.6	10.2
Land and subsoil assets	58.2	226.7	90.6	4.4
Software and other intangible assets	195.5	75.5	119.4	57.6
Total payments for capital assets	14 002.7	16 197.7	18 273.2	14 573.3
Payments for financial assets	3 985.6	5 282.0	29 875.2	5 977.7
Provisional allocation not assigned to votes	-	-	-	-
Total	1 047 758.6	1 131 900.1	1 244 622.9	1 312 925.3
Contingency reserve	-	-	-	-
National government projected underspending	-	-	-	-3 000.0
Local government repayment to the National Revenue Fund	-	-	-	-1 200.0
Total	1 047 758.6	1 131 900.1	1 244 622.9	1 308 725.3

Table 3 Expenditure by economic classification: 2013/14 to 2019/20

Revised estimate	Medium-term expenditure estimates			R million
	2016/17	2017/18	2018/19	
148 331.3	154 664.6	163 237.9	175 233.2	Current payments
122 613.0	128 732.9	135 834.1	146 128.3	Compensation of employees
25 718.3	25 931.7	27 403.9	29 104.9	Salaries and wages
65 110.7	65 722.4	69 291.6	72 312.8	Social contributions
146 381.1	162 458.4	180 762.9	197 437.4	Goods and services
146 380.1	162 457.0	180 761.5	197 435.9	Interest and rent on land
1.0	1.3	1.4	1.5	Interest (including interest on unitary payments)
				Rent on land
359 823.1	382 845.3	413 292.4	444 983.3	Total current payments
603 790.3	650 807.0	700 216.3	751 018.2	Transfers and subsidies to:
500 396.7	538 166.2	578 620.7	620 401.9	Provinces and municipalities
500 390.8	538 160.2	578 614.4	620 395.3	Provinces
5.9	6.0	6.3	6.7	Provincial revenue funds
103 393.6	112 640.8	121 595.5	130 616.3	Provincial agencies and funds
103 393.6	112 640.7	121 595.4	130 616.2	Municipalities
0.0	0.1	0.1	0.1	Municipal bank accounts
99 797.9	106 071.8	116 683.3	123 043.7	Municipal agencies and funds
22.6	19.6	20.0	21.0	Departmental agencies and accounts
99 775.3	106 052.2	116 663.2	123 022.7	Social security funds
27 976.3	31 614.3	36 162.9	38 198.9	Departmental agencies (non-business entities)
2 157.9	1 971.2	2 076.2	2 146.2	Higher education institutions
36 107.2	37 326.1	40 131.0	40 492.0	Foreign governments and international organisations
30 138.3	31 161.5	33 712.6	35 406.1	Public corporations and private enterprises
10 661.4	12 614.7	13 216.0	13 791.1	Public corporations
19 476.9	18 546.8	20 496.6	21 615.0	Subsidies on products or production
5 968.9	6 164.7	6 418.4	5 085.9	Other transfers to public corporations
4 948.0	5 091.0	5 159.5	3 932.3	Private enterprises
1 021.0	1 073.7	1 258.8	1 153.6	Subsidies on products or production
4 013.9	3 981.6	4 421.6	4 665.0	Other transfers to private enterprises
153 800.0	167 359.8	179 943.0	193 418.1	Non-profit institutions
144 322.2	157 203.3	169 206.2	182 018.9	Households
9 477.8	10 156.4	10 736.9	11 399.2	Social benefits
				Other transfers to households
927 643.5	999 131.9	1 079 634.1	1 152 982.1	Total transfers and subsidies
9 914.8	11 179.1	9 114.6	9 638.3	Payments for capital assets
5 055.7	7 475.6	5 300.2	5 561.7	Buildings and other fixed structures
4 859.1	3 703.5	3 814.5	4 076.6	Buildings
3 756.1	4 538.6	4 856.6	4 701.9	Other fixed structures
1 420.0	2 179.9	2 427.5	2 308.1	Machinery and equipment
2 336.1	2 358.7	2 429.1	2 393.9	Transport equipment
2.0	9.0	-	-	Other machinery and equipment
1.0	1.7	1.0	1.5	Heritage assets
10.2	17.7	12.2	12.8	Specialised military assets
4.4	-	-	-	Biological assets
57.6	85.4	95.2	95.6	Land and subsoil assets
				Software and other intangible assets
13 746.1	15 831.5	14 079.7	14 450.2	Total payments for capital assets
6 209.9	5 406.7	4 966.3	5 209.9	Payments for financial assets
-	-	210.9	14 566.4	Provisional allocation not assigned to votes
1 307 422.5	1 403 215.4	1 512 183.3	1 632 192.0	Total
-	6 000.0	10 000.0	20 000.0	Contingency reserve
-	-	-	-	National government projected underspending
-	-	-	-	Local government repayment to the National Revenue Fund
1 307 422.5	1 409 215.4	1 522 183.3	1 652 192.0	Total

Table 4 Amounts to be appropriated from the National Revenue Fund for 2017/18

		Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease ¹
R million		2016/17			2017/18			
1	The Presidency	505.7	487.2	0.0	14.3	–	501.5	-4.2
2	Parliament ²	2 189.4	1 849.6	414.7	3.9	–	2 268.2	78.8
3	Communications	1 345.4	100.2	1 324.9	0.0	–	1 425.1	79.7
4	Cooperative Governance and Traditional Affairs	72 994.0	4 346.2	74 060.8	7.5	–	78 414.5	5 420.4
5	Home Affairs	7 167.1	5 547.9	1 446.2	61.4	–	7 055.5	-111.6
6	International Relations and Cooperation	5 888.7	5 654.7	625.5	294.6	–	6 574.9	686.2
7	National Treasury	598 258.8	164 689.2	476 694.5	15.7	5 256.7	646 656.0	48 397.2
8	Planning, Monitoring and Evaluation	827.7	471.7	432.8	18.9	–	923.5	95.8
9	Public Enterprises	274.0	263.8	0.0	2.9	–	266.7	-7.3
10	Public Service and Administration	770.4	451.6	442.5	3.0	–	897.1	126.8
11	Public Works	6 528.8	960.4	6 055.7	22.0	–	7 038.1	509.4
12	Statistics South Africa	2 489.1	1 858.3	13.2	274.8	–	2 146.3	-342.8
13	Women	196.9	124.1	78.3	3.8	–	206.2	9.3
14	Basic Education	22 269.6	2 446.6	18 502.8	2 459.2	–	23 408.6	1 139.0
15	Higher Education and Training	66 827.9	8 845.8	60 094.2	9.1	–	68 949.1	2 121.2
16	Health	38 563.3	2 404.7	39 355.4	865.6	–	42 625.7	4 062.4
17	Social Development	148 937.7	863.4	159 833.3	11.1	–	160 707.8	11 770.0
18	Correctional Services	21 577.3	21 744.7	128.0	941.4	–	22 814.1	1 236.8
19	Defence and Military Veterans	47 169.7	38 022.0	9 180.1	1 416.7	–	48 618.8	1 449.0
20	Independent Police Investigative Directorate	246.1	254.7	0.6	0.2	–	255.5	9.4
21	Justice and Constitutional Development	18 089.9	15 014.5	2 717.6	1 195.2	–	18 927.3	837.4
22	Office of the Chief Justice and Judicial Administration	1 785.0	1 844.4	59.3	80.9	–	1 984.6	199.6
23	Police	80 984.9	82 388.0	1 037.0	3 600.1	–	87 025.1	6 040.3
24	Agriculture, Forestry and Fisheries	6 333.0	2 921.5	3 774.6	111.0	–	6 807.0	474.1
25	Economic Development	674.7	139.8	656.2	1.2	–	797.2	122.6
26	Energy	7 545.2	557.9	7 551.2	4.3	–	8 113.5	568.3
27	Environmental Affairs	6 430.1	2 193.8	4 488.9	165.5	–	6 848.2	418.1
28	Labour	2 847.9	1 817.6	1 160.7	87.5	–	3 065.8	217.9
29	Mineral Resources	1 669.1	846.7	921.1	11.7	–	1 779.4	110.4
30	Science and Technology	7 429.0	575.8	6 960.5	21.0	–	7 557.2	128.2
31	Small Business Development	1 325.4	217.0	1 230.3	2.6	–	1 449.8	124.4
32	Telecommunications and Postal Services	2 417.4	795.5	806.7	12.0	–	1 614.2	-803.2
33	Tourism	2 009.5	635.9	1 392.0	112.2	–	2 140.2	130.6
34	Trade and Industry	10 327.5	1 511.7	7 735.1	28.0	–	9 274.8	-1 052.7
35	Transport	56 015.2	1 110.0	58 690.7	4.5	–	59 805.2	3 790.0
36	Water and Sanitation	15 245.3	3 301.5	8 114.5	3 691.5	–	15 107.4	-137.8
37	Arts and Culture	4 070.9	631.4	3 575.2	243.3	–	4 449.8	379.0
38	Human Settlements	30 690.9	777.4	32 531.3	5.7	150.0	33 464.3	2 773.4
39	Rural Development and Land Reform	10 124.3	3 910.1	6 249.3	24.9	–	10 184.2	59.9
40	Sport and Recreation South Africa	1 028.6	268.3	796.1	2.2	–	1 066.6	38.0
Total		1 312 071.3	382 845.3	999 131.9	15 831.5	5 406.7	1 403 215.4	91 144.1

1. A positive number reflects an increase and a negative number reflects a decrease.

2. This is the executive's proposal for Parliament's budget, as such the economic classification and other disaggregation of the vote is not appropriated in the Appropriation Bill (2017).

Table 5a Conditional grants to provinces: 2013/14 to 2019/20¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
4 Cooperative Governance and Traditional Affairs	93.6	86.0	35.6	111.5	–	123.4	130.6	137.9
11 Public Works	610.2	605.7	551.7	761.7	761.7	781.2	824.0	882.3
14 Basic Education	12 326.3	13 549.8	15 631.8	16 586.2	16 586.2	17 154.3	21 023.1	22 230.1
16 Health	27 487.2	30 171.1	31 904.7	33 981.0	33 981.0	37 520.4	41 216.5	44 615.2
17 Social Development	–	27.5	47.5	85.5	85.5	556.4	758.4	805.7
24 Agriculture, Forestry and Fisheries	2 148.6	2 362.2	2 171.5	2 202.5	2 202.5	2 241.7	2 381.1	2 541.6
35 Transport	13 290.3	14 194.2	14 471.2	15 878.5	15 878.5	16 476.5	17 526.0	18 507.4
37 Arts and Culture	594.8	1 016.2	1 274.3	1 357.1	1 357.1	1 420.0	1 498.6	1 580.2
38 Human Settlements	17 028.3	17 084.4	18 302.7	18 284.0	18 284.0	19 969.3	21 115.2	22 338.2
40 Sport and Recreation South Africa	497.6	525.6	533.2	555.7	555.7	585.8	618.4	653.0
Total	74 076.9	79 622.6	84 924.2	89 803.7	89 692.2	96 829.1	107 091.9	114 291.6

Table 5b Conditional grants to municipalities: 2013/14 to 2019/20¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
4 Cooperative Governance and Traditional Affairs	14 513.5	14 971.1	15 145.6	15 621.4	15 351.5	16 303.4	17 158.3	18 069.2
7 National Treasury	1 149.2	1 399.0	1 411.8	1 486.5	1 486.5	1 598.3	1 691.0	1 785.7
11 Public Works	611.3	594.6	587.7	664.0	664.0	691.4	729.3	781.0
26 Energy	1 815.5	1 241.6	2 158.2	2 131.9	2 131.9	2 290.3	2 419.5	3 555.0
35 Transport	5 602.2	5 946.1	6 049.9	5 694.2	5 694.2	6 266.9	6 696.2	7 082.1
36 Water and Sanitation	1 129.2	1 050.8	2 305.0	4 695.0	4 695.0	5 194.5	5 619.1	5 932.7
38 Human Settlements	9 076.9	10 584.7	10 654.3	10 839.5	10 839.5	11 382.2	11 956.1	12 630.8
40 Sport and Recreation South Africa	120.0	–	–	–	–	–	–	–
Total	34 017.8	35 787.7	38 312.7	41 132.4	40 862.5	43 727.0	46 269.5	49 836.5

1. Details provided in the Division of Revenue Bill (2017).

Table 6 Training expenditure per vote: 2013/14 to 2019/20

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
1 The Presidency	1.8	2.0	2.5	3.0	3.2	3.3	3.4
2 Parliament	7.6	10.8	–	18.0	16.3	17.2	18.5
3 Communications	–	–	0.2	0.3	0.2	0.2	0.5
4 Cooperative Governance and Traditional Affairs	3.7	31.1	2.7	3.5	3.4	3.4	3.7
5 Home Affairs	18.5	8.8	3.5	15.2	4.3	4.5	4.7
6 International Relations and Cooperation	9.1	13.3	9.7	22.8	22.8	22.9	24.9
7 National Treasury	6.0	9.3	5.1	9.7	10.1	10.6	10.6
8 Planning, Monitoring and Evaluation	0.9	1.5	0.9	2.3	2.7	3.2	3.4
9 Public Enterprises	2.2	2.6	1.5	1.8	1.9	2.0	1.8
10 Public Service and Administration	3.4	3.3	3.5	3.1	3.2	3.3	3.5
11 Public Works	10.2	14.5	5.1	9.0	4.9	5.2	5.6
12 Statistics South Africa	4.3	7.4	9.2	13.7	14.6	15.4	16.8
13 Women	0.6	0.7	0.1	0.7	0.8	0.9	0.8
14 Basic Education	1.0	0.8	1.8	1.5	1.5	1.5	1.6
15 Higher Education and Training	1.0	1.3	2.3	2.9	2.9	3.1	3.3
16 Health	5.9	5.9	5.6	11.4	7.5	8.2	8.8
17 Social Development	3.0	7.3	3.3	7.8	8.3	8.8	9.1
18 Correctional Services	135.6	144.3	173.8	142.7	151.9	160.4	161.4
19 Defence and Military Veterans	159.3	256.8	228.3	277.2	269.0	297.5	306.7
20 Independent Police Investigative Directorate	1.2	2.0	0.5	1.8	1.9	2.0	2.1
21 Justice and Constitutional Development	10.6	14.8	16.1	80.9	85.0	88.7	95.5
22 Office of the Chief Justice and Judicial Administration	0.1	0.3	1.1	5.5	6.2	6.5	7.0
23 Police	1 668.5	1 710.7	1 963.6	1 883.7	1 968.5	2 057.1	2 149.6
24 Agriculture, Forestry and Fisheries	34.5	39.1	33.8	34.5	36.6	38.7	40.9
25 Economic Development	0.3	0.2	0.3	1.0	0.9	0.9	1.0
26 Energy	4.0	0.8	4.7	3.9	4.0	4.2	4.5
27 Environmental Affairs	12.5	25.8	17.7	21.2	29.0	30.4	32.6
28 Labour	20.8	13.1	12.5	15.1	15.9	16.8	16.0
29 Mineral Resources	3.0	3.0	1.4	5.7	5.8	6.0	6.4
30 Science and Technology	5.2	3.4	5.0	5.3	8.0	8.6	6.2
31 Small Business Development	1.3	–	–	0.3	1.4	1.4	1.5
32 Telecommunications and Postal Services	3.8	6.9	2.4	5.6	2.1	2.2	2.4
33 Tourism	4.3	2.8	1.2	2.7	2.7	2.8	3.0
34 Trade and Industry	9.2	7.2	6.6	9.4	9.5	11.5	12.7
35 Transport	5.4	5.7	3.1	4.1	4.4	4.6	4.9
36 Water and Sanitation	22.4	17.1	17.0	36.9	50.2	55.2	58.3
37 Arts and Culture	1.8	1.6	1.6	2.4	2.5	2.9	2.7
38 Human Settlements	1.9	8.4	3.7	4.7	4.9	5.6	5.2
39 Rural Development and Land Reform	21.9	2.6	7.9	23.7	22.3	24.6	25.5
40 Sport and Recreation South Africa	1.1	1.3	0.4	1.3	1.3	1.4	1.5
Total	2 208.1	2 388.5	2 559.6	2 696.2	2 792.5	2 943.8	3 068.7

Table 7a Infrastructure expenditure per vote: 2013/14 to 2019/20¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
4 Cooperative Governance and Traditional Affairs	14 224.4	14 745.4	14 955.8	14 914.0	15 891.3	16 787.7	17 733.7
5 Home Affairs	98.5	–	61.3	254.6	183.8	198.6	117.5
6 International Relations and Cooperation	202.9	103.6	102.0	200.7	215.7	228.1	240.9
7 National Treasury	585.9	590.4	607.0	624.0	663.4	701.9	741.2
8 Planning, Monitoring and Evaluation	–	–	0.4	0.1	4.0	0.4	0.4
11 Public Works	567.4	422.4	–	702.4	748.2	804.6	849.7
14 Basic Education	8 319.6	10 070.6	11 039.7	11 955.9	12 847.1	13 776.0	14 549.5
15 Higher Education and Training	2 150.0	2 700.0	3 301.2	3 396.7	3 520.4	3 688.6	3 866.8
16 Health	5 473.5	5 794.3	6 031.6	6 062.4	6 603.5	6 904.1	7 290.7
17 Social Development	–	27.5	47.5	85.5	–	–	–
18 Correctional Services	583.1	854.7	775.8	788.9	826.3	874.2	923.2
19 Defence and Military Veterans	603.4	268.7	530.0	996.7	958.8	1 069.0	1 111.1
21 Justice and Constitutional Development	387.6	712.3	739.5	721.1	769.3	819.8	855.0
23 Police	868.1	884.8	1 192.4	1 051.4	891.5	924.9	958.7
24 Agriculture, Forestry and Fisheries	461.5	684.0	383.5	175.2	228.4	250.4	165.2
26 Energy	3 566.1	4 122.7	5 749.8	5 644.4	6 123.0	6 368.2	7 723.3
27 Environmental Affairs	405.7	543.8	433.1	572.4	453.5	369.2	342.3
28 Labour	1.5	1.9	0.5	28.0	14.0	16.0	16.0
30 Science and Technology	579.1	984.7	358.9	1 011.5	1 076.6	1 083.9	1 176.6
32 Telecommunications and Postal Services	884.2	–	–	450.3	464.9	763.6	724.5
33 Tourism	–	–	87.2	218.8	107.5	102.5	112.1
34 Trade and Industry	1 043.2	805.9	957.3	1 668.4	974.3	1 606.6	1 696.5
35 Transport	26 712.7	39 327.2	38 532.6	40 452.7	41 746.2	45 975.7	48 538.9
36 Water and Sanitation	5 670.0	6 821.1	8 940.0	10 695.2	11 298.7	12 500.7	13 263.6
37 Arts and Culture	350.3	414.2	325.4	596.2	506.7	534.6	449.8
38 Human Settlements	26 723.2	27 966.6	28 966.2	29 547.8	32 202.8	34 214.9	36 207.4
39 Rural Development and Land Reform	–	3.7	0.4	–	1.8	–	–
Total	100 462.0	118 850.5	124 118.9	132 815.4	139 321.8	150 564.0	159 654.5

Table 7b Type of infrastructure investment: 2013/14 to 2019/20¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
New infrastructure assets	3 878.1	4 952.0	4 521.7	5 805.9	6 013.9	3 748.9	4 370.6
Existing infrastructure assets	3 955.9	4 164.0	5 345.9	6 226.2	6 058.7	6 541.7	6 205.7
Upgrading and additions	2 882.8	3 337.9	3 855.2	4 365.4	3 735.6	4 333.9	4 191.8
Rehabilitation, renovations and refurbishment	647.1	436.1	991.5	1 573.3	2 069.2	2 032.0	1 838.3
Maintenance and repair	426.0	390.1	499.3	287.5	253.9	175.8	175.6
Infrastructure transfers	92 628.0	109 734.5	114 251.3	120 783.4	127 249.1	140 273.4	149 078.2
Current	379.4	594.5	188.6	879.1	1 117.3	1 169.0	1 261.5
Capital	92 248.6	109 140.1	114 062.7	119 904.2	126 131.8	139 104.4	147 816.7
Total Infrastructure	100 462.0	118 850.5	124 118.9	132 815.4	139 321.8	150 564.0	159 654.5
<i>Current infrastructure²</i>	<i>805.4</i>	<i>984.5</i>	<i>687.9</i>	<i>1 166.6</i>	<i>1 371.2</i>	<i>1 344.9</i>	<i>1 437.1</i>
<i>Capital infrastructure³</i>	<i>99 656.5</i>	<i>117 866.0</i>	<i>123 431.1</i>	<i>131 648.8</i>	<i>137 950.6</i>	<i>149 219.2</i>	<i>158 217.4</i>

1. Amounts include: Mega infrastructure projects and programmes for which the total cost is at least R1 billion over the project lifecycle; large projects and programmes for which the total cost is at least R250 million but less than R1 billion over the project lifecycle; and small projects and programmes for which the total cost is less than R250 million over the project lifecycle. Amounts also include: infrastructure transfers to other spheres, agencies and entities; and maintenance and repair projects.

2. Current infrastructure refers to the maintenance and repairs of existing infrastructure assets and is aimed at maintaining the capacity and effectiveness of an asset at the designed level.

3. Capital infrastructure refers to the construction, replacement, upgrade, rehabilitation, renovation and refurbishment of infrastructure resulting in a new asset or an increase in the capacity, effectiveness and value of an existing one.

Table 8 Personnel expenditure per vote: 2013/14 to 2019/20

R million		Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
1	The Presidency	245.8	269.0	295.1	314.6	314.6	318.4	328.9	354.0
2	Parliament	1 066.6	1 358.6	1 242.7	1 308.6	1 308.6	1 341.8	1 391.2	1 497.2
3	Communications	24.7	39.8	47.6	68.2	68.2	76.7	81.3	87.7
4	Cooperative Governance and Traditional Affairs	226.8	234.4	258.3	320.5	320.5	338.9	339.5	365.4
5	Home Affairs	2 385.8	2 600.2	2 845.3	3 069.8	3 069.8	3 198.2	3 308.1	3 559.0
6	International Relations and Cooperation	2 470.3	2 754.7	3 083.7	3 071.4	3 071.4	2 914.0	2 964.5	2 874.5
7	National Treasury	602.1	671.5	732.7	815.7	797.8	799.3	807.8	869.3
8	Planning, Monitoring and Evaluation	138.9	161.1	176.9	216.5	207.3	268.9	312.8	331.6
9	Public Enterprises	124.9	141.2	140.0	153.9	153.9	166.9	171.5	184.5
10	Public Service and Administration	230.7	229.1	242.5	270.5	269.0	275.7	288.5	310.5
11	Public Works	1 471.5	1 591.8	435.9	471.8	471.8	486.4	518.3	557.8
12	Statistics South Africa	1 080.1	1 184.6	1 288.4	1 408.4	1 408.4	1 352.2	1 428.5	1 444.9
13	Women	48.9	57.7	63.6	72.6	68.2	71.9	85.5	91.4
14	Basic Education	371.7	412.7	439.5	471.2	471.2	476.7	500.3	538.4
15	Higher Education and Training	6 605.4	7 139.8	7 166.4	7 573.7	7 573.7	8 425.4	8 957.0	9 637.7
16	Health	628.0	686.3	750.1	857.4	857.3	760.0	828.8	894.3
17	Social Development	339.3	377.5	419.9	454.4	454.4	476.8	490.4	527.4
18	Correctional Services	12 190.1	12 611.5	13 189.5	14 821.4	14 821.4	15 776.7	17 034.9	18 333.6
19	Defence and Military Veterans	21 332.7	23 005.8	24 788.0	27 361.6	27 361.6	26 448.0	27 116.7	29 177.6
20	Independent Police Investigative Directorate	105.0	119.5	149.6	169.6	169.6	186.2	195.8	210.7
21	Justice and Constitutional Development	7 919.5	8 523.0	9 250.2	10 040.2	9 910.7	10 578.0	11 067.6	11 908.7
22	Office of the Chief Justice and Judicial Administration	1 099.8	1 203.5	1 303.7	1 423.4	1 423.4	1 524.0	1 609.1	1 731.4
23	Police	51 241.8	54 332.2	57 478.4	62 038.1	62 038.1	66 196.8	70 655.4	76 025.2
24	Agriculture, Forestry and Fisheries	1 525.0	1 661.6	1 761.1	1 992.6	1 992.6	2 105.8	2 177.3	2 343.2
25	Economic Development	70.9	75.7	79.4	94.0	85.4	90.1	90.8	97.7
26	Energy	228.5	264.3	296.0	318.3	318.3	318.2	331.9	357.0
27	Environmental Affairs	659.2	787.8	909.2	996.6	996.6	1 035.1	1 078.6	1 160.8
28	Labour	866.1	997.8	1 025.6	1 108.0	1 099.2	1 224.5	1 317.8	1 410.2
29	Mineral Resources	435.3	484.6	526.3	564.4	564.4	572.8	598.0	643.6
30	Science and Technology	241.6	276.0	301.1	313.8	313.8	315.5	327.7	352.7
31	Small Business Development	55.3	73.8	93.1	129.7	114.7	137.5	141.4	152.3
32	Telecommunications and Postal Services	158.5	175.5	181.7	213.7	209.1	214.7	224.3	241.4
33	Tourism	202.4	231.5	252.9	269.5	269.5	271.9	282.6	304.1
34	Trade and Industry	734.0	815.3	874.2	930.3	930.3	902.4	927.8	998.6
35	Transport	304.4	345.9	382.9	432.1	432.1	450.0	470.0	505.9
36	Water and Sanitation	1 139.7	1 275.7	1 360.4	1 540.2	1 540.2	1 651.9	1 720.2	1 851.3
37	Arts and Culture	190.8	206.3	214.4	238.3	238.3	232.5	253.5	272.9
38	Human Settlements	240.2	290.9	310.2	371.5	371.5	383.3	376.9	405.7
39	Rural Development and Land Reform	1 541.3	1 791.6	1 937.2	2 142.6	2 142.6	2 194.6	2 325.6	2 502.9
40	Sport and Recreation South Africa	76.6	82.4	93.8	101.6	101.6	106.1	111.5	120.1
Total		120 620.4	129 542.2	136 387.3	148 530.8	148 331.3	154 664.6	163 237.9	175 233.2

Table 9 Personnel numbers and unit cost per vote: 2015/16 to 2019/20

	Number of posts estimated for 31 March 2017		Number and cost of personnel posts filled/ planned for on funded establishment										
	Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate						
			2015/16		2016/17		2017/18		2018/19		2019/20		
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	
1	The Presidency	687	80	655	451	644	489	623	511	615	535	615	576
2	Parliament	1 345	–	1 389	895	1 389	942	1 389	966	1 389	1 002	1 389	1 078
3	Communications	80	37	92	517	92	741	98	783	98	829	96	913
4	Cooperative Governance and Traditional Affairs	469	2	442	584	546	587	539	629	482	704	488	749
5	Home Affairs	10 096	461	9 674	294	9 530	322	9 528	336	9 186	360	9 147	389
6	International Relations and Cooperation	5 255	34	5 006	616	4 873	630	4 618	631	4 404	673	4 051	710
7	National Treasury	1 267	68	1 218	602	1 222	653	1 172	682	1 124	719	1 161	749
8	Planning, Monitoring and Evaluation	350	–	301	588	332	624	434	620	468	668	468	708
9	Public Enterprises	219	26	200	700	218	706	220	759	211	813	212	871
10	Public Service and Administration	485	55	469	517	476	565	445	620	444	650	442	702
11	Public Works	594	688	1 287	339	934	505	795	612	790	656	785	711
12	Statistics South Africa ¹	–	–	–	–	–	–	–	–	–	–	–	–
13	Women	106	2	110	579	107	637	105	685	119	718	119	768
14	Basic Education	798	4	756	581	752	627	701	680	687	728	685	786
15	Higher Education and Training	36 939	–	35 213	204	35 326	214	36 415	231	36 212	247	36 988	261
16	Health	1 597	47	1 776	422	1 858	461	1 504	505	1 520	545	1 524	587
17	Social Development	917	123	873	481	871	522	836	570	786	624	782	674
18	Correctional Services	42 006	1 211	38 628	341	39 320	377	39 635	398	38 536	442	38 318	478
19	Defence and Military Veterans	76 648	–	77 597	319	78 345	349	69 609	380	65 582	413	66 016	442
20	Independent Police Investigative Directorate	418	2	375	399	388	437	388	480	388	505	388	543
21	Justice and Constitutional Development	25 518	287	24 318	380	23 976	413	23 415	452	22 572	490	22 482	530
22	Office of the Chief Justice and Judicial Administration	2 645	–	2 554	510	2 645	538	2 644	576	2 579	624	2 559	677
23	Police	194 431	–	194 730	295	194 431	319	193 431	342	192 431	367	191 431	397
24	Agriculture, Forestry and Fisheries ¹	–	–	–	–	–	–	–	–	–	–	–	–
25	Economic Development	138	2	140	567	129	662	127	709	126	720	126	775
26	Energy	541	17	587	504	592	538	548	581	538	617	530	674
27	Environmental Affairs	1 865	324	2 095	434	2 093	476	2 068	501	2 020	534	2 019	575
28	Labour	2 892	22	3 081	333	3 014	365	3 094	396	3 073	429	2 977	474
29	Mineral Resources ¹	–	–	1 125	468	1 122	503	1 067	537	1 044	573	1 040	619
30	Science and Technology ¹	–	–	493	611	478	656	449	703	432	759	416	848
31	Small Business Development	205	23	156	597	201	571	217	633	205	690	205	743
32	Telecommunications and Postal Services	316	1	278	654	311	672	296	725	284	790	285	847
33	Tourism	502	–	510	496	510	529	488	557	483	585	485	627
34	Trade and Industry	1 361	98	1 482	590	1 416	657	1 379	654	1 341	692	1 307	764
35	Transport	683	7	702	545	708	610	710	634	704	668	703	720
36	Water and Sanitation	4 301	195	3 512	387	3 682	418	3 540	467	3 403	505	3 388	546
37	Arts and Culture	481	65	468	458	475	502	393	592	396	640	393	694
38	Human Settlements	680	67	648	479	680	546	644	595	596	632	595	682
39	Rural Development and Land Reform	4 039	399	4 501	430	4 483	478	4 359	503	4 313	539	4 289	584
40	Sport and Recreation South Africa	179	20	208	451	212	479	211	503	206	541	210	572
Total		421 053	4 367	417 649	18 618	418 381	20 322	408 134	21 736	399 787	23 227	399 114	25 041

1. Department did not provide all relevant personnel data.

Table 10 Departmental receipts per vote: 2013/14 to 2019/20

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	
1	The Presidency	0.9	1.7	2.9	1.1	1.1	0.4	0.4	0.4
2	Parliament	52.4	49.1	33.7	36.1	29.8	19.2	12.0	8.7
3	Communications	1 205.2	976.5	1 328.1	1 026.8	1 026.8	1 036.6	1 104.3	1 154.0
4	Cooperative Governance and Traditional Affairs	1.2	1.9	1.1	1.2	1.4	1.3	1.3	1.4
5	Home Affairs	741.6	767.1	1 079.3	962.3	1 050.9	1 071.2	1 131.9	1 183.3
6	International Relations and Cooperation	36.6	35.1	34.9	24.3	37.2	38.5	40.4	42.4
7	National Treasury	15 351.1	18 246.1	19 979.9	19 852.8	19 237.8	19 688.7	15 115.3	13 670.4
8	Planning, Monitoring and Evaluation	0.1	0.1	0.4	0.6	1.1	0.2	0.3	0.3
9	Public Enterprises	0.4	0.2	3.4	1.1	0.0	0.1	0.1	0.1
10	Public Service and Administration	1.3	1.0	1.4	0.7	0.7	0.7	0.7	0.7
11	Public Works	55.5	16.1	7.1	2.8	2.8	1.4	1.4	1.4
12	Statistics South Africa	1.4	5.0	10.1	3.2	5.2	1.2	1.3	1.3
13	Women	0.0	0.0	0.0	0.3	0.3	0.0	0.0	0.0
14	Basic Education	27.2	57.6	18.3	16.0	16.0	7.7	3.2	3.7
15	Higher Education and Training	11.9	11.6	15.4	37.9	37.9	12.2	12.8	13.4
16	Health	71.6	66.1	53.9	69.1	68.6	8.1	8.4	8.5
17	Social Development	89.0	62.9	23.9	49.4	49.4	88.7	94.8	98.9
18	Correctional Services	117.1	139.8	129.3	131.0	130.8	132.2	135.8	138.8
19	Defence and Military Veterans	853.5	923.8	1 082.6	842.7	842.7	1 051.8	1 109.6	1 170.6
20	Independent Police Investigative Directorate	0.3	0.7	0.2	0.3	0.3	0.2	0.2	0.2
21	Justice and Constitutional Development	416.1	337.6	328.6	460.3	370.3	390.3	409.9	430.4
22	Office of the Chief Justice and Judicial Administration	–	–	0.8	0.8	0.8	0.8	0.8	1.0
23	Police	386.3	389.4	478.2	498.0	498.0	356.0	376.4	393.8
24	Agriculture, Forestry and Fisheries	809.6	191.7	212.4	227.2	227.2	241.5	256.7	272.9
25	Economic Development	1 097.5	930.7	726.8	908.4	908.4	921.3	950.8	997.4
26	Energy	43.5	5.3	806.0	6.0	6.0	6.1	6.2	6.3
27	Environmental Affairs	29.6	32.0	11.5	28.3	17.2	20.7	21.0	21.1
28	Labour	22.6	11.2	10.1	12.9	12.9	11.6	11.8	12.6
29	Mineral Resources	109.0	46.2	29.8	30.2	18.9	29.7	31.5	33.3
30	Science and Technology	1.7	1.6	0.5	7.0	7.0	0.2	0.2	0.3
31	Small Business Development	–	–	0.1	0.1	0.1	0.1	0.1	0.1
32	Telecommunications and Postal Services	1 710.0	1 670.2	26 804.4	559.5	559.5	508.1	508.1	508.1
33	Tourism	4.2	3.5	6.8	5.3	5.3	1.8	1.8	1.8
34	Trade and Industry	71.7	82.6	62.0	82.2	65.5	69.0	73.0	77.0
35	Transport	747.0	322.1	209.9	276.6	282.5	295.6	309.5	326.8
36	Water and Sanitation	66.0	15.3	11.0	20.9	20.9	14.1	11.7	11.7
37	Arts and Culture	0.5	3.3	3.0	2.3	2.3	1.9	2.1	2.2
38	Human Settlements	0.8	1.0	1.2	0.8	0.8	0.2	0.2	0.2
39	Rural Development and Land Reform	104.6	87.4	54.6	95.8	58.1	61.0	64.1	67.3
40	Sport and Recreation South Africa	0.2	0.1	0.4	0.1	0.1	0.3	0.3	0.3
Total departmental receipts as per Estimates of National Expenditure		24 239.2	25 493.6	53 564.0	26 281.9	25 602.1	26 090.9	21 810.4	20 663.2
Less: Parliament (retained departmental receipts)		52.4	49.1	33.7	36.1	29.8	19.2	12.0	8.7
Plus: South African Revenue Service departmental receipts collection		6 539.0	5 455.0	3 743.4	4 877.6	6 384.8	6 808.2	7 254.4	7 834.6
Total departmental receipts as per Budget Review		30 725.8	30 899.6	57 273.7	31 123.5	31 957.0	32 880.0	29 052.8	28 489.1

Information contained in each vote

The Estimates of National Expenditure (ENE) publications describe in detail the planned spending in all national government votes over the three-year medium-term expenditure framework (MTEF) period, government's expenditure planning window.

The ENE publication is tabled in Parliament by the Minister of Finance alongside the main budget. The publication is the explanatory memorandum to the Appropriation Bill. Through the bill and the publication, the executive seeks Parliament's approval and adoption of its spending plans for the first year of the MTEF period. Once the Appropriation Act has been assented to by the president, funds allocated for the first year of the new MTEF period are then appropriated from the National Revenue Fund in terms of the act. Parliament authorises expenditure annually, thus the spending estimates for the two outer years of the MTEF period are not included in the Appropriation Bill. These forward estimates or indicative allocations do, however, form the basis of the planning of the next year's budget.

The main budget expenditure, determined by the fiscal stance adopted, includes direct charges against the National Revenue Fund. Direct charges constitute spending in terms of a statute, and therefore do not require parliamentary approval. An example is debt-service costs. Such spending is therefore not contained in the Appropriation Bill, nor is it budgeted for in any particular programme within a vote. Main budget expenditure also includes a contingency reserve and any provisional allocations not assigned to votes for expenditure, related to unforeseen circumstances and emerging government policy priorities. Similarly, this expenditure is not contained in the Appropriation Bill tabled.

Information in the Appropriation Bill is divided according to vote. Generally, a vote specifies the total amount appropriated to a department. In some cases, a vote may contain more than one department. Each chapter in the ENE publication relates to a vote. A separate e-publication is also available for each vote.

The ENE e-publications for individual votes provide more comprehensive coverage of vote specific information, particularly about personnel, entities, donor funding, public private partnerships, conditional grants¹ to provinces and municipalities, and expenditure information at the level of site service delivery, where appropriate. These publications are available at www.treasury.gov.za.

For each vote, the ENE publications follow the format shown below:

Budget summary

This table shows the budgeted expenditure for the vote for the three-year MTEF period.

R million	2017/18					2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Total expenditure estimate							
Executive authority	Minister						
Accounting officer	Director General / Chief Operating Officer						
Website address							

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

The **2017/18 total** shows the total allocation per programme and the total allocation for the vote for 2017/18, and corresponds with the information in the 2017 Appropriation Bill.

The total vote allocation to be appropriated by Parliament is categorised by economic classification, into **current payments, transfers and subsidies, payments for capital assets and payments for financial assets**.

1. The terms conditional allocation and allocation-in-kind, as contained in legislation, are commonly referred to as conditional grant and indirect grant respectively, in the budget documentation that accompanies this legislation.

Current payments are payments made by an institution for its operational requirements.

Transfers and subsidies are payments made by an institution for which the institution does not directly receive anything in return.

Payments for capital assets are payments made by an institution for an asset that can be used for more than one year, and from which future economic benefits or service potential are expected to flow.

Payments for financial assets are mainly payments made by institutions as loans to public corporations or as equity investments in public corporations. The reason for reflecting the payments as expenditure, rather than treating them as financing, is because the purpose of the transaction is not profit oriented. This column is shown only in votes where such payments have been budgeted for. Payments for theft and losses are included in this category. However, it is not possible to budget for these in advance and, if applicable, payments will thus appear only in the historical information once they are known.

For **2018/19** and **2019/20**, the estimates of expenditure in the vote are shown for the two outer years of the MTEF period.

MTEF allocation shows the expenditure allocation for the upcoming financial year and the expenditure estimates for the two outer years of the MTEF period for each programme.

Direct charge against the National Revenue Fund is an amount spent in terms of a statute and is not budgeted for in any programme in a particular vote. Hence it is shown as a separate item and is not contained in the Appropriation Bill.

Total expenditure estimate is the sum of expenditure on programmes plus direct charges against the National Revenue Fund.

The last three rows of the table provide accountability information: the vote's executive authority, accounting officer and website address.

Vote purpose

The purpose of the vote captures a department's mandate, objectives or administrative functions, as stated in the Appropriation Bill.

Mandate

The institution's mandate, as contained in the relevant act(s) or policy document(s) that govern(s) the institution's establishment and operations, is described.

Selected performance indicators

This table highlights a vote's performance in terms of key indicators - for the past three years, the current year and highlights the projections for the three-year MTEF period.

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20

The table presents only a selected set of a department or entity's performance indicators and is not intended to provide a comprehensive view of institutional performance. The table, however, contains key indicators linked to government's performance management system, annual performance plans and ministerial service delivery agreements. Managing, monitoring and measuring performance are integral to improving service delivery.

An **Indicator** is a measure that tracks a department's or entity's progress towards meeting the target it has set. An indicator may measure inputs, activities, outputs and outcomes, or in certain instances, explanatory information relating to the internal or external environment.

The **Programme** column links the indicator to the programme associated with it.

The **Outcome** column links the indicator to one or more of the 14 outcomes, targeted in government's 2014-2019 medium-term strategic framework.

The **Past** column shows what level of performance the institution achieved in the past three financial years.

The **Current** column shows what the institution projects it will have achieved in the current financial year.

The **Projections** column shows what the institution expects to achieve over the three years of the MTEF period.

In the selected performance indicators table, a dash (–) means that information is not available, generally because the indicator was only introduced in subsequent years. However, in all expenditure and revenue tables, a dash (–) indicates that information is either unavailable or equal to zero. Due to rounding off, the line item figures in tables may not necessarily add up to the total of the figures in the table.

Expenditure analysis

This is a narrative discussion that provides an outline of what the institution aims to achieve over the medium term and how it is planning to spend its budget in support of this. The discussion centres on the institution's primary focus areas, including its policy and spending focus over the period, as contained in its planning documents. A summary is provided of how the institution's objectives and spending items are aligned with the objectives of the national development plan, as set out in the 2014-2019 medium-term strategic framework outcomes.

Significant increases or decreases in expenditure, including in the past, are explained in terms of the institution's performance outcomes, service delivery methods, policies, personnel profiles, or any other applicable factors. The average annual estimated growth rates are presented in the tables in nominal, not in real, terms. In instances where inflationary growth has been excluded to calculate the real estimated growth rate, the consumer price index has been used to deflate the rate presented.

A summary of key Cabinet approved changes to the vote's baseline budget is also provided.

Expenditure trends

This table shows audited expenditure for the past three years, and the revised expenditure estimate for the current financial year, by programme and by economic classification. For each year, budgeted and adjusted appropriations are provided for comparison with actual expenditure outcomes.

Programmes															
1. Administration															
2. Programme name															
Programme		2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1															
Programme 2															
Subtotal															
Direct charge against the National Revenue Fund															
Total															
Change to 2016															
Budget estimate															
Economic classification															
Current payments															
Compensation of employees															
Goods and services															
Transfers and subsidies															
Payments for capital assets															
Payments for financial assets															
Total															

Expenditure over a four-year period is set out first by **Programme** and then by **Economic classification**. Expenditure is classified as current payments, transfers and subsidies, payments for capital assets and payments for financial assets. Where programme structures have been changed in recent years, expenditure and budgets have, to the extent possible, been reallocated to the new approved programme structure for all the years shown, for comparability.

Direct charge against the National Revenue Fund is an amount spent in terms of a statute and is not budgeted for in any programme in a particular vote. Hence it is shown as a separate item and is not contained in the Appropriation Bill.

Annual budget shows the total amount voted at the beginning of a financial year.

Adjusted appropriation shows the adjusted total amount that is voted during the course of a financial year. Most changes are made mid-year at the time of the adjustments budget. These adjustments can be made only in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). These adjustments are included in an adjustments appropriation bill, which Parliament approves before expenditure can take place. Particulars are tabled in acts of Parliament and in the accompanying Adjusted Estimates of National Expenditure, and other, publications.

Audited outcomes are presented as they appear in the institution’s annual financial statements; however reallocations are made for any subsequent approved budget programme structure changes.

The **Revised estimate** for 2016/17 shows the current estimate of the institution’s expenditure for the current financial year. This does not imply a change in the amount voted to an institution in the 2016 adjusted appropriation bill. It is rather an up to date estimate of what the department is likely to spend in the current financial year.

The **Average: Outcome/Annual budget (%)** shows annual audited expenditure as a percentage of the annual Budget appropriation, averaged over the three-year period.

The **Average: Outcome/Adjusted appropriation budget (%)** shows annual audited expenditure as a percentage of the annual adjusted budget appropriation, averaged over the three-year period.

Significant amounts and trends are discussed in the expenditure analysis section above, particularly in relation to performance and spending achievement.

Expenditure estimates

This table shows the revised expenditure estimate for 2016/17, and expenditure estimates over the three-year MTEF period, by programme and by economic classification.

Programmes								
1. Administration								
2. Programme name								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1								
Programme 2								
Subtotal								
Direct charge against the National Revenue Fund								
Total								
Change to 2016 Budget estimate								
Economic classification								
Current payments								
Compensation of employees								
Goods and services								
Transfers and subsidies								
Payments for capital assets								
Payments for financial assets								
Total								

Expenditure over a four-year period is set out first by **Programme** and then by **Economic classification**. Expenditure is classified as current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Direct charge against the National Revenue Fund is an amount spent in terms of a statute and is not budgeted for in any programme in a particular vote. Hence it is shown as a separate item and is not contained in the Appropriation Bill.

The **Revised estimate 2016/17** shows the current estimate of the institution's expenditure for the current financial year. This does not imply a change in the amount voted to an institution in the 2016 adjusted appropriation bill. It is rather an up to date estimate of what the department is likely to spend in the current financial year.

The **Average growth rate (%)** is the growth rate per year, averaged over the three-year period, expressed as a percentage.

The **Average: Expenditure/Total (%)** column shows the proportion an expenditure item comprises of total institutional expenditure, averaged over the three-year period, expressed as a percentage.

The **Medium-term expenditure estimate** shows expenditure estimates for 2017/18, 2018/19 and 2019/20. The estimates for 2017/18 are the appropriations proposed in the 2017 Appropriation Bill, which is considered by Parliament. The estimates for 2018/19 and 2019/20 are indicative allocations and will form the basis for planning the 2018 Budget.

Significant amounts and trends are discussed in the expenditure analysis section above, particularly in relation to performance and spending achievement.

Goods and services expenditure trends and estimates

This table shows goods and services expenditure trends for the past three years, the revised expenditure estimate for the current financial year, and expenditure estimates over the three-year MTEF period, by item.

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Average: Expenditure/Total (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20		
R thousand													
Goods and services item													
Goods and services item													
Goods and services item													
Goods and services item													
Total													

Audited outcomes are presented as they appear in the institution's annual financial statements.

Adjusted appropriation shows the adjusted total amount that is voted during the course of a financial year. Most changes are made mid-year at the time of the adjustments budget. These adjustments can be made only in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999).

The **Average growth rate (%)** is the growth rate per year, averaged over the three-year period, expressed as a percentage.

The **Average: Expenditure/Total (%)** column shows the proportion an expenditure item comprises of total institutional expenditure, averaged over the three-year period, expressed as a percentage.

The **Medium-term expenditure estimate** shows expenditure estimates for 2017/18, 2018/19 and 2019/20.

Significant amounts and trends are discussed in the expenditure analysis section above, particularly in relation to performance and spending achievement.

Transfers and subsidies expenditure trends and estimates

This table shows the transfers and subsidies expenditure trends for the past three years, the revised expenditure estimate for the current financial year, and expenditure estimates over the three-year MTEF period, by transfer item.

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Economic classification item											
Lower level economic classification item											
Current											
Transfer name											
Capital											
Transfer name											
Total											

Audited outcomes are presented as they appear in the institution's annual financial statements.

Adjusted appropriation shows the adjusted total amount that is voted during the course of a financial year. Most changes are made mid-year at the time of the adjustments budget. These adjustments can be made only in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999).

The **Average growth rate (%)** is the growth rate per year, averaged over the three-year period, expressed as a percentage.

The **Average: Expenditure/Total (%)** column shows the proportion an expenditure item comprises of total institutional expenditure, averaged over the three-year period, expressed as a percentage.

The **Medium-term expenditure estimate** shows expenditure estimates for 2017/18, 2018/19 and 2019/20.

Significant amounts and trends are discussed in the expenditure analysis section above, particularly in relation to performance and spending achievement.

Personnel information

Personnel information relating to salary level bands is set out for a five-year period. The number of posts, the cost to the institution, and the average unit cost of a post are shown as estimated by the department.

Vote personnel numbers and cost by salary level and programme level¹

Programmes

- Administration
- Programme name

Department	Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment									Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Salary level/Total (%)			
			2015/16	2016/17	2017/18	2018/19	2019/20									
Salary level			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
1 - 6																
7 - 10																
11 - 12																
13 - 16																
Other																
Programme																
Programme 1																
Programme 2																

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

² Rand million.

Details are provided of total personnel numbers by **Salary level** and **Programme**.

Number of funded posts refers to the number of posts in an institution's establishment for which provision is made in its budget.

Number of posts additional to the establishment refers to posts that do not form part of the institution's approved establishment but which have been budgeted for.

Information is provided on the **Number** and **Cost** of posts filled or planned to be filled in the total establishment by salary level.

The **Unit cost** is calculated by dividing the cost by the number of posts.

The **Average growth rate (%)** in the number of posts for the three-year period is shown, expressed as a percentage.

The **Average: Salary level/Total (%)** column shows for the number of posts, what the proportion of the total posts is at the salary level band, on average over the period, expressed as a percentage.

Personnel information is discussed in the expenditure analysis section above, particularly in relation to performance and spending achievement.

Departmental receipts

This table provides details of the revenue collected on the vote over a seven-year period.

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Receipt item/Total (%)	Medium-term receipts estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Receipt item/Total (%)
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Departmental receipts												
Economic classification Item												
Lower level economic classification Item												
Economic classification Item												
Lower level economic classification Item												
Lower level economic classification Item												
Total												

Departmental receipts are set out by **Economic classification item**.

Audited outcome is revenue for the past three years as it has been presented in the institution's annual financial statements.

The **Adjusted estimate** for 2016/17 shows the estimate of the institution's receipts published in the 2016 Adjusted Estimates of National Expenditure publication.

The **Revised estimate** shows the current estimate of institutional receipts for 2016/17.

The **Average growth rate (%)** shows the growth in revenue as a percentage, averaged over a three-year period.

The **Average: Receipt item/Total (%)** column shows as a percentage, what proportion, receipts in a particular economic classification item comprise of total departmental revenue, averaged over a three-year period.

Information on each programme

Programme purpose

The purpose of each programme is stated as it is set out in the 2017 Appropriation Bill. The programme purpose outlines the functions and activities of the particular programme, as per the approved budget programme structure. Programme 1 is always the *Administration* programme, comprising the administrative functions and activities required to keep the department operating. It includes the ministry and deputy ministry, the director general's office and central corporate services.

Objectives

Objectives are stated for each programme, with the exception of the *Administration* programme. A programme objective includes an explanation of its strategic intent, as well as of the specific interventions and progress measures for that objective. Objectives are broadly aligned with institutional strategic plans and annual performance plans, as informed by ministerial service delivery agreements and the national development plan and articulated in the 2014-2019 medium-term strategic framework.

Subprogrammes (per programme)

The key activities carried out by each subprogramme are described, generally with the exception of the *Administration* programme. Explanatory notes are provided on transfers to entities or partner organisations, and on subsidies, incentives or financial assistance programmes, where applicable.

Expenditure trends and estimates (per programme)

The table for each programme sets out expenditure by subprogramme and economic classification item over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Subprogramme name											
Total											
Change to 2016 Budget estimate											
Economic classification											
Current payments											
Economic classification item											
Transfers and subsidies											
Economic classification item											
Payments for capital assets											
Economic classification item											
Payments for financial assets											
Total											
Proportion of total programme expenditure to vote expenditure											

Expenditure over the seven-year period is set out first by **Subprogramme** and then by **Economic classification** - as current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Audited outcome is presented as it appears in the institution's annual financial statements, with amounts reallocated for any subsequent approved changes to the budget programme structure.

Adjusted appropriation shows the adjusted total amount that is voted during the course of a financial year. Most changes are made mid-year at the time of the adjustments budget. These adjustments can be made only in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). These adjustments are included in an adjustments appropriation bill, which Parliament approves before expenditure can take place. Particulars are tabled in acts of Parliament and in accompanying Adjusted Estimates of National Expenditure, and other, publications.

The **Average growth rate (%)** is the growth rate per year averaged over a three-year period, shown as a percentage.

The **Average: Expenditure/Total (%)** column shows the proportion that a subprogramme or an expenditure item comprises of total programme expenditure, averaged over a three-year period, expressed as a percentage.

The **Medium-term expenditure estimate** shows programme expenditure estimates for the 2017 MTEF period. The estimates for 2017/18 are the appropriations proposed in the 2017 Appropriation Bill. The estimates for 2018/19 and 2019/20 are indicative allocations and will form the basis for planning the 2018 Budget.

Significant amounts and trends are discussed in the departmental expenditure analysis section, particularly in relation to performance and spending achievement.

Additional programme information

The ENE e-publications for each vote include personnel information for each programme.

Personnel information (per programme)

Personnel information relating to salary level bands is set out for a five-year period. The number of posts, the cost to the institution, and the average unit cost of a post are shown as estimated by the department.

Programme personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment									Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate			Average growth rate (%)	Average: Salary level/Total (%)						
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost			2018/19		Unit cost	2019/20		Unit cost
Programme name		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20	
Salary level																		
1 – 6																		
7 – 10																		
11 – 12																		
13 – 16																		
Other																		

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

2. Rand million.

Details are provided of total personnel numbers by **Salary level**.

Number of funded posts refers to the number of posts in an institution's programme establishment for which provision is made in its budget.

Number of posts additional to the establishment refers to posts that have been budgeted for ad hoc and that do not form part of the institution's approved establishment.

Information is provided on the **Number** and **Cost** of posts filled or planned to be filled in the total programme establishment by salary level.

The **Unit cost** is calculated by dividing the cost by the number of posts.

The **Average growth rate (%)** in the number of posts for the three-year period is shown, expressed as a percentage.

The **Average: Salary level/Total (%)** column shows for the number of posts, what the proportion of the total programme posts is at the salary level band, on average over the period, expressed as a percentage.

Programme personnel information is discussed in the expenditure analysis section above, particularly in relation to performance and spending achievement.

Entities

The information provided on entities is similar to what is reported on for a department. However, since the basis of accounting used by entities is different from that used by departments, entities' statements of financial performance and financial position are provided.

Entity accounts are prepared using the accrual basis of accounting, whereas departmental accounts are prepared using a modified cash basis of accounting.

In the accrual basis of accounting, a transaction is recorded whenever there is an economic event, regardless of when a cash transaction takes place. This basis of accounting also includes items that do not involve any flow of cash at all, such as adjustments made to account for depreciation.

In the cash basis of accounting, a transaction is recorded only if cash has been exchanged and at the time that this exchange takes place.

Information on each of the entities generally consists of the following:

- the entity's legislative mandate
- selected performance indicators relating to the entity's mandate
- an expenditure analysis narrative that provides an outline of what the entity aims to achieve over the medium term and its planned spending in support of this
- expenditure trends and estimates by programme/objective/activity
- statements of historical financial performance and position
- statements of estimates of future financial performance and position
- personnel numbers and costs by salary level.

Additional tables

Summary of expenditure on infrastructure

The table on infrastructure includes spending on new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

Departmental infrastructure refers to direct spending by a department on infrastructure assets that the department will construct.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government institutions for expenditure on infrastructure.

The Estimates of National Expenditure e-publications for each vote may also include the following tables:

Summary of conditional grants to provinces and municipalities

The table provides details of allocations made by national government to provinces, local government or municipalities, on condition that certain requirements are met. The purpose and conditions of such allocations are specified in the 2017 Division of Revenue Bill.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee based on predefined performance criteria.

Project signed is a public private partnership project that has reached financial close and is being implemented.

Project in preparation is at some stage of inception, feasibility or procurement, but it has not yet reached financial close.

Unitary fee refers to the total payment made to the private party for the provision of the various services.

Advisory fee is a cost for hiring transaction advisers, who assist government with feasibility studies and procurement in the public private partnership project process.

Project monitoring cost is associated with the ongoing evaluation and monitoring of public private partnerships while in operation.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in government's appropriation legislation. Donor funding comprises official development assistance and other local and international donations. Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants and technical cooperation.

<p>The programme column links the donor funding to the vote programme that is associated with it. The spending focus shows what the department aims to achieve by using the donated funds.</p>
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Summary of site service expenditure information

A summary estimated by the department of expenditure information at level of site service delivery may also be included.

Vote 1

The Presidency

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	449.0	435.8	0.0	13.2	465.2	497.3
Executive Support	46.2	45.1	–	1.1	49.7	52.6
Subtotal	495.2	480.8	0.0	14.3	514.9	549.9
Direct charge against the National Revenue Fund						
Salary of the President	3.4	3.4	–	–	3.6	3.9
Salary of the Deputy President	2.9	2.9	–	–	3.1	3.3
Total expenditure estimates	501.5	487.2	0.0	14.3	521.6	557.2

Executive authority Minister in the Presidency: Planning, Monitoring and Evaluation

Accounting officer Chief Operations Officer in the Presidency

Website address www.thepresidency.gov.za

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

Vote purpose

Facilitate a common programme towards the achievement of the electoral mandate and the enhanced integrity of the state through considered planning, coordination, oversight, mobilisation and support.

Mandate

The mandate of the Presidency is to support the president and the deputy president in the execution of their responsibilities, as outlined in the Constitution and the programme of government.

Selected performance indicators

Table 1.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past ¹			Current ¹	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Annual domestic programme of the president developed and approved	Administration	Outcome 12: An efficient, effective and development-oriented public service	–	–	–	–	2018/19 programme signed off by the chief operations officer	2019/20 programme signed off by the chief operations officer	2020/21 programme signed off by the chief operations officer
Annual international relations programme of the president developed and approved	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	–	–	–	–	2018/19 programme signed off by the chief operations officer	2019/20 programme signed off by the chief operations officer	2020/21 programme signed off by the chief operations officer
Annual domestic programme of the deputy president developed and approved	Administration	Outcome 12: An efficient, effective and development-oriented public service	–	–	–	–	2018/19 programme signed off by the chief operations officer	2019/20 programme signed off by the chief operations officer	2020/21 programme signed off by the chief operations officer
Annual international relations programme of the deputy president developed and approved	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	–	–	–	–	2018/19 programme signed off by the chief operations officer	2019/20 programme signed off by the chief operations officer	2020/21 programme signed off by the chief operations officer
Annual Cabinet and forum of South African directors general programme developed and approved	Executive Support	Outcome 12: An efficient, effective and development-oriented public service	–	–	–	–	2018 programme approved by the third quarter	2019 programme approved by the third quarter	2020 annual programme approved by the third quarter

Table 1.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past ¹			Current ¹	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Annual report on the implementation of the annual Cabinet and forum of South African directors general programme	Executive Support	Outcome 12: An efficient, effective and development-oriented public service	-	-	-	-	Report on the implementation of the 2017 annual Cabinet and forum of South African directors general programme, developed	Report on the implementation of the 2018 annual Cabinet and forum of South African directors general programme developed	Five-year term report on the implementation of the 2015-2019 annual Cabinet and forum of South African directors general programmes developed
Number of forums of South African directors general secretariat working sessions supporting the implementation of the revised improvement plan per year	Executive Support		-	-	-	-	4	4	4

1. No historical data available.

Expenditure analysis

The Presidency leads the coordination, planning and monitoring of government policies and programmes. This includes overseeing the implementation of the electoral mandate, the National Development Plan and government's 2014-2019 medium-term strategic framework. The Presidency is responsible for coordinating government departments to ensure that policies are implemented coherently, in line with national goals. The Presidency is also the lead coordinator of Operation Phakisa, a programme launched in July 2014 to implement solutions on critical developmental issues and create 1 million jobs by 2033. As lead coordinator the Presidency provides strategic oversight for Operation Phakisa projects, and administrative and logistical support to the programme's steering committees and secretariat.

Policy synergies and functional alignment

Through the *Cabinet Services* subprogramme, the Presidency provides administrative support to Cabinet and the forum of South African directors general. The office helps integrate planning, strengthen deliberations on cross-cutting sectoral priorities, improve accountability and align decision-making processes. It also provides a mechanism to share information across departments and promotes sound intergovernmental relations. Over the medium term, the Presidency plans to entrench the integrated approach to governance by providing support to 67 meetings of the forum of South African directors general and 111 Cabinet meetings per year. The Presidency also plans to host four forums of South African directors general secretariat working sessions supporting the implementation of the revised improvement plan. This revised plan will improve the coordination systems of government. A total of R148.5 million is allocated to the *Cabinet Services* subprogramme over the medium term for these activities.

The Presidency received R65.7 million in the 2016 budget for the implementation of e-Cabinet, a secure electronic document management and sharing system. Once operational, the system is expected to improve the coordination of interdepartmental policy making and implementation, and the alignment of functions across national government. The original launch date of the system was April 2016, but delays in obtaining security clearance for users and service providers have pushed back the launch to April 2017. Amounts of R22.1 million in 2017/18, R24.3 million in 2018/19 and R25.8 million in 2019/20 have been allocated to roll out the system and train users.

Monitoring government policies and programmes

Initiatives such as the Siyahloa presidential monitoring and imbizo programmes, and the Presidential Infrastructure Coordination Committee offer platforms to foster public participation and meaningful dialogue between elected public representatives and communities. Spending on these initiatives is projected to increase from R7 million in 2016/17 to R13 million by 2019/20 in the *Special Projects of the President* subprogramme.

Nation building and social cohesion

The Presidency leads the agenda and discourse on nation building, social cohesion and national identity. This work is directed through the Moral Regeneration Movement and its charter of positive values, the annual hosting of national orders ceremony, and participation in national days and special commemorative events. The deputy president is the patron of the Moral Regeneration Movement, a civil society organisation mandated to facilitate and coordinate processes and initiatives aimed at combating moral degeneration in South Africa, and to promote collective activism on moral renewal issues. The movement also mobilises society and promotes constructive social values to foster healthy families and communities. The Presidency's nation building and social cohesion initiatives are funded in the *Support Service to Deputy President* subprogramme in the *Administration* programme, which is allocated R161.7 million over the medium term. Expenditure on the national orders ceremony is projected at R15.8 million over the medium term, budgeted for in the *Management* subprogramme of the *Administration* programme.

Advancing South Africa's interests

Over the medium term, the Presidency will provide strategic and administrative support to engagements in multilaterals and bilaterals, state visits, obligations to the United Nations, the Brazil-Russia-India-China-South Africa (BRICS) summit, the G20 and the African Union, and regional and continental peacekeeping and mediation processes.

The Presidency continues to support the strengthening and consolidation of the agenda of the South, and advance engagements for formations and groupings of the South. In this respect, the Presidency will support explorations of BRICS by establishing an independent BRICS rating agency based on market-oriented principles. This agency will strengthen the architecture of global financial governance; promote and advance the sustained agendas of socioeconomic development and infrastructure development on the continent, as outlined in the African Union's Agenda 2063; and attend to regional and national priorities. Over the medium term, the Presidency will focus on the BRICS initiative to establish the New Development Bank's Africa Regional Centre in Johannesburg.

The Presidency will continue to support the president and the deputy president in promoting international relations and cooperation in the bi-national commissions; and support special envoys, and the Southern African Development Community mediation processes in Lesotho. Activities related to advancing South Africa's interests are budgeted for in the *Support Service to President* subprogramme at an estimated cost of R198.8 million, and in the *Support Service to Deputy President* subprogramme at an estimated cost of R167.1 million over the medium term. Spending is mainly on compensation of employees, communication services, and travel and subsistence.

Expenditure trends

Table 1.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Executive Support														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	404.8	405.5	374.1	427.8	428.6	402.0	483.9	443.7	446.2	453.4	454.2	454.2	94.7%	96.8%
Programme 2	24.2	23.8	17.4	25.2	24.4	19.3	26.4	32.3	20.5	46.3	35.6	35.6	76.0%	80.0%
Subtotal	429.0	429.3	391.5	453.0	453.0	421.3	510.3	475.9	466.7	499.7	489.8	489.8	93.5%	95.7%
Direct charge against the National Revenue Fund	2.8	2.8	2.6	3.0	5.5	4.8	5.7	5.7	5.6	6.0	6.0	6.0	109.0%	95.5%
Salary of the President	2.8	2.8	2.6	3.0	3.0	2.6	3.1	3.1	2.9	3.3	3.3	3.3	93.8%	93.8%
Salary of the Deputy President	-	-	-	-	2.5	2.2	2.6	2.6	2.7	2.8	2.8	2.8	143.3%	98.1%
Total	431.8	432.1	394.1	456.0	458.5	426.2	516.1	481.7	472.4	505.7	495.8	495.8	93.7%	95.7%
Change to 2016 Budget estimate												(9.9)		

Table 1.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)		Average: Outcome/Adjusted appropriation (%)	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	2013/14 - 2016/17	2016/17		
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17			
Current payments	424.4	415.1	379.9	443.0	442.8	403.3	503.5	465.5	431.4	491.8	479.4	479.4	90.9%	94.0%		
Compensation of employees	256.7	256.8	245.8	286.3	288.2	269.0	326.4	301.8	295.1	329.0	314.6	314.6	93.8%	96.8%		
Goods and services	167.7	158.3	134.1	156.7	154.6	134.2	177.1	163.7	136.3	162.8	164.8	164.8	85.7%	88.8%		
Transfers and subsidies	-	0.2	0.5	0.0	1.6	4.0	0.1	0.9	1.1	0.0	2.4	2.4	7 078.6%	157.9%		
Departmental agencies and accounts	-	-	-	0.0	1.0	1.0	0.1	0.1	0.0	0.0	0.0	0.0	-	-		
Households	-	0.2	0.5	-	0.5	3.0	-	0.8	1.0	-	2.4	2.4	-	176.1%		
Payments for capital assets	7.3	16.8	13.6	12.9	14.1	14.1	12.5	15.2	38.8	13.9	14.0	14.0	172.5%	133.8%		
Machinery and equipment	7.3	16.6	12.8	12.9	14.0	14.1	12.4	15.2	38.8	13.9	14.0	14.0	171.0%	133.1%		
Software and other intangible assets	-	0.2	0.8	-	0.1	-	0.1	0.1	-	-	-	-	1 285.7%	258.8%		
Payments for financial assets	-	-	0.1	-	-	4.9	-	-	1.1	-	-	-	-	-		
Total	431.8	432.1	394.1	456.0	458.5	426.2	516.1	481.7	472.4	505.7	495.8	495.8	93.7%	95.7%		

Expenditure estimates

Table 1.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Executive Support									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
R million									
Programme 1	454.2	3.9%	93.7%	449.0	465.2	497.3	3.1%	89.9%	
Programme 2	35.6	14.4%	5.2%	46.2	49.7	52.6	14.0%	8.9%	
Subtotal	489.8	4.5%	98.9%	495.2	514.9	549.9	3.9%	98.7%	
Direct charge against the National Revenue Fund	6.0	29.1%	1.1%	6.4	6.7	7.3	6.3%	1.3%	
Salary of the President	3.3	5.3%	0.6%	3.4	3.6	3.9	6.1%	0.7%	
Salary of the Deputy President	2.8	-	0.4%	2.9	3.1	3.3	6.6%	0.6%	
Total	495.8	4.7%	100.0%	501.5	521.6	557.2	4.0%	100.0%	
Change to 2016 Budget estimate				(5.1)	(5.1)	(5.7)			
Economic classification									
Current payments	479.4	4.9%	94.7%	487.2	506.4	541.1	4.1%	97.0%	
Compensation of employees	314.6	7.0%	62.9%	318.4	328.9	354.0	4.0%	63.4%	
Goods and services	164.8	1.3%	31.8%	168.8	177.5	187.1	4.3%	33.6%	
Transfers and subsidies	2.4	134.0%	0.4%	0.0	0.0	0.0	-74.4%	0.1%	
Households	2.4	135.0%	0.4%	-	-	-	-100.0%	0.1%	
Payments for capital assets	14.0	-5.9%	4.5%	14.3	15.2	16.0	4.6%	2.9%	
Machinery and equipment	14.0	-5.5%	4.5%	14.3	15.2	16.0	4.6%	2.9%	
Total	495.8	4.7%	100.0%	501.5	521.6	557.2	4.0%	100.0%	

Goods and services expenditure trends and estimates

Table 1.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Administrative fees	98	1 792	2 767	930	111.7%	1.0%	1 015	1 096	1 223	9.6%	0.6%
Advertising	714	906	1 063	1 217	19.5%	0.7%	1 264	1 313	1 387	4.5%	0.7%
Minor assets	1 405	2 580	934	4 660	49.1%	1.7%	3 923	4 216	4 457	-1.5%	2.5%
Audit costs: External	3 778	5 371	4 432	5 482	13.2%	3.3%	6 013	6 458	6 820	7.6%	3.5%
Bursaries: Employees	825	1 075	1 094	1 724	27.8%	0.8%	1 446	1 520	1 604	-2.4%	0.9%
Catering: Departmental activities	23 168	3 011	2 399	3 462	-46.9%	5.6%	3 723	3 870	3 981	4.8%	2.2%
Communication	12 014	14 894	17 220	16 253	10.6%	10.6%	17 218	16 904	17 823	3.1%	9.8%
Computer services	7 042	16 177	5 946	34 589	70.0%	11.2%	37 030	39 129	41 361	6.1%	21.8%
Consultants: Business and advisory services	1 338	3 932	3 779	7 546	78.0%	2.9%	9 469	10 586	11 235	14.2%	5.6%
Legal services	5 895	6 774	9 110	3 782	-13.8%	4.5%	5 277	5 368	5 473	13.1%	2.9%
Contractors	4 767	4 411	1 207	4 761	-	2.7%	4 891	5 224	5 481	4.8%	2.9%
Agency and support/outourced services	6 987	6 452	2 517	7 268	1.3%	4.1%	7 577	7 990	8 438	5.1%	4.5%
Entertainment	42	65	7	149	52.5%	-	173	197	209	11.9%	0.1%
Fleet services (including government motor transport)	1 591	1 653	2 558	898	-17.4%	1.2%	924	1 008	1 067	5.9%	0.6%

Table 1.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/Total (%)
Consumable supplies	3 264	5 105	3 538	5 241	17.1%	3.0%	4 443	4 698	5 003	-1.5%	2.8%
Consumables: Stationery, printing and office supplies	4 194	4 186	4 355	4 729	4.1%	3.1%	4 915	5 243	5 555	5.5%	2.9%
Operating leases	3 323	3 930	4 966	1 990	-15.7%	2.5%	2 172	2 349	2 540	8.5%	1.3%
Rental and hiring	155	524	1 425	372	33.9%	0.4%	502	531	568	15.2%	0.3%
Property payments	25	407	434	86	51.0%	0.2%	92	96	101	5.5%	0.1%
Travel and subsistence	48 334	44 631	60 838	51 919	2.4%	36.1%	49 012	51 858	54 743	1.8%	29.7%
Training and development	1 755	2 025	2 507	3 041	20.1%	1.6%	3 156	3 259	3 442	4.2%	1.8%
Operating payments	2 162	3 148	2 319	2 756	8.4%	1.8%	3 134	3 312	3 466	7.9%	1.8%
Venues and facilities	1 184	1 178	859	1 923	17.5%	0.9%	1 435	1 234	1 137	-16.1%	0.8%
Total	134 060	134 227	136 274	164 778	7.1%	100.0%	168 804	177 459	187 114	4.3%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 1.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/Total (%)
Provinces and municipalities											
Municipal bank accounts											
Current	9	9	4	-	-100.0%	0.3%	-	-	-	-	-
Municipal services	9	9	4	-	-100.0%	0.3%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	997	3	34	-	13.0%	36	38	40	5.6%	5.9%
Communication	-	-	3	34	-	0.5%	36	38	40	5.6%	5.9%
Public Sector Education and Training Authority	-	997	-	-	-	12.6%	-	-	-	-	-
Households											
Social benefits											
Current	499	706	799	2 362	67.9%	55.1%	-	-	-	-100.0%	94.1%
Employee social benefits	499	706	799	2 362	67.9%	55.1%	-	-	-	-100.0%	94.1%
Households											
Other transfers to households											
Current	2	2 254	250	-	-100.0%	31.6%	-	-	-	-	-
Employee social benefits	2	2 254	250	-	-100.0%	31.6%	-	-	-	-	-
Total	510	3 966	1 056	2 396	67.5%	100.0%	36	38	40	-74.4%	100.0%

Personnel information

Table 1.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2017																	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						2016/17 - 2019/20					
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
The Presidency	687	80	655	295.1	0.5	644	314.6	0.5	623	318.4	0.5	615	328.9	0.5	615	354.0	0.6	-1.5%	100.0%
Salary level																			
1 – 6	299	51	288	58.0	0.2	285	63.3	0.2	277	64.4	0.2	277	69.2	0.2	277	74.9	0.3	-0.9%	44.7%
7 – 10	197	10	185	72.4	0.4	183	75.5	0.4	182	80.4	0.4	180	86.1	0.5	180	92.3	0.5	-0.5%	29.0%
11 – 12	111	4	102	67.5	0.7	100	78.5	0.8	93	78.3	0.8	93	83.1	0.9	93	89.9	1.0	-2.4%	15.2%
13 – 16	80	15	80	97.2	1.2	76	97.3	1.3	71	95.3	1.3	65	90.5	1.4	65	96.9	1.5	-5.1%	11.1%
Programme	687	80	655	295.1	0.5	644	314.6	0.5	623	318.4	0.5	615	328.9	0.5	615	354.0	0.6	-1.5%	100.0%
Programme 1	660	78	628	273.8	0.4	619	292.0	0.5	600	295.7	0.5	592	305.0	0.5	592	328.3	0.6	-1.5%	96.2%
Programme 2	25	2	25	15.7	0.6	23	16.6	0.7	21	16.3	0.8	21	17.2	0.8	21	18.4	0.9	-3.0%	3.4%
Direct charges	2	-	2	5.6	2.8	2	6.0	3.0	2	6.4	3.2	2	6.7	3.4	2	7.3	3.6	-	0.3%

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

2. Rand million.

Departmental receipts

Table 1.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	897	1 726	2 924	1 069	1 069	6.0%	100.0%	368	374	378	-29.3%	100.0%
Sales of goods and services produced by department	289	347	355	357	357	7.3%	20.4%	358	362	366	0.8%	65.9%
Sales by market establishments	186	184	179	175	175	-2.0%	10.9%	181	183	185	1.9%	33.1%
of which:												
Rental dwellings	141	141	179	130	130	-2.7%	8.9%	136	137	138	2.0%	24.7%
Rental parking: Covered and open	45	42	-	45	45	-	2.0%	45	46	47	1.5%	8.4%
Promotion of Access to Information Act (2000)	-	1	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	1	1	-	-	-	-	-	-100.0%	-
of which:												
Rental parking: Covered and open	-	-	-	1	1	-	-	-	-	-	-100.0%	-
Other sales	103	163	176	181	181	20.7%	9.4%	177	179	181	-	32.8%
of which:												
Services rendered: Commission on insurance and garnishee	103	117	176	116	116	4.0%	7.7%	116	117	118	0.6%	21.3%
Service rendered: Transport fees	-	46	-	65	65	-	1.7%	61	62	63	-1.0%	11.5%
Transfers received	-	1 046	-	244	244	-	19.5%	-	-	-	-100.0%	11.1%
Interest, dividends and rent on land	10	106	107	11	11	3.2%	3.5%	10	12	12	2.9%	2.1%
Interest	10	106	107	11	11	3.2%	3.5%	10	12	12	2.9%	2.1%
Sales of capital assets	342	108	495	150	150	-24.0%	16.6%	-	-	-	-100.0%	6.9%
Transactions in financial assets and liabilities	256	119	1 967	307	307	6.2%	40.0%	-	-	-	-100.0%	14.0%
Total	897	1 726	2 924	1 069	1 069	6.0%	100.0%	368	374	378	-29.3%	100.0%

Programme 1: Administration

Programme purpose

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

Objectives

- Strengthen the implementation of the strategic programme of political principals by providing technical and administrative support on an ongoing basis by:
 - exercising political oversight over the implementation of government policies and programmes
 - leading integrated planning and policy coherence in government to advance socioeconomic transformation and inclusion
 - supporting oversight and coordination structures such as the Presidential Councils, Siyahlola programme, performance dialogues with ministers, and the execution of the deputy president's and minister's programmes
 - supporting interventions and participation engagements aimed at enhancing public accountability and integrated communication
 - fast-tracking service delivery, economic development, and the monitoring of infrastructure projects
 - supporting presidential working group structures, strategic partnerships, and the promotion of nation building and social cohesion.
- Provide logistical, administrative, communicative, strategic, and executive support on the implementation of the annual domestic and international programme by political principals over the medium term.

Subprogrammes

- *Management* provides leadership, strategic management and administrative support within the Presidency.
- *Support Service to President* provides strategic, executive and personal support services to the president in the execution of his constitutional responsibilities and in leading the work of government.
- *Support Service to Deputy President* provides support to the deputy president in the execution of his delegated responsibilities towards the attainment of the electoral mandate and the Presidency's mission.

Expenditure trends and estimates

Table 1.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Management	281.5	302.5	331.2	338.9	6.4%	74.8%	333.8	344.0	367.7	2.8%	74.2%
Support Service to President	56.5	60.4	65.9	64.1	4.3%	14.7%	62.3	66.0	70.5	3.2%	14.1%
Support Service to Deputy President	36.1	39.2	49.0	51.2	12.4%	10.5%	52.9	55.2	59.0	4.9%	11.7%
Total	374.1	402.0	446.2	454.2	6.7%	100.0%	449.0	465.2	497.3	3.1%	100.0%
Change to 2016 Budget estimate				0.9			(3.7)	(3.7)	(4.0)		
Economic classification	360.4	380.8	406.0	439.5	6.8%	94.6%	435.8	451.1	482.5	3.2%	97.0%
Current payments											
Compensation of employees	229.9	250.9	273.8	292.0	8.3%	62.4%	295.7	305.0	328.3	4.0%	65.4%
Goods and services ¹	130.5	129.9	132.2	147.6	4.2%	32.2%	140.0	146.2	154.1	1.5%	31.5%
of which:											
<i>Audit costs: External</i>	3.8	5.4	4.4	5.5	13.2%	1.1%	6.0	6.5	6.8	7.6%	1.3%
<i>Communication</i>	11.9	14.7	17.0	16.1	10.5%	3.6%	17.1	16.8	17.7	3.2%	3.6%
<i>Computer services</i>	7.0	16.2	5.9	22.2	46.9%	3.1%	14.3	14.1	14.9	-12.5%	3.5%
<i>Consultants: Business and advisory services</i>	1.3	3.2	3.8	7.5	78.0%	0.9%	9.5	10.6	11.2	14.2%	2.1%
<i>Agency and support/outsourced services</i>	7.0	6.5	2.5	7.3	1.3%	1.4%	7.6	8.0	8.4	5.1%	1.7%
<i>Travel and subsistence</i>	46.6	43.3	59.3	49.7	2.1%	11.9%	45.8	48.5	51.2	1.0%	10.5%
Transfers and subsidies¹	0.5	3.7	1.1	1.8	56.0%	0.4%	0.0	0.0	0.0	-72.0%	0.1%
Departmental agencies and accounts	–	1.0	0.0	0.0	–	0.1%	0.0	0.0	0.0	5.6%	–
Households	0.5	2.7	1.0	1.8	56.0%	0.4%	–	–	–	-100.0%	0.1%
Payments for capital assets	13.1	12.6	38.0	12.9	-0.5%	4.6%	13.2	14.0	14.8	4.8%	2.9%
Machinery and equipment	12.3	12.6	38.0	12.9	1.6%	4.5%	13.2	14.0	14.8	4.8%	2.9%
Software and other intangible assets	0.8	–	–	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	0.1	4.8	1.1	–	-100.0%	0.4%	–	–	–	–	–
Total	374.1	402.0	446.2	454.2	6.7%	100.0%	449.0	465.2	497.3	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	95.6%	95.4%	95.6%	92.7%	–	–	90.7%	90.4%	90.4%	–	–

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

Programme 2: Executive Support

Programme purpose

Provide strategic and administrative support to enable Cabinet to foster accountability and policy coherence through integrated planning, policy coordination and the implementation of the strategic agenda for government.

Objectives

- Provide policy advisory support to political principals to ensure policy coherence through the implementation of Cabinet programmes on an ongoing basis.
- Strengthen technical support rendered to the president and other political principals in the Presidency by:
 - participating in Cabinet structures on an ongoing basis
 - implementing recommendations of the evaluation of coordinating structures, which aim to improve the systems of governance and compliance for Cabinet and the forum of South African directors general, over the medium term.

Subprogrammes

- *Cabinet Services* provides strategic and administrative support to allow Cabinet to foster accountability and policy coherence through integrated planning, policy coordination and the implementation of the strategic agenda of government.

Expenditure trends and estimates

Table 1.9 Executive Support 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Cabinet Services	17.4	19.3	20.5	35.6	26.9%	100.0%	46.2	49.7	52.6	14.0%	100.0%
Total	17.4	19.3	20.5	35.6	26.9%	100.0%	46.2	49.7	52.6	14.0%	100.0%
Change to 2016 Budget estimate				(10.8)			(1.4)	(1.4)	(1.7)		
Economic classification											
Current payments	16.9	17.6	19.7	33.8	26.2%	94.8%	45.1	48.5	51.4	14.9%	97.2%
Compensation of employees	13.3	13.3	15.7	16.6	7.6%	63.6%	16.3	17.2	18.4	3.4%	37.3%
Goods and services ¹	3.5	4.3	4.0	17.2	69.8%	31.3%	28.8	31.3	33.0	24.2%	59.9%
of which:											
<i>Catering; Departmental activities</i>	1.0	1.1	1.4	1.2	7.4%	5.1%	1.4	1.4	1.4	4.3%	3.0%
<i>Computer services</i>	0.0	0.0	0.1	12.4	643.9%	13.4%	22.7	25.0	26.4	28.9%	47.0%
<i>Consumables: Stationery, printing and office supplies</i>	0.1	0.1	0.1	0.2	25.3%	0.5%	0.2	0.2	0.2	-1.9%	0.4%
<i>Travel and subsistence</i>	1.7	1.4	1.5	2.2	9.3%	7.4%	3.2	3.3	3.5	16.4%	6.7%
<i>Operating payments</i>	0.2	0.3	0.4	0.4	27.3%	1.4%	0.6	0.6	0.6	15.8%	1.2%
<i>Venues and facilities</i>	0.2	0.1	0.1	0.4	42.8%	0.9%	0.4	0.5	0.5	2.8%	1.0%
Transfers and subsidies¹	0.0	0.2	-	0.6	165.3%	0.9%	-	-	-	-100.0%	0.3%
Households	0.0	0.2	-	0.6	165.3%	0.9%	-	-	-	-100.0%	0.3%
Payments for capital assets	0.5	1.4	0.8	1.1	29.6%	4.2%	1.1	1.2	1.2	2.5%	2.5%
Machinery and equipment	0.5	1.4	0.8	1.1	29.6%	4.2%	1.1	1.2	1.2	2.5%	2.5%
Total	17.4	19.3	20.5	35.6	26.9%	100.0%	46.2	49.7	52.6	14.0%	100.0%
Proportion of total programme expenditure to vote expenditure	4.4%	4.6%	4.4%	7.3%	-	-	9.3%	9.6%	9.6%	-	-

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

Vote 2

Parliament

This is the executive's proposal for Parliament's budget. The final budget will be determined by Parliament in accordance with the Financial Management of Parliament and Provincial Legislatures Act (2009).

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Strategic Leadership and Governance	71.2	70.8	–	0.4	73.3	78.7
Administration	116.2	114.6	–	1.6	119.0	126.8
Core Business	549.2	548.6	–	0.6	570.0	610.4
Support Services	305.9	304.6	–	1.3	311.0	331.7
Associated Services	669.5	254.8	414.7	0.1	709.3	750.4
Subtotal	1 711.9	1 293.4	414.7	3.9	1 782.6	1 897.9
Direct charge against the National Revenue Fund						
Members' Remuneration	556.3	556.3	–	–	588.6	633.3
Total expenditure estimates	2 268.2	1 849.6	414.7	3.9	2 371.1	2 531.2
Executive authority	Speaker of the National Assembly and Chairperson of the National Council of Provinces					
Accounting officer	Secretary to Parliament					
Website address	www.parliament.gov.za					

Vote purpose

Provide the support services required by Parliament to fulfil its constitutional functions, assist political parties represented in Parliament to secure administrative support and service constituents, and provide members of Parliament with the necessary facilities.

Mandate

The mandate of Parliament is based on the provisions of chapter 4 of the Constitution, which establishes the institution and sets out the functions it performs. Parliament ensures that government is by the people, as stipulated in the Constitution, and represents the interests of provinces in the national sphere of government. Once elected, members of Parliament in turn elect the president, provide a national forum for the public consideration of issues, pass legislation, and scrutinise and oversee executive action.

Parliament's policy priorities are aligned with the priorities and outcomes of the National Development Plan. To ensure that these outcomes are met over feasible timeframes, 5-year, 10-year and 15-year milestones have been set. The tabled strategic plan for the fifth Parliament is aimed at implementing the first milestone.

Vote 3

Communications

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	62.8	62.8	–	–	66.3	78.1
Communications Policy, Research and Development	8.5	8.5	–	–	10.0	11.9
Industry and Capacity Development	22.3	22.2	–	–	29.2	22.1
Entity Oversight	1 331.5	6.7	1 324.9	–	1 415.2	1 500.2
Total expenditure estimates	1 425.1	100.2	1 324.9	–	1 520.7	1 612.3

Executive authority Minister of Communications
Accounting officer Director General of Communications
Website address www.doc.gov.za

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

Vote purpose

Create an enabling environment for the provision of inclusive communication services to all South Africans in a manner that promotes socioeconomic development and investment through broadcasting, new media, print media and other new technologies, and brand the country locally and internationally.

Mandate

The Department of Communications is responsible for the national communications policy and strategy; information dissemination and publicity; and the branding of South Africa. Improved communication and marketing will promote an informed citizenry and assist the country in promoting investments, economic growth and job creation. The department's mandate is derived from section 192 of the Constitution, which provides for the independence of broadcasting regulation in the public interest, the International Telecommunications Union and the World Intellectual Property Organisation.

The department is responsible for the administration and implementation of the following legislation:

- the Films and Publications Act (1996)
- the Broadcasting Act (1999)
- the Media Development and Diversity Agency Act (2002)
- the Independent Communications Authority of South Africa Act (2000), a joint responsibility with the Minister of Telecommunications and Postal Services
- the Electronic Communications and Transactions Act (2002), a joint responsibility with the Minister of Telecommunications and Postal Services
- the Electronic Communications and Transactions Act (2005), a joint responsibility with the Minister of Telecommunications and Postal Services.

Selected performance indicators

Table 3.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Number of digital broadcasting awareness campaigns hosted per year	Industry and Capacity Development	Outcome 14: A diverse, socially cohesive society with a common national identity	-1	-1	-1	10	10	10	10
Number of reports showing consumer access to digital broadcasting, particularly those supported with set-top boxes, per year	Industry and Capacity Development		-1	-1	4	4	4	4	4
Number of position papers tabled at multilateral engagements per year	Industry and Capacity Development		-1	-1	-1	2	2	2	2
Number of stakeholder engagements coordinated per year	Industry and Capacity Development		-1	-1	-1	10	10	10	10
Number of shareholder compact accountability instruments signed per year	Entity Oversight		-1	-1	4	5	5	5	5

1. No historical data available.

Expenditure analysis

The main role of the Department of Communications is to energise and mobilise South Africans to participate actively in government's socioeconomic transformation programmes, which are there to address poverty, unemployment and inequality. Over the medium term, the department will focus on developing a responsive communications policy and regulatory framework; strengthening departmental oversight mechanisms; improving South Africa's image locally and internationally; promoting transformation and competition in the sector; and practising effective and efficient governance and administration. An estimated R4.2 billion or 92.4 per cent of the department's budget over the medium term is transferred to public entities that implement communications and broadcasting policies developed by the department. An amount of R332.5 million or 7.3 per cent is allocated as operational expenditure. R245.6 million or 73.9 per cent is to be spent on compensation of employees and R86.7 million or 26.1 per cent on goods and services. The work of the department supports the realisation of outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework.

Developing a responsive communications policy and regulatory framework

The department will develop and implement several policies and regulations over the medium term. These activities are funded through the *Communications Policy, Research and Development* programme, which has a budget allocation of R30.4 million over the medium term. Some of the more important policies and regulations to be developed include: the Audio-visual and Content Bill, which aims to align with the new developments in the sector, such as digital convergence; the media transformation and diversity policy, which encourages diversity of content and transformation of media ownership in the sector; and the community broadcasting support strategy, which aims to maintain and strengthen citizen participation and access to the community media sector.

Strengthening oversight

The entity oversight unit of the department analyses funding requests made by its entities and ensures that transferred funds are used optimally. The Independent Communications Authority of South Africa receives the largest proportion of transfers to entities from the department, projected at 31.9 per cent, or R1.4 billion, over the medium term. The funds are allocated to develop broadband and digital terrestrial regulations, and monitor operators' compliance with licence conditions. The second-largest proportion of transfers – projected at 30.8 per cent, or R1.3 billion, over the medium term – goes to Government Communication and Information System to implement the national communications policy. Over the medium term, the department and its entities will develop and sign 15 shareholder compacts, which set performance targets for each of the compacts.

The department also plans to continue analysing the entities' quarterly and annual reports and coordinating monthly and quarterly accountability forums between the department and the entities. These activities are budgeted for within the *Entity Oversight* programme. They include R15 million over the medium term for spending on compensation of employees for personnel who perform and support the oversight function and R3.3 million over the same period for spending on related goods and services, such as travelling and subsistence for site visits to entities and attendance to portfolio committees.

Improving the country's brand image

The department is planning to conduct research and develop branding policies that market the country positively, locally and internationally, with the aim of promoting socioeconomic development and investment. The department will therefore develop a brand management policy to ensure that government, private sector and civil society communications strategies and key messages are aligned. The implementation of the policy involves workshops, consultations and public participation in all provinces, which will help to identify the country's competitive and reputational strengths and weaknesses. This is expected to improve the country's position on the brand ranking index. The budget for research and branding activities is set to increase by 40 per cent, from R8.5 million in 2017/18 to R11.9 million in 2019/20.

Transforming the communications sector

The department expects to spend R29 million over the medium term, funded through the *Industry and Capacity Development* programme, working towards developing a transformed and competitive communications sector. The work is focused in three areas. Firstly, the department plans to run 30 digital broadcasting awareness campaigns over the medium term. The campaigns are intended to educate and prepare ordinary South Africans for the switching off of analogue transmitters through the broadcasting digital migration programme by 2018/19. Secondly, the department plans to facilitate strategic multilateral partnerships and bilateral agreements and also conduct 30 intergovernmental and stakeholder engagements between 2017/18 and 2019/20. Thirdly, the department has appointed the South African Broadcasting Production Advisory Body to advise the Minister of Communications on the development, production and display of local television and radio content.

Cabinet approved a reprioritisation of R17.4 million in 2017/18, R14.9 million in 2018/19 and R14.6 million in 2019/20 from the South African Broadcasting Corporation to fund digital migration, build capacity in the department, and allow the Media Development and Diversity Agency to upgrade its broadcasting infrastructure for community radio stations. The reprioritisation will allow the department to amend the Media Diversity and Development Agency's mandate, implement a community media support strategy, and supply 25 community radio stations with broadcasting infrastructure.

Effective and efficient governance and administration

The department achieved a clean audit in 2015/16, its inaugural year, and will use this as a foundation to continue building sound financial management practises. However, the absence of in-house supply chain management and internal audit units has been singled out as a major risk area. This is a priority the department will be addressing in 2017/18 by recruiting and appointing qualified personnel. These activities are budgeted for under the *Internal Audit* and *Financial Management* subprogrammes in the *Administration* programme. Spending in these subprogrammes over the medium term has increased by R5.2 million, the bulk of which will be spent on compensation of employees and related goods and services. This process is expected to capacitate supply chain management with the appointment of four officials and internal audit units through the appointment of two officials in 2017/18.

Expenditure trends

Table 3.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Communications Policy, Research and Development														
3. Industry and Capacity Development														
4. Entity Oversight														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	11.4	11.4	11.4	12.8	24.8	24.4	42.4	42.4	48.2	45.1	57.1	57.1	126.4%	104.0%
Programme 2	5.7	5.7	5.7	6.5	6.5	6.5	7.9	7.9	4.9	8.4	7.7	7.7	87.1%	89.2%
Programme 3	9.0	9.0	9.0	9.3	9.3	9.3	10.2	20.2	20.4	10.9	47.7	47.7	219.2%	100.2%
Programme 4	1 249.1	1 327.8	1 322.4	1 193.0	1 226.6	1 246.9	1 220.4	1 220.4	1 214.6	1 281.0	1 237.2	1 237.2	101.6%	100.2%
Total	1 275.2	1 353.9	1 348.4	1 221.6	1 267.2	1 287.2	1 280.9	1 290.9	1 288.0	1 345.4	1 349.7	1 349.7	102.9%	100.2%
Change to 2016 Budget estimate											4.3			

Table 3.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Current payments	26.2	26.2	27.9	32.0	44.0	43.7	70.1	80.1	76.3	75.1	114.0	114.0	128.8%	99.1%
Compensation of employees	23.0	23.0	24.7	28.1	40.1	39.8	56.0	56.0	47.6	59.2	68.2	68.2	108.4%	96.3%
Goods and services	3.2	3.2	3.2	3.9	3.9	3.9	14.1	24.1	28.7	16.0	45.8	45.8	219.8%	106.0%
Transfers and subsidies	1 249.0	1 327.5	1 320.3	1 189.3	1 222.9	1 243.2	1 210.2	1 210.2	1 210.2	1 270.2	1 231.9	1 231.9	101.8%	100.3%
Departmental agencies and accounts	1 019.9	1 060.4	1 063.7	1 024.1	1 057.7	1 016.0	1 037.2	1 037.2	1 037.2	1 088.1	1 049.8	1 049.8	-	-
Public corporations and private enterprises	229.1	267.1	256.6	165.2	165.2	227.2	172.9	172.9	172.9	182.1	182.1	182.1	111.9%	106.5%
Households	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	186.0%
Payments for capital assets	-	0.2	0.2	0.3	0.3	0.3	0.7	0.7	1.6	0.1	3.8	3.8	545.0%	117.8%
Machinery and equipment	-	0.2	0.2	0.3	0.3	0.3	0.7	0.7	1.6	0.1	3.8	3.8	545.0%	117.8%
Total	1 275.2	1 353.9	1 348.4	1 221.6	1 267.2	1 287.2	1 280.9	1 290.9	1 288.0	1 345.4	1 349.7	1 349.7	102.9%	100.2%

Expenditure estimates

Table 3.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Communications Policy, Research and Development									
3. Industry and Capacity Development									
4. Entity Oversight									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
R million	2016/17	2013/14 - 2016/17			2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	57.1	71.3%	2.7%	62.8	66.3	78.1	11.0%	4.5%	
Programme 2	7.7	10.9%	0.5%	8.5	10.0	11.9	15.5%	0.6%	
Programme 3	47.7	74.2%	1.6%	22.3	29.2	22.1	-22.6%	2.1%	
Programme 4	1 237.2	-2.3%	95.2%	1 331.5	1 415.2	1 500.2	6.6%	92.8%	
Total	1 349.7	-0.1%	100.0%	1 425.1	1 520.7	1 612.3	6.1%	100.0%	
Change to 2016 Budget estimate				(5.9)	(6.2)	(6.7)			
Economic classification									
Current payments	114.0	63.3%	5.0%	100.2	112.5	119.6	1.6%	7.6%	
Compensation of employees	68.2	43.7%	3.4%	76.7	81.3	87.7	8.8%	5.3%	
Goods and services	45.8	143.0%	1.5%	23.5	31.3	31.9	-11.3%	2.2%	
Transfers and subsidies	1 231.9	-2.5%	94.9%	1 324.9	1 408.1	1 492.7	6.6%	92.4%	
Departmental agencies and accounts	1 049.8	-0.3%	79.0%	1 151.1	1 220.6	1 293.7	7.2%	79.8%	
Public corporations and private enterprises	182.1	-12.0%	15.9%	173.8	187.4	199.0	3.0%	12.6%	
Households	0.1	-	-	-	-	-	-100.0%	-	
Payments for capital assets	3.8	173.4%	0.1%	-	-	-	-77.0%	0.1%	
Machinery and equipment	3.8	173.4%	0.1%	-	-	-	-77.0%	0.1%	
Total	1 349.7	-0.1%	100.0%	1 425.1	1 520.7	1 612.3	6.1%	100.0%	

Goods and services expenditure trends and estimates

Table 3.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administrative fees	-	-	280	389	-	0.8%	276	191	444	4.5%	1.0%
Advertising	-	-	3 163	11 867	-	18.4%	290	2 336	330	-69.7%	11.2%
Minor assets	-	-	89	30	-	0.1%	424	472	499	155.3%	1.1%
Audit costs: External	-	-	-	765	-	0.9%	700	746	792	1.2%	2.3%
Bursaries: Employees	-	-	62	80	-	0.2%	-	-	-	-100.0%	0.1%
Catering: Departmental activities	-	-	1 085	600	-	2.1%	298	318	16	-70.1%	0.9%
Communication	27	28	1 887	4 804	462.4%	8.3%	1 287	1 464	1 756	-28.5%	7.0%
Computer services	650	684	34	130	-41.5%	1.8%	18	19	20	-46.4%	0.1%
Consultants: Business and advisory services	-	-	31	183	-	0.3%	125	440	465	36.5%	0.9%
Infrastructure and planning services	-	-	-	-	-	-	143	-	-	-	0.1%
Legal services	-	-	2 416	1 519	-	4.8%	1 361	1 451	1 539	0.4%	4.4%
Contractors	2 293	2 413	342	468	-41.1%	6.8%	214	248	263	-17.5%	0.9%
Agency and support/outsourced services	-	-	98	1 606	-	2.1%	272	286	305	-42.5%	1.9%
Entertainment	-	-	11	-	-	-	33	35	-	-	0.1%
Fleet services (including government motor transport)	-	-	2 317	2 686	-	6.1%	1 921	2 657	3 326	7.4%	8.0%
Inventory: Other supplies	-	-	-	-	-	-	5	5	6	-	-
Consumable supplies	-	-	139	87	-	0.3%	1 413	1 506	1 598	163.8%	3.5%
Consumables: Stationery, printing and office supplies	-	-	967	748	-	2.1%	1 112	1 386	1 469	25.2%	3.6%
Operating leases	-	-	201	42	-	0.3%	314	336	356	103.9%	0.8%
Rental and hiring	-	-	279	1 400	-	2.1%	-	-	-	-100.0%	1.1%
Travel and subsistence	221	808	14 454	17 622	330.4%	40.6%	12 260	16 272	17 194	-0.8%	47.8%
Training and development	-	-	207	500	-	0.9%	176	189	946	23.7%	1.4%
Operating payments	-	-	625	276	-	1.1%	479	561	620	31.0%	1.5%
Venues and facilities	-	-	-	-	-	-	349	373	-	-	0.5%
Total	3 191	3 933	28 687	45 802	143.0%	100.0%	23 469	31 291	31 944	-11.3%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 3.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 063 731	1 016 015	1 037 229	1 049 799	-0.4%	83.2%	1 151 122	1 220 638	1 293 652	7.2%	86.4%
Media Development and Diversity Agency	20 790	21 815	22 615	23 814	4.6%	1.8%	30 005	31 455	32 836	11.3%	2.2%
Brand South Africa	160 434	167 686	173 160	181 186	4.1%	13.6%	194 300	205 569	217 081	6.2%	14.6%
Government Communication and Information System	409 171	371 392	365 476	385 256	-2.0%	30.6%	404 750	431 267	460 456	6.1%	30.8%
Independent Communications Authority of South Africa	390 661	376 221	393 619	373 071	-1.5%	30.6%	430 383	455 345	480 845	8.8%	31.9%
Film and Publication Board	82 675	78 901	82 359	86 472	1.5%	6.6%	91 684	97 002	102 434	5.8%	6.9%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	256 570	227 168	172 927	182 093	-10.8%	16.8%	173 766	187 421	199 016	3.0%	13.6%
South African Broadcasting Corporation: Channel Africa	44 673	47 413	49 640	52 271	5.4%	3.9%	54 885	58 068	61 320	5.5%	4.2%
South African Broadcasting Corporation: Public broadcaster	127 055	97 199	101 785	107 180	-5.5%	8.7%	105 947	115 669	123 246	4.8%	8.3%
South African Broadcasting Corporation: Community radio stations	8 842	9 373	9 804	10 324	5.3%	0.8%	-	-	-	-100.0%	0.2%
South African Broadcasting Corporation: Programme productions	-	11 183	11 698	12 318	-	0.7%	12 934	13 684	14 450	5.5%	1.0%
South African Broadcasting Corporation: Broadcasting digital migration	76 000	62 000	-	-	-100.0%	2.8%	-	-	-	-	-
Households											
Social benefits											
Current	-	-	49	57	-	-	-	-	-	-100.0%	-
Households	-	-	49	57	-	-	-	-	-	-100.0%	-
Total	1 320 301	1 243 183	1 210 205	1 231 949	-2.3%	100.0%	1 324 888	1 408 059	1 492 668	6.6%	100.0%

Personnel information

Table 3.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)					
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20				
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost							
Communications		80	37	92	47.6	0.5	92	68.2	0.7	98	76.7	0.8	98	81.3	0.8	96	87.7	0.9	1.4%	100.0%
Salary level		80	37	92	47.6	0.5	92	68.2	0.7	98	76.7	0.8	98	81.3	0.8	96	87.7	0.9	1.4%	100.0%
1 – 6		12	16	25	3.7	0.1	25	5.8	0.2	27	6.8	0.3	27	7.3	0.3	20	5.7	0.3	-7.2%	25.8%
7 – 10		20	6	18	6.2	0.3	18	6.6	0.4	20	8.1	0.4	20	8.6	0.4	26	12.6	0.5	13.0%	21.9%
11 – 12		20	5	21	9.4	0.4	21	16.6	0.8	22	18.7	0.8	22	20.0	0.9	22	21.3	1.0	1.6%	22.7%
13 – 16		26	8	26	23.9	0.9	26	31.5	1.2	27	35.2	1.3	27	37.3	1.4	26	38.9	1.5	–	27.6%
Other		2	2	2	4.4	2.2	2	7.7	3.8	2	7.9	4.0	2	8.1	4.0	2	9.2	4.6	–	2.1%
Programme		80	37	92	47.6	0.5	92	68.2	0.7	98	76.7	0.8	98	81.3	0.8	96	87.7	0.9	1.4%	100.0%
Programme 1		57	21	53	29.3	0.6	53	43.6	0.8	59	50.2	0.9	59	53.2	0.9	66	61.8	0.9	7.6%	61.7%
Programme 2		10	–	8	3.8	0.5	8	5.7	0.7	8	6.1	0.8	8	6.5	0.8	10	8.2	0.8	7.7%	8.9%
Programme 3		8	14	25	11.0	0.4	25	14.6	0.6	25	15.7	0.6	25	16.5	0.7	14	12.3	0.9	-17.6%	23.2%
Programme 4		5	2	6	3.5	0.6	6	4.4	0.7	6	4.7	0.8	6	5.0	0.8	6	5.3	0.9	–	6.3%

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

2. Rand million.

Departmental receipts

Table 3.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	1 196 370	976 478	1 328 069	1 026 751	1 026 751	-5.0%	99.8%	1 036 565	1 104 310	1 154 004	4.0%	100.0%
Sales of goods and services produced by department	6	7	12	74	74	131.0%	–	82	88	92	7.5%	–
Sales by market establishments	–	–	5	62	62	–	–	68	73	76	7.0%	–
of which:												
Market Establishment: Rental parking (covered and open)	–	–	5	62	62	–	–	68	73	76	7.0%	–
Other sales	6	7	7	12	12	26.0%	–	14	15	16	10.1%	–
of which:												
Commission on insurance	6	7	7	12	12	26.0%	–	14	15	16	10.1%	–
Interest, dividends and rent on land	1 894	1 583	3 406	2 168	2 168	4.6%	0.2%	2 200	2 352	2 458	4.3%	0.2%
Interest	1 894	1 583	3 406	2 168	2 168	4.6%	0.2%	2 200	2 352	2 458	4.3%	0.2%
Transactions in financial assets and liabilities	1 194 470	974 888	1 324 651	1 024 509	1 024 509	-5.0%	99.6%	1 034 283	1 101 870	1 151 454	4.0%	99.8%
National Revenue Fund receipts	8 795	–	–	–	–	-100.0%	0.2%	–	–	–	–	–
of which:												
Independent Communications Authority of South Africa	8 795	–	–	–	–	-100.0%	0.2%	–	–	–	–	–
Total	1 205 165	976 478	1 328 069	1 026 751	1 026 751	-5.2%	100.0%	1 036 565	1 104 310	1 154 004	4.0%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 3.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 -	2016/17				2016/17 -	2019/20
Ministry	–	12.0	12.0	9.7	–	23.9%	9.4	10.1	10.7	3.3%	15.1%
Departmental Management	0.8	0.9	28.7	25.2	213.3%	39.4%	30.5	31.7	36.7	13.3%	47.0%
Internal Audit	–	–	–	0.9	–	0.6%	0.8	0.8	2.5	41.6%	1.9%
Corporate Services	5.9	6.8	4.9	14.3	34.0%	22.6%	11.8	12.7	14.6	0.7%	20.2%
Financial Management	4.6	4.8	2.6	7.1	15.3%	13.5%	10.2	11.0	13.7	24.8%	15.9%
Total	11.4	24.4	48.2	57.1	71.3%	100.0%	62.8	66.3	78.1	11.0%	100.0%
Change to 2016 Budget estimate				12.0			8.9	6.8	14.3		
Economic classification	11.4	24.4	47.3	55.8	70.0%	98.4%	62.8	66.3	78.1	11.9%	99.5%
Current payments											
Compensation of employees	11.3	24.4	29.3	43.6	56.7%	77.0%	50.2	53.2	61.8	12.4%	79.0%
Goods and services ¹	–	–	18.0	12.3	668.4%	21.5%	12.6	13.1	16.3	10.0%	20.5%
of which:											
Audit costs: External	–	–	–	0.8	–	0.5%	0.7	0.7	0.8	1.2%	1.1%
Communication	–	–	1.1	1.2	252.3%	1.7%	0.8	0.8	1.1	-2.7%	1.5%
Legal services	–	–	0.6	1.5	–	1.5%	1.4	1.5	1.5	0.4%	2.2%
Fleet services (including government motor transport)	–	–	2.3	2.1	–	3.1%	1.5	1.6	2.2	2.1%	2.8%
Consumables: Stationery, printing and office supplies	–	–	0.4	0.3	–	0.5%	0.4	0.4	0.5	19.6%	0.6%
Travel and subsistence	–	–	11.7	5.1	–	11.9%	6.3	6.5	8.0	16.1%	9.8%
Payments for capital assets	–	–	0.8	1.3	445.7%	1.5%	–	–	–	-100.0%	0.5%
Machinery and equipment	–	–	0.8	1.3	445.7%	1.5%	–	–	–	-100.0%	0.5%
Total	11.4	24.4	48.2	57.1	71.3%	100.0%	62.8	66.3	78.1	11.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.8%	1.9%	3.7%	4.2%	–	–	4.4%	4.4%	4.8%	–	–

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

Programme 2: Communications Policy, Research and Development

Programme purpose

Conduct research and develop communications and broadcasting policies.

Objectives

- Improve universal access to broadcasting services by conducting research on the number of South African households with access to television and radio services by 31 March 2019.
- Broaden access to information to all citizens by conducting research on the number of South African households with access to information in order to develop appropriate media policies by 31 March 2019.
- Ensure the equitable allocation of broadcasting spectrum to public, private and community stakeholders by conducting research on broadcaster requirements and developing the appropriate casting spectrum policy by 31 March 2019.
- Promote socioeconomic development and investment by:
 - conducting research in order to assess South African and international stakeholder views on the reputation of South Africa by 31 March 2019
 - developing appropriate branding policies by 31 March 2019.

Subprogrammes

- *Broadcasting Policy* oversees the development and implementation of public and community broadcasting policies and strategies, and policies and strategies to promote the commercial broadcasting tier; and facilitates the implementation of policies by regulatory institutions in the sector.
- *Media Policy* conducts research and develops print media, new media and communications policies.
- *Technology and Engineering Services* conducts research and develops broadcasting spectrum policy and plans, develops standards, and manages technology and engineering services.

Expenditure trends and estimates

Table 3.9 Communications Policy, Research and Development 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Broadcasting Policy	5.7	6.5	4.9	6.2	2.8%	93.7%	6.8	7.9	9.7	16.3%	80.4%
Media Policy	-	-	-	0.2	-	0.6%	0.2	0.2	0.2	17.9%	2.1%
Technology and Engineering Services	-	-	-	1.4	-	5.7%	1.5	1.8	1.9	11.2%	17.6%
Total	5.7	6.5	4.9	7.7	10.9%	100.0%	8.5	10.0	11.9	15.5%	100.0%
Change to 2016 Budget estimate				(0.7)			(1.3)	(1.9)	(0.8)		
Economic classification											
Current payments	5.6	6.5	4.3	7.7	11.5%	96.8%	8.5	10.5	11.9	15.5%	100.0%
Compensation of employees	4.6	5.4	3.8	5.7	7.3%	78.2%	6.1	6.5	8.2	13.1%	69.5%
Goods and services ¹	1.0	1.0	0.5	2.1	27.6%	18.6%	2.4	3.5	3.7	21.4%	30.5%
of which:											
Advertising	-	-	-	0.2	-	0.8%	0.3	0.3	0.3	14.8%	2.6%
Minor assets	-	-	-	-	-	0.2%	0.2	0.2	0.2	-	1.5%
Contractors	1.0	1.0	-	0.2	-42.6%	9.0%	0.1	0.1	0.1	-13.2%	1.4%
Travel and subsistence	-	-	0.3	1.0	-	4.9%	1.1	2.1	2.6	39.6%	17.9%
Operating payments	-	-	-	0.2	-	0.7%	0.2	0.2	0.2	-0.8%	1.7%
Venues and facilities	-	-	-	-	-	-	0.3	0.3	-	-	1.6%
Payments for capital assets	0.1	0.1	0.6	-	-100.0%	3.2%	-	-	-	-	-
Machinery and equipment	0.1	0.1	0.6	-	-100.0%	3.2%	-	-	-	-	-
Total	5.7	6.5	4.9	7.7	10.9%	100.0%	8.5	10.0	11.9	15.5%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.5%	0.4%	0.6%	-	-	0.6%	0.7%	0.7%	-	-

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

Programme 3: Industry and Capacity Development

Programme purpose

Manage enterprise development, broadcasting digital migration, and industry research and analysis. Implement a structured programme of engagement with stakeholders in support of the department's programmes and projects.

Objectives

- Build a competitive communications industry through the implementation of targeted interventions to support the growth and development of the creative industries by 31 March 2019.
- Manage digital broadcasting migration through the registration of households, and the distribution and installation of various devices to ensure the successful migration from analogue to digital television in South Africa by September 2017.
- Conduct industry research and analysis to ensure evidence-based policy making through the provision of qualitative and quantitative analysis on an ongoing basis.
- Develop and implement structured programmes of intergovernmental and stakeholder engagement by hosting bilateral meetings with all spheres of government as well as statutory and non-statutory bodies in order to leverage support for the department's strategic priorities by 31 March 2018.

Subprogrammes

- *Enterprise Development* manages enterprise development; implements policy; manages and supports creative industries and media transformation; compiles skills profiles; and develops skills development programmes, including the development and implementation of broadcasting industry development strategies and plans.
- *Broadcasting Digital Migration* manages broadcasting digital migration with the aim of migrating from analogue to digital broadcasting, and plays an important role in creating and supporting small, medium and micro enterprises in the digital domain.

- *Industry Research and Analysis* manages industry research and analysis.
- *Intergovernmental Relations and Stakeholder Management* manages intergovernmental relations and stakeholder relations.

Expenditure trends and estimates

Table 3.10 Industry and Capacity Development 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Enterprise Development	5.9	6.0	2.4	2.1	-29.5%	18.9%	3.0	3.3	3.5	19.1%	9.8%
Broadcasting Digital Migration	3.1	3.3	15.3	39.1	131.9%	70.4%	14.4	20.7	13.0	-30.7%	71.9%
Industry Research and Analysis	-	-	1.7	6.5	-	9.5%	2.9	3.1	3.4	-19.7%	13.1%
Inter-governmental Relations and Stakeholder Management	-	-	1.0	-	-	1.2%	1.9	2.1	2.2	-	5.2%
Total	9.0	9.3	20.4	47.7	74.2%	100.0%	22.3	29.2	22.1	-22.6%	100.0%
Change to 2016 Budget estimate				36.8			9.6	10.0	1.6		
Current payments	8.9	9.2	20.3	45.1	71.6%	96.7%	22.2	29.2	22.1	-21.2%	97.8%
Compensation of employees	7.0	7.1	11.0	14.6	27.8%	45.9%	15.7	16.5	12.3	-5.4%	48.7%
Goods and services ¹	2.0	2.1	9.3	30.6	150.3%	50.8%	6.6	12.6	9.8	-31.7%	49.1%
of which:											
Advertising	-	-	3.0	11.6	-	17.0%	-	2.0	-	-100.0%	11.2%
Communication	-	-	0.7	3.6	-	5.0%	0.2	0.4	0.4	-51.5%	3.8%
Fleet services (including government motor transport)	-	-	-	0.6	-	0.7%	0.4	1.0	1.1	22.4%	2.6%
Consumable supplies	-	-	-	-	-	0.1%	1.3	1.4	1.4	233.0%	3.4%
Consumables: Stationery, printing and office supplies	-	-	0.4	0.3	-	0.8%	0.4	0.6	0.6	36.3%	1.5%
Travel and subsistence	-	-	2.2	10.9	-	15.1%	3.7	6.6	5.5	-20.2%	22.0%
Transfers and subsidies ¹	-	-	-	0.1	-	0.1%	-	-	-	-100.0%	-
Households	-	-	-	0.1	-	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.1	0.1	0.1	2.5	205.1%	3.2%	-	-	-	-73.6%	2.2%
Machinery and equipment	0.1	0.1	0.1	2.5	205.1%	3.2%	-	-	-	-73.6%	2.2%
Total	9.0	9.3	20.4	47.7	74.2%	100.0%	22.3	29.2	22.1	-22.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.7%	1.6%	3.5%	-	-	1.6%	1.9%	1.4%	-	-

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

Programme 4: Entity Oversight

Programme purpose

Monitor the implementation of policies by state-owned entities and regulatory institutions, and provide guidance and oversight on their governance matters.

Objectives

- Ensure strategic alignment with departmental priorities by monitoring state-owned entities' implementation of communications and branding policies by 31 March 2018.
- Ensure strategic alignment with the department's priorities by issuing policy directives to the regulatory institutions as and when required.
- Ensure the viability and sustainability of state-owned entities by providing funding on an ongoing basis.

Subprogrammes

- *Programme Management for Entity Oversight* strengthens the capacity of the department and that of its state-owned enterprises to effectively deliver on their public mandates.
- *Broadcasting and Community Media* monitors the implementation of broadcasting and community media policies and provides guidance in and oversight of the governance matters of state-owned entities.
- *Communication and Branding* monitors the implementation of communications and branding policies and provides guidance in and oversight of the governance matters of state-owned entities.
- *Regulatory Institutions* monitors the implementation of policies and provides guidance in and oversight of the governance matters of regulatory institutions.

Expenditure trends and estimates

Table 3.11 Entity Oversight 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme Management for Entity Oversight	–	–	2.6	2.6	–	0.1%	2.6	1.2	1.3	-20.7%	0.1%
Broadcasting and Community Media	279.4	252.7	196.9	208.6	-9.3%	18.7%	205.4	220.7	233.8	3.9%	15.8%
Communication and Branding	569.6	539.1	539.1	566.4	-0.2%	44.1%	599.5	638.9	679.7	6.3%	45.3%
Regulatory Institutions	473.3	455.1	476.0	459.5	-1.0%	37.1%	524.0	554.4	585.4	8.4%	38.7%
Total	1 322.4	1 246.9	1 214.6	1 237.2	-2.2%	100.0%	1 331.5	1 415.2	1 500.2	6.6%	100.0%
Change to 2016				(43.8)			(23.1)	(21.1)	(16.7)		
Budget estimate											
Economic classification											
Current payments	2.1	3.6	4.4	5.3	36.9%	0.3%	6.7	7.1	7.6	12.5%	0.5%
Compensation of employees	1.8	2.8	3.5	4.4	33.4%	0.2%	4.7	5.0	5.3	6.9%	0.4%
Goods and services ¹	0.2	0.8	0.9	0.9	61.2%	0.1%	2.0	2.1	2.2	33.6%	0.1%
<i>of which:</i>											
Communication	–	–	–	–	–	–	0.2	0.2	0.2	–	–
Consultants: Business and advisory services	–	–	–	–	–	–	–	0.3	0.3	–	–
Consumables: Stationery, printing and office supplies	–	–	–	0.1	–	–	0.3	0.3	0.3	47.4%	–
Operating leases	–	–	–	–	–	–	0.1	0.1	0.1	–	–
Travel and subsistence	0.2	0.8	0.3	0.7	48.6%	–	1.1	1.1	1.1	15.7%	0.1%
Training and development	–	–	–	0.1	–	–	0.1	0.1	0.1	5.7%	–
Transfers and subsidies¹	1 320.3	1 243.2	1 210.2	1 231.9	-2.3%	99.7%	1 324.9	1 408.1	1 492.7	6.6%	99.5%
Departmental agencies and accounts	1 063.7	1 016.0	1 037.2	1 049.8	-0.4%	83.0%	1 151.1	1 220.6	1 293.7	7.2%	86.0%
Public corporations and private enterprises	256.6	227.2	172.9	182.1	-10.8%	16.7%	173.8	187.4	199.0	3.0%	13.5%
Payments for capital assets	–	0.1	–	–	–	–	–	–	–	–	–
Machinery and equipment	–	0.1	–	–	–	–	–	–	–	–	–
Total	1 322.4	1 246.9	1 214.6	1 237.2	-2.2%	100.0%	1 331.5	1 415.2	1 500.2	6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	98.1%	96.9%	94.3%	91.7%	–	–	93.4%	93.1%	93.0%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 063.7	1 016.0	1 037.2	1 049.8	-0.4%	83.0%	1 151.1	1 220.6	1 293.7	7.2%	86.0%
Media Development and Diversity Agency	20.8	21.8	22.6	23.8	4.6%	1.8%	30.0	31.5	32.8	11.3%	2.2%
Brand South Africa	160.4	167.7	173.2	181.2	4.1%	13.6%	194.3	205.6	217.1	6.2%	14.6%
Government Communication and Information System	409.2	371.4	365.5	385.3	-2.0%	30.5%	404.8	431.3	460.5	6.1%	30.7%
Independent Communications Authority of South Africa	390.7	376.2	393.6	373.1	-1.5%	30.5%	430.4	455.3	480.8	8.8%	31.7%
Film and Publication Board	82.7	78.9	82.4	86.5	1.5%	6.6%	91.7	97.0	102.4	5.8%	6.9%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	256.6	227.2	172.9	182.1	-10.8%	16.7%	173.8	187.4	199.0	3.0%	13.5%
South African Broadcasting Corporation: Channel Africa	44.7	47.4	49.6	52.3	5.4%	3.9%	54.9	58.1	61.3	5.5%	4.1%
South African Broadcasting Corporation: Public broadcaster	127.1	97.2	101.8	107.2	-5.5%	8.6%	105.9	115.7	123.2	4.8%	8.2%
South African Broadcasting Corporation: Community radio stations	8.8	9.4	9.8	10.3	5.3%	0.8%	–	–	–	-100.0%	0.2%
South African Broadcasting Corporation: Programme productions	–	11.2	11.7	12.3	–	0.7%	12.9	13.7	14.5	5.5%	1.0%
South African Broadcasting Corporation: Broadcasting digital migration	76.0	62.0	–	–	-100.0%	2.7%	–	–	–	–	–

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

Other departments within the vote

Government Communication and Information System

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	154.3	153.9	–	0.3	163.4	173.1
Content Processing and Dissemination	140.4	140.0	–	0.4	149.3	159.8
Intergovernmental Coordination and Stakeholder Management	110.1	109.6	–	0.5	118.5	127.6
Total expenditure estimates	404.8	403.5	0.1	1.2	431.3	460.5

Executive authority: Minister of Communications
 Accounting officer: Director General of Government Communication and Information System
 Website address: www.gcis.gov.za

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

Department purpose

Provide a comprehensive communication service on behalf of government to facilitate the involvement of the majority of South Africans in governance, reconstruction and development, nation building, and reconciliation.

Mandate

The mandate of the Government Communication and Information System is derived from section 195(g) of the Constitution, which stipulates that the public should be provided with information that is timely, accurate and accessible. This is in support of the constitutional principles of freedom of expression, transparency and openness of government. The department is responsible for providing strategic leadership and coordinating government communication to ensure that the public is informed and have access to government programmes and policies that benefit them.

Selected performance indicators

Table 3.12 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of cluster reports on perceptions on government delivery and performance reports issued per year	Content Processing and Dissemination	Outcome 14: A diverse, socially cohesive society with a common national identity	14	14	14	10	10	10	10
Number of copies of Vuk'uzenzele newspaper published per year	Content Processing and Dissemination		21 million	18.7 million	18.7 million	18.7 million	18.7 million	18.7 million	18.7 million
Number of radio advertisements and dramas produced per year	Content Processing and Dissemination		51	80	41	48	48	48	48
Number of video programmes produced per year	Content Processing and Dissemination		383	92	183	120	120	120	120
Number of requests for photographic coverage handled per year	Content Processing and Dissemination		819	884	564	500	500	500	500
Number of live broadcasts on community radio stations per year	Content Processing and Dissemination		70	80	66	54	54	54	54
Number of government and national events covered by video per year ¹	Content Processing and Dissemination		540	783	572	400	400	400	400
Number of graphic designs produced per year ¹	Content Processing and Dissemination		315	584	294	160	160	160	160
Number of requests for media briefings received from government departments per year	Intergovernmental Coordination and Stakeholder Management		22	100	21	21	100	100	100
Number of community and stakeholder liaison visits per year	Intergovernmental Coordination and Stakeholder Management		3 588	2 750	2 170	2 750	1 800	1 800	1 800
Number of development communication projects aligned with the government communication programme per year ¹	Intergovernmental Coordination and Stakeholder Management		2 184	2 184	1 920	2 184	1 200	1 200	1 200

Table 3.12 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of reports on rapid response facilitated per year ¹	Intergovernmental Coordination and Stakeholder Management	Outcome 14: A diverse, socially cohesive society with a common national identity	301	311	23	311	24	24	24
Number of marketing events per Thusong service centre per year	Intergovernmental Coordination and Stakeholder Management	Outcome 14: A diverse, socially cohesive society with a common national identity	484	484	580	484	486	486	486

1. Fluctuations in targets are due to these indicators being demand driven.

Expenditure analysis

The National Development Plan emphasises the need to unite all South Africans around a common goal, ensure citizens are active in their own development, and build a capable and developmental state. This goal is expressed in outcome 12 (an efficient, effective and development-oriented public service) and outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework. To support the realisation of these outcomes, the Government Communication and Information System will continue to focus on providing strategic communications, and facilitating active citizen participation over the medium term. The bulk of these activities, which include conducting research on government communication strategies and compiling communications products, such as the Vuk'uzenzele newspaper, are to be performed by the department's personnel. The department will spend 58.9 per cent of its total budget on compensation of employees towards 418 funded posts and projects over the medium term.

Providing strategic communications

The department provides information about government policies, plans, programmes and activities to the public. Over the medium term, the department plans to conduct 10 458 outreach programmes and publish 111 editions of communication products. This includes the production and distribution of 18.7 million copies of the Vuk'uzenzele newspaper in 11 official languages and 9 600 Braille copies each year over the medium term. Information published in Vuk'uzenzele focuses on key government priorities, such as issues affecting the youth, service delivery, rural development, and includes advertisements for government vacancies. The production and distribution of Vuk'uzenzele is funded in the *Products and Platforms* subprogramme, with a budget allocation of R80.9 million over the medium term.

The department aims to collect public opinion, research and analysis, and media coverage to understand the communications environment and to inform government messages. In 2015/16, the department produced 83 research advisory reports for various national departments and premiers' offices. These reports provide information that helps government communicators to develop communication strategies. In addition, 30 cluster reports will be produced over the medium term.

The department also plans to hold 14 strategic engagements with government communicators every year, to improve the coherence and alignment of government messages. These include four engagements with national government department heads of communication and 10 internal communicator forums to share best practices and content on government programmes. An amount of R287.1 million is allocated to compensation of employees in the *Intergovernmental Coordination and Stakeholder Management* programme over the medium term for this work, and R69 million is allocated for operational expenditure.

In addition, the department will provide media bulk-buying services, which are designed to reduce the cost to government on advertising; facilitate a rapid response mechanism to hasten government's response to issues arising in the media; and provide media production services to support other government departments. Over the medium term, the department expects to handle 1 820 requests each year for media production services, such as photographic, video and graphic design services. It aims to provide more than 2 000 communication services. These include advertisements, hosting of talk shows, compilation of voice-overs, and video and photographic services to client departments and public entities. These activities are budgeted for in the *Content Processing and Dissemination* programme, which has a total budget allocation of R449.5 million over the medium term.

Facilitating active citizen participation

The department plans to conduct 1 200 communication development projects and 1 800 community and stakeholder liaison visits per year. These initiatives will deliver information to more than 1 million people per month through community radio talk shows, community newspapers, and awareness campaigns at taxi ranks

and malls. An amount of R5.8 million is allocated mainly for communication development projects, R3.5 million for community and stakeholder liaison visits, and R2.1 million for Thusong service centres each year through the *Provincial and Local Liaison* subprogramme. The department expects to spend a further R1.6 million per year over the medium term in this subprogramme on the imbizos, which facilitates interactions between political principals and the public, and develops content for print and electronic communication products.

Expenditure trends

Table 3.13 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Content Processing and Dissemination														
3. Intergovernmental Coordination and Stakeholder Management														
Programme	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14	Adjusted appropriation	Audited outcome	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Audited outcome	2016/17	Adjusted appropriation	Revised estimate	2013/14 - 2016/17	2013/14 - 2016/17
Programme 1	132.6	181.4	178.8	141.4	134.6	133.6	139.8	139.8	144.9	143.1	144.2	147.5	108.6%	100.8%
Programme 2	144.2	137.5	130.9	150.0	145.6	137.3	130.9	130.9	126.9	133.6	136.1	134.1	94.7%	96.2%
Programme 3	120.0	118.2	99.4	121.7	99.3	93.9	94.7	94.7	93.5	105.5	104.9	95.8	86.6%	91.7%
Total	396.7	437.2	409.2	413.1	379.5	364.9	365.5	365.5	365.2	382.2	385.3	377.4	97.4%	96.8%
Change to 2016 Budget estimate											3.1			
Economic classification														
Current payments	374.3	378.1	362.2	388.0	374.8	356.2	364.5	363.9	362.9	381.0	384.1	375.6	96.6%	97.1%
Compensation of employees	188.4	188.7	171.3	200.1	188.3	181.6	210.0	209.4	202.5	222.8	222.8	214.9	93.8%	95.2%
Goods and services	185.9	189.4	190.9	187.9	186.5	174.6	154.5	154.5	160.4	158.2	161.3	160.7	100.0%	99.3%
Transfers and subsidies	20.8	21.1	0.8	21.8	0.6	1.0	0.1	0.7	1.0	0.1	0.1	0.7	8.3%	15.7%
Departmental agencies and accounts	20.8	20.8	–	21.8	0.6	0.6	0.1	0.1	0.1	0.1	0.1	0.1	–	–
Households	–	0.3	0.8	–	–	0.4	–	0.6	1.0	–	–	0.6	–	276.1%
Payments for capital assets	1.6	38.0	46.0	3.3	4.0	7.6	0.9	0.9	1.2	1.1	1.1	1.1	812.0%	127.0%
Buildings and other fixed structures	–	36.1	26.2	–	–	0.5	–	–	0.1	–	–	–	–	74.2%
Machinery and equipment	1.3	1.6	19.7	3.0	3.8	7.1	0.7	0.7	1.1	0.9	0.9	0.9	489.8%	415.5%
Software and other intangible assets	0.3	0.3	–	0.3	0.3	–	0.2	0.2	–	0.3	0.3	0.3	25.3%	25.3%
Payments for financial assets	–	–	0.1	–	–	–	–	–	0.2	–	–	–	–	–
Total	396.7	437.2	409.2	413.1	379.5	364.9	365.5	365.5	365.2	382.2	385.3	377.4	97.4%	96.8%

Expenditure estimates

Table 3.14 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Content Processing and Dissemination									
3. Intergovernmental Coordination and Stakeholder Management									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20	
Programme 1	147.5	-6.7%	39.9%	154.3	163.4	173.1	5.5%	38.1%	
Programme 2	134.1	-0.8%	34.9%	140.4	149.3	159.8	6.0%	34.9%	
Programme 3	95.8	-6.8%	25.2%	110.1	118.5	127.6	10.0%	27.0%	
Total	377.4	-4.8%	100.0%	404.8	431.3	460.5	6.9%	100.0%	
Change to 2016 Budget estimate				(1.1)	(1.1)	(1.3)			
Economic classification									
Current payments	375.6	-0.2%	96.1%	403.5	430.0	459.1	6.9%	99.7%	
Compensation of employees	214.9	4.4%	50.8%	236.8	254.0	273.3	8.3%	58.5%	
Goods and services	160.7	-5.3%	45.3%	166.7	176.0	185.8	4.9%	41.2%	
Transfers and subsidies	0.7	-67.8%	0.2%	0.1	0.1	0.1	-54.4%	0.1%	
Departmental agencies and accounts	0.1	-84.6%	0.0%	0.1	0.1	0.1	-4.1%	0.0%	
Households	0.6	25.4%	0.2%	–	–	–	-100.0%	0.0%	
Payments for capital assets	1.1	-69.2%	3.7%	1.2	1.2	1.3	6.0%	0.3%	
Machinery and equipment	0.9	-18.9%	1.9%	1.2	1.2	1.3	15.5%	0.3%	
Software and other intangible assets	0.3	-4.7%	0.0%	(0.0)	(0.0)	(0.0)	-115.9%	0.0%	
Total	377.4	-4.8%	100.0%	404.8	431.3	460.5	6.9%	100.0%	

Goods and services expenditure trends and estimates

Table 3.15 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administrative fees	578	663	478	695	6.3%	0.4%	693	721	770	3.5%	0.4%
Advertising	12 257	7 827	5 078	4 058	-30.8%	4.3%	4 888	5 473	5 650	11.7%	2.9%
Minor assets	5 964	693	156	222	-66.6%	1.0%	84	89	97	-24.1%	0.1%
Audit costs: External	2 467	2 077	2 349	1 988	-6.9%	1.3%	2 030	2 129	2 251	4.2%	1.2%
Bursaries: Employees	302	350	460	416	11.3%	0.2%	450	478	506	6.7%	0.3%
Catering: Departmental activities	1 683	1 350	679	1 216	-10.3%	0.7%	931	1 057	1 122	-2.6%	0.6%
Communication	14 206	12 550	9 988	8 943	-14.3%	6.6%	9 129	9 371	9 939	3.6%	5.4%
Computer services	15 327	16 009	15 129	14 553	-1.7%	8.9%	14 738	15 561	16 445	4.2%	8.9%
Consultants: Business and advisory services	1 306	2 098	2 349	1 704	9.3%	1.1%	2 659	1 238	1 332	-7.9%	1.0%
Laboratory services	–	2	–	–	–	–	–	–	–	–	–
Legal services	591	945	740	475	-7.0%	0.4%	432	458	485	0.7%	0.3%
Contractors	8 558	5 571	3 895	3 512	-25.7%	3.1%	3 487	3 693	3 908	3.6%	2.1%
Agency and support/outourced services	8 130	6 323	3 460	5 425	-12.6%	3.4%	6 146	6 363	6 656	7.1%	3.6%
Fleet services (including government motor transport)	2 935	2 505	2 000	1 234	-25.1%	1.3%	1 299	1 369	1 448	5.5%	0.8%
Consumable supplies	1 502	986	709	731	-21.3%	0.6%	708	689	728	-0.1%	0.4%
Consumables: Stationery, printing and office supplies	3 882	6 164	3 118	3 664	-1.9%	2.4%	3 583	3 735	3 925	2.3%	2.2%
Operating leases	39 437	43 465	47 556	48 185	6.9%	26.0%	50 814	53 738	56 752	5.6%	30.4%
Rental and hiring	82	115	109	160	25.0%	0.1%	148	157	166	1.2%	0.1%
Property payments	6 888	6 543	8 799	6 045	-4.3%	4.1%	7 060	8 036	8 454	11.8%	4.3%
Travel and subsistence	19 465	20 577	21 137	17 680	-3.2%	11.5%	18 527	19 556	20 905	5.7%	11.1%
Training and development	2 486	1 692	827	1 814	-10.0%	1.0%	1 927	1 872	1 814	–	1.1%
Operating payments	41 225	35 808	30 833	38 246	-2.5%	21.3%	36 275	39 490	41 682	2.9%	22.6%
Venues and facilities	1 661	246	545	327	-41.8%	0.4%	660	702	735	31.0%	0.4%
Total	190 932	174 559	160 394	161 293	-5.5%	100.0%	166 668	175 975	185 770	4.8%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 3.16 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Households											
Social benefits											
Current	789	413	963	–	-100.0%	74.9%	–	–	–	–	–
Employee social benefits	789	413	963	–	-100.0%	74.9%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	47	568	56	56	6.0%	25.1%	60	63	67	6.2%	100.0%
Communication	47	39	56	56	6.0%	6.8%	60	63	67	6.2%	100.0%
Public Service Sector Education and Training Authority	–	529	–	–	–	18.3%	–	–	–	–	–
Total	836	981	1 019	56	-59.4%	100.0%	60	63	67	6.2%	100.0%

Personnel information

Table 3.17 Departmental personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Content Processing and Dissemination																			
3. Intergovernmental Coordination and Stakeholder Management																			
Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment													Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Government Communication and Information System																			
Salary level	441	33	434	202.5	0.5	437	214.9	0.5	427	236.8	0.6	420	254.0	0.6	418	273.3	0.7	-1.5%	100.0%
1 – 6	112	18	114	24.0	0.2	113	24.8	0.2	108	25.0	0.2	103	25.9	0.3	102	27.9	0.3	-3.4%	25.0%
7 – 10	201	10	196	78.0	0.4	196	81.9	0.4	192	90.3	0.5	190	96.9	0.5	190	104.9	0.6	-1.0%	45.1%
11 – 12	85	4	79	52.6	0.7	80	54.4	0.7	79	62.3	0.8	79	67.6	0.9	78	72.3	0.9	-0.8%	18.6%
13 – 16	43	1	45	47.8	1.1	48	53.8	1.1	48	59.2	1.2	48	63.6	1.3	48	68.2	1.4	-	11.3%
Programme	441	33	434	202.5	0.5	437	214.9	0.5	427	236.8	0.6	420	254.0	0.6	418	273.3	0.7	-1.5%	100.0%
Programme 1	137	17	137	59.5	0.4	137	60.7	0.4	135	69.2	0.5	129	73.0	0.6	127	77.8	0.6	-2.5%	31.0%
Programme 2	141	12	138	70.4	0.5	138	76.0	0.6	135	79.3	0.6	134	85.4	0.6	134	92.3	0.7	-1.0%	31.8%
Programme 3	163	4	159	72.6	0.5	162	78.2	0.5	157	88.4	0.6	157	95.6	0.6	157	103.1	0.7	-1.0%	37.2%

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

2. Rand million.

Departmental receipts

Table 3.18 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
R thousand												
Departmental receipts	794	747	4 203	926	4 019	71.7%	100.0%	1 146	1 200	1 236	-32.5%	100.0%
Sales of goods and services produced by department	225	379	3 537	257	3 357	146.2%	76.8%	291	303	313	-54.7%	56.1%
Sales by market establishments	140	146	141	145	145	1.2%	5.9%	150	155	160	3.3%	8.0%
of which:												
Market establishment: Rental parking (covered and open)	140	146	141	145	145	1.2%	5.9%	150	155	160	3.3%	8.0%
Other sales	85	233	3 396	112	3 212	235.6%	70.9%	141	148	153	-63.8%	48.1%
of which:												
Services rendered:												
Commission on insurance and garnishee	53	129	73	78	78	13.7%	3.4%	88	92	95	6.8%	4.6%
Sales: Departmental publications and production	32	104	3 323	34	3 134	360.9%	67.5%	53	56	58	-73.5%	43.4%
Sales of scrap, waste, arms and other used current goods	-	2	1	2	2	-	0.1%	2	2	2	-	0.1%
of which:												
Sales: Waste paper	-	2	1	2	2	-	0.1%	2	2	2	-	0.1%
Interest, dividends and rent on land	79	105	224	264	264	49.5%	6.9%	265	278	286	2.7%	14.4%
Interest	79	105	224	264	264	49.5%	6.9%	265	278	286	2.7%	14.4%
Sales of capital assets	-	-	-	7	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	490	261	441	396	396	-6.9%	16.3%	588	617	635	17.0%	29.4%
Total	794	747	4 203	926	4 019	71.7%	100.0%	1 146	1 200	1 236	-32.5%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 3.19 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Departmental Management	6.4	5.4	6.5	7.2	4.0%	4.2%	7.7	8.2	8.8	7.0%	5.0%
Corporate Services	48.4	49.1	50.8	50.1	1.1%	33.0%	52.9	56.2	59.8	6.1%	34.5%
Financial Administration	75.2	26.6	29.8	30.7	-25.8%	27.0%	34.2	36.0	37.8	7.2%	21.8%
Internal Audit	6.9	7.0	7.7	7.6	3.4%	4.9%	7.8	8.2	8.8	4.9%	5.1%
Office Accommodation	41.9	45.5	50.1	48.6	5.0%	30.9%	51.8	54.8	57.8	6.0%	33.5%
Total	178.8	133.6	144.9	144.2	-6.9%	100.0%	154.3	163.4	173.1	6.3%	100.0%
Change to 2016 Budget estimate				1.2			2.6	1.9	1.1		
Economic classification											
Current payments	134.2	128.2	144.0	143.7	2.3%	91.4%	153.9	162.8	172.5	6.3%	99.7%
Compensation of employees	49.7	51.0	59.5	64.1	8.9%	37.3%	69.2	73.0	77.8	6.7%	44.7%
Goods and services ¹	84.5	77.2	84.5	79.6	-2.0%	54.2%	84.8	89.9	94.7	6.0%	54.9%
of which:											
Computer services	11.9	9.1	12.1	11.1	-2.3%	7.3%	11.8	12.5	13.2	5.9%	7.7%
Contractors	2.8	2.4	2.5	2.0	-9.8%	1.6%	2.1	2.2	2.4	5.4%	1.4%
Operating leases	38.3	42.8	46.7	47.2	7.1%	29.1%	49.7	52.6	55.6	5.6%	32.3%
Property payments	6.8	6.5	8.7	5.9	-4.3%	4.6%	6.9	7.9	8.3	11.9%	4.6%
Travel and subsistence	4.0	3.3	3.7	2.2	-17.8%	2.2%	2.6	3.0	3.2	12.5%	1.7%
Operating payments	2.5	2.6	3.0	2.6	1.4%	1.8%	3.2	3.0	3.2	7.1%	1.9%
Transfers and subsidies¹	0.3	0.8	0.2	-	-47.5%	0.2%	-	0.1	0.1	6.4%	-
Departmental agencies and accounts	-	0.6	-	-	5.0%	0.1%	-	0.1	0.1	6.4%	-
Households	0.3	0.3	0.1	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	44.3	4.6	0.7	0.5	-77.1%	8.3%	0.3	0.5	0.5	1.1%	0.3%
Buildings and other fixed structures	26.2	0.5	0.1	-	-100.0%	4.5%	-	-	-	-	-
Machinery and equipment	18.1	4.1	0.6	0.5	-70.0%	3.9%	0.3	0.5	0.5	3.7%	0.3%
Total	178.8	133.6	144.9	144.2	-6.9%	100.0%	154.3	163.4	173.1	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	43.7%	36.6%	39.7%	37.4%	-	-	38.1%	37.9%	37.6%	-	-

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

Programme 2: Content Processing and Dissemination

Programme purpose

Provide strategic leadership in government communication to ensure coherence, coordination, consistency, quality, impact and responsiveness.

Objectives

- Provide strategic leadership and support in government communications by conducting research on public opinion and analysis of media coverage to understand the communications environment and inform government messages over the medium term.
- Grow the share of government's voice and messages in the public domain by producing government's communications products and services over the medium term.
- Improve information dissemination by providing effective and efficient marketing and distribution services, cost-effective media bulk-buying services, and media products and services for government on an ongoing basis.
- Maintain a positive image of government through the management of government's corporate identity by conducting identity workshops annually over the medium term.

Subprogrammes

- *Programme Management for Content Processing and Dissemination* coordinates strategic planning for communications in the department and other government departments, and ensures adherence to government communications standards.
- *Policy and Research* conducts research through independent service providers to assess how government should address the public's information needs; monitors media coverage of issues affecting government and the country; provides analyses on how the media interprets government policies and programmes; formulates policy proposals where they are required; and assesses public perceptions in relation to government performance.
- *Products and Platforms* develops content for the department; provides language services for products that require translation, editing and proofreading; manages the development of the websites of national and provincial government departments; produces government publications; and develops the national communications strategy.
- *Communications Service Agency* provides media bulk buying services and media production services to all spheres of government; develops distribution strategies for all government communications; oversees the outsourcing of distribution services to service providers; manages government's corporate identity; and provides marketing services for the department and other government departments.

Expenditure trends and estimates

Table 3.20 Content Processing and Dissemination 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Programme Management for Content Processing and Dissemination	2.5	3.4	3.0	3.4	11.2%	2.3%	3.6	3.9	4.2	7.0%	2.6%
Policy and Research	28.3	29.8	29.6	32.9	5.2%	22.7%	35.0	36.8	39.4	6.2%	24.6%
Products and Platforms	47.5	49.0	42.4	49.5	1.4%	35.5%	48.9	53.4	57.1	4.9%	35.7%
Communication Service Agency	52.7	55.1	51.9	50.3	-1.5%	39.5%	52.9	55.2	59.1	5.5%	37.1%
Total	130.9	137.3	126.9	136.1	1.3%	100.0%	140.4	149.3	159.8	5.5%	100.0%
Change to 2016 Budget estimate				2.5			(1.5)	(1.5)	(1.2)		
Economic classification											
Current payments	129.2	134.9	126.0	135.6	1.6%	99.0%	140.0	148.8	159.2	5.5%	99.7%
Compensation of employees	56.6	62.4	70.4	74.3	9.5%	49.6%	79.3	85.4	92.3	7.5%	56.6%
Goods and services ¹	72.7	72.4	55.6	61.3	-5.5%	49.3%	60.7	63.4	66.9	3.0%	43.1%
of which:											
Advertising	6.7	5.5	3.8	2.5	-27.6%	3.5%	3.0	3.2	3.3	8.9%	2.1%
Communication	5.6	5.7	3.5	3.0	-19.2%	3.4%	3.0	3.1	3.3	3.5%	2.1%
Computer services	3.4	6.9	3.1	3.4	-	3.2%	2.9	3.1	3.2	-1.9%	2.2%
Agency and support/outsourced services	7.9	6.3	3.4	5.3	-12.8%	4.3%	6.0	6.2	6.5	7.3%	4.1%
Travel and subsistence	7.2	8.9	9.5	7.8	2.5%	6.3%	8.3	8.4	9.0	4.9%	5.7%
Operating payments	35.9	31.1	26.7	34.3	-1.5%	24.1%	31.7	35.0	36.9	2.5%	23.6%
Transfers and subsidies¹	0.2	0.1	0.6	-	-100.0%	0.2%	-	-	-	-	-
Households	0.2	0.1	0.6	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	1.4	2.4	0.2	0.5	-28.9%	0.8%	0.4	0.5	0.6	3.9%	0.3%
Machinery and equipment	1.4	2.4	0.2	0.3	-40.9%	0.8%	0.4	0.5	0.6	25.0%	0.3%
Software and other intangible assets	-	-	-	0.2	-	-	-	-	-	-116.8%	-
Payments for financial assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	130.9	137.3	126.9	136.1	1.3%	100.0%	140.4	149.3	159.8	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	32.0%	37.6%	34.7%	35.3%	-	-	34.7%	34.6%	34.7%	-	-

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

Programme 3: Intergovernmental Coordination and Stakeholder Management

Programme purpose

Implement development communication through mediated and unmediated communication channels and foster sound stakeholder relations and partnerships.

Objectives

- Improve interdepartmental coordination to ensure that all government messages are coherent and aligned by jointly planning and sharing communications messages across the three spheres of government over the medium term.
- Ensure an informed and empowered citizenry on government's policies, plans, programmes and achievements; and increase public participation in government's activities through the implementation of stakeholder engagements over the medium term.
- Implement a proactive and reactive media engagement system by building, maintaining and improving relations with the media, and driving government's communications agenda over the medium term.

Subprogrammes

- *Programme Management for Intergovernmental Coordination and Stakeholder Management* ensures a well-functioning communications system that proactively informs and engages the public, and manages and oversees roles regarding the implementation of development communication. It does this by building sound stakeholder relations and partnerships, and ensuring that the public is informed about government policies and programmes.
- *Provincial and Local Liaison* ensures that the national communications strategy framework is aligned with provincial and local communications strategies; procures time on different media channels and platforms, to promote government messages to the public at the local government level; promotes the Thusong service centres to the public; and coordinates the imbizo programme of government.
- *Media Engagement* leads and drives interaction and communication between government and the media; ensures effective liaison between ministers and the media; manages ongoing media liaison services to government by providing government information; establishes, strengthens and maintains relationships with foreign media and independent media; and establishes relations with South African missions with the view of disseminating government information and key targeted messages.
- *Cluster Supervision (Human Development, Social Protection and Governance and Administration)* provides strategic cluster communications advice and support to national departments and leadership on key cluster communications issues and campaigns; and coordinates Cabinet cluster communications and the development of the government communications programme. It also develops communications strategies and key messages for the campaigns of the departments in these clusters.
- *Cluster Supervision (Economic and Infrastructure, Justice and International)* provides strategic cluster communications advice and support to national departments and leadership on key cluster communications issues and campaigns; and coordinates Cabinet cluster communications and the development of the government communications programme. It also develops communications strategies and key messages for the campaigns of the departments in these clusters.

Expenditure trends and estimates

Table 3.21 Intergovernmental Coordination and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Programme Management for Intergovernmental Coordination and Stakeholder Management	2.5	2.7	2.9	3.1	7.0%	2.8%	3.3	3.5	3.7	7.0%	2.9%
Provincial and Local Liaison	71.9	70.0	68.0	73.3	0.6%	72.3%	77.1	82.4	88.7	6.6%	69.7%
Media Engagement	12.9	12.8	13.2	13.2	0.8%	13.3%	13.3	15.0	16.2	7.1%	12.5%
Cluster Supervision (Human Development, Social Protection and Governance and Administration)	8.4	4.6	5.5	8.2	-0.9%	6.8%	8.7	9.4	10.0	7.0%	7.9%
Cluster Supervision (Economic and Infrastructure, Justice and International)	3.7	3.8	3.9	7.2	25.2%	4.7%	7.7	8.2	8.9	7.2%	6.9%
Total	99.4	93.9	93.5	104.9	1.8%	100.0%	110.1	118.5	127.6	6.7%	100.0%
Change to 2016 Budget estimate				(0.6)			(2.2)	(1.6)	(1.2)		

Table 3.21 Intergovernmental Coordination and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Current payments	98.8	93.2	92.8	104.8	2.0%	99.5%	109.6	118.3	127.3	6.7%	99.8%
Compensation of employees	65.0	68.3	72.6	84.4	9.1%	74.1%	88.4	95.6	103.1	6.9%	80.6%
Goods and services ¹	33.7	24.9	20.2	20.5	-15.4%	25.4%	21.2	22.7	24.2	5.7%	19.2%
of which:											
Advertising	4.8	1.7	0.8	1.0	-40.7%	2.1%	1.3	1.6	1.7	19.0%	1.2%
Communication	5.7	4.9	4.9	4.7	-6.4%	5.1%	5.0	5.2	5.5	5.7%	4.4%
Contractors	4.9	2.1	1.2	1.2	-37.1%	2.4%	1.1	1.2	1.2	0.6%	1.0%
Fleet services (including government motor transport)	2.7	2.3	1.8	1.0	-26.9%	2.0%	1.1	1.2	1.2	5.7%	1.0%
Travel and subsistence	8.2	8.4	7.9	7.7	-2.3%	8.2%	7.6	8.1	8.7	4.5%	7.0%
Operating payments	2.8	2.1	1.2	1.3	-22.7%	1.9%	1.4	1.5	1.6	6.0%	1.3%
Transfers and subsidies¹	0.3	-	0.3	-	-65.2%	0.2%	-	-	-	5.3%	-
Households	0.3	-	0.3	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	0.3	0.7	0.3	0.1	-33.3%	0.3%	0.5	0.2	0.2	38.8%	0.2%
Machinery and equipment	0.3	0.7	0.3	0.1	-33.3%	0.3%	0.5	0.2	0.2	38.8%	0.2%
Payments for financial assets	0.1	-	0.1	-	-100.0%	-	-	-	-	-	-
Total	99.4	93.9	93.5	104.9	1.8%	100.0%	110.1	118.5	127.6	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	24.3%	25.7%	25.6%	27.2%	-	-	27.2%	27.5%	27.7%	-	-

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

Entities¹

Independent Communications Authority of South Africa

Mandate

The Independent Communications Authority of South Africa was established by the Independent Communications Authority of South Africa Act (2000) to regulate the South African communications, broadcasting and postal services sectors. The regulator's mandate is defined in the Electronic Communications Act (2005) as licensing and regulating electronic communications and broadcasting services, and in the Postal Services Act (1998) as regulating the postal services sector. Enabling legislation also empowers the regulator to monitor licensee compliance with licence terms and conditions, develop regulations for the three sectors, plan and manage the radio frequency spectrum, and protect consumers in relation to these services.

Selected performance indicators

Table 3.22 Independent Communications Authority of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Number of community radio broadcasters per year	Licensing	Outcome 14: A diverse, socially cohesive society with a common national identity	- ¹	40	279	279	285	301	301
Number of channel authorisations per year	Licensing		- ¹	12	633	673	650	700	753
Number of electronic communications services per year	Licensing		- ¹	77	475	492	500	550	595
Number of electronic communications network services per year	Licensing		- ¹	75	546	596	636	666	666
Number of new spectrum licences issued per year	Licensing		- ¹	2 972	5 022	7 072	9 172	12 275	12 272
Number of community television licences issued per year	Licensing		- ¹	- ¹	5	11	11	27	27

1. No historical data available.

Expenditure analysis

Over the medium term, the Independent Communications Authority of South Africa will continue to focus on increasing access to meet the high demand for wireless broadband services; protecting consumers against harmful practices employed by operators in the use of premium rated services; increasing competition in the broadcasting sector; and developing a regulatory framework for dynamic spectrum management. The authority contributes to outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework, and indirectly to outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 12 (an efficient, effective and development-oriented public service).

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

The authority seeks to increase access to high-demand spectrum from the current 566.69MHz to 958MHz in 2019/20. Access to this spectrum will enable the rollout of wireless broadband infrastructure by licensees. In 2017/18, the authority will make an additional 240MHz of broadband spectrum available to licensees for the provision of broadband services.

The authority seeks to protect consumers from harmful practices employed by the operators in the use of premium-rated information and entertainment services. This will be achieved by finalising regulations on premium-rated services in 2017/18.

The authority, in a bid to increase competition in the telecommunications sector, plans to review the number of portability regulations available over the medium term, which allow cell phone number porting for all telecommunication service users. These activities are funded through the policy research and analysis programme, which has an allocation of R53.5 million over the medium term. The authority also plans to license an additional radio broadcaster in Northern Cape in 2017/18 and establish offices in North West and Northern Cape to expand its national footprint and increase competition in the commercial broadcasting sector, at a cost of R801.2 million over the medium term. Priority will also be given to finalising plans for relocation of the authority head office when the current lease expires in October 2017. As these processes are administered and managed by the authority's personnel, compensation of employees is expected to be the main driver of expenditure, accounting for an estimated 58.8 per cent of the total budget. These activities are funded through the licensing programme, which is allocated R162.3 million over the medium term.

The authority aims to increase the range of mobile network coverage by 15 per cent and to extend network measurements to include data, and not just voice calls. This will contribute to improving the quality of communications in South Africa and facilitate effective competition in the ICT sector by the end of 2019/20. The authority will receive inputs from the 5G Forum global network for making contributions to the International Telecommunications Union by the end of 2019/20 and update the national radio frequency plan and the radio frequency migration strategy through the engineering and technology programme, which has an allocation of R51.8 million over the medium term.

In 2016, the authority issued service licences to monitor the equitable coverage of political parties during the local government elections. Over the medium term, the authority will develop several regulatory frameworks aimed at regulating dynamic and opportunistic spectrum management, V-band and E-band spectrums, and exemptions for resellers of electronic communications network services. These activities will be funded through the compliance and consumer affairs programme, which has an allocation of R83.3 million over the medium term.

The authority intends to manage the cost of living adjustments for spending on compensation of employees and to keep it below 10 per cent over the medium term, to bring salaries in line with other entities within the department and the ICT sector at large. As a result, expenditure on compensation of employees is set to increase at an average annual rate of 4 per cent from R257.3 million in 2017/18 to R287.8 million in 2019/20.

The authority's main source of funding is through transfers of R1.4 billion over the medium term from the Department of Communications. Revenue is expected to increase from R441.4 million in 2017/18 to R493.1 million in 2019/20.

Programmes/objectives/activities

Table 3.23 Independent Communications Authority of South Africa 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 (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	226.9	212.9	295.0	310.5	11.0%	69.7%	329.8	349.2	360.8	5.1%	74.8%	
Licensing	29.4	38.6	42.7	48.1	17.8%	10.6%	51.1	54.1	57.1	5.9%	11.7%	
Engineering and technology	36.0	45.7	11.8	15.4	-24.7%	7.6%	16.3	17.3	18.2	5.9%	3.7%	
Policy research and analysis	27.4	33.2	15.4	15.8	-16.7%	6.3%	16.8	17.8	18.8	5.9%	3.8%	
Compliance and consumer affairs	19.7	22.5	20.0	24.7	7.9%	5.8%	26.2	27.8	29.3	5.9%	6.0%	
Total	339.4	352.9	384.8	414.5	6.9%	100.0%	440.2	466.2	484.3	5.3%	100.0%	

Statements of historical financial performance and position

Table 3.24 Independent Communications Authority of South Africa statements of historical financial performance and position

Statement of financial performance									
R million	Audited		Audited		Audited		Budget Revised		Average: Outcome/ Budget (%)
	Budget	outcome	Budget	outcome	Budget	outcome	estimate	estimate	
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	4.7	23.2	5.5	14.4	10.0	22.1	10.5	11.0	230.0%
<i>of which:</i>									
Other non-tax revenue	4.7	23.2	5.5	14.4	10.0	22.1	10.5	11.0	230.1%
Transfers received	390.7	360.8	376.2	386.7	393.6	418.8	415.0	414.5	100.3%
Total revenue	395.4	384.0	381.7	401.0	403.6	440.9	425.5	425.5	102.8%
Expenses									
Current expenses	395.4	339.4	384.1	352.9	392.3	384.8	414.5	414.5	94.0%
Compensation of employees	206.1	204.2	232.0	236.0	253.7	229.1	242.3	242.3	97.6%
Goods and services	173.2	120.8	133.3	101.8	120.6	140.3	155.7	155.7	89.0%
Depreciation	16.1	14.4	18.8	15.2	18.0	15.5	16.5	16.5	88.7%
Total expenses	395.4	339.4	384.1	352.9	392.3	384.8	414.5	414.5	94.0%
Surplus/(Deficit)	-	45.0	(2.0)	48.0	11.0	56.0	11.0	11.0	
Statement of financial position									
Carrying value of assets	210.4	108.5	208.0	109.3	203.0	120.9	197.3	197.3	65.5%
<i>of which:</i>									
<i>Acquisition of assets</i>	(47.0)	(22.1)	(31.4)	(25.9)	(9.3)	(28.2)	(9.8)	(9.8)	88.2%
Inventory	-	0.6	0.5	0.5	0.6	0.6	0.6	0.6	135.0%
Receivables and prepayments	14.4	729.8	8.1	754.7	8.3	756.0	8.6	8.6	5 708.6%
Cash and cash equivalents	25.5	321.6	23.0	574.6	23.5	711.2	23.5	23.5	1 707.7%
Total assets	250.3	1 160.5	239.6	1 439.2	235.4	1 588.7	230.0	230.0	462.5%
Accumulated surplus/(deficit)	215.4	178.8	207.0	227.4	198.9	282.5	190.6	190.6	108.3%
Capital reserve fund	-	85.9	-	93.3	-	-	-	-	-
Finance lease	0.7	0.5	0.3	0.3	2.3	-	1.4	1.4	46.8%
Trade and other payables	34.2	29.4	4.0	24.4	4.5	1 285.1	5.0	5.0	2 817.5%
Provisions	-	31.4	28.3	2.6	29.7	21.1	33.0	33.0	96.8%
Managed funds (e.g. poverty alleviation fund)	-	834.6	-	1 091.1	-	-	-	-	-
Total equity and liabilities	250.3	1 160.5	239.6	1 439.2	235.4	1 588.7	230.0	230.0	462.5%

Statements of estimates of financial performance and position

Table 3.25 Independent Communications Authority of South Africa statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
Revenue									
Non-tax revenue	11.0	-22.0%	4.3%	11.0	11.6	12.3	3.8%	2.5%	
Other non-tax revenue	11.0	-22.0%	4.3%	11.0	11.6	12.3	3.8%	2.5%	
Transfers received	414.5	4.7%	95.7%	430.4	455.3	480.8	5.1%	97.5%	
Total revenue	425.5	3.5%	100.0%	441.4	467.0	493.1	5.0%	100.0%	
Expenses									
Current expenses	414.5	6.9%	100.0%	440.2	466.2	484.3	5.3%	118.6%	
Compensation of employees	242.3	5.9%	61.3%	257.3	272.5	287.8	5.9%	58.7%	
Goods and services	155.7	8.8%	34.6%	165.3	175.1	176.9	4.3%	37.3%	
Depreciation	16.5	4.7%	4.1%	17.5	18.6	19.6	5.9%	4.0%	
Total expenses	414.5	6.9%	100.0%	440.2	466.2	484.3	5.3%	100.0%	
Surplus/(Deficit)	11.0	-		1.0	-	9.0	-6.5%		
Statement of financial position									
Carrying value of assets	197.3	22.1%	27.6%	209.1	221.3	233.7	5.8%	85.8%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(9.8)	-23.7%	-2.4%	(10.4)	(11.0)	(11.6)	5.7%	-4.3%	
Inventory	0.6	-1.3%	0.1%	0.6	0.6	0.7	5.5%	0.2%	
Receivables and prepayments	8.6	-77.2%	41.7%	9.1	9.6	10.1	5.5%	3.7%	
Cash and cash equivalents	23.5	-58.2%	30.7%	24.9	26.4	27.9	5.9%	10.2%	
Total assets	230.0	-41.7%	100.0%	243.8	257.9	272.3	5.8%	100.0%	
Accumulated surplus/(deficit)	190.6	2.2%	33.0%	202.0	213.7	225.7	5.8%	82.9%	
Finance lease	1.4	45.4%	0.2%	1.5	1.6	1.7	5.7%	0.6%	
Trade and other payables	5.0	-44.6%	21.8%	5.3	5.6	5.9	5.8%	2.2%	
Provisions	33.0	1.7%	4.6%	35.0	37.0	39.1	5.8%	14.4%	
Total equity and liabilities	230.0	-41.7%	100.0%	243.8	257.9	272.3	5.8%	100.0%	

Personnel information

Table 3.26 Independent Communications Authority of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment														Number			
Number of funded posts	Number of posts on approved establishment	Actual				Revised estimate			Medium-term expenditure estimate							Average growth rate (%)	Average: Salary level/Total (%)		
		2015/16		2016/17		2017/18			2018/19		2019/20		2016/17 - 2019/20						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost		Unit cost					
Independent Communications Authority of South Africa	387	389	360	229.1	0.6	442	242.3	0.5	426	257.3	0.6	427	272.5	0.6	437	287.8	0.7	5.9%	100.0%
Salary level																			
1 – 6	4	4	4	0.6	0.1	18	2.4	0.1	33	4.5	0.1	34	4.9	0.1	34	5.2	0.2	30.1%	6.9%
7 – 10	282	284	260	117.7	0.5	323	135.1	0.4	292	141.6	0.5	292	149.7	0.5	302	158.1	0.5	5.4%	69.8%
11 – 12	71	71	69	56.6	0.8	71	62.2	0.9	71	66.0	0.9	71	69.9	1.0	71	73.9	1.0	5.9%	16.4%
13 – 16	29	29	26	51.8	2.0	29	40.0	1.4	29	42.4	1.5	29	45.0	1.6	29	47.5	1.6	5.9%	6.7%
17 – 22	1	1	1	2.5	2.5	1	2.6	2.6	1	2.8	2.8	1	3.0	3.0	1	3.1	3.1	5.9%	0.2%

1. Rand million.

South African Broadcasting Corporation

Mandate

The South African Broadcasting Corporation is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). Its mandate is set out in its charter and in the Broadcasting Act (1999) and requires it to provide radio and television broadcasting services to South Africa.

Selected performance indicators

Table 3.27 South African Broadcasting Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of television audience share achieved per year	Local content delivery: Television	Outcome 12: An efficient, effective and development-oriented public service	53%	51%	52%	50%	50%	50%	50%
Percentage of radio share achieved per year	Local content delivery: Radio		67%	69%	70%	70%	70%	70%	70%
Number of new/additional programmes broadcast with sign language per year	Local content delivery: Television		- ¹	2	3	3	6	12	12
Number of companies controlled/owned by people with disabilities from which content was procured per year	Local content delivery: Television		- ¹	3	3	2	4	6	6
Number of provincial programmes and inserts broadcast per year	Local content delivery: Television		- ¹	26	26	100 ²	200 ²	200	200

1. No historical data available.

2. More provincial programmes were broadcast than anticipated and hence the 100 per cent increase from the current plan.

Expenditure analysis

The South African Broadcasting Corporation's spending focus over the medium term will be on improving the quality, diversity and accessibility of content; supporting digital migration; and retaining sports broadcasting rights for production. The work of the corporation contributes to outcome 12 (an efficient, effective and development-oriented public service) and outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework.

The corporation will continue to produce news and current affairs content that is editorially independent, credible, relevant and informative. The corporation will fund this activity from transfers from the department of R560 million over the medium term. The corporation projects to spend R174 million on Channel Africa's operations and broadcasts in Southern Africa, East Africa and West Africa in English, French, Chinyanja, Portuguese, Silozi and Swahili, and R345 million over the same period to produce educational programmes on all channels.

Digital migration is a way of increasing the volume and quality of content. The corporation will source new content from new producers and producers who operate outside of major urban areas. Expenditure is projected to increase at an average annual rate of 5.4 per cent over the medium term, from R9.9 billion to R11.5 billion. This is mainly driven by spending on compensation of employees increasing at an average rate of 7.8 per cent or R701.1 million, to improve capacity in the technology departments; and spending on goods and services increasing at an average rate of 8.5 per cent or R1.5 million, for broadcasting sports of national interest, digital terrestrial migration and technology upgrades. The corporation expects to make its content freely accessible on the internet, as part of the preparations for digital migration, with the goal of maintaining audience share for all

five television channels at 50 per cent. The corporation also aims to maintain its radio audience share at 70 per cent over the medium term.

The corporation is planning to implement strategies that lay the groundwork for the launch of new channels on digital terrestrial television. Implementing the strategies is expected to increase capital expenditure from R321 million in 2015/16 to R958 million in 2018/19. Replacing and upgrading studios to become compatible, ahead of the launch of digital terrestrial television, is expected to increase spending on television outside broadcasting to R155 million, Henley Broadcasting Studios to R387 million, radio broadcast facilities to R174 million, and information technology to R243 million.

Spending on sports broadcasting rights is projected at R1.7 billion over the medium term to focus on ensuring the development and maintenance of an innovative, sustainable content portfolio; entrance into long term rights contracts with federations; and maximisation of revenue. Developing, maintaining and prioritising relationships with sporting federations are essential to building sustainability in content delivery. In addition, the corporation has committed to developing an appealing cross platform brand strategy over the medium term to enhance the brand, increase revenue and generate new audiences for sporting events.

The corporation expects to generate 96 per cent of its revenue over the medium term from license fees, commercial revenue from advertising, programme and sports sponsorships across television, radio and online platforms; 1.8 per cent from transfers from the department; and 2.2 per cent from other sources, such as interest, dividends and rent on land. Revenue is expected to grow steadily from R9.3 billion in 2016/17 to R11.4 billion in 2019/20.

Programmes/objectives/activities

Table 3.28 South African Broadcasting 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 (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	1 253.2	1 285.0	1 845.3	1 724.6	11.2%	19.0%	1 854.6	1 994.8	2 145.6	7.6%	18.7%	
Local content delivery: Television	2 382.5	2 604.4	2 729.3	3 363.1	12.2%	34.6%	3 508.2	3 678.2	4 111.7	6.9%	35.5%	
Local content delivery: Radio	768.2	990.5	1 098.2	1 223.7	16.8%	12.7%	1 316.0	1 425.3	1 533.1	7.8%	13.3%	
Universal access transmitter rollout news	688.8	804.0	875.8	943.6	11.1%	10.4%	1 014.2	1 121.6	1 206.4	8.5%	10.4%	
Sports of national interest and mandate	581.7	811.8	885.4	751.7	8.9%	9.5%	808.4	872.3	938.3	7.7%	8.2%	
Digital terrestrial migration and technology	1 020.0	1 009.1	1 135.7	1 255.4	7.2%	13.9%	1 383.8	1 491.2	1 604.0	8.5%	13.9%	
Total	6 694.4	7 504.8	8 569.7	9 262.1	11.4%	100.0%	9 885.2	10 583.5	11 539.0	7.6%	100.0%	

Statements of historical financial performance and position

Table 3.29 South African Broadcasting Corporation statements of historical financial performance and position

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17	
Revenue									
Non-tax revenue	6 120.3	6 525.6	7 023.1	7 438.8	8 266.5	7 955.6	8 886.3	9 032.4	102.2%
Sale of goods and services other than capital assets	6 087.7	6 460.6	6 969.2	6 873.1	7 341.6	7 297.5	7 925.6	8 317.8	102.2%
<i>of which:</i>									
Administrative fees	985.8	935.1	1 106.7	986.2	1 040.7	986.4	1 150.0	1 147.0	94.7%
Sales by market establishment	5 101.9	5 525.5	5 862.5	5 886.8	6 300.8	6 311.1	6 775.6	7 170.8	103.5%
Other non-tax revenue	32.6	65.0	53.9	565.8	924.9	658.2	960.7	714.7	101.6%
Transfers received	536.6	820.7	744.4	203.9	194.7	212.1	194.7	233.0	88.0%
Total revenue	6 656.9	7 346.3	7 767.5	7 642.7	8 461.1	8 167.8	9 081.0	9 265.5	101.4%

Table 3.29 South African Broadcasting Corporation statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Expenses									
Current expenses	6 908.9	6 796.6	7 806.5	7 916.7	8 367.8	8 724.2	8 959.8	9 255.7	102.0%
Compensation of employees	1 455.4	2 073.8	2 320.6	2 928.4	2 676.0	3 264.8	2 917.6	2 999.8	120.2%
Goods and services	5 046.9	4 291.6	5 145.8	4 742.2	5 407.0	5 203.6	5 758.3	6 005.3	94.8%
Depreciation	318.8	398.1	325.0	211.1	270.1	201.6	268.3	237.5	88.7%
Interest, dividends and rent on land	87.8	33.1	15.2	35.1	14.6	54.2	15.6	13.1	101.8%
Transfers and subsidies	4.4	80.4	57.8	-	74.2	7.9	85.3	6.4	42.7%
Total expenses	6 913.3	6 694.4	7 864.3	7 504.8	8 442.0	8 569.7	9 045.1	9 262.1	99.3%
Surplus/(Deficit)	(256.0)	652.0	(97.0)	138.0	19.0	(402.0)	36.0	3.0	
Statement of financial position									
Carrying value of assets	2 081.8	1 485.2	1 242.4	1 609.8	1 489.3	1 694.5	1 614.0	1 812.2	102.7%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(180.0)</i>	<i>(104.5)</i>	<i>(350.0)</i>	<i>(190.7)</i>	<i>(650.2)</i>	<i>(323.9)</i>	<i>(397.6)</i>	<i>(432.2)</i>	<i>66.6%</i>
Investments	1 027.1	1 506.6	896.8	36.2	156.9	11.1	184.2	158.7	75.6%
Inventory	1 664.8	729.7	677.0	696.1	652.7	761.8	843.2	786.2	77.5%
Receivables and prepayments	1 046.4	1 251.6	1 055.8	1 290.8	1 599.9	1 248.9	1 602.2	1 476.9	99.3%
Cash and cash equivalents	200.0	59.2	20.0	1 014.2	1 200.7	874.7	1 057.8	900.0	114.9%
Defined benefit plan assets	9.6	155.7	-	75.4	-	805.4	-	-	10 742.2%
Taxation	-	-	-	266.3	-	113.9	-	-	-
Derivatives financial instruments	4.8	8.2	6.8	11.2	8.2	9.8	8.2	13.8	154.0%
Total assets	6 034.4	5 196.1	3 898.9	5 000.1	5 107.7	5 520.1	5 309.6	5 148.0	102.5%
Accumulated surplus/(deficit)	2 140.7	2 397.1	1 206.4	2 011.5	1 962.0	2 448.5	1 997.9	2 001.3	121.2%
Capital and reserves	3.1	7.0	5.8	9.4	7.0	8.3	7.0	11.8	159.4%
Capital reserve fund	337.8	348.7	326.7	461.3	341.5	400.3	235.3	270.7	119.3%
Borrowings	410.2	26.8	-	-	-	2.6	20.0	32.2	14.3%
Finance lease	1.1	92.2	0.2	22.6	-	0.7	-	-	8 492.9%
Deferred income	82.8	218.8	115.4	93.0	204.1	49.1	221.4	106.0	74.9%
Trade and other payables	1 668.9	725.5	899.6	601.0	1 134.5	852.8	1 210.2	737.3	59.4%
Taxation	-	134.9	-	282.1	-	281.4	-	-	-
Provisions	1 287.7	1 222.9	1 317.2	1 491.7	257.3	1 449.0	280.1	1 961.3	194.9%
Managed funds (e.g. poverty alleviation fund)	-	-	-	-	1 173.9	-	1 310.4	-	-
Derivatives financial instruments	102.0	22.2	27.6	27.4	27.4	27.4	27.4	27.4	56.6%
Total equity and liabilities	6 034.4	5 196.1	3 898.9	5 000.1	5 107.7	5 520.1	5 309.6	5 148.0	102.5%

Statements of estimates of financial performance and position**Table 3.30 South African Broadcasting Corporation statements of estimates of financial performance and position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
Revenue									
Non-tax revenue	9 032.4	11.4%	95.3%	9 869.3	10 742.1	11 203.4	7.4%	98.0%	
Sale of goods and services other than capital assets	8 317.8	8.8%	89.2%	9 088.1	9 949.2	10 061.3	6.5%	89.9%	
<i>of which:</i>									
<i>Administrative fees</i>	<i>1 147.0</i>	<i>7.0%</i>	<i>12.5%</i>	<i>1 208.9</i>	<i>1 269.4</i>	<i>1 459.8</i>	<i>8.4%</i>	<i>12.2%</i>	
<i>Sales by market establishment</i>	<i>7 170.8</i>	<i>9.1%</i>	<i>76.7%</i>	<i>7 879.1</i>	<i>8 679.8</i>	<i>8 601.5</i>	<i>6.3%</i>	<i>77.7%</i>	
Other non-tax revenue	714.7	122.4%	6.0%	781.3	792.9	1 142.2	16.9%	8.2%	
Transfers received	233.0	-34.3%	4.7%	180.4	190.8	201.5	-4.7%	2.0%	
Total revenue	9 265.5	8.0%	100.0%	10 049.7	10 932.9	11 404.9	7.2%	100.0%	
Expenses									
Current expenses	9 255.7	10.8%	102.2%	9 878.2	10 583.5	11 539.0	7.6%	131.4%	
Compensation of employees	2 999.8	13.1%	35.1%	3 210.2	3 446.8	3 700.9	7.3%	32.4%	
Goods and services	6 005.3	11.9%	63.2%	6 411.6	6 857.0	7 540.0	7.9%	65.0%	
Depreciation	237.5	-15.8%	3.4%	251.7	266.8	284.4	6.2%	2.5%	
Interest, dividends and rent on land	13.1	-26.5%	0.4%	4.6	12.9	13.8	1.6%	0.1%	
Transfers and subsidies	6.4	-57.0%	0.3%	7.0	-	-	-100.0%	0.0%	
Total expenses	9 262.1	11.4%	100.0%	9 885.2	10 583.5	11 539.0	7.6%	100.0%	
Surplus/(Deficit)	3.0	(1.0)		164.0	349.0	(134.0)	-454.8%		

Table 3.30 South African Broadcasting Corporation statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
		2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
		2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million								
Carrying value of assets of which:	1 812.2	6.9%	31.7%	1 965.3	2 098.8	2 267.2	7.8%	34.7%
Acquisition of assets	(432.2)	60.5%	-5.0%	(450.0)	(406.9)	(400.0)	-2.5%	-7.3%
Investments	158.7	-52.8%	8.3%	175.1	193.6	214.2	10.5%	3.2%
Inventory	786.2	2.5%	14.3%	866.7	958.1	1 058.7	10.4%	15.6%
Receivables and prepayments	1 476.9	5.7%	25.3%	1 620.5	1 781.9	1 960.9	9.9%	29.1%
Cash and cash equivalents	900.0	147.7%	13.7%	895.6	1 032.8	1 187.7	9.7%	17.1%
Derivatives financial instruments	13.8	18.8%	0.2%	15.3	16.9	18.5	10.3%	0.3%
Total assets	5 148.0	-0.3%	100.0%	5 538.5	6 082.1	6 707.2	9.2%	100.0%
Accumulated surplus/(deficit)	2 001.3	-5.8%	42.4%	2 051.1	2 387.5	2 811.3	12.0%	39.3%
Capital and reserves	11.8	19.2%	0.2%	13.3	14.8	16.5	11.9%	0.2%
Capital reserve fund	270.7	-8.1%	7.1%	237.0	155.5	115.7	-24.7%	3.5%
Borrowings	32.2	6.3%	0.3%	52.2	72.2	92.2	42.0%	1.0%
Deferred income	106.0	-21.5%	2.3%	116.9	129.3	143.0	10.5%	2.1%
Trade and other payables	737.3	0.5%	13.9%	793.0	852.9	916.9	7.5%	14.1%
Provisions	1 961.3	17.1%	29.4%	2 247.6	2 442.4	2 584.2	9.6%	39.3%
Derivatives financial instruments	27.4	7.3%	0.5%	27.4	27.4	27.4	-	0.5%
Total equity and liabilities	5 148.0	-0.3%	100.0%	5 538.5	6 082.1	6 707.2	9.2%	100.0%

Personnel information

Table 3.31 South African Broadcasting Corporation personnel numbers and cost by salary level

South African Broadcasting Corporation	Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
			2015/16			2016/17			2017/18		2018/19		2019/20						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
Salary level	3 921	3 921	3 882	3 264.8	0.8	3 921	2 999.8	0.8	3 921	3 210.2	0.8	3 921	3 446.8	0.9	3 921	3 700.9	0.9	7.3%	100.0%
1 - 6	12	12	12	1.9	0.2	12	1.8	0.1	12	1.9	0.2	12	2.1	0.2	12	2.2	0.2	7.0%	0.3%
7 - 10	2 460	2 460	2 436	1 829.2	0.8	2 460	1 618.7	0.7	2 460	1 732.4	0.7	2 460	1 865.6	0.8	2 460	2 009.0	0.8	7.5%	62.7%
11 - 12	1 125	1 125	1 114	966.4	0.9	1 125	929.7	0.8	1 125	994.8	0.9	1 125	1 064.4	0.9	1 125	1 138.9	1.0	7.0%	28.7%
13 - 16	302	302	299	402.0	1.3	302	386.7	1.3	302	413.8	1.4	302	442.7	1.5	302	473.7	1.6	7.0%	7.7%
17 - 22	22	22	22	65.4	3.0	22	62.9	2.9	22	67.3	3.1	22	72.0	3.3	22	77.1	3.5	7.0%	0.6%

1. Rand million.

Other entities

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

- **Brand South Africa** develops and implements a proactive and coordinated international marketing and communications strategy for South Africa to contribute to job creation and poverty reduction; and to attract inward investment, trade and tourism. The organisation's total budget for 2017/18 is R194.3 million.
- **The Film and Publication Board** regulates and controls the creation, production, possession, exhibition and distribution of certain films, interactive computer games and publications in terms of the Films and Publications Act (1996). The board is also responsible for monitoring age restricted business premises for compliance with their licence and registration terms. The board's total budget for 2017/18 is R99.5 million.
- **The Media Development and Diversity Agency** promotes media development and diversity to ensure that all citizens can access information in a language of their choice; and to transform media access, ownership and control patterns in South Africa. The agency's total budget for 2017/18 is R66.7 million.

Vote 4

Cooperative Governance and Traditional Affairs

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	247.3	242.1	0.1	5.1	259.6	276.7
Regional and Urban Development and Legislative Support	210.3	40.8	169.4	–	103.9	110.2
Institutional Development	57 372.8	177.9	57 194.9	–	63 114.4	67 879.5
National Disaster Management Centre	521.9	95.8	423.7	2.4	600.2	578.4
Local Government Support and Intervention Management	16 366.4	93.7	16 272.7	–	17 225.7	18 197.0
Community Work Programme	3 695.9	3 695.9	–	–	3 809.9	4 018.6
Total expenditure estimates	78 414.5	4 346.2	74 060.8	7.5	85 113.8	91 060.4

Executive authority: Minister of Cooperative Governance and Traditional Affairs
 Accounting officers: Director General of Cooperative Governance and Director General of Traditional Affairs
 Website address: www.cogta.gov.za

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

Vote purpose

Improve cooperative governance across the three spheres of government, in partnership with institutions of traditional leadership, to ensure that provinces and municipalities carry out their service delivery and development functions effectively.

Mandate

The Department of Cooperative Governance is mandated to: develop and monitor the implementation of national policy and legislation aimed at transforming and strengthening key institutions and mechanisms of governance in national, provincial and local government to fulfil their developmental role; develop, promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation within government; and promote sustainable development by providing support to and exercising oversight of provincial and local government. This mandate is derived from the following legislation:

- the Intergovernmental Relations Framework Act (2005)
- the Municipal Property Rates Act (2004)
- the Municipal Systems Act (2000)
- the Municipal Structures Act (1998).

Selected performance indicators

Table 4.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of secondary cities supported per year to improve spatial and economic planning by implementing the Integrated Urban Development Framework	Regional and Urban Development and Legislative Support	Outcome 9: Responsive, accountable, effective and efficient local government	–1	–1	–1	–1	10	15	25
Number of municipalities assessed and guided to comply with the rating criteria of the Municipal Property Rates Act (2004) per year	Institutional Development		30	40	152	193	110	110	110

Table 4.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of spending by municipalities on the municipal infrastructure grant per year	Institutional Development	Outcome 9: Responsive, accountable, effective and efficient local government	91% (R13.1bn/ R14.4bn)	89% (R13.1bn/ R14.7bn)	92% (R13.8bn/ R14.9bn)	100%	100%	100%	100%
Number of municipalities where Back to Basics interventions are being implemented per year	Local Government Support and Intervention Management		-1	-1	-1	36	47	83	83
Total number of work opportunities provided through the community work programme	Community Work Programme		172 000	187 021	197 000	268 000	258 400	259 157	226 812

1. No historical data available.

Expenditure analysis

Implementing the Back to Basics strategy remains the primary focus of the department over the medium term. The strategy was launched in 2014 to improve the quality of basic services, foster good governance and build institutional capacity in local government, encourage public participation, and create work opportunities. The department's budget in the period ahead is R254.6 billion, of which 93.8 per cent is transferred to municipalities through the local government equitable share and *municipal infrastructure grant* to provide basic services and municipal infrastructure. The department also transfers 0.7 per cent of its allocation to the Department of Traditional Affairs and to entities reporting to the same executive authority.

Personnel numbers are expected to decrease from 539 posts in 2017/18 to 488 posts in 2019/20 to align the headcount with the expenditure ceiling, which Cabinet has reduced by R9.2 million over the medium term. As most of the posts being lost are in administrative functions, this is not expected to have a negative impact on service delivery.

Providing quality basic services to all

The local government equitable share in the *Institutional Development* programme provides funding for operations and the maintenance of infrastructure for basic services such as water, sanitation, electricity and refuse collection. As the allocation to the grant takes into consideration changes in the size of the low-income population in respective municipalities, the increased cost of basic services as a result of yearly tariff increases, and municipalities' capacity to raise their own revenue, the allocation to the grant is set to increase from R57 billion in 2017/18 to R67.5 billion in 2019/20.

Delivering municipal infrastructure

The department administers and disburses the *municipal infrastructure grant*, an important enabler of the Back to Basics strategy. The grant is for municipalities that deliver municipal infrastructure such as water, energy, and sports and recreation facilities to poorer communities. The grant's allocation of R50.4 billion over the medium term constitutes 96.8 per cent of the *Local Government Support and Intervention Management* programme's expected expenditure over the period ahead. The department plans to strengthen its monitoring and evaluation of the performance of projects funded through the grant to ensure that funds are used optimally, and provide value for money for government while alleviating backlogs in social infrastructure. The Municipal Infrastructure Support Agency will assist the department in this regard by providing technical support to improve the delivery of municipal infrastructure. As a result the transfer to the Municipal Infrastructure Support Agency is expected to increase to R371 million by 2019/20.

Providing work opportunities for the poor

A central focus of the department is to work towards providing and maintaining 1 million work opportunities by March 2019. In pursuit of this target, the *Community Work Programme* will provide an income safety net for poor people by providing an estimated 744 369 work opportunities over the medium term through community-approved sustainability projects such as food gardens, the supervision of school homework, and home-based care and auxiliary care services for vulnerable households. To create these opportunities, the programme has a budget of R11.5 billion over the medium term, increasing at an average annual rate of 8 per cent.

Expenditure trends

Table 4.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Regional and Urban Development and Legislative Support														
3. Institutional Development														
4. National Disaster Management Centre														
5. Local Government Support and Intervention Management														
6. Community Work Programme														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	248.8	247.9	237.7	252.1	238.5	236.4	236.5	228.6	236.5	266.5	263.7	263.7	97.1%	99.6%
Programme 2	30.3	31.1	84.0	33.1	30.0	80.3	76.2	76.2	93.0	397.0	423.6	423.6	126.9%	121.4%
Programme 3	55 441.5	55 609.7	39 384.8	59 729.4	59 966.4	42 040.2	65 898.4	67 407.6	49 818.6	52 887.7	52 888.0	51 448.0	78.1%	77.5%
Programme 4	585.1	694.4	423.9	650.8	831.4	385.9	606.8	606.8	258.2	598.9	588.9	207.4	52.2%	46.9%
Programme 5	272.1	145.3	14 549.5	289.5	129.7	15 085.0	120.4	120.4	15 317.1	15 652.8	15 666.5	15 666.5	371.1%	377.4%
Programme 6	1 675.0	1 730.6	1 721.7	2 257.8	2 257.8	1 558.7	2 375.9	2 375.9	2 374.2	3 191.2	3 191.2	3 191.2	93.1%	92.6%
Total	58 252.7	58 458.9	56 401.6	63 212.7	63 453.9	59 386.5	69 314.2	70 815.5	68 097.5	72 994.0	73 021.9	71 200.4	96.7%	96.0%
Change to 2016 Budget estimate												27.9		
Economic classification														
Current payments	2 419.9	2 477.9	2 113.9	2 690.7	2 689.8	1 975.3	2 808.6	2 811.5	2 759.6	3 801.7	3 826.5	3 786.5	90.7%	90.1%
Compensation of employees	277.7	311.2	226.8	256.6	246.6	234.4	271.8	271.8	258.3	320.5	320.5	320.5	92.3%	90.4%
Goods and services	2 142.2	2 166.7	1 887.1	2 434.1	2 443.2	1 740.9	2 536.8	2 539.7	2 501.3	3 481.2	3 505.9	3 465.9	90.6%	90.0%
Transfers and subsidies	55 820.6	55 969.7	54 272.5	60 513.3	60 755.4	57 393.0	66 497.8	67 997.4	65 290.9	69 185.0	69 188.0	67 406.6	97.0%	96.2%
Provinces and municipalities	55 708.9	55 842.9	53 811.7	60 024.5	60 261.7	56 901.3	66 007.2	67 506.1	64 799.2	68 301.7	68 301.7	66 520.3	96.8%	96.1%
Departmental agencies and accounts	100.7	100.7	441.6	477.2	481.8	481.9	478.5	484.9	484.9	567.4	570.4	570.4	-	-
Foreign governments and international organisations	-	-	0.8	-	0.3	0.9	-	-	-	-	-	-	-	655.8%
Non-profit institutions	11.1	11.1	13.5	11.7	11.7	8.6	12.1	6.3	6.3	6.6	6.6	6.6	84.4%	98.1%
Households	-	15.0	4.8	-	-	0.4	-	0.1	0.5	309.3	309.3	309.3	101.8%	97.1%
Payments for capital assets	12.2	10.6	14.8	8.7	8.7	17.9	7.8	6.5	46.1	7.3	7.3	7.3	238.9%	259.6%
Machinery and equipment	11.4	9.8	14.8	7.7	7.7	17.8	7.8	6.5	46.1	7.3	7.3	7.3	250.7%	273.7%
Heritage assets	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-
Software and other intangible assets	0.8	0.8	-	1.0	1.0	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	0.8	0.4	-	-	0.3	-	0.1	0.9	-	0.1	0.1	-	170.9%
Total	58 252.7	58 458.9	56 401.6	63 212.7	63 453.9	59 386.5	69 314.2	70 815.5	68 097.5	72 994.0	73 021.9	71 200.4	96.7%	96.0%

Expenditure estimates

Table 4.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Regional and Urban Development and Legislative Support									
3. Institutional Development									
4. National Disaster Management Centre									
5. Local Government Support and Intervention Management									
6. Community Work Programme									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	263.7	2.1%	0.4%	247.3	259.6	276.7	1.6%	0.3%	
Programme 2	423.6	138.9%	0.3%	210.3	103.9	110.2	-36.2%	0.3%	
Programme 3	51 448.0	-2.6%	71.6%	57 372.8	63 114.4	67 879.5	9.7%	73.6%	
Programme 4	207.4	-33.2%	0.5%	521.9	600.2	578.4	40.8%	0.6%	
Programme 5	15 666.5	376.0%	23.8%	16 366.4	17 225.7	18 197.0	5.1%	20.7%	
Programme 6	3 191.2	22.6%	3.5%	3 695.9	3 809.9	4 018.6	8.0%	4.5%	
Total	71 200.4	6.8%	100.0%	78 414.5	85 113.8	91 060.4	8.5%	100.0%	
Change to 2016 Budget estimate				(142.7)	855.3	952.2			

Table 4.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Current payments	3 786.5	15.2%	4.2%	4 346.2	4 478.9	4 730.0	7.7%	5.3%
Compensation of employees	320.5	1.0%	0.4%	338.9	339.5	365.4	4.5%	0.4%
Goods and services	3 465.9	17.0%	3.8%	4 007.2	4 139.5	4 364.7	8.0%	4.9%
Transfers and subsidies	67 406.6	6.4%	95.8%	74 060.8	80 627.1	86 322.2	8.6%	94.7%
Provinces and municipalities	66 520.3	6.0%	94.9%	73 439.1	80 020.8	85 680.7	8.8%	93.8%
Departmental agencies and accounts	570.4	78.3%	0.8%	608.4	592.1	626.5	3.2%	0.7%
Foreign governments and international organisations	-	-	0.0%	1.3	1.4	1.4	-	0.0%
Non-profit institutions	6.6	-15.9%	0.0%	12.1	12.8	13.5	26.8%	0.0%
Households	309.3	174.2%	0.1%	-	-	-	-100.0%	0.1%
Payments for capital assets	7.3	-11.5%	0.0%	7.5	7.8	8.2	3.6%	0.0%
Machinery and equipment	7.3	-9.3%	0.0%	7.5	7.8	8.2	3.6%	0.0%
Payments for financial assets	0.1	-53.6%	0.0%	-	-	-	-100.0%	0.0%
Total	71 200.4	6.8%	100.0%	78 414.5	85 113.8	91 060.4	8.5%	100.0%

Goods and services expenditure trends and estimates

Table 4.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Administrative fees	163	6 019	11 949	82	-20.5%	0.2%	7 386	8 391	9 396	385.7%	0.2%
Advertising	3 754	2 340	2 438	8 021	28.8%	0.2%	6 657	6 622	6 658	-6.0%	0.2%
Minor assets	1 087	2 881	8 804	1 995	22.4%	0.2%	1 897	2 013	2 139	2.4%	0.1%
Audit costs: External	7 571	6 872	6 678	10 082	10.0%	0.3%	12 670	14 199	15 429	15.2%	0.3%
Bursaries: Employees	1 696	937	1 086	3 801	30.9%	0.1%	3 703	2 013	2 126	-17.6%	0.1%
Catering: Departmental activities	5 744	3 119	5 198	12 095	28.2%	0.3%	12 135	13 385	14 142	5.4%	0.3%
Communication	9 639	6 632	11 671	16 501	19.6%	0.5%	11 454	15 232	14 009	-5.3%	0.4%
Computer services	21 508	18 000	16 754	82 712	56.7%	1.4%	61 334	60 247	63 214	-8.6%	1.7%
Consultants: Business and advisory services	362 940	239 805	232 359	209 131	-16.8%	10.8%	211 767	231 111	245 922	5.6%	5.6%
Infrastructure and planning services	569	501	519	-	-100.0%	-	-	-	-	-	-
Legal services	3 381	6 156	3 850	4 476	9.8%	0.2%	3 918	3 144	4 377	-0.7%	0.1%
Contractors	1 359 447	1 274 367	1 817 448	2 454 718	21.8%	71.7%	2 818 461	2 869 230	3 029 658	7.3%	69.8%
Agency and support/outourced services	1 610	871	5 784	1 358	-5.5%	0.1%	1 439	1 577	1 665	7.0%	-
Entertainment	-	-	60	47	-	-	43	49	51	2.8%	-
Fleet services (including government motor transport)	1 556	1 952	225	1 401	-3.4%	0.1%	1 572	1 919	2 025	13.1%	-
Inventory: Clothing material and accessories	-	22 154	-	-	-	0.2%	-	-	-	-	-
Inventory: Food and food supplies	-	-	10	10	-	-	11	12	13	9.1%	-
Inventory: Fuel, oil and gas	17	127	83	86	71.7%	-	90	95	100	5.2%	-
Inventory: Learner and teacher support material	342	-	2	515	14.6%	-	544	576	608	5.7%	-
Inventory: Materials and supplies	117	27 336	87 778	570 576	1595.8%	7.1%	719 421	772 013	809 391	12.4%	17.9%
Inventory: Medical supplies	-	-	8	-	-	-	-	-	-	-	-
Inventory: Other supplies	11	-	360	713	301.7%	-	778	820	867	6.7%	-
Consumable supplies	338	4 552	121 851	3 563	119.3%	1.4%	3 885	4 432	4 679	9.5%	0.1%
Consumables: Stationery, printing and office supplies	6 082	6 014	8 769	21 162	51.5%	0.4%	25 007	19 734	20 839	-0.5%	0.5%
Operating leases	1 008	4 711	6 670	2 704	38.9%	0.2%	3 023	3 105	3 278	6.6%	0.1%
Rental and hiring	17	-	-	26	15.2%	-	57	61	65	35.7%	-
Property payments	46 621	45 597	40 035	40 681	-4.4%	1.8%	44 958	46 595	49 204	6.5%	1.1%
Transport provided: Departmental activity	-	-	295	100	-	-	308	326	344	51.0%	-
Travel and subsistence	38 450	29 448	29 745	49 193	8.6%	1.5%	45 780	51 895	54 392	3.4%	1.3%
Training and development	3 561	26 471	74 015	2 536	-10.7%	1.1%	3 840	3 812	4 022	16.6%	0.1%
Operating payments	2 031	1 461	1 737	1 611	-7.4%	0.1%	1 772	1 834	1 935	6.3%	-
Venues and facilities	7 841	2 562	5 106	6 037	-8.3%	0.2%	3 324	5 016	4 121	-12.0%	0.1%
Total	1 887 101	1 740 885	2 501 287	3 505 933	22.9%	100.0%	4 007 234	4 139 458	4 364 669	7.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 4.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R thousand											
Provinces and municipalities											
Provincial revenue funds											
Current	93 647	85 951	35 593	111 545	6.0%	0.1%	123 432	130 591	137 904	7.3%	0.2%
Vehicle licences	17	-	5	-	-100.0%	-	-	-	-	-	-
Provincial disaster grant	93 630	85 951	35 588	111 545	6.0%	0.1%	123 432	130 591	137 904	7.3%	0.2%
Provinces and municipalities											
Municipal bank accounts											
Current	39 375 275	41 879 778	49 621 685	53 136 150	10.5%	74.8%	57 424 381	63 102 548	67 809 065	8.5%	77.8%
Vehicle licences	2	24	22	100	268.4%	-	103	106	112	3.8%	-
Municipal demarcation transition grant	-	-	3 714	297 422	-	0.1%	111 856	-	-	-100.0%	0.1%
Municipal systems improvement grant	240 307	252 152	251 442	-	-100.0%	0.3%	-	-	-	-	-
Local government equitable share	38 964 252	41 592 070	49 366 507	52 568 706	10.5%	74.1%	57 012 141	62 731 845	67 473 465	8.7%	77.3%
Municipal disaster grant	170 714	35 532	-	269 922	16.5%	0.2%	300 281	370 597	335 488	7.5%	0.4%
Capital	14 342 787	14 935 547	15 141 883	15 054 028	1.6%	24.2%	15 891 252	16 787 685	17 733 731	5.6%	21.1%
Municipal disaster recovery grant	118 340	190 102	186 121	140 000	5.8%	0.3%	-	-	-	-100.0%	-
Municipal infrastructure grant	14 224 447	14 745 445	14 955 762	14 914 028	1.6%	23.9%	15 891 252	16 787 685	17 733 731	5.9%	21.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	441 648	481 895	484 949	570 407	8.9%	0.8%	608 420	592 121	626 542	3.2%	0.8%
Public Service Sector Education and Training Authority	-	735	-	-	-	-	-	-	-	-	-
Municipal Demarcation Board	42 152	44 230	45 793	59 220	12.0%	0.1%	50 631	53 568	56 568	-1.5%	0.1%
Department of Traditional Affairs	111 702	115 864	125 928	129 798	5.1%	0.2%	145 006	154 216	164 313	8.2%	0.2%
South African Local Government Association	25 999	26 904	9 215	31 500	6.6%	-	31 300	33 100	34 954	3.5%	-
Municipal Infrastructure Support Agency	261 795	294 162	304 013	349 889	10.2%	0.5%	381 483	351 237	370 707	1.9%	0.5%
Foreign governments and international organisations											
Current	825	880	-	-	-100.0%	-	1 281	1 356	1 432	-	-
Common Wealth to Local Government Forum	400	238	-	-	-100.0%	-	-	-	-	-	-
United Cities and Local Governments of Africa - Morocco	425	642	-	-	-100.0%	-	1 281	1 356	1 432	-	-
Non-profit institutions											
Current	13 463	8 638	6 286	6 619	-21.1%	-	12 073	12 779	13 495	26.8%	-
South African Cities Network	11 765	6 071	6 286	6 619	-17.4%	-	6 950	7 353	7 765	5.5%	-
United Cities and Local Governments of Africa - South African Regional Office	1 698	2 567	-	-	-100.0%	-	5 123	5 426	5 730	-	-
Households											
Social benefits											
Current	4 833	357	395	309 276	300.0%	0.1%	-	-	-	-100.0%	0.1%
Employee social benefits	974	357	395	-	-100.0%	-	-	-	-	-	-
Non-returning local government councillors	3 859	-	-	309 276	331.1%	0.1%	-	-	-	-100.0%	0.1%
Households											
Other transfers to households											
Current	-	-	132	-	-	-	-	-	-	-	-
Employee social benefits	-	-	132	-	-	-	-	-	-	-	-
Total	54 272 478	57 393 046	65 290 923	69 188 025	8.4%	100.0%	74 060 839	80 627 080	86 322 169	7.7%	100.0%

Personnel information

Table 4.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)		
		2015/16			2016/17			2017/18			2018/19			2019/20						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Cooperative Governance And Traditional Affairs		469	2	442	258.3	0.6	546	320.5	0.6	539	338.9	0.6	482	339.5	0.7	488	365.4	0.7	-3.7%	100.0%
Salary level																				
1 – 6	129	–	116	29.8	0.3	154	37.6	0.2	149	41.3	0.3	134	42.9	0.3	134	50.8	0.4	-4.5%	27.8%	
7 – 10	128	–	125	54.3	0.4	143	67.4	0.5	125	63.1	0.5	123	65.3	0.5	132	75.9	0.6	-2.6%	25.5%	
11 – 12	94	–	86	60.0	0.7	120	83.7	0.7	145	107.7	0.7	104	85.5	0.8	102	87.4	0.9	-5.3%	22.9%	
13 – 16	118	2	115	114.2	1.0	129	131.9	1.0	120	126.9	1.1	121	145.8	1.2	120	151.3	1.3	-2.4%	23.8%	
Programme	469	2	442	258.3	0.6	546	320.5	0.6	539	338.9	0.6	482	339.5	0.7	488	365.4	0.7	-3.7%	100.0%	
Programme 1	222	2	205	109.1	0.5	211	125.8	0.6	220	133.7	0.6	205	141.5	0.7	208	152.2	0.7	-0.5%	41.1%	
Programme 2	35	–	40	23.0	0.6	37	18.7	0.5	40	25.9	0.6	40	27.6	0.7	40	29.7	0.7	2.6%	7.6%	
Programme 3	47	–	48	39.6	0.8	53	32.7	0.6	59	38.1	0.6	53	38.1	0.7	53	41.0	0.8	–	10.6%	
Programme 4	30	–	30	20.8	0.7	32	17.3	0.5	44	29.6	0.7	34	25.0	0.7	34	26.9	0.8	2.0%	7.0%	
Programme 5	81	–	62	36.1	0.6	87	62.4	0.7	87	68.4	0.8	73	62.9	0.9	73	67.7	0.9	-5.7%	15.6%	
Programme 6	54	–	57	29.8	0.5	126	63.5	0.5	89	43.3	0.5	77	44.4	0.6	80	47.9	0.6	-14.1%	18.1%	

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

2. Rand million.

Departmental receipts

Table 4.7 Departmental receipts by economic classification

R thousand	Audited outcome					Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16	2016/17						2017/18	2018/19	2019/20		
Departmental receipts	1 220	1 916	1 116	1 165	1 410	4.9%	100.0%	1 261	1 332	1 445	0.8%	100.0%		
Sales of goods and services produced by department	174	173	157	305	130	-9.3%	11.2%	355	375	395	44.8%	23.0%		
Sales by market establishments	94	173	157	305	68	-10.2%	8.7%	350	370	390	79.0%	21.6%		
of which:														
Rental parking: Covered and open	94	173	157	305	68	-10.2%	8.7%	350	370	390	79.0%	21.6%		
Other sales	80	–	–	–	62	-8.1%	2.5%	5	5	5	-56.8%	1.4%		
of which:														
Capital equipment	80	–	–	–	–	-100.0%	1.4%	–	–	–	–	–		
Services rendered:	–	–	–	–	61	–	1.1%	–	–	–	-100.0%	1.1%		
Commission on insurance and garnishees	–	–	–	–	1	–	–	5	5	5	71.0%	0.3%		
Replacement of security cards	–	–	–	–	1	–	–	–	–	–	–	–		
Sales of scrap, waste, arms and other used current goods	1	1	1	5	–	-100.0%	0.1%	6	7	10	–	0.4%		
of which:														
Sales of paper	1	1	1	5	–	-100.0%	0.1%	6	7	10	–	0.4%		
Interest, dividends and rent on land	–	1	291	15	945	–	21.8%	10	10	–	-100.0%	17.7%		
Interest	–	1	–	–	3	–	0.1%	10	10	–	-100.0%	0.4%		
Dividends	–	–	291	15	942	–	21.8%	–	–	–	-100.0%	17.3%		
of which:														
Bank accounts	–	–	291	15	942	–	21.8%	–	–	–	-100.0%	17.3%		
Sales of capital assets	16	53	–	40	40	35.7%	1.9%	40	40	40	–	2.9%		
Transactions in financial assets and liabilities	1 029	1 688	667	800	295	-34.1%	65.0%	850	900	1 000	50.2%	55.9%		
Total	1 220	1 916	1 116	1 165	1 410	4.9%	100.0%	1 261	1 332	1 445	0.8%	100.0%		

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 4.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million											
Ministry	36.8	32.9	27.8	37.9	1.1%	13.9%	28.0	29.4	31.5	-6.0%	12.1%
Management	15.7	16.5	20.1	13.6	-4.7%	6.8%	17.5	18.4	19.8	13.3%	6.6%
Corporate Services	105.0	109.8	111.2	127.5	6.7%	46.5%	108.9	114.5	122.1	-1.4%	45.2%
Financial Services	27.0	25.3	30.0	30.7	4.4%	11.6%	38.4	40.6	43.3	12.2%	14.6%
Internal Audit and Risk Management	8.7	8.6	11.9	16.5	23.5%	4.7%	13.0	13.6	14.6	-4.0%	5.5%
Office Accommodation	44.5	43.3	35.6	37.5	-5.6%	16.5%	41.6	43.0	45.4	6.6%	16.0%
Total	237.7	236.4	236.5	263.7	3.5%	100.0%	247.3	259.6	276.7	1.6%	100.0%
Change to 2016 Budget estimate				(2.8)			(11.0)	(10.7)	(8.7)		
Economic classification											
Current payments	226.9	224.2	225.6	258.5	4.4%	96.0%	242.1	254.2	271.1	1.6%	98.0%
Compensation of employees	107.4	110.3	109.1	125.8	5.4%	46.5%	133.7	141.5	152.2	6.6%	52.8%
Goods and services ¹	119.5	113.9	116.5	132.7	3.6%	49.5%	108.5	112.7	118.9	-3.6%	45.1%
of which:											
Audit costs: External	7.6	6.9	6.6	7.1	-2.2%	2.9%	8.2	9.2	9.7	11.2%	3.3%
Communication	7.6	4.1	9.1	10.9	12.6%	3.3%	5.1	7.8	6.3	-16.8%	2.9%
Computer services	14.3	14.3	12.2	12.8	-3.6%	5.5%	7.5	4.8	5.4	-24.8%	2.9%
Consultants: Business and advisory services	7.1	5.4	10.1	22.3	46.6%	4.6%	6.8	7.1	9.6	-24.6%	4.4%
Property payments	46.6	45.6	40.0	40.7	-4.4%	17.7%	45.0	46.6	49.2	6.5%	17.3%
Travel and subsistence	14.6	12.3	9.6	11.1	-8.6%	4.9%	11.0	10.2	10.6	-1.6%	4.1%
Transfers and subsidies¹	1.0	1.0	0.4	0.1	-53.5%	0.3%	0.1	0.1	0.1	3.8%	-
Provinces and municipalities	0.0	0.0	0.0	0.1	73.9%	-	0.1	0.1	0.1	3.8%	-
Departmental agencies and accounts	-	0.7	-	-	-	0.1%	-	-	-	-	-
Households	1.0	0.2	0.4	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	9.4	10.9	9.5	5.0	-19.1%	3.6%	5.1	5.3	5.5	3.5%	2.0%
Machinery and equipment	9.4	10.9	9.5	5.0	-19.1%	3.6%	5.1	5.3	5.5	3.5%	2.0%
Payments for financial assets	0.4	0.3	0.9	0.1	-42.4%	0.2%	-	-	-	-100.0%	-
Total	237.7	236.4	236.5	263.7	3.5%	100.0%	247.3	259.6	276.7	1.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.3%	0.4%	-	-	0.3%	0.3%	0.3%	-	-

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

Programme 2: Regional and Urban Development and Legislative Support

Programme purpose

Provide policy analysis and development in order to transform local government and improve cooperative governance.

Objectives

- Facilitate the restructuring of the municipal spatial economy through monitoring the implementation of the integrated urban development framework on a continual basis.
- Develop and institutionalise an effective intergovernmental relations system across the three spheres of government by introducing institutional and governance reforms by March 2019.

Subprogrammes

- *Management: Regional and Urban Development and Legislative Support* provides strategic leadership to the programme to ensure compliance with and the achievement of departmental targets in line with the Back to Basics strategy.

- *Local Government Legislative Support and Institutional Establishment* drafts and amends primary and secondary legislation administered by the department, and provides legal opinions to the department's stakeholders on the interpretation of legislation and matters affecting the mandate of the department. This subprogramme also provides technical support and advice on the determination and redetermination of municipal boundaries, provincial boundary issues, and local government elections.
- *Urban Development Planning* facilitates and monitors the implementation of the integrated urban development framework policy and local economic development plans. This subprogramme also supports municipalities with the implementation of various tools to facilitate integrated urban development and spatial contracts in key restructuring zones.
- *Spatial Planning Districts and Regions* facilitates the implementation of planning frameworks to promote integrated development across government and build geographic information system capacity in district and local municipalities to enhance evidence-based decision-making. This subprogramme also facilitates sustainable economic activities in the districts and lagging regions.
- *Intergovernmental Policy and Practice* reviews, clarifies and strengthens the policy and institutional environment for the assignment and management of municipal powers and functions. This subprogramme is also responsible for strengthening collaborative intergovernmental management and practice between sectors, provinces and local government.
- *Municipal Demarcation Transition Grant* makes transfers to assist municipalities in building in-house capacity to perform their functions, and to stabilise institutional and government systems. This grant ends in 2017/18.
- *Municipal Demarcation Board* makes transfers to the Municipal Demarcation Board to fund operational activities such as capacity assessments, ward delimitation and boundary redetermination. This subprogramme's budget is transferred in full to the board.
- *South African Cities Network* makes transfers to the South African Cities Network to fund operational activities, including enabling cooperation between South African cities. This subprogramme's budget is transferred in full to the network.

Expenditure trends and estimates

Table 4.9 Regional and Urban Development and Legislative Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20		
R million											
Management Regional and Urban Development and Legislative Support	3.0	3.3	6.1	1.2	-27.5%	2.0%	3.2	3.4	3.7	46.7%	1.4%
Local Government Legislative Support and Institutional Establishment	5.8	6.8	5.6	2.5	-24.2%	3.0%	3.4	6.3	6.7	38.5%	2.2%
Urban Development Planning	6.6	7.0	8.8	8.2	7.4%	4.5%	10.6	11.0	11.8	12.9%	4.9%
Spatial Planning Districts and Regions	8.0	6.5	8.8	13.5	18.9%	5.4%	14.6	11.5	12.3	-3.1%	6.1%
Intergovernmental Policy and Practice	6.6	6.4	7.8	7.2	2.9%	4.1%	9.0	10.7	11.5	16.9%	4.5%
Municipal Demarcation Transition Grant	-	-	3.7	325.3	-	48.3%	111.9	-	-	-100.0%	51.6%
Municipal Demarcation Board	42.2	44.2	45.8	59.2	12.0%	28.1%	50.6	53.6	56.6	-1.5%	25.9%
South African Cities Network	11.8	6.1	6.3	6.6	-17.4%	4.5%	7.0	7.4	7.8	5.5%	3.4%
Total	84.0	80.3	93.0	423.6	71.5%	100.0%	210.3	103.9	110.2	-36.2%	100.0%
Change to 2016 Budget estimate				26.6			6.4	6.9	7.8		
Economic classification											
Current payments	30.0	30.0	37.2	60.4	26.3%	23.1%	40.8	43.0	45.9	-8.7%	22.4%
Compensation of employees	17.9	20.0	23.0	18.7	1.4%	11.7%	25.9	27.6	29.7	16.6%	12.0%
Goods and services ¹	12.1	10.0	14.2	41.6	51.2%	11.4%	14.9	15.4	16.2	-27.0%	10.4%
of which:											
Catering: Departmental activities	0.3	0.3	0.9	0.7	38.0%	0.3%	0.9	0.9	1.0	8.6%	0.4%
Communication	0.4	0.6	0.5	0.6	12.1%	0.3%	0.7	1.4	1.4	32.1%	0.5%
Computer services	0.1	0.4	1.0	0.4	93.9%	0.3%	1.4	0.8	0.8	31.0%	0.4%
Consultants: Business and advisory services	4.1	4.7	2.9	34.1	102.5%	6.7%	5.1	3.7	4.0	-51.2%	5.5%
Consumables: Stationery, printing and office supplies	1.2	0.8	1.3	1.4	5.7%	0.7%	1.4	1.6	1.6	5.0%	0.7%
Travel and subsistence	5.0	2.5	6.1	3.2	-13.4%	2.5%	3.6	5.4	5.7	20.5%	2.1%

Table 4.9 Regional and Urban Development and Legislative Support expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	53.9	50.3	55.8	363.3	88.9%	76.8%	169.4	60.9	64.3	-43.8%	77.6%
Provinces and municipalities	–	–	3.7	297.4	–	44.2%	111.9	–	–	-100.0%	48.3%
Departmental agencies and accounts	42.2	44.2	45.8	59.2	12.0%	28.1%	50.6	53.6	56.6	-1.5%	25.9%
Non-profit institutions	11.8	6.1	6.3	6.6	-17.4%	4.5%	7.0	7.4	7.8	5.5%	3.4%
Payments for capital assets	0.1	0.1	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	0.1	0.1	–	–	-100.0%	–	–	–	–	–	–
Total	84.0	80.3	93.0	423.6	71.5%	100.0%	210.3	103.9	110.2	-36.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.1%	0.1%	0.1%	0.6%	–	–	0.3%	0.1%	0.1%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	42.2	44.2	45.8	59.2	12.0%	28.1%	50.6	53.6	56.6	-1.5%	25.9%
Municipal Demarcation Board	42.2	44.2	45.8	59.2	12.0%	28.1%	50.6	53.6	56.6	-1.5%	25.9%
Non-profit institutions											
Current	11.8	6.1	6.3	6.6	-17.4%	4.5%	7.0	7.4	7.8	5.5%	3.4%
South African Cities Network	11.8	6.1	6.3	6.6	-17.4%	4.5%	7.0	7.4	7.8	5.5%	3.4%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	–	–	3.7	297.4	–	44.2%	111.9	–	–	-100.0%	48.3%
Municipal demarcation transition grant	–	–	3.7	297.4	–	44.2%	111.9	–	–	-100.0%	48.3%

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

Programme 3: Institutional Development

Programme purpose

Build institutional resilience in the local government system by supporting system development, governance, capacity building and revenue management; and provide for the functions of the Department of Traditional Affairs.

Objectives

- Support municipalities in improving their financial sustainability and revenue management through the *municipal systems improvement grant* by helping them develop simplified revenue plans, property and consumer databases, record management systems, and organograms aligned with municipal functions by March 2019.
- Support municipalities' efforts to improve municipal finances and increase revenue by monitoring the implementation of the Municipal Property Rates Act (2004) on an ongoing basis.
- Strengthen the functionality of municipalities through the development and implementation of human resources and administrative systems, as per the Municipal Systems Act (2000), by March 2019.

Subprogrammes

- *Management: Institutional Development* provides strategic leadership to the programme to ensure compliance and the achievement of departmental targets in line with the Back to Basics strategy.
- *Municipal Human Resources Management Systems* builds sound municipal institutional capabilities through the development, implementation and enforcement of an efficient and effective human resource management framework as per the Municipal Systems Act (2000).
- *Municipal Finance* provides support and technical capacity to municipalities on municipal revenue management and enhancement strategies, debt collection, and free basic services.
- *Citizen Engagement* promotes local government accountability and engagement with communities implementing the citizen engagement framework.
- *Anti-Corruption and Good Governance* conducts anti-corruption campaigns that improve ethical conduct at

local government level. This subprogramme also strengthens and implements preventative measures against corruption, and creates a conducive environment for the expeditious resolution of corruption cases.

- *Municipal Property Rates* provides for indirect transfers to municipalities to support them in performing their functions and stabilise institutional and governance systems, as required in the Municipal Systems Act (2000), the Municipal Property Rates Act (2004) and related legislation.
- *Local Government Equitable Share* is the share of nationally raised revenue payable to local government in terms of section 214 of the Constitution. This transfer supplements municipal revenue for the provision of free basic services to poor households, and for the funding of institutional capacity and support to weaker municipalities.
- *South African Local Government Association* makes transfers to the South African Local Government Association to fund operational activities, including participation in intergovernmental structures and legislatures.
- *Municipal Systems Improvement Grant* makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and governmental systems.
- *Department of Traditional Affairs* makes transfers to the Department of Traditional Affairs to support traditional leadership.
- *United Cities and Local Government of Africa* makes transfers to United Cities and Local Government of Africa to fund operational activities, enhance cooperation and knowledge sharing among local governments in Africa, and improve the delivery of services to communities across the continent.

Expenditure trends and estimates

Table 4.10 Institutional Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Management: Institutional Development	9.8	15.4	20.8	5.7	-16.5%	-	3.3	3.5	3.7	-13.1%	-
Municipal Human Resources Management Systems	5.4	6.5	9.6	7.1	9.4%	-	7.8	8.2	8.7	7.3%	-
Municipal Finance	8.3	8.7	13.1	33.8	59.8%	-	31.5	30.1	31.7	-2.2%	0.1%
Citizen Engagement	4.6	6.7	7.0	8.3	21.3%	-	6.7	7.3	7.7	-2.2%	-
Anti-Corruption and Good Governance	4.8	4.9	5.5	5.5	4.5%	-	7.3	5.5	5.8	1.9%	-
Municipal Property Rates	7.5	7.8	9.5	13.3	20.8%	-	18.0	19.0	20.3	15.4%	-
Local Government Equitable Share	38 964.3	41 592.1	49 366.5	52 568.7	10.5%	99.1%	57 012.1	62 731.8	67 473.5	8.7%	99.4%
South African Local Government Association	26.0	26.9	9.2	31.5	6.6%	0.1%	31.3	33.1	35.0	3.5%	0.1%
Municipal Systems Improvement Grant	240.3	252.2	251.4	84.3	-29.5%	0.4%	103.2	115.1	121.6	13.0%	0.2%
Department of Traditional Affairs	111.7	115.9	125.9	129.8	5.1%	0.3%	145.0	154.2	164.3	8.2%	0.2%
United Cities and Local Government of Africa	2.1	3.2	-	-	-100.0%	-	6.4	6.8	7.2	-	-
Total	39 384.8	42 040.2	49 818.6	52 888.0	10.3%	100.0%	57 372.8	63 114.4	67 879.5	8.7%	100.0%
Change to 2016 Budget estimate				0.2			10.9	1 011.8	2 299.0		
Economic classification											
Current payments	39.9	49.6	65.5	158.0	58.2%	0.2%	177.9	188.5	199.6	8.1%	0.3%
Compensation of employees	30.2	33.2	39.6	32.7	2.7%	0.1%	38.1	38.1	41.0	7.8%	0.1%
Goods and services ¹	9.7	16.4	25.9	125.2	134.2%	0.1%	139.8	150.4	158.6	8.2%	0.2%
of which:											
Catering: Departmental activities	0.2	0.2	0.7	0.9	54.4%	-	1.1	1.1	1.2	10.6%	-
Communication	0.3	0.4	0.5	1.1	59.0%	-	1.5	1.8	1.9	18.7%	-
Consultants: Business and advisory services	1.6	9.1	12.3	92.5	284.3%	0.1%	109.5	122.2	129.0	11.7%	0.2%
Contractors	0.0	0.1	1.2	10.2	778.7%	-	14.0	9.1	9.4	-2.7%	-
Consumables: Stationery, printing and office supplies	0.5	1.0	1.3	1.3	34.9%	-	2.3	2.4	2.5	25.3%	-
Travel and subsistence	4.2	4.4	5.8	7.3	20.1%	-	9.4	10.9	11.5	16.2%	-

Table 4.10 Institutional Development expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	39 344.8	41 990.4	49 753.1	52 730.0	10.3%	99.8%	57 194.9	62 925.9	67 679.9	8.7%	99.7%
Provinces and municipalities	39 204.6	41 844.2	49 617.9	52 568.7	10.3%	99.5%	57 012.1	62 731.8	67 473.5	8.7%	99.4%
Departmental agencies and accounts	137.7	142.8	135.1	161.3	5.4%	0.3%	176.3	187.3	199.3	7.3%	0.3%
Foreign governments and international organisations	0.8	0.9	–	–	-100.0%	–	1.3	1.4	1.4	–	–
Non-profit institutions	1.7	2.6	–	–	-100.0%	–	5.1	5.4	5.7	–	–
Payments for capital assets	0.1	0.2	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	0.1	0.2	–	–	-100.0%	–	–	–	–	–	–
Total	39 384.8	42 040.2	49 818.6	52 888.0	10.3%	100.0%	57 372.8	63 114.4	67 879.5	8.7%	100.0%
Proportion of total programme expenditure to vote expenditure	69.8%	70.8%	73.2%	72.4%	–	–	73.2%	74.2%	74.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	137.7	142.8	135.1	161.3	5.4%	0.3%	176.3	187.3	199.3	7.3%	0.3%
Department of Traditional Affairs	111.7	115.9	125.9	129.8	5.1%	0.3%	145.0	154.2	164.3	8.2%	0.2%
South African Local Government Association	26.0	26.9	9.2	31.5	6.6%	0.1%	31.3	33.1	35.0	3.5%	0.1%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	39 204.6	41 844.2	49 617.9	52 568.7	10.3%	99.5%	57 012.1	62 731.8	67 473.5	8.7%	99.4%
Municipal Systems improvement Grant	240.3	252.2	251.4	–	-100.0%	0.4%	–	–	–	–	–
Local Government Equitable Share	38 964.3	41 592.1	49 366.5	52 568.7	10.5%	99.1%	57 012.1	62 731.8	67 473.5	8.7%	99.4%

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

Programme 4: National Disaster Management Centre

Programme purpose

Promote an integrated and coordinated system of disaster prevention, mitigation and risk management.

Objectives

- Oversee disaster management institutional systems and improve legislative compliance by enhancing the regulatory and policy frameworks related to disaster management by March 2019.
- Improve and strengthen the system of disaster management for all common disasters, such as drought, floods and fire services, by raising public awareness about the impact of disasters and the importance of disaster management in all provinces by March 2019.

Subprogrammes

- *Management: Head of Disaster* provides strategic leadership to the programme.
- *Disaster Risk Reduction, Capacity Building and Intervention* develops and implements disaster management operational systems; coordinates disaster management capacity building and strategic research across all three spheres of government; and provides for the allocation of disaster response, relief and rehabilitation funding after a disaster has occurred.
- *Legislation and Policy Management* develops disaster management policies and a legislative framework derived from the Disaster Management Act (2002) and the national disaster management framework, and manages the improvement of legislative compliance across sectors and spheres of government.
- *Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems* develops and implements integrated support to provinces, and monitoring and evaluation systems for disaster management and fire services.
- *Fire Services* develops fire services policies and legislative frameworks, and coordinates programmes related to the support and administration of fire services.

- *Information Technology, Intelligence and Information Management Systems* guides the development of a comprehensive information management and communication system, and establishes integrated communication links with all disaster management role players.
- *Disaster Relief Grant* is a conditional allocation that aims to provide immediate relief after disasters. Transfers are made only when a disaster has been declared.
- *Municipal Disaster Recovery Grant* is a conditional allocation to repair municipal infrastructure damaged by disasters. This grant is allocated as a second phase of disaster response to municipalities following a cost-verification process after a disaster has occurred.

Expenditure trends and estimates

Table 4.11 National Disaster Management Centre 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Management: Head of Disaster	5.5	17.9	5.7	3.1	-17.1%	1.9%	3.6	3.8	4.1	9.1%	0.6%
Disaster Risk Reduction, Capacity Building and Intervention	11.0	41.6	12.6	28.0	36.6%	5.6%	53.4	53.9	56.9	26.6%	8.4%
Legislation and Policy Management	7.3	5.0	6.1	5.1	-11.1%	1.4%	6.1	6.4	6.8	10.0%	1.1%
Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems	–	–	1.8	3.7	–	0.3%	4.3	4.5	4.8	9.8%	0.8%
Fire Services	–	–	–	3.1	–	0.2%	3.3	3.5	3.7	6.2%	0.6%
Information Technology, Intelligence and Information Management Systems	17.4	9.8	10.3	24.4	11.9%	3.7%	27.6	27.0	28.7	5.5%	4.7%
Disaster Relief Grant	264.3	121.5	35.6	381.5	13.0%	48.5%	423.7	501.2	473.4	7.5%	77.7%
Municipal Disaster Recovery Grant	118.3	190.1	186.1	140.0	5.8%	38.3%	–	–	–	-100.0%	6.1%
Total	423.9	385.9	258.2	588.9	11.6%	100.0%	521.9	600.2	578.4	-0.6%	100.0%
Change to 2016 Budget estimate				(10.0)			0.1	53.1	0.6		
Economic classification											
Current payments	36.1	67.7	35.8	65.1	21.7%	12.4%	95.8	96.6	102.3	16.3%	15.7%
Compensation of employees	18.5	18.7	20.8	17.3	-2.1%	4.5%	29.6	25.0	26.9	15.7%	4.3%
Goods and services ¹	17.6	49.0	15.0	47.7	39.4%	7.8%	66.2	71.6	75.5	16.5%	11.4%
of which:											
Bursaries: Employees	0.5	–	–	2.0	58.7%	0.2%	1.8	–	–	-100.0%	0.2%
Communication	0.4	0.5	0.5	0.5	11.8%	0.1%	0.6	0.6	0.6	6.1%	0.1%
Computer services	6.1	1.1	2.9	10.8	21.0%	1.3%	7.5	7.7	8.2	-8.9%	1.5%
Consultants: Business and advisory services	3.9	35.6	3.9	29.5	96.4%	4.4%	50.6	56.5	59.5	26.4%	8.6%
Inventory: Other supplies	–	–	–	0.4	–	–	0.5	0.5	0.5	7.0%	0.1%
Travel and subsistence	3.1	2.0	2.2	2.5	-7.9%	0.6%	2.9	3.8	4.0	17.2%	0.6%
Transfers and subsidies¹	382.7	311.6	221.7	521.5	10.9%	86.8%	423.7	501.2	473.4	-3.2%	83.9%
Provinces and municipalities	382.7	311.6	221.7	521.5	10.9%	86.8%	423.7	501.2	473.4	-3.2%	83.9%
Payments for capital assets	5.1	6.6	0.7	2.3	-22.6%	0.9%	2.4	2.5	2.6	4.0%	0.4%
Machinery and equipment	5.1	6.4	0.7	2.3	-22.6%	0.9%	2.4	2.5	2.6	4.0%	0.4%
Heritage assets	–	0.1	–	–	–	–	–	–	–	–	–
Total	423.9	385.9	258.2	588.9	11.6%	100.0%	521.9	600.2	578.4	-0.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.8%	0.6%	0.4%	0.8%	–	–	0.7%	0.7%	0.6%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	170.7	35.5	–	269.9	16.5%	28.7%	300.3	370.6	335.5	7.5%	55.7%
Municipal disaster grant	170.7	35.5	–	269.9	16.5%	28.7%	300.3	370.6	335.5	7.5%	55.7%
Capital	118.3	190.1	186.1	140.0	5.8%	38.3%	–	–	–	-100.0%	6.1%
Municipal disaster recovery grant	118.3	190.1	186.1	140.0	5.8%	38.3%	–	–	–	-100.0%	6.1%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	93.6	86.0	35.6	111.5	6.0%	19.7%	123.4	130.6	137.9	7.3%	22.0%
Provincial disaster grant	93.6	86.0	35.6	111.5	6.0%	19.7%	123.4	130.6	137.9	7.3%	22.0%

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

Programme 5: Local Government Support and Intervention Management

Programme purpose

Conduct performance monitoring, support and interventions in municipalities and provincial departments of cooperative governance that will drive Back to Basics activities.

Objectives

- Improve reporting on and accountability for performance in local government by overseeing, coordinating and leading municipalities' implementation of government policies and programmes by March 2019.
- Coordinate and facilitate municipal infrastructure development through *municipal infrastructure grant* funding to extend services to unserved communities by March 2019.
- Coordinate the implementation of Back to Basics interventions in dysfunctional municipalities by monitoring and reporting municipal performance on an ongoing basis.
- Coordinate and implement sustainable infrastructure development and maintenance initiatives through the establishment of partnerships with the Municipal Infrastructure Support Agency, sector departments and other entities to improve the quality of service and extend infrastructure to unserved communities by March 2019.

Subprogrammes

- *Management: Local Government Support and Interventions* provides strategic leadership to the programme to ensure compliance and the achievement of departmental targets in line with the Back to Basics strategy.
- *Municipal Performance Monitoring* monitors and reports on local government performance information by institutionalising monthly performance reporting by municipalities (consolidated into quarterly analysis reports) to the department, analyses Back to Basics performance information for each municipality on a monthly basis, and identifies key trends in municipal Back to Basics performance.
- *Local Government Improvement Programme* monitors and performs diagnostic assessments to support municipalities with the development and implementation of remedial action plans.
- *Litigations and Interventions* monitors compliance with intervention policies and regulations, and develops a budget to address the infrastructure investment priorities of the poor.
- *Municipal Infrastructure Administration* administers the payments of the *municipal infrastructure grant* and reviews spending related to transferred funds.
- *Municipal Infrastructure Grant* makes specific transfers to supplement municipal capital budgets to address the infrastructure investment priorities of the poor.
- *Municipal Infrastructure Support Agency* makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and governmental systems.

Expenditure trends and estimates

Table 4.12 Local Government Support and Intervention Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Management: Local Government Support and Interventions	9.0	6.9	13.8	3.9	-23.9%	0.1%	3.3	3.5	3.7	-2.0%	-
Municipal Performance Monitoring	14.1	4.5	5.0	322.8	184.0%	0.6%	13.4	11.1	11.9	-66.7%	0.5%
Local Government Improvement Programme	19.4	11.5	14.6	29.2	14.6%	0.1%	30.5	26.0	27.9	-1.6%	0.2%
Litigations and Interventions	13.0	11.9	8.5	11.1	-5.1%	0.1%	12.4	8.7	9.3	-5.5%	0.1%
Municipal Infrastructure Administration	7.8	10.5	15.5	35.6	65.9%	0.1%	34.1	37.4	39.7	3.7%	0.2%
Municipal Infrastructure Grant	14 224.4	14 745.4	14 955.8	14 914.0	1.6%	97.1%	15 891.3	16 787.7	17 733.7	5.9%	96.8%
Municipal Infrastructure Support Agency	261.8	294.2	304.0	349.9	10.2%	2.0%	381.5	351.2	370.7	1.9%	2.2%
Total	14 549.5	15 085.0	15 317.1	15 666.5	2.5%	100.0%	16 366.4	17 225.7	18 197.0	5.1%	100.0%
Change to 2016 Budget estimate				13.8			(91.6)	(97.5)	(40.5)		

Table 4.12 Local Government Support and Intervention Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Current payments	59.3	45.1	57.2	93.4	16.3%	0.4%	93.7	86.8	92.6	-0.3%	0.5%
Compensation of employees	28.7	30.0	36.1	62.4	29.6%	0.3%	68.4	62.9	67.7	2.7%	0.4%
Goods and services ¹	30.6	15.1	21.0	30.9	0.3%	0.2%	25.2	23.9	24.8	-7.0%	0.2%
of which:											
Catering: Departmental activities	0.7	0.8	1.0	1.4	23.7%	-	0.9	0.8	0.8	-16.1%	-
Communication	0.5	0.5	0.7	2.5	67.5%	-	2.7	2.7	2.8	3.5%	-
Consultants: Business and advisory services	16.6	4.4	13.0	8.3	-20.6%	0.1%	6.5	6.9	7.2	-4.6%	-
Legal services	-	-	-	1.7	-	-	1.7	1.0	1.1	-13.3%	-
Consumables: Stationery, printing and office supplies	1.2	0.8	1.3	0.7	-16.3%	-	0.8	0.9	1.0	13.0%	-
Travel and subsistence	5.6	5.2	3.1	15.3	40.2%	-	11.5	10.1	10.4	-12.0%	0.1%
Transfers and subsidies¹	14 490.1	15 039.7	15 259.8	15 573.2	2.4%	99.6%	16 272.7	17 138.9	18 104.4	5.1%	99.5%
Provinces and municipalities	14 224.4	14 745.4	14 955.8	14 914.0	1.6%	97.1%	15 891.3	16 787.7	17 733.7	5.9%	96.8%
Departmental agencies and accounts	261.8	294.2	304.0	349.9	10.2%	2.0%	381.5	351.2	370.7	1.9%	2.2%
Households	3.9	0.1	0.0	309.3	331.1%	0.5%	-	-	-	-100.0%	0.5%
Payments for capital assets	0.0	0.1	0.1	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	0.0	0.1	0.1	-	-100.0%	-	-	-	-	-	-
Total	14 549.5	15 085.0	15 317.1	15 666.5	2.5%	100.0%	16 366.4	17 225.7	18 197.0	5.1%	100.0%
Proportion of total programme expenditure to vote expenditure	25.8%	25.4%	22.5%	21.5%	-	-	20.9%	20.2%	20.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	261.8	294.2	304.0	349.9	10.2%	2.0%	381.5	351.2	370.7	1.9%	2.2%
Municipal Infrastructure Support Agency	261.8	294.2	304.0	349.9	10.2%	2.0%	381.5	351.2	370.7	1.9%	2.2%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	14 224.4	14 745.4	14 955.8	14 914.0	1.6%	97.1%	15 891.3	16 787.7	17 733.7	5.9%	96.8%
Municipal infrastructure grant	14 224.4	14 745.4	14 955.8	14 914.0	1.6%	97.1%	15 891.3	16 787.7	17 733.7	5.9%	96.8%

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

Programme 6: Community Work Programme

Programme purpose

Create income security and work experience for participants and promote social and economic inclusion by targeting areas of high unemployment.

Objectives

- Provide work opportunities as an income safety net to poor and unemployed people living in the most marginalised communities by progressively increasing the number of participants in the community work programme on an ongoing basis.
- Provide and maintain an additional 744 369 work opportunities through effective and efficient programme management, strategic partnerships and training by March 2019.

Subprogrammes

- *Management: Community Work Programme* provides strategic management and leadership to the programme.
- *Programme Coordination* develops frameworks and standard operating procedures, facilitates their implementation and the functionality of coordination structures, and monitors the performance of implementing agents.
- *Partnerships, Norms, Standards and Innovation* ensures the effective management and coordination of partnerships and special projects for the community work programme.

Expenditure trends and estimates

Table 4.13 Community Work Programme 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 -	2016/17				2016/17 -	2019/20
Management: Community Work Programme	1 721.7	1 558.7	2 374.2	3 140.8	22.2%	99.4%	3 643.0	3 754.1	3 959.4	8.0%	98.5%
Programme Coordination	–	–	–	38.5	–	0.4%	40.4	42.6	45.3	5.5%	1.1%
Partnerships, Norms, Standards and Innovation	–	–	–	11.9	–	0.1%	12.5	13.2	14.0	5.5%	0.3%
Total	1 721.7	1 558.7	2 374.2	3 191.2	22.8%	100.0%	3 695.9	3 809.9	4 018.6	8.0%	100.0%
Change to 2016 Budget estimate				–			(57.6)	(55.3)	(63.1)		
Economic classification											
Current payments	1 721.7	1 558.7	2 338.4	3 191.2	22.8%	99.6%	3 695.9	3 809.9	4 018.6	8.0%	100.0%
Compensation of employees	24.1	22.3	29.8	63.5	38.1%	1.6%	43.3	44.4	47.9	-9.0%	1.4%
Goods and services ¹	1 697.6	1 536.4	2 308.6	3 127.7	22.6%	98.0%	3 652.6	3 765.6	3 970.8	8.3%	98.6%
of which:											
Computer services	–	–	–	48.9	–	0.6%	45.0	46.9	48.8	-0.1%	1.3%
Consultants: Business and advisory services	329.6	180.7	190.1	22.5	-59.2%	8.2%	33.3	34.7	36.6	17.7%	0.9%
Contractors	1 359.1	1 270.1	1 813.3	2 443.2	21.6%	77.8%	2 803.0	2 858.5	3 018.6	7.3%	75.6%
Inventory: Materials and supplies	0.1	27.2	87.8	570.6	1686.9%	7.8%	719.4	772.0	809.4	12.4%	19.5%
Consumables: Stationery, printing and office supplies	0.3	0.2	0.4	13.5	270.0%	0.2%	15.5	9.9	10.4	-8.3%	0.3%
Travel and subsistence	5.9	2.9	3.0	9.7	18.0%	0.2%	7.5	11.6	12.2	7.9%	0.3%
Transfers and subsidies ¹	–	–	0.1	–	–	–	–	–	–	–	–
Households	–	–	0.1	–	–	–	–	–	–	–	–
Payments for capital assets	–	0.0	35.8	–	–	0.4%	–	–	–	–	–
Machinery and equipment	–	0.0	35.8	–	–	0.4%	–	–	–	–	–
Total	1 721.7	1 558.7	2 374.2	3 191.2	22.8%	100.0%	3 695.9	3 809.9	4 018.6	8.0%	100.0%
Proportion of total programme expenditure to vote expenditure	3.1%	2.6%	3.5%	4.4%	–	–	4.7%	4.5%	4.4%	–	–

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

Other departments within the vote

Department of Traditional Affairs

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	37.7	35.0	–	2.7	39.8	42.0
Research, Policy and Legislation	19.0	19.0	–	–	20.9	22.8
Institutional Support and Coordination	88.3	47.8	40.4	–	93.5	99.5
Total expenditure estimates	145.0	101.9	40.4	2.7	154.2	164.3

Executive authority Minister of Cooperative Governance and Traditional Affairs

Accounting officer Director General of Traditional Affairs

Website address www.dta.gov.za

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

Department purpose

Coordinate traditional affairs across government through the development of appropriate policies, norms and standards, systems, and regulatory frameworks; and promote culture, heritage and social cohesion.

Mandate

The department's mandate extends beyond traditional and KhoiSan leadership and communities, and includes overseeing a full range of tasks inherent in dealing with all issues of traditional affairs.

The 2003 White Paper on Traditional Leadership and Governance sets out a national framework, norms and standards that define the role and place of the institution of traditional leadership within the South African system of democratic governance. It seeks to support and transform the institution in accordance with

constitutional imperatives, and to restore the integrity and legitimacy of the institution in line with the African indigenous law and customs subject to the Constitution.

The mandate of the Department of Traditional Affairs is informed by the following constitutional and legislative frameworks:

- the Traditional Leadership and Governance Framework Act (2003)
- the National House of Traditional Leaders Act (2009)
- the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (2002).

Selected performance indicators

Table 4.14 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of genealogies and customary laws of succession for kingships updated and developed per year	Research, Policy and Legislation	Outcome 14: A diverse, socially cohesive society with a common national identity	- ¹	4	4	1	1	1	1
Percentage of traditional leadership claims and dispute cases researched per year	Institutional Support and Coordination		100% (75)	100% (80)	100% (80)	100%	100%	100%	100%
Percentage of kings and queens consulted on the National House of Traditional Leaders programme per year	Institutional Support and Coordination		- ¹	50% (6/12)	50% (6/12)	100% (12)	- ²	- ²	- ²
Number of consultations per year between the National House of Traditional Leaders and all provincial houses of traditional leaders	Institutional Support and Coordination		- ¹	4	4	4	4	4	8

1. No historical data available.

2. All kings and queens will have been consulted by the end of 2016/17.

Expenditure analysis

The strategic objectives of the Department of Traditional Affairs are aligned with outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework. The department plans to finalise all cases it receives each year over the medium term on traditional leadership disputes and claims referred by provincial departments of traditional affairs. Enacting the Traditional Affairs Bill is expected to streamline this process as it will consolidate existing legislation and provide a single legal framework for dealing with issues of traditional leadership. An amount of R281.3 million is allocated in the *Institutional Support and Coordination* programme to support this, over the medium term.

The department also plans to enact the National Initiation Bill in the period ahead. Enacting the bill will formalise the regulation of initiation practices across South Africa and reduce the number of fatalities resulting from these practices. Further research and policy work will be done by developing and implementing the traditional communities' heritage and cultural promotion strategy to mainstream culture and heritage as part of government's broader tourism strategy. As a result, expenditure in the *Research, Policy and Legislation* programme is expected to increase from R19 million in 2017/18 to R22.8 million in 2019/20.

The department plans to establish functional partnerships with provincial, local and other stakeholders that translate to tangible socioeconomic benefits for communities. This is expected to drive an increase in expenditure from R88.3 million in 2017/18 to R99.5 million in 2019/20 in the *Institutional Support and Coordination* programme.

Expenditure trends

Table 4.15 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Research, Policy and Legislation														
3. Institutional Support and Coordination														
Programme														
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	8.4	8.4	8.4	21.5	21.5	22.3	29.3	29.3	31.2	28.8	28.8	28.8	103.0%	103.0%
Programme 2	11.4	11.4	11.4	13.9	13.9	14.2	14.9	14.9	15.1	17.1	17.1	17.1	101.0%	101.0%
Programme 3	22.2	22.2	22.2	80.4	80.4	75.2	81.7	81.7	79.1	83.9	83.9	83.9	97.1%	97.1%
Total	42.1	42.1	42.1	115.9	115.9	111.8	125.9	125.9	125.4	129.8	129.8	129.8	98.9%	98.9%
Change to 2016 Budget estimate														
Economic classification														
Current payments	42.1	42.1	42.1	80.5	80.5	76.5	85.1	85.1	83.9	90.2	90.2	90.2	98.3%	98.3%
Compensation of employees	42.1	42.1	42.1	49.6	49.6	50.2	54.9	54.9	56.6	61.0	61.0	61.0	101.1%	101.1%
Goods and services	-	-	-	31.0	31.0	26.3	30.2	30.2	27.3	29.2	29.2	29.2	91.6%	91.6%
Transfers and subsidies	-	-	-	35.0	35.0	35.0	36.6	36.6	36.8	38.5	38.5	38.5	100.2%	100.2%
Departmental agencies and accounts	-	-	-	35.0	35.0	-	36.6	36.6	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	35.0	-	-	36.6	38.5	38.5	38.5	285.8%	285.8%
Households	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-
Payments for capital assets	-	-	-	0.4	0.4	0.1	4.2	4.2	4.2	1.0	1.0	1.0	93.6%	93.6%
Machinery and equipment	-	-	-	0.4	0.4	0.1	4.2	4.2	4.2	1.0	1.0	1.0	93.6%	93.6%
Payments for financial assets	-	-	-	-	-	0.2	-	-	0.5	-	-	-	-	-
Total	42.1	42.1	42.1	115.9	115.9	111.8	125.9	125.9	125.4	129.8	129.8	129.8	98.9%	98.9%

Expenditure estimates

Table 4.16 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Research, Policy and Legislation									
3. Institutional Support and Coordination									
Programme									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
Programme 1	28.8	50.7%	22.2%	37.7	39.8	42.0	13.4%	25.0%	
Programme 2	17.1	14.4%	14.2%	19.0	20.9	22.8	10.0%	13.5%	
Programme 3	83.9	55.7%	63.7%	88.3	93.5	99.5	5.9%	61.5%	
Total	129.8	45.6%	100.0%	145.0	154.2	164.3	8.2%	100.0%	
Change to 2016 Budget estimate				3.3	3.5	3.7			
Economic classification									
Current payments	90.2	29.0%	71.6%	101.9	108.6	116.3	8.8%	70.3%	
Compensation of employees	61.0	13.2%	51.3%	69.0	73.9	79.5	9.2%	47.8%	
Goods and services	29.2	-	20.2%	32.8	34.8	36.8	8.0%	22.5%	
Transfers and subsidies	38.5	-	27.0%	40.4	42.8	45.2	5.5%	28.1%	
Non-profit institutions	38.5	-	26.9%	40.4	42.8	45.2	5.5%	28.1%	
Payments for capital assets	1.0	-	1.3%	2.7	2.8	2.8	40.4%	1.6%	
Machinery and equipment	1.0	-	1.3%	2.7	2.8	2.8	40.4%	1.6%	
Total	129.8	45.6%	100.0%	145.0	154.2	164.3	8.2%	100.0%	

Goods and services expenditure trends and estimates

Table 4.17 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administrative fees	-	4	107	52	-	0.2%	53	46	54	1.3%	0.2%
Advertising	-	75	323	-	-	0.5%	275	75	75	-	0.3%
Minor assets	-	28	42	8	-	0.1%	126	107	102	133.6%	0.3%
Audit costs: External	-	661	2 594	2 438	-	6.9%	2 500	2 693	2 364	-1.0%	7.5%
Bursaries: Employees	-	-	-	-	-	-	250	275	380	-	0.7%
Catering: Departmental activities	-	695	495	267	-	1.8%	560	598	600	31.0%	1.5%
Communication	-	1 669	830	1 595	-	4.9%	1 354	1 298	1 321	-6.1%	4.2%
Computer services	-	-	149	-	-	0.2%	216	326	331	-	0.7%
Consultants: Business and advisory services	-	1 737	1 886	2 378	-	7.2%	2 690	3 062	3 737	16.3%	8.9%
Legal services	-	5 774	3 865	4 314	-	16.9%	5 400	5 748	6 243	13.1%	16.2%
Contractors	-	37	52	-	-	0.1%	-	-	-	-	-
Fleet services (including government motor transport)	-	192	413	720	-	1.6%	95	95	95	-49.1%	0.8%
Consumable supplies	-	229	38	267	-	0.6%	77	78	78	-33.6%	0.4%
Consumables: Stationery, printing and office supplies	-	764	550	3 343	-	5.6%	1 174	1 200	1 263	-27.7%	5.2%
Operating leases	-	6	157	102	-	0.3%	300	362	150	13.7%	0.7%
Rental and hiring	-	-	55	-	-	0.1%	-	-	-	-	-
Property payments	-	-	5	-	-	-	-	-	-	-	-
Travel and subsistence	-	13 501	14 473	12 011	-	48.3%	15 586	16 432	17 593	13.6%	46.1%
Training and development	-	45	182	637	-	1.0%	327	345	338	-19.0%	1.2%
Operating payments	-	588	678	722	-	2.4%	838	945	1 016	12.1%	2.6%
Venues and facilities	-	265	402	363	-	1.2%	990	1 111	1 072	43.5%	2.6%
Total	-	26 270	27 296	29 217	-	100.0%	32 811	34 796	36 812	8.0%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 4.18 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Provinces and municipalities											
Municipal bank accounts											
Current	-	-	4	-	-	-	-	-	-	-	-
Municipal bank account	-	-	4	-	-	-	-	-	-	-	-
Non-profit institutions											
Current	-	34 973	36 582	38 521	-	99.8%	40 447	42 793	45 189	5.5%	100.0%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	-	34 973	36 582	38 521	-	99.8%	40 447	42 793	45 189	5.5%	100.0%
Households											
Social benefits											
Current	-	-	232	-	-	0.2%	-	-	-	-	-
Leave gratuity	-	-	232	-	-	0.2%	-	-	-	-	-
Total	-	34 973	36 818	38 521	-	100.0%	40 447	42 793	45 189	5.5%	100.0%

Personnel information

Table 4.19 Departmental personnel numbers and cost by salary level and programme¹

Programmes

- Administration
- Research, Policy and Legislation
- Institutional Support and Coordination

Number of funded posts	Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number							
	Number of posts additional to the establishment	-	Actual						Revised estimate						Medium-term expenditure estimate						Average growth rate (%) 2016/17 - 2019/20	Average: Salary level/Total (%)
			2015/16			2016/17			2017/18			2018/19			2019/20							
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Traditional Affairs	88	-	84	56.6	0.7	89	61.0	0.7	99	69.0	0.7	101	73.9	0.7	101	79.5	0.8	4.3%	100.0%			
Salary level																						
1 - 6	22	-	22	5.0	0.2	23	5.5	0.2	28	7.2	0.3	30	8.3	0.3	30	8.9	0.3	9.3%	28.5%			
7 - 10	15	-	13	5.7	0.4	15	6.5	0.4	20	9.3	0.5	21	10.5	0.5	21	11.2	0.5	11.9%	19.7%			
11 - 12	20	-	17	12.0	0.7	19	14.6	0.8	20	16.6	0.8	21	18.8	0.9	21	20.4	1.0	3.4%	20.8%			
13 - 16	30	-	32	33.9	1.1	32	34.4	1.1	31	36.0	1.2	29	36.3	1.3	29	38.9	1.3	-3.2%	31.0%			
Other	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Programme	88	-	84	56.6	0.7	89	61.0	0.7	99	69.0	0.7	101	73.9	0.7	101	79.5	0.8	4.3%	100.0%			
Programme 1	35	-	25	19.0	0.8	24	19.6	0.8	32	24.5	0.8	29	25.7	0.9	29	27.6	1.0	6.5%	29.2%			
Programme 2	14	-	19	12.9	0.7	23	14.3	0.6	24	15.8	0.7	26	17.5	0.7	26	18.8	0.7	4.2%	25.4%			
Programme 3	39	-	40	24.8	0.6	42	27.2	0.6	43	28.8	0.7	46	30.7	0.7	46	33.0	0.7	3.1%	45.4%			

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

2. Rand million.

Departmental receipts

Table 4.20 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	–	4	29	338	38	–	100.0%	38	38	38	–	100.0%
Sales of goods and services produced by department	–	4	29	38	38	–	100.0%	38	38	38	–	100.0%
Sales by market establishments	–	4	29	38	38	–	100.0%	38	38	38	–	100.0%
of which:												
Sales of goods and services produced by department	–	4	29	38	38	–	100.0%	38	38	38	–	100.0%
Sales of capital assets	–	–	–	300	–	–	–	–	–	–	–	–
Total	–	4	29	338	38	–	100.0%	38	38	38	–	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 4.21 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	–	3.1	6.1	5.7	–	16.5%	6.6	7.0	7.5	9.4%	18.0%
Management of Traditional Affairs	8.4	17.1	10.5	9.3	3.2%	49.9%	11.3	12.2	12.6	10.8%	30.6%
Corporate Services	–	1.7	12.5	11.5	–	28.4%	14.9	15.5	16.3	12.2%	39.2%
Internal Audit	–	0.4	2.1	2.3	–	5.3%	4.9	5.2	5.7	34.5%	12.2%
Total	8.4	22.3	31.2	28.8	50.7%	100.0%	37.7	39.8	42.0	13.4%	100.0%
Change to 2016 Budget estimate				–			2.3	2.7	2.2		
Economic classification											
Current payments	8.4	22.0	29.2	27.8	48.9%	96.4%	35.0	37.0	39.2	12.1%	93.7%
Compensation of employees	8.4	14.2	19.0	19.6	32.4%	67.4%	24.5	25.7	27.6	12.2%	65.7%
Goods and services ¹	–	7.8	10.2	8.2	–	28.9%	10.5	11.4	11.5	11.9%	28.0%
of which:											
Audit costs: External	–	0.7	2.6	2.4	–	6.3%	2.5	2.7	2.4	-1.0%	6.7%
Communication	–	0.4	0.4	0.4	–	1.4%	0.5	0.6	0.6	9.5%	1.4%
Consultants: Business and advisory services	–	1.5	0.8	0.7	–	3.4%	0.7	0.7	0.9	7.5%	2.1%
Consumables: Stationery, printing and office supplies	–	0.2	0.4	0.6	–	1.3%	0.4	0.4	0.4	-11.3%	1.2%
Travel and subsistence	–	3.9	4.0	2.9	–	11.9%	4.2	4.6	5.0	19.4%	11.2%
Operating payments	–	0.6	0.7	0.4	–	1.8%	0.6	0.7	0.8	28.2%	1.7%
Payments for capital assets	–	0.1	1.6	1.0	–	2.9%	2.7	2.8	2.8	40.4%	6.3%
Machinery and equipment	–	0.1	1.6	1.0	–	2.9%	2.7	2.8	2.8	40.4%	6.3%
Payments for financial assets	–	0.2	0.5	–	–	0.7%	–	–	–	–	–
Total	8.4	22.3	31.2	28.8	50.7%	100.0%	37.7	39.8	42.0	13.4%	100.0%
Proportion of total programme expenditure to vote expenditure	20.0%	19.9%	24.9%	22.2%	–	–	26.0%	25.8%	25.6%	–	–

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

Programme 2: Research, Policy and Legislation

Programme purpose

Develop, review, coordinate and monitor the implementation of traditional affairs policies and norms and standards, and support traditional affairs entities to restore the integrity and dignity of traditional leadership.

Objectives

- Support the transformation of institutions of traditional leadership through implementing and monitoring relevant policies and legislation on an ongoing basis.

- Promote the culture, heritage and cohesiveness of traditional and interfaith communities by implementing the culture and heritage promotion strategy by March 2018.

Subprogrammes

- Management* provides strategic oversight to the programme.
- Policy and Legislation* develops, reviews and monitors the implementation of traditional policies, legislation, frameworks, and norms and standards. The subprogramme also ensures the alignment of provincial traditional affairs legislation and policies with national policies and legislation.
- Research and Information Management* provides anthropological research for the department and traditional affairs entities; provides research support for entities; develops and maintains traditional affairs information-management systems; implements national frameworks and strategies for the coordination of social cohesion within the sector to promote interfaith affairs; and promotes the progressive cultural and heritage practices of traditional and KhoiSan communities.

Expenditure trends and estimates

Table 4.22 Research, Policy and Legislation 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Management	11.4	4.1	3.9	4.0	-29.6%	40.4%	1.7	1.8	2.1	-19.9%	11.9%
Policy and Legislation	-	3.4	3.6	4.1	-	19.2%	3.8	4.0	4.4	1.8%	20.4%
Research and Information Management	-	6.8	7.7	9.0	-	40.5%	13.6	15.1	16.4	22.2%	67.7%
Total	11.4	14.2	15.1	17.1	14.4%	100.0%	19.0	20.9	22.8	10.0%	100.0%
Change to 2016 Budget estimate				-			0.0	(0.0)	0.4		
Economic classification											
Current payments	11.4	14.2	14.9	17.1	14.4%	99.6%	19.0	20.9	22.8	10.0%	100.0%
Compensation of employees	11.4	12.1	12.9	14.3	7.6%	87.6%	15.8	17.5	18.8	9.7%	83.0%
Goods and services ¹	-	2.1	2.0	2.9	-	12.0%	3.3	3.4	4.0	11.9%	17.0%
of which:											
Catering: Departmental activities	-	0.1	0.0	0.0	-	0.3%	0.1	0.1	0.1	112.8%	0.4%
Communication	-	0.2	0.2	0.3	-	1.2%	0.2	0.3	0.3	-4.5%	1.3%
Consumables: Stationery, printing and office supplies	-	0.2	0.1	0.5	-	1.3%	0.3	0.3	0.4	-10.6%	1.8%
Travel and subsistence	-	1.5	1.5	1.9	-	8.4%	2.3	2.4	3.0	17.4%	12.0%
Operating payments	-	-	-	0.1	-	0.1%	0.1	0.1	0.1	8.2%	0.5%
Venues and facilities	-	0.0	0.2	0.1	-	0.5%	0.1	0.1	0.1	9.1%	0.3%
Transfers and subsidies ¹	-	-	0.2	-	-	0.4%	-	-	-	-	-
Households	-	-	0.2	-	-	0.4%	-	-	-	-	-
Total	11.4	14.2	15.1	17.1	14.4%	100.0%	19.0	20.9	22.8	10.0%	100.0%
Proportion of total programme expenditure to vote expenditure	27.2%	12.7%	12.1%	13.2%	-	-	13.1%	13.5%	13.9%	-	-

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

Programme 3: Institutional Support and Coordination

Programme purpose

Provide comprehensive support to the institutions of traditional leadership, including KhoiSan leadership structures, to coordinate traditional affairs across the three spheres of government.

Objectives

- Increase the number of functional structures of traditional leadership through the implementation of regulations aimed at transforming the sector by March 2018.
- Promote socioeconomic development within traditional communities by participating in the municipal integrated development planning processes on an ongoing basis.

Subprogrammes

- *Management* provides strategic oversight for programme.
- *Institutional Development and Capacity Building* ensures that traditional communities are empowered by reviewing and developing national support programmes for these communities and their governance structures.
- *Intergovernmental Relations and Partnerships* promotes and integrates the role and place of traditional affairs and the institutions of traditional leadership, including KhoiSan leadership structures, in the South African governing system by establishing synergistic relationships with other governance structures across the three spheres of government.
- *National House of Traditional Leaders* enhances cooperation between government and the institutions of traditional leadership, and advises government on programmes, policies and legislation that affect traditional communities.
- *Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities* promotes and protects the cultural, religious and linguistic rights of communities.
- *Commission on Traditional Leaders Disputes and Claims* processes and finalises traditional leadership disputes and claims.

Expenditure trends and estimates

Table 4.23 Institutional Support and Coordination 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 (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Management	4.4	1.9	1.5	2.2	-20.7%	3.8%	1.7	1.8	2.1	-1.3%	2.2%
Institutional Development and Capacity Building	–	4.8	5.1	6.9	–	6.4%	6.7	7.4	7.9	4.6%	7.9%
Intergovernmental Relations and Partnerships	–	5.8	6.5	7.3	–	7.5%	7.7	7.9	7.9	2.8%	8.4%
National House of Traditional Leaders	10.6	15.1	18.6	15.2	12.9%	22.8%	17.6	19.0	20.7	10.8%	19.8%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	–	35.0	36.6	38.5	–	42.3%	40.4	42.8	45.2	5.5%	45.7%
Commission on Traditional Leaders Disputes and Claims	7.3	12.7	10.9	13.8	23.7%	17.1%	14.1	14.7	15.7	4.5%	16.0%
Total	22.2	75.2	79.1	83.9	55.7%	100.0%	88.3	93.5	99.5	5.9%	100.0%
Change to 2016 Budget estimate				–			0.9	0.8	1.0		
Economic classification											
Current payments	22.2	40.3	39.9	45.3	26.8%	56.7%	47.8	50.7	54.3	6.2%	54.3%
Compensation of employees	22.2	23.9	24.8	27.2	7.0%	37.7%	28.8	30.7	33.0	6.7%	32.8%
Goods and services ¹	–	16.3	15.1	18.1	–	19.0%	19.1	20.0	21.3	5.5%	21.5%
of which:											
Communication	–	1.0	0.3	0.9	–	0.8%	0.6	0.5	0.5	-16.5%	0.7%
Consultants: Business and advisory services	–	0.3	1.1	1.6	–	1.1%	2.0	2.3	2.8	19.9%	2.4%
Legal services	–	5.8	3.9	4.3	–	5.4%	5.4	5.7	6.2	13.1%	5.9%
Consumables: Stationery, printing and office supplies	–	0.4	0.1	2.2	–	1.1%	0.5	0.5	0.5	-39.8%	1.0%
Travel and subsistence	–	8.1	9.0	7.2	–	9.3%	9.1	9.3	9.6	10.0%	9.7%
Venues and facilities	–	0.1	0.0	0.3	–	0.2%	0.7	0.7	0.7	32.5%	0.7%
Transfers and subsidies¹	–	35.0	36.6	38.5	–	42.3%	40.4	42.8	45.2	5.5%	45.7%
Non-profit institutions	–	35.0	36.6	38.5	–	42.3%	40.4	42.8	45.2	5.5%	45.7%
Payments for capital assets	–	–	2.6	–	–	1.0%	–	–	–	–	–
Machinery and equipment	–	–	2.6	–	–	1.0%	–	–	–	–	–
Total	22.2	75.2	79.1	83.9	55.7%	100.0%	88.3	93.5	99.5	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	52.8%	67.3%	63.1%	64.6%	–	–	60.9%	60.6%	60.6%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	–	35.0	36.6	38.5	–	42.3%	40.4	42.8	45.2	5.5%	45.7%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	–	35.0	36.6	38.5	–	42.3%	40.4	42.8	45.2	5.5%	45.7%

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

Entities

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

- The **Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities** promotes and protects cultural, religious and linguistic rights. The commission focuses on conflict resolution, research, advocacy and community engagement. The commission's total budget for 2017/18 is R40.6 million.
- The **Municipal Demarcation Board** is an independent authority responsible for determining municipal boundaries. The board is also mandated to declare district management areas, delimit wards for local elections, and assess the capacity of municipalities to perform their functions. The board's total budget for 2017/18 is R51.2 million.
- The **Municipal Infrastructure Support Agency** is mandated to provide immediate support to municipalities struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to those municipalities and overseeing them. The agency's total budget for 2017/18 is R381.5 million.
- The **South African Local Government Association** is mandated by the Constitution to assist in the comprehensive transformation of local government. The association participates in intergovernmental structures at provincial and district levels, and is therefore able to influence national and provincial legislation and gauge its impact on local government. The association's total transfers received for 2017/18 amount to R63.1 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Departmental infrastructure										
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Municipal infrastructure grant	Eradication of the backlog in municipal infrastructure, provision of basic services to poor households	Various	83 958.3	14 224.4	14 745.4	14 955.8	14 914.0	15 891.3	16 787.7	17 733.7
Total			83 958.3	14 224.4	14 745.4	14 955.8	14 914.0	15 891.3	16 787.7	17 733.7

Vote 5

Home Affairs

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	2 259.5	2 195.7	2.4	61.4	2 349.4	2 519.1
Citizen Affairs	3 574.7	2 131.3	1 443.4	–	4 182.6	3 798.6
Immigration Affairs	1 221.3	1 220.9	0.4	–	1 284.1	1 329.4
Total expenditure estimates	7 055.5	5 547.9	1 446.2	61.4	7 816.0	7 647.1

Executive authority Minister of Home Affairs
 Accounting officer Director General of Home Affairs
 Website address www.dha.gov.za

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

Vote purpose

Efficiently determine and safeguard the identity and status of citizens. Regulate immigration to ensure security, promote development and fulfil South Africa's international obligations.

Mandate

The mandate of the Department of Home Affairs is derived from the Constitution and various acts of Parliament and policy documents. The department's services are divided into two broad categories: civic services and immigration services. Both must ensure the efficient determination and safeguarding of the identity and status of citizens and foreigners; and provide for the management of immigration to ensure security, promote development and fulfil South Africa's international obligations.

Selected performance indicators

Table 5.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of births registered per year within 30 calendar days	Citizen Affairs	Outcome 3: All people in South Africa are and feel safe	650 682	704 527	703 765	750 000	750 000	810 000	810 000
Number of smart identity cards issued per year to citizens 16 years and older	Citizen Affairs		125 112	1 638 387	2 320 972	2 200 000	3 000 000	5 000 000	8 000 000
Percentage of machine-readable passports (new live capture process) issued within 13 working days	Citizen Affairs	Outcome 12: An efficient, effective and development-oriented public service	– ¹	– ¹	92.4% (563 475/ 609 748)	90%	90%	90%	90%
Percentage of permanent residence applications ² per year adjudicated within 8 months (collected within South Africa) ³	Immigration Affairs		28.2% (4 612/ 16 355)	36.8% (6 678/ 18 146)	53% (2 754/ 5 196)	85%	85%	85%	85%
Percentage of business and general work visa applications per year adjudicated within eight weeks (processed within South Africa) ⁴	Immigration Affairs		48.7% (19 035/ 39 086)	66.4% (18 829/ 28 357)	84.7% (5 764/ 6 805)	80%	90%	95%	95%
Percentage of critical skills visa applications per year adjudicated within four weeks (processed within South Africa) ⁵	Immigration Affairs	Outcome 4: Decent employment through inclusive growth	– ¹	– ¹	79.8% (3 530/ 4 424)	75%	80%	85%	85%

1. No historical data available.

2. Indicator measures permanent residence applications made in terms of sections 27(b), 26(a) and 27(c) of the Immigration Act (2002).

3. Indicator changed to align with wording used in the medium-term strategic framework.

4. Indicator corrected from 2016 Estimates of National Expenditure (three weeks corrected to eight weeks).

5. Up to 2012/13, focus was placed on work, business and corporate temporary residence permits. From 2015/16, focus is placed on business and general work visas.

Expenditure analysis

The Department of Home Affairs is mainly responsible for the issuing of enabling documents (such as identity documents, passports, birth certificates and visas), which allow nationals and foreign nationals to conduct transactions for social and economic services. These responsibilities enable the development objectives of the National Development Plan, including building a capable developmental state and ensuring that all people in the country feel safe. The department's work contributes to outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework. Over the medium term, the department expects to focus on modernising and integrating its information systems, increasing and improving its client interfaces, and reviewing the existing policy on international migration. The department also plans to transfer an additional allocation of R630 million in 2018/19 to the Electoral Commission for preparations for the 2019 general elections. The funds will be used to recruit and provide training to 210 000 temporary electoral staff; print ballot papers; hire warehouses, venues, and tents; and all other goods and services required to manage elections successfully.

Modernising and integrating information systems

The department's information systems modernisation project aims to create an integrated IT platform that harmonises business processes. The platform's features, including the ability to capture transactions in real time and digitise supporting documents, should allow the department to deliver services to the public more efficiently and effectively. Over the medium term, the department plans to develop and complete remaining modules of the system including: the automated births, deaths and marriages registration system; the e-Permit system; the asylum-seeker and refugee system; the border management system; the national identity system; and the trusted traveller system at identified high-volume land ports of entry. The department also plans to modernise ICT infrastructure at its newly launched call centre. For these activities, the department has budgeted R518.9 million in 2017/18, R549 million in 2018/19 and R579.8 million in 2019/20.

Improving and expanding client interfaces

The department's services are currently available at more than 400 service points nationwide, including district and regional offices. The services are also available through 389 health facilities that process birth registrations, 117 mobile offices that connect by satellite from remote areas to the department's central systems, 3 refugee reception offices, and 72 ports of entry that facilitate the movement of people and goods in and out of the country. The department is also represented in more than 30 missions abroad. Maintaining such a large footprint requires having the personnel to perform functions such as collecting, processing and issuing documents; and responding to queries from the public. As such, 77.6 per cent of the department's allocation over the medium term is to be spent on compensation of employees, and the goods and services that allow them to do their work, including IT equipment, office space and travel.

The department has entered into a memorandum of understanding to allow the four major South African banks to issue smart identity cards. The department has also implemented an online application platform, e-Home Affairs, to allow the public to make online applications for the cards. These initiatives are expected to increase the number of identity cards issued each year from 3 million in 2017/18 to 8 million in 2019/20. To further improve service delivery, the department has allocated R73.5 million in 2017/18, R77.8 million in 2018/19, and R82.1 million in 2019/20 for infrastructure improvements to improve residential and office accommodation at a total of 20 ports of entry over the medium term.

Over the medium term, the department is set to receive an additional allocation of R34 million in the *Immigration Affairs* programme to increase the capacity of immigration officers at OR Tambo International Airport. An amount of R51 million is also allocated each year for the advance passenger processing system, which is intended to prevent undesirable persons from boarding flights entering South Africa. The system is also used to prevent certain persons from departing (such as those trying to use South African passports that have been reported lost or stolen, or persons with a warrant for their arrest). Despite these increases, the budget for compensation of employees has been reduced by R35.6 million in 2017/18, R37.3 million in 2018/19, and R39.4 million in 2019/20 as part of Cabinet's decision to lower the national aggregate expenditure ceiling. Reductions of R61.9 million over the period have also been made on the budget for goods and services. The budget reductions have been implemented mainly on non-core activities to avoid negative effects on service delivery.

Reviewing international migration policy

The department will review the 1999 White Paper on Immigration Policy, and finalise the green and white papers on international migration over the medium term. The 2016 Green Paper on International Migration proposes broad policy principles for the approach to international migration and the key issues that need to be addressed. The white paper will be submitted to Cabinet by March 2017 and recommends policy changes in the following areas: management of admissions and departures, residency and naturalisation, international migrants with skills and capital, ties with South African expatriates, asylum seekers and refugees, and the integration process for international migrants.

Expenditure trends

Table 5.2 Vote expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Citizen Affairs																																	
3. Immigration Affairs																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)		
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17			2013/14 - 2016/17																	
Programme 1	1 871.6	1 845.5	1 906.3	1 860.3	2 124.2	2 031.5	1 704.2	1 769.6	1 828.0	2 222.9	2 387.8	2 387.8	106.5%	100.3%																			
Programme 2	4 048.7	4 388.2	3 900.0	4 106.9	4 051.0	4 075.7	4 025.7	4 941.6	4 785.7	3 901.6	4 725.5	4 725.5	108.7%	96.6%																			
Programme 3	647.5	761.1	1 055.3	656.5	969.5	962.3	720.9	637.6	729.8	1 042.7	1 042.5	1 042.5	123.5%	111.1%																			
Total	6 567.8	6 994.7	6 861.6	6 623.7	7 144.8	7 069.5	6 450.8	7 348.7	7 343.4	7 167.1	8 155.8	8 155.8	109.8%	99.3%																			
Change to 2016 Budget estimate													988.7																				
Economic classification																																	
Current payments	4 756.9	5 135.0	4 874.1	4 853.8	5 453.8	5 101.3	4 790.5	5 688.4	5 460.5	5 430.4	6 327.7	6 327.7	109.7%	96.3%																			
Compensation of employees	2 538.2	2 496.5	2 385.8	2 670.0	2 670.0	2 600.2	2 868.1	2 866.0	2 845.3	3 146.8	3 069.8	3 069.8	97.1%	98.2%																			
Goods and services	2 218.7	2 638.4	2 488.2	2 183.8	2 783.8	2 501.1	1 922.4	2 822.4	2 615.2	2 283.5	3 257.9	3 257.9	126.2%	94.4%																			
Transfers and subsidies	1 800.0	1 799.4	1 733.2	1 759.0	1 680.1	1 703.5	1 649.4	1 649.4	1 666.1	1 725.9	1 817.2	1 817.2	99.8%	99.6%																			
Provinces and municipalities	1.4	1.1	0.9	1.5	1.5	0.9	1.5	1.5	0.9	1.6	1.6	1.6	71.2%	74.6%																			
Departmental agencies and accounts	1 795.9	1 795.9	1 721.0	1 754.7	1 675.8	1 683.7	1 644.9	1 644.9	1 644.8	1 721.1	1 792.5	1 792.5	-	-																			
Households	2.7	2.3	11.3	2.9	2.9	18.8	3.0	3.0	20.4	3.1	23.1	23.1	631.0%	235.3%																			
Payments for capital assets	10.8	8.4	254.3	10.9	10.9	264.7	10.9	10.9	216.7	10.9	10.9	10.9	1 715.5%	1 817.3%																			
Buildings and other fixed structures	-	0.1	4.6	-	-	66.2	-	-	98.2	-	-	-	-	160 982.9%																			
Machinery and equipment	10.8	8.3	185.2	10.9	10.9	178.6	10.9	10.9	100.9	10.9	10.9	10.9	1 092.9%	1 161.5%																			
Software and other intangible assets	-	0.0	64.4	-	-	20.0	-	-	17.5	-	-	-	-	377 366.7%																			
Payments for financial assets	-	52.0	0.1	-	-	-	-	-	-	-	-	-	-	0.2%																			
Total	6 567.8	6 994.7	6 861.6	6 623.7	7 144.8	7 069.5	6 450.8	7 348.7	7 343.4	7 167.1	8 155.8	8 155.8	109.8%	99.3%																			

Expenditure estimates

Table 5.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Citizen Affairs									
3. Immigration Affairs									
Programme	Revised estimate 2016/17	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2013/14 - 2016/17	2013/14 - 2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20	
Programme 1	2 387.8	9.0%	27.7%	2 259.5	2 349.4	2 519.1	1.8%	31.0%	
Programme 2	4 725.5	2.5%	59.4%	3 574.7	4 182.6	3 798.6	-7.0%	53.1%	
Programme 3	1 042.5	11.1%	12.9%	1 221.3	1 284.1	1 329.4	8.4%	15.9%	
Total	8 155.8	5.3%	100.0%	7 055.5	7 816.0	7 647.1	-2.1%	100.0%	
Change to 2016 Budget estimate				(4.9)	642.4	5.1			

Table 5.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average	Average:	Medium-term expenditure estimate			Average	Average:
		growth rate (%)	Expenditure/ Total (%)	2017/18	2018/19	2019/20	growth rate (%)	Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17				2016/17 - 2019/20		
Current payments	6 327.7	7.2%	73.9%	5 547.9	5 781.4	6 163.8	-0.9%	77.7%
Compensation of employees	3 069.8	7.1%	37.0%	3 198.2	3 308.1	3 559.0	5.1%	42.8%
Goods and services	3 257.9	7.3%	36.9%	2 349.8	2 473.3	2 604.8	-7.2%	34.8%
Transfers and subsidies	1 817.2	0.3%	23.5%	1 446.2	1 969.6	1 414.7	-8.0%	21.7%
Provinces and municipalities	1.6	13.5%	0.0%	1.8	1.9	2.0	6.9%	0.0%
Departmental agencies and accounts	1 792.5	-0.1%	23.2%	1 441.1	1 964.3	1 409.0	-7.7%	21.5%
Households	23.1	115.3%	0.3%	3.3	3.5	3.7	-45.8%	0.1%
Payments for capital assets	10.9	9.0%	2.5%	61.4	65.0	68.7	84.7%	0.7%
Buildings and other fixed structures	-	-100.0%	0.6%	50.1	53.1	56.1	-	0.5%
Machinery and equipment	10.9	9.6%	1.6%	11.3	11.9	12.6	4.9%	0.2%
Total	8 155.8	5.3%	100.0%	7 055.5	7 816.0	7 647.1	-2.1%	100.0%

Goods and services expenditure trends and estimates

Table 5.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average	Average:	Medium-term expenditure estimate			Average	Average:
	2013/14	2014/15	2015/16		growth rate (%)	Expenditure/ Total (%)	2017/18	2018/19	2019/20	growth rate (%)	Expenditure/ Total (%)
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17				2016/17 - 2019/20		
Administrative fees	17 740	14 999	17 357	16 842	-1.7%	0.6%	18 331	19 033	19 724	5.4%	0.7%
Advertising	14 807	10 846	14 836	7 438	-20.5%	0.4%	6 458	6 718	6 974	-2.1%	0.3%
Minor assets	18 937	20 479	10 541	38 873	27.1%	0.8%	32 373	33 646	34 932	-3.5%	1.3%
Audit costs: External	26 905	32 733	28 734	24 358	-3.3%	1.0%	25 747	26 782	27 778	4.5%	1.0%
Bursaries: Employees	2 376	2 255	2 197	1 979	-5.9%	0.1%	2 060	2 143	2 222	3.9%	0.1%
Catering: Departmental activities	5 294	2 719	2 461	3 728	-11.0%	0.1%	3 761	3 749	3 884	1.4%	0.1%
Communication	119 247	78 629	73 145	81 615	-11.9%	3.2%	80 136	86 155	111 041	10.8%	3.4%
Computer services	527 589	552 104	465 297	904 783	19.7%	22.6%	1 049 912	1 093 428	1 117 570	7.3%	39.0%
Consultants: Business and advisory services	35 061	40 260	19 401	43 650	7.6%	1.3%	28 543	29 691	30 794	-11.0%	1.2%
Legal services	45 453	34 268	54 042	7 888	-44.2%	1.3%	15 166	16 772	12 232	15.7%	0.5%
Contractors	171 798	136 396	168 945	183 061	2.1%	6.1%	112 032	118 748	118 540	-13.5%	5.0%
Agency and support/outourced services	39 338	82 540	143 490	82 634	28.1%	3.2%	37 143	41 987	37 328	-23.3%	1.9%
Entertainment	532	408	331	1 260	33.3%	-	488	511	530	-25.1%	-
Fleet services (including government motor transport)	89 671	91 613	64 966	20 102	-39.3%	2.5%	18 396	15 683	146 518	93.9%	1.9%
Inventory: Clothing material and accessories	4 777	5 673	12 921	26 437	76.9%	0.5%	20 905	21 747	22 550	-5.2%	0.9%
Inventory: Other supplies	-	-	-	-	-	-	45	47	49	-	-
Consumable supplies	15 016	20 087	10 899	22 765	14.9%	0.6%	12 709	13 308	13 799	-15.4%	0.6%
Consumables: Stationery, printing and office supplies	383 165	484 605	732 055	810 564	28.4%	22.2%	25 927	27 216	28 230	-67.3%	8.3%
Operating leases	348 109	323 149	340 706	241 853	-11.4%	11.5%	273 413	279 699	304 101	7.9%	10.3%
Rental and hiring	492	829	908	142	-33.9%	-	1 546	1 608	1 650	126.5%	-
Property payments	234 637	236 974	165 123	436 677	23.0%	9.9%	323 259	339 810	328 575	-9.0%	13.4%
Transport provided: Departmental activity	104 030	89 320	65 203	50 009	-21.7%	2.8%	30 057	31 266	32 428	-13.4%	1.3%
Travel and subsistence	224 112	170 367	168 147	164 053	-9.9%	6.7%	201 459	232 041	170 640	1.3%	7.2%
Training and development	12 700	8 752	3 452	15 239	6.3%	0.4%	4 253	4 538	4 709	-32.4%	0.3%
Operating payments	36 124	51 872	37 641	57 433	16.7%	1.7%	15 917	16 693	17 319	-32.9%	1.0%
Venues and facilities	10 323	9 173	12 416	14 477	11.9%	0.4%	9 735	10 274	10 683	-9.6%	0.4%
Total	2 488 233	2 501 050	2 615 214	3 257 860	9.4%	100.0%	2 349 771	2 473 293	2 604 800	-7.2%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 5.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average	Average:	Medium-term expenditure estimate			Average	Average:
	2013/14	2014/15	2015/16		growth rate (%)	Expenditure/ Total (%)	2017/18	2018/19	2019/20	growth rate (%)	Expenditure/ Total (%)
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17				2016/17 - 2019/20		
Provinces and municipalities											
Municipal bank accounts											
Current	871	917	890	1 630	23.2%	0.1%	1 780	1 883	1 989	6.9%	0.1%
Employee social benefits	561	-	-	-	-100.0%	-	-	-	-	-	-
Vehicle licences	310	917	890	1 630	73.9%	0.1%	1 780	1 883	1 989	6.9%	0.1%

Table 5.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 721 034	1 683 733	1 644 833	1 792 456	1.4%	98.9%	1 441 127	1 964 272	1 408 991	-7.7%	99.4%
Employee social benefits	8	4	11	-	-100.0%	-	-	-	-	-	-
Communication	2	2	-	7	51.8%	-	8	8	8	4.6%	-
Vehicle licences	7 840	8 010	-	65	-79.8%	0.2%	-	-	-	-100.0%	-
Government Printing Works	134 005	-	-	-	-100.0%	1.9%	-	-	-	-	-
Electoral Commission	1 463 994	1 553 617	1 517 104	1 657 901	4.2%	89.5%	1 299 912	1 814 867	1 251 220	-9.0%	90.6%
Represented Political Parties' Fund	115 185	122 096	127 712	134 480	5.3%	7.2%	141 204	149 394	157 760	5.5%	8.8%
Communications	-	4	6	3	-	-	3	3	3	-	-
Households											
Social benefits											
Current	11 253	18 148	20 420	23 141	27.2%	1.1%	3 298	3 489	3 685	-45.8%	0.5%
Employee social benefits	10 695	18 148	20 420	23 141	29.3%	1.0%	3 298	3 489	3 685	-45.8%	0.5%
Vehicle licences	558	-	-	-	-100.0%	-	-	-	-	-	-
Households											
Other transfers to households											
Current	-	672	-	-	-	-	-	-	-	-	-
Other transfers to households	-	672	-	-	-	-	-	-	-	-	-
Total	1 733 158	1 703 470	1 666 143	1 817 227	1.6%	100.0%	1 446 205	1 969 644	1 414 665	-8.0%	100.0%

Personnel information

Table 5.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)		
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	
Home Affairs																	
Salary level	10 096	461	9 674	2 845.3	0.3	9 530	3 069.8	0.3	9 528	3 198.2	0.3	9 186	3 308.1	0.4	9 147	3 559.0	0.4
1 – 6	7 202	455	6 761	1 573.1	0.2	6 711	1 671.2	0.2	6 724	1 739.3	0.3	6 563	1 839.9	0.3	6 546	1 935.6	0.3
7 – 10	2 488	4	2 502	944.4	0.4	2 408	1 000.3	0.4	2 396	1 037.8	0.4	2 260	1 057.1	0.5	2 243	1 138.0	0.5
11 – 12	232	-	235	154.7	0.7	235	192.6	0.8	232	203.2	0.9	212	206.6	1.0	211	247.2	1.2
13 – 16	157	2	159	159.0	1.0	159	187.6	1.2	159	198.6	1.2	134	183.1	1.4	130	210.7	1.6
Other	17	-	17	14.1	0.8	17	18.1	1.1	17	19.3	1.1	17	21.4	1.3	17	27.4	1.6
Programme	10 096	461	9 674	2 845.3	0.3	9 530	3 069.8	0.3	9 528	3 198.2	0.3	9 186	3 308.1	0.4	9 147	3 559.0	0.4
Programme 1	3 337	366	1 049	430.7	0.4	1 049	576.7	0.5	1 046	626.7	0.6	925	615.2	0.7	910	790.3	0.9
Programme 2	4 318	68	6 809	2 105.0	0.3	6 728	1 825.3	0.3	6 707	1 889.7	0.3	6 549	1 976.7	0.3	6 521	1 999.2	0.3
Programme 3	2 441	27	1 816	309.6	0.2	1 753	667.8	0.4	1 775	681.8	0.4	1 712	716.2	0.4	1 716	769.5	0.4

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

2. Rand million.

Departmental receipts

Table 5.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	741 605	767 104	1 079 275	962 325	1 050 881	12.3%	100.0%	1 071 205	1 131 949	1 183 296	4.0%	100.0%
Sales of goods and services produced by department	673 773	711 868	1 023 383	935 873	1 022 559	14.9%	94.3%	1 053 558	1 113 281	1 164 348	4.4%	98.1%
Sales by market establishments	2 405	2 698	2 692	3 493	3 610	14.5%	0.3%	3 589	3 796	3 824	1.9%	0.3%
of which:												
Market establishment: Non-residential building	2	-	-	-	-	-100.0%	-	-	-	-	-	-
Market establishment: Rental dwelling	2 373	2 698	2 692	3 471	3 586	14.8%	0.3%	3 567	3 774	3 801	2.0%	0.3%
Market establishment: Rental parking: Covered and open	30	-	-	22	24	-7.2%	-	22	22	23	-1.4%	-

Table 5.7 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
R thousand						2013/14 -	2016/17				2016/17 -	2019/20
Administrative fees	668 447	708 894	1 017 729	930 286	1 016 735	15.0%	93.8%	1 047 217	1 106 573	1 157 499	4.4%	97.5%
of which:												
Certificates	39 654	155 632	88 581	48 542	50 125	8.1%	9.2%	67 856	55 354	56 421	4.0%	5.2%
Identity documents	183 745	192 862	317 388	438 317	517 576	41.2%	33.3%	578 859	690 492	737 469	12.5%	56.9%
Passports	187 463	296 405	567 517	335 120	339 456	21.9%	38.2%	267 018	230 501	231 564	-12.0%	24.1%
Permits	162 354	56 492	36 487	98 653	99 363	-15.1%	9.7%	121 249	117 281	119 020	6.2%	10.3%
Other	95 231	7 503	7 756	9 654	10 215	-52.5%	3.3%	12 235	12 945	13 025	8.4%	1.1%
Other sales	2 921	276	2 962	2 094	2 214	-8.8%	0.2%	2 752	2 912	3 025	11.0%	0.2%
of which:												
Commission on insurance	2 462	115	2 595	1 564	1 664	-12.2%	0.2%	1 994	2 110	2 201	9.8%	0.2%
Clearance fees	365	72	325	369	379	1.3%	-	541	572	589	15.8%	-
Postal fees for travel documents	11	29	10	26	27	34.9%	-	12	13	14	-19.7%	-
Photocopies and faxes	31	4	2	99	105	50.2%	-	137	145	147	11.9%	-
Other	52	56	30	36	39	-9.1%	-	68	72	74	23.8%	-
Sales of scrap, waste, arms and other used current goods	7	12	15	39	45	85.9%	-	43	45	46	0.7%	-
of which:												
Sales: Waste paper	7	12	15	39	45	85.9%	-	43	45	46	0.7%	-
Fines, penalties and forfeits	61 201	46 850	15 314	16 070	17 163	-34.5%	3.9%	6 884	7 283	7 365	-24.6%	0.9%
Interest, dividends and rent on land	509	636	28 438	315	345	-12.2%	0.8%	266	281	283	-6.4%	-
Interest	509	636	28 438	315	345	-12.2%	0.8%	266	281	283	-6.4%	-
Sales of capital assets	46	577	229	2 264	2 764	291.7%	0.1%	2 325	2 459	2 501	-3.3%	0.2%
Transactions in financial assets and liabilities	6 069	7 161	11 896	7 764	8 005	9.7%	0.9%	8 129	8 600	8 753	3.0%	0.8%
Total	741 605	767 104	1 079 275	962 325	1 050 881	12.3%	100.0%	1 071 205	1 131 949	1 183 296	4.0%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 5.8 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 (%)	
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19			2019/20
R million						2013/14 -	2016/17				2016/17 -	2019/20
Ministry	27.2	28.4	33.9	42.3	15.9%	1.6%	37.4	46.5	48.3	4.6%	1.8%	
Management Support Services	184.8	193.4	203.9	200.9	2.8%	9.6%	180.9	188.0	194.9	-1.0%	8.0%	
Corporate Services	630.7	728.8	668.0	678.0	2.4%	33.2%	719.9	722.2	812.0	6.2%	30.8%	
Transversal Information	675.8	682.3	498.4	952.1	12.1%	34.4%	833.7	876.8	919.1	-1.2%	37.6%	
Technology Management												
Office Accommodation	387.8	398.7	423.7	514.5	9.9%	21.2%	487.6	515.9	544.8	1.9%	21.7%	
Total	1 906.3	2 031.5	1 828.0	2 387.8	7.8%	100.0%	2 259.5	2 349.4	2 519.1	1.8%	100.0%	
Change to 2016 Budget estimate				164.9			(63.5)	(85.1)	(64.0)			
Economic classification	1 646.3	1 764.2	1 624.8	2 364.0	12.8%	90.7%	2 195.7	2 281.8	2 447.7	1.2%	97.6%	
Current payments												
Compensation of employees	368.0	420.4	430.7	576.7	16.2%	22.0%	626.7	615.2	790.3	11.1%	27.4%	
Goods and services ¹	1 278.4	1 343.7	1 194.1	1 787.3	11.8%	68.7%	1 569.0	1 666.6	1 657.4	-2.5%	70.2%	
of which:												
Communication	113.9	72.5	71.9	73.1	-13.8%	4.1%	74.4	80.2	104.9	12.8%	3.5%	
Computer services	317.0	413.4	274.8	756.0	33.6%	21.6%	667.9	694.4	720.7	-1.6%	29.8%	
Contractors	89.7	64.5	100.9	55.9	-14.6%	3.8%	29.7	31.1	31.8	-17.1%	1.6%	
Operating leases	282.9	266.5	323.3	227.9	-7.0%	13.5%	240.0	253.9	268.0	5.6%	10.4%	
Property payments	232.3	234.6	163.2	434.4	23.2%	13.1%	321.2	337.6	326.3	-9.1%	14.9%	
Travel and subsistence	48.6	47.7	56.2	68.4	12.1%	2.7%	89.2	115.1	50.7	-9.5%	3.4%	

Table 5.8 Administration expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	9.6	9.8	2.3	12.9	10.4%	0.4%	2.4	2.5	2.7	-40.9%	0.2%
Provinces and municipalities	0.1	0.1	0.1	0.7	109.4%	-	0.8	0.8	0.9	8.8%	-
Departmental agencies and accounts	7.8	8.0	-	0.1	-79.1%	0.2%	0.0	0.0	0.0	-51.9%	-
Households	1.7	1.7	2.3	12.2	92.9%	0.2%	1.6	1.7	1.8	-47.1%	0.2%
Payments for capital assets	250.2	257.6	200.8	10.9	-64.8%	8.8%	61.4	65.0	68.7	84.7%	2.2%
Buildings and other fixed structures	4.6	66.2	98.2	-	-100.0%	2.1%	50.1	53.1	56.1	-	1.7%
Machinery and equipment	181.2	171.4	85.0	10.9	-60.8%	5.5%	11.3	11.9	12.6	4.9%	0.5%
Software and other intangible assets	64.4	20.0	17.5	-	-100.0%	1.2%	-	-	-	-	-
Payments for financial assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	1 906.3	2 031.5	1 828.0	2 387.8	7.8%	100.0%	2 259.5	2 349.4	2 519.1	1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	27.8%	28.7%	24.9%	29.3%	-	-	32.0%	30.1%	32.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7.8	8.0	-	0.1	-79.8%	0.2%	-	-	-	-100.0%	-
Vehicle licences	7.8	8.0	-	0.1	-79.8%	0.2%	-	-	-	-100.0%	-

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

Programme 2: Citizen Affairs

Programme purpose

Provide secure, efficient and accessible services and documents to citizens and lawful residents.

Objectives

- Ensure that registration at birth is the only entry point to the national population register by increasing the number of births registered within 30 calendar days from 750 000 in 2017/18 to 810 000 in 2019/20.
- Maintain the standard of service delivery for the issuing of enabling documents by issuing 90 per cent of machine readable passports through the new live capture process within 13 working days over the medium term.

Subprogrammes

- *Citizen Affairs Management* provides for the overall management of the branch for both head office and frontline offices and provides policy direction, sets standards and manages back-office processes.
- *Status Services* regulates all matters relating to the national population register. These include: maintaining an accurate register of all citizens and immigrants who have acquired the right to permanent residence; registering births, deaths and marriages; providing travel and citizenship documents; providing financial assistance to citizens abroad who wish to return to South Africa but have no means of doing so; and determining and granting citizenship.
- *Identification Services* oversees issues relating to identity such as fingerprints, photographs and identity documents. This entails establishing and maintaining national identity systems, such as the automated fingerprint identification system.
- *Service Delivery to Provinces* provides for all civic, immigration and refugee affairs functions in all provinces. This entails providing a client interface for the collection and processing of applications, issuing enabling documents that are available on demand (such as temporary identity certificates), and conducting quality assurance checks of civic and immigration applications.
- *Government Printing Works* oversees the Government Printing Works, which provides printing services to the South African government and some Southern African Development Community (SADC) states.

- *Electoral Commission* transfers funds to the Electoral Commission, which manages national, provincial and municipal elections; ensures that those elections are free and fair; and declares the results within a prescribed period. This subprogramme's total budget is transferred in full to the commission.
- *Represented Political Parties' Fund* transfers funds to the Represented Political Parties' Fund in order to provide funding for political parties participating in Parliament and provincial legislatures.

Expenditure trends and estimates

Table 5.9 Citizen Affairs 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Citizen Affairs Management	21.0	25.3	39.5	31.4	14.4%	0.7%	36.5	37.9	39.4	7.9%	0.9%
Status Services	440.2	562.0	809.2	915.5	27.6%	15.6%	113.5	117.0	125.4	-48.5%	7.8%
Identification Services	210.9	204.9	213.9	284.5	10.5%	5.2%	247.4	255.8	271.1	-1.6%	6.5%
Service Delivery to Provinces	1 514.7	1 607.8	2 078.3	1 701.8	4.0%	39.5%	1 736.1	1 807.6	1 953.8	4.7%	44.2%
Government Printing Works	134.0	–	–	–	-100.0%	0.8%	–	–	–	–	–
Electoral Commission	1 464.0	1 553.6	1 517.1	1 657.9	4.2%	35.4%	1 299.9	1 814.9	1 251.2	-9.0%	37.0%
Represented Political Parties' Fund	115.2	122.1	127.7	134.5	5.3%	2.9%	141.2	149.4	157.8	5.5%	3.6%
Total	3 900.0	4 075.7	4 785.7	4 725.5	6.6%	100.0%	3 574.7	4 182.6	3 798.6	-7.0%	100.0%
Change to 2016 Budget estimate				824.0			(96.4)	546.4	(81.4)		
Economic classification											
Current payments	2 174.4	2 381.0	3 109.5	2 922.9	10.4%	60.5%	2 131.3	2 215.9	2 387.0	-6.5%	59.3%
Compensation of employees	1 500.4	1 630.2	2 105.0	1 825.3	6.8%	40.4%	1 889.7	1 976.7	1 999.2	3.1%	47.2%
Goods and services ¹	674.1	750.8	1 004.6	1 097.6	17.6%	20.2%	241.6	239.2	387.9	-29.3%	12.1%
of which:											
Computer services	18.2	23.2	29.4	39.4	29.4%	0.6%	28.6	29.8	30.9	-7.8%	0.8%
Contractors	73.1	58.2	52.6	89.2	6.9%	1.6%	67.5	70.1	72.8	-6.6%	1.8%
Fleet services (including government motor transport)	82.9	80.5	59.3	12.6	-46.6%	1.3%	10.1	6.9	137.4	121.7%	1.0%
Consumables: Stationery, printing and office supplies	366.2	471.1	723.1	798.8	29.7%	13.5%	15.0	15.6	16.2	-72.7%	5.2%
Operating leases	3.4	6.9	16.4	11.7	50.6%	0.2%	29.9	22.1	32.2	40.0%	0.6%
Travel and subsistence	76.0	56.4	65.0	41.4	-18.3%	1.4%	43.7	45.9	47.9	5.0%	1.1%
Transfers and subsidies¹	1 721.8	1 691.9	1 662.7	1 802.6	1.5%	39.3%	1 443.4	1 966.7	1 411.6	-7.8%	40.7%
Provinces and municipalities	0.2	0.9	0.8	1.0	59.4%	–	1.0	1.1	1.1	5.5%	–
Departmental agencies and accounts	1 713.2	1 675.7	1 644.8	1 792.4	1.5%	39.0%	1 441.1	1 964.3	1 409.0	-7.7%	40.6%
Households	8.3	15.3	17.0	9.2	3.5%	0.3%	1.3	1.4	1.5	-46.0%	0.1%
Payments for capital assets	3.8	2.8	13.5	–	-100.0%	0.1%	–	–	–	–	–
Machinery and equipment	3.8	2.8	13.5	–	-100.0%	0.1%	–	–	–	–	–
Total	3 900.0	4 075.7	4 785.7	4 725.5	6.6%	100.0%	3 574.7	4 182.6	3 798.6	-7.0%	100.0%
Proportion of total programme expenditure to vote expenditure	56.8%	57.7%	65.2%	57.9%	–	–	50.7%	53.5%	49.7%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 713.2	1 675.7	1 644.8	1 792.4	1.5%	39.0%	1 441.1	1 964.3	1 409.0	-7.7%	40.6%
Government Printing Works	134.0	–	–	–	-100.0%	0.8%	–	–	–	–	–
Electoral Commission	1 464.0	1 553.6	1 517.1	1 657.9	4.2%	35.4%	1 299.9	1 814.9	1 251.2	-9.0%	37.0%
Represented Political Parties' Fund	115.2	122.1	127.7	134.5	5.3%	2.9%	141.2	149.4	157.8	5.5%	3.6%

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

Programme 3: Immigration Affairs

Programme purpose

Facilitate and regulate the secure movement of people through the ports of entry into and out of the Republic of South Africa. Determine the status of asylum seekers and regulate refugee affairs.

Objective

- Maintain the standard of service delivery for enabling documents while improving the percentage of applications processed within a specified period by:

- adjudicating permanent residence applications (collected within South Africa) within eight months to maintain the 85 per cent target between 2017/18 to 2019/20
- adjudicating business and general work visa applications (processed within South Africa) within eight weeks, increasing the percentage from 90 per cent in 2017/18 to 95 per cent in 2019/20
- adjudicating critical skills visa applications (collected within South Africa) within four weeks, increasing the percentage from 80 per cent in 2017/18 to 85 per cent in 2019/20.

Subprogrammes

- *Immigration Affairs Management* provides for the overall management of the branch and provides policy direction, sets standards and manages back-office processes.
- *Admission Services* is responsible for issuing visas, securely facilitating the entry and departure of persons to and from South Africa in line with the Immigration Act (2002); recording their movements on the movement control system; and controlling the processing of applications for permanent and temporary residence permits / visas, including work, study and business visas.
- *Immigration Services* deals with immigration matters in foreign countries; detects, detains and deports illegal immigrants in terms of the Immigration Act (2002); conducts investigations with other law enforcement entities; and provides policy directives on immigration matters.
- *Asylum Seekers* considers and processes applications for asylum, issues enabling documents to refugees, and facilitates processes to find durable solutions to refugee problems in line with the Refugees Act (1998). The head office is responsible for providing strategic leadership, while refugee reception offices are responsible for operations.

Expenditure trends and estimates

Table 5.10 Immigration Affairs expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Immigration Affairs Management	60.3	63.9	32.6	37.9	-14.3%	5.1%	48.4	50.1	51.4	10.7%	3.9%
Admission Services	603.7	564.2	407.1	592.2	-0.6%	57.2%	779.2	824.6	853.1	12.9%	62.5%
Immigration Services	261.4	200.7	228.0	203.0	-8.1%	23.6%	235.8	245.2	254.4	7.8%	19.2%
Asylum Seekers	130.0	133.5	62.1	209.3	17.2%	14.1%	157.9	164.1	170.4	-6.6%	14.4%
Total	1 055.3	962.3	729.8	1 042.5	-0.4%	100.0%	1 221.3	1 284.1	1 329.4	8.4%	100.0%
Change to 2016 Budget estimate				(0.2)			155.0	181.1	150.6		
Economic classification											
Current payments	1 053.3	956.1	726.2	1 040.8	-0.4%	99.6%	1 220.9	1 283.6	1 329.0	8.5%	99.9%
Compensation of employees	517.5	549.6	309.6	667.8	8.9%	53.9%	681.8	716.2	769.5	4.8%	58.1%
Goods and services ¹	535.8	406.6	416.6	372.9	-11.4%	45.7%	539.1	567.5	559.5	14.5%	41.8%
of which:											
Computer services	192.4	115.5	161.0	109.4	-17.2%	15.3%	353.4	369.2	366.0	49.6%	24.6%
Contractors	9.0	13.7	15.5	37.9	61.3%	2.0%	14.9	17.5	14.0	-28.3%	1.7%
Agency and support/outsourced services	31.3	39.3	97.4	56.5	21.8%	5.9%	22.2	26.4	21.2	-27.9%	2.6%
Inventory: Clothing material and accessories	2.8	4.0	4.8	14.5	72.1%	0.7%	10.7	11.1	11.5	-7.4%	1.0%
Transport provided: Departmental activity	104.0	89.1	65.2	50.0	-21.7%	8.1%	30.1	31.3	32.4	-13.4%	2.9%
Travel and subsistence	99.6	66.2	46.9	54.3	-18.3%	7.0%	68.6	71.0	72.0	9.9%	5.5%
Transfers and subsidies¹	1.8	1.8	1.1	1.7	-1.6%	0.2%	0.4	0.4	0.4	-36.6%	0.1%
Provinces and municipalities	0.6	0.0	–	–	-100.0%	–	–	–	–	–	–
Households	1.2	1.8	1.1	1.7	11.6%	0.2%	0.4	0.4	0.4	-36.7%	0.1%
Payments for capital assets	0.3	4.4	2.4	–	-100.0%	0.2%	–	–	–	–	–
Machinery and equipment	0.3	4.4	2.4	–	-100.0%	0.2%	–	–	–	–	–
Total	1 055.3	962.3	729.8	1 042.5	-0.4%	100.0%	1 221.3	1 284.1	1 329.4	8.4%	100.0%
Proportion of total programme expenditure to vote expenditure	15.4%	13.6%	9.9%	12.8%	–	–	17.3%	16.4%	17.4%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.6	1.4	1.0	1.6	41.0%	0.1%	0.4	0.4	0.4	-35.1%	0.1%
Employee social benefits	0.6	1.4	1.0	1.6	41.0%	0.1%	0.4	0.4	0.4	-35.1%	0.1%

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

Entities¹

Electoral Commission

Mandate

The Electoral Commission is a chapter 9 constitutional institution reporting directly to Parliament. It was established in terms of the Electoral Commission Act (1996), which sets out the composition, powers, functions and duties of the Electoral Commission. The Electoral Commission is mandated to manage national, provincial and municipal elections; ensure that those elections are free and fair; and declare results within a prescribed period.

Selected performance indicators

Table 5.11 Electoral Commission performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of registered voters reflected on the voters' roll as at 31 March each year	Electoral operations		25 364 669	25 161 799	25 642 052	26 139 122	25 616 339	27 153 320	26 733 320
Number of contracted voting stations in place on main registration weekends or general election days in the years where applicable	Electoral operations		22 263	22 263	22 569	22 563	- ¹	23 000	23 000
Number of liaison sessions held with members of party liaison committees at the national (1), provincial (9) and municipal (213) levels per year	Electoral operations	Outcome 12: An efficient, effective and development-oriented public service	2 060	1 748	2 433	1 338	892 ²	1784	1 338
Number of electoral staff recruited and trained per year	Electoral operations	Outcome 14: A diverse, socially cohesive society with a common national identity	46 251	211 252	52 169	263 454	- ¹	50 850	210 000
Percentage of voters who turn out in national and local government elections, as a percentage of registered voters in the applicable years	Outreach		- ¹	73.48% (18 488 890/ 25 161 799)	- ¹	57.9% (15 296 711/ 26 139 122)	- ¹	- ¹	73.5% (19 648 990/ 26 733 320)
Number of people reached through communications, civic and democracy education programmes per year	Outreach		- ³	- ³	- ³	- ³	10 million	40 million	50 million
Number of interactions/liaisons internationally achieved per year	Outreach	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	26	28	32	30	20	20	30

1. The performance indicators are not applicable during the non-election year.

2. The events decrease during a non-election year.

3. New performance indicator in 2017/18.

Expenditure analysis

As the Electoral Commission manages elections, its expenditure is influenced by the electoral cycle. To prepare for the 2019 national and provincial elections, the commission expects to appoint approximately 6 000 temporary staff in 2018/19 and 2019/20. The temporary staff is expected to increase spending on compensation of employees by 35 per cent over the medium term, despite the number of permanent personnel remaining constant at 1 033. The commission is set to receive an additional allocation of R630 million in 2018/19 for election preparations from the Department of Home Affairs, bringing the total allocated to building capacity for the 2019 elections to R647 million. In addition to payments for temporary staff, this amount also provides for payments for approximately 210 000 experienced electoral staff on election day, and training to all staff members on the electoral operations programme.

Approximately R374 million planned over the medium term is for other election related expenditure. These include the sourcing of addresses on the voters roll, in line with the recent court judgements; event specific registration activities; and the procurement of items such as ballot papers, ballot boxes and stationery used at voting stations. An amount of R356 million will be spent over the medium term on civic and democracy

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

education and communication programmes, which inform and educate voters about the importance of elections and their right to vote.

The balance of the commission's activities over the medium term include: increasing the number of prefabricated houses used as office accommodation from 14 in 2015/16 to a projected 35 in 2019/20; updating electoral databases, in line with election specific requirements; and updating and rolling out the commission's IT infrastructure. The current stock of 32 000 handheld scanners used to capture and verify the personal details of voters will be replaced by 38 000 new machines or an alternative technology. An amount of R369 million has been set aside over the medium term for the purchase, funded through a transfer of R180 million in 2017/18 from the Department of Home Affairs and R189 million from the commission's own funds.

Programmes/objectives/activities

Table 5.12 Electoral 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 (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	446.4	522.3	496.1	597.8	10.2%	32.2%	555.0	623.3	665.8	3.7%	35.9%
Electoral operations	681.0	926.5	664.2	1 205.1	21.0%	53.1%	501.3	912.5	1 147.8	-1.6%	52.2%
Outreach	282.1	167.0	255.0	214.9	-8.7%	14.8%	116.5	309.2	210.1	-0.7%	11.9%
Total	1 409.5	1 615.9	1 415.3	2 017.9	12.7%	100.0%	1 172.8	1 845.0	2 023.7	0.1%	100.0%

Statements of historical financial performance and position

Table 5.13 Electoral Commission statements of historical financial performance and position

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/ Budget (%)
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20		
Revenue									
Non-tax revenue	15.0	16.6	15.0	31.4	15.0	16.8	15.0	33.0	162.9%
Other non-tax revenue	15.0	16.6	15.0	31.4	15.0	16.8	15.0	33.0	162.9%
Transfers received	1 464.0	1 464.0	1 553.6	1 553.6	1 517.1	1 517.1	1 586.6	1 657.9	101.2%
Total revenue	1 479.0	1 480.6	1 568.6	1 585.0	1 532.1	1 533.9	1 601.6	1 690.9	101.8%
Expenses									
Current expenses	1 491.9	1 409.5	1 613.1	1 615.9	1 569.1	1 415.3	1 646.1	2 017.9	102.2%
Compensation of employees	562.7	571.7	566.2	572.0	655.2	646.1	646.3	741.9	104.2%
Goods and services	867.7	779.0	984.2	980.0	851.9	710.1	939.7	1 206.5	100.9%
Depreciation	61.4	58.8	62.8	63.8	62.0	59.1	60.1	69.5	102.0%
Total expenses	1 491.9	1 409.5	1 613.1	1 615.9	1 569.1	1 415.3	1 646.1	2 017.9	102.2%
Surplus/(Deficit)	(13.0)	71.0	(44.0)	(31.0)	(37.0)	119.0	(45.0)	(327.0)	
Statement of financial position									
Carrying value of assets	288.3	354.1	242.7	303.8	293.5	319.7	245.7	274.4	117.0%
<i>of which:</i>									
Acquisition of assets	(56.8)	(80.2)	(18.3)	(16.4)	(25.0)	(78.3)	(15.5)	(24.3)	172.2%
Inventory	21.0	43.1	10.0	7.9	45.0	45.4	15.0	15.0	122.4%
Accrued investment interest	-	-	-	-	-	0.4	-	-	-
Receivables and prepayments	13.5	22.9	13.5	30.4	25.0	17.2	18.0	18.0	126.4%
Cash and cash equivalents	30.0	153.1	30.0	157.5	162.6	341.0	142.6	5.0	179.8%
Total assets	352.8	573.2	296.2	499.5	526.1	723.7	421.3	312.4	132.1%
Accumulated surplus/(deficit)	218.7	419.3	213.2	388.4	372.6	507.1	327.8	180.1	132.0%
Deferred income	0.3	-	-	-	-	-	-	-	-
Trade and other payables	133.9	153.4	83.0	110.9	153.0	216.6	93.0	131.8	132.3%
Provisions	-	0.5	-	0.2	0.5	-	0.5	0.5	118.1%
Total equity and liabilities	352.8	573.2	296.2	499.5	526.1	723.7	421.3	312.4	132.1%

Statements of estimates of financial performance and position

Table 5.14 Electoral Commission statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2016/17	2013/14 - 2016/17	2017/18		
R million									
Revenue									
Non-tax revenue	33.0	25.8%	1.5%	10.0	10.0	10.0	-32.8%	1.0%	
Other non-tax revenue	33.0	25.8%	1.5%	10.0	10.0	10.0	-32.8%	1.0%	
Transfers received	1 657.9	4.2%	98.5%	1 299.9	1 814.9	1 251.2	-9.0%	99.0%	
Total revenue	1 690.9	4.5%	100.0%	309.9	1 824.9	1 261.2	-9.3%	100.0%	
Expenses									
Current expenses	2 017.9	12.7%	100.0%	1 172.8	1 845.0	2 023.7	0.1%	117.1%	
Compensation of employees	741.9	9.1%	39.6%	595.0	804.1	777.1	1.6%	42.4%	
Goods and services	1 206.5	15.7%	56.5%	508.7	995.7	1 219.3	0.4%	54.3%	
Depreciation	69.5	5.7%	3.9%	69.1	45.2	27.4	-26.7%	3.3%	
Total expenses	2 017.9	12.7%	100.0%	1 172.8	1 845.0	2 023.7	0.1%	100.0%	
Surplus/(Deficit)	(327.0)	(3)		137.0	(20.0)	(762.0)	32.6%		
Statement of financial position									
Carrying value of assets	274.4	-8.1%	63.6%	400.7	369.3	352.4	8.7%	37.9%	
of which:									
Acquisition of assets	(24.3)	-32.9%	-9.0%	(195.5)	(13.7)	(10.5)	-24.4%	-13.0%	
Inventory	15.0	-29.7%	5.0%	12.0	45.0	8.0	-18.9%	3.5%	
Receivables and prepayments	18.0	-7.7%	4.6%	18.0	23.5	18.5	0.9%	2.3%	
Cash and cash equivalents	5.0	-68.0%	26.7%	7.6	67.4	(729.2)	-626.2%	56.2%	
Total assets	312.4	-18.3%	100.0%	438.3	505.1	(350.3)	-203.9%	100.0%	
Accumulated surplus/(deficit)	180.1	-24.5%	69.7%	370.8	350.6	(411.9)	-231.7%	82.3%	
Trade and other payables	131.8	-4.9%	30.3%	67.0	154.0	61.0	-22.6%	17.6%	
Provisions	0.5	-	0.1%	0.5	0.5	0.5	-	0.1%	
Total equity and liabilities	312.4	-18.3%	100.0%	438.3	505.1	(350.3)	-203.9%	100.0%	

Personnel information

Table 5.15 Electoral Commission personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number				
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)			
		2015/16			2016/17			2017/18			2018/19			2019/20							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
The Independent Electoral Commission		10 890	10 978		11 297	646.1	0.1	10 890	741.9	0.1	2 396	595.0	0.2	11 405	804.1	0.1	9 971	777.1	0.1	1.6%	100.0%
Salary level																					
1 – 6	9 993	9 996	10 406	134.1	0.0	9 993	194.4	0.0	1 502	18.3	0.0	10 511	185.6	0.0	9 077	112.2	0.0	-16.7%	84.4%		
7 – 10	718	777	717	328.3	0.5	718	349.4	0.5	714	371.4	0.5	714	398.3	0.6	714	428.3	0.6	7.0%	12.5%		
11 – 12	100	111	97	68.5	0.7	100	74.0	0.7	100	78.1	0.8	100	83.8	0.8	100	90.0	0.9	6.8%	1.7%		
13 – 16	74	89	73	106.3	1.5	74	114.6	1.5	75	116.9	1.6	75	125.4	1.7	75	134.8	1.8	5.6%	1.3%		
17 – 22	5	5	4	8.9	2.2	5	9.5	1.9	5	10.2	2.0	5	11.0	2.2	5	11.8	2.4	7.6%	0.1%		

1. Rand million.

Government Printing Works

Mandate

Government Printing Works is mandated to provide security printing and ancillary services to all organs of state in all spheres of government. It was converted to a full government component in 2009, in terms of the Public Service Act (1999), enabling it to start operating on sound business principles. The entity performs its mandate subject to policies as prescribed by the Minister of Home Affairs.

Selected performance indicators

Table 5.16 Government Printing Works performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of national and provincial government gazettes published per year	Production and operations	Entity mandate	2 573	2 400	3 115	2 400	2 400	2 400	2 400
Number of new passports printed per year	Production and operations		656 600	600 000	820 237	600 000	600 000	600 000	600 000
Number of smart identity cards issued per year	Production and operations		134 867	1 660 280	2 413 929	4 500 000	5 000 000	5 000 000	5 000 000

Expenditure analysis

Government Printing Works provides functional and secure printing services to South Africa and some countries in the SADC region. The entity's main strategic objective is to establish itself as the security printer of choice in the SADC region by effectively assisting its customers with the complex problems of identity theft and document fraud. The organisation's medium term focus will be to further modernise its production facility, and replace old equipment and machinery.

The remaining phases of the project to establish a new security printing division in Pretoria are expected to be completed by 2019/20. To date, 2 pavilions of the facility have been completed and are being used in the production of smart identity cards and passports. The construction of pavilion 3 and the renovation of pavilion 7 are expected to be completed in July 2017. Once pavilion 3 is ready for use, the entity will dispatch smart identity cards and travel documents from within the building. A projected R1.1 billion will be spent on the refurbishment over the medium term, R770 million of which will be used to provide office space and R339 million to acquire additional equipment and machinery. The refurbishments are funded from the capital and reserves fund, which has set aside a total of R2.2 billion in 2017/18, R2.5 billion in 2018/19 and R2.7 billion in 2019/20 for the project, which is to be completed by the end of 2020/21.

The entity is planning to buy an additional multi-unit web press in 2017/18 at an estimated cost of R65 million. The purchase will reduce the workload on the current press and provide a back-up should it break down. The entity is also planning to buy a modern kraft press in 2017/18, at an estimated cost of R20 million. Buying this equipment will increase expenditure on goods and services from R886.4 million in 2017/18 to R1 billion in 2019/20. In addition, training and recruiting personnel to use the equipment is expected to increase expenditure on compensation of employees from R269.2 million in 2017/18 to R325.9 million in 2019/20.

The organisation generates its own revenue, which is expected to increase from R1.5 billion in 2017/18 to R1.8 billion in 2019/20. The entity generates revenue mainly from manufacturing security printed material such as examination papers, identity documents and passports; and from manufacturing non-security documents such as statistical reports, annual reports, brochures and standard office stationery. The organisation is expected to continue self-funding, following the increased production capacity over the medium term.

Programmes/objectives/activities

Table 5.17 Government Printing Works 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 (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	196.8	158.1	195.5	232.4	5.7%	23.0%	260.5	288.0	314.4	10.6%	19.5%	
Production and operations	500.1	602.2	632.5	979.0	25.1%	77.0%	1 044.7	1 220.7	1 268.7	9.0%	80.5%	
Total	697.0	760.3	827.9	1 211.4	20.2%	100.0%	1 305.1	1 508.7	1 583.1	9.3%	100.0%	

Statements of historical financial performance and position

Table 5.18 Government Printing Works statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	1 034.3	785.4	1 203.0	1 020.5	1 122.1	1 142.3	1 341.0	1 341.0	91.3%
Sale of goods and services other than capital assets	1 032.5	780.7	1 203.0	1 013.0	1 116.8	1 138.2	1 338.0	1 338.0	91.0%
<i>of which:</i>									
<i>Sales by market establishment</i>	1 032.5	780.7	1 203.0	1 013.0	1 116.8	1 138.2	1 338.0	1 338.0	91.0%
Other non-tax revenue	1.8	4.8	0.0	7.5	5.3	4.1	3.0	3.0	190.2%
Transfers received	231.0	61.2	97.3	44.6	99.8	68.7	68.7	68.7	49.0%
Total revenue	1 265.3	846.7	1 300.3	1 065.2	1 221.9	1 211.1	1 409.8	1 409.8	87.2%
Expenses									
Current expenses	1 089.0	697.0	1 105.2	760.3	1 059.7	827.9	1 211.4	1 211.4	78.3%
Compensation of employees	120.2	146.8	140.8	157.4	208.5	166.0	212.8	212.8	100.1%
Goods and services	861.7	470.6	837.3	538.3	743.5	570.2	875.6	875.6	74.0%
Depreciation	107.1	79.5	122.3	64.6	107.7	91.8	123.1	123.1	78.0%
Interest, dividends and rent on land	-	-	4.8	-	-	-	-	-	-
Total expenses	1 089.0	697.0	1 105.2	760.3	1 059.7	827.9	1 211.4	1 211.4	78.3%
Surplus/(Deficit)	176.0	150.0	195.0	305.0	162.0	383.0	198.0	198.0	
Statement of financial performance									
Carrying value of assets	651.6	362.0	904.6	480.8	813.8	715.7	874.5	974.6	78.1%
<i>of which:</i>									
<i>Acquisition of assets</i>	(286.2)	(73.6)	(455.8)	(183.5)	(17.0)	(326.7)	(183.8)	(183.8)	81.4%
Inventory	261.8	203.7	167.3	196.5	188.4	227.8	271.8	277.9	101.9%
Receivables and prepayments	310.3	211.9	252.9	349.3	308.2	309.1	371.3	352.7	98.4%
Cash and cash equivalents	816.1	1 298.0	685.5	1 316.2	834.2	1 411.0	1 030.8	1 138.5	153.4%
Total assets	2 039.9	2 075.5	2 010.2	2 342.8	2 144.5	2 663.6	2 548.4	2 743.8	112.4%
Capital and reserves	1 179.5	1 134.7	1 285.0	1 439.6	1 442.0	1 822.7	1 814.3	2 021.1	112.2%
Deferred income	705.2	747.0	636.6	702.4	571.3	633.6	568.4	564.9	106.7%
Trade and other payables	144.0	190.4	83.3	197.0	123.4	202.9	160.6	155.6	145.9%
Provisions	11.2	3.4	5.2	3.9	7.8	4.4	5.1	2.2	47.1%
Total equity and liabilities	2 039.9	2 075.5	2 010.2	2 342.8	2 144.5	2 663.6	2 548.4	2 743.8	112.4%

Statements of estimates of financial performance and position

Table 5.19 Government Printing Works statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue									
Non-tax revenue	1 341.0	19.5%	94.5%	1 453.5	1 642.3	1 745.5	9.2%	95.0%	
Sale of goods and services other than capital assets	1 338.0	19.7%	94.1%	1 450.2	1 638.7	1 745.3	9.3%	94.8%	
<i>of which:</i>									
<i>Sales by market establishment</i>	1 338.0	19.7%	94.1%	1 450.2	1 638.7	1 745.3	9.3%	94.8%	
Other non-tax revenue	3.0	-13.9%	0.5%	3.3	3.6	0.2	-59.7%	0.2%	
Transfers received	68.7	3.9%	5.5%	72.3	82.4	105.0	15.1%	5.0%	
Total revenue	1 409.8	18.5%	100.0%	1 525.8	1 724.6	1 850.4	9.5%	100.0%	
Expenses									
Current expenses	1 211.4	20.2%	100.0%	1 305.1	1 508.7	1 583.1	9.3%	154.1%	
Compensation of employees	212.8	13.2%	19.8%	269.2	310.4	325.9	15.3%	19.8%	
Goods and services	875.6	23.0%	69.9%	886.4	1 019.2	1 016.1	5.1%	68.0%	
Depreciation	123.1	15.7%	10.3%	149.4	179.1	241.1	25.1%	12.2%	
Total expenses	1 211.4	20.2%	100.0%	1 305.1	1 508.7	1 583.1	9.3%	100.0%	
Surplus/(Deficit)	198.0	-		221.0	216.0	267.0	10.5%		
Statement of financial position									
Carrying value of assets	974.6	39.1%	25.1%	1 144.6	1 337.3	1 613.9	18.3%	42.1%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(183.8)	35.7%	-7.6%	(319.5)	(371.8)	(490.0)	38.7%	-11.2%	
Inventory	277.9	10.9%	9.2%	333.0	446.1	507.3	22.2%	12.9%	
Receivables and prepayments	352.7	18.5%	12.4%	396.3	469.6	509.4	13.0%	14.4%	
Cash and cash equivalents	1 138.5	-4.3%	53.3%	1 049.6	813.6	601.0	-19.2%	30.6%	
Total assets	2 743.8	9.8%	100.0%	2 923.6	3 066.7	3 231.6	5.6%	100.0%	
Capital and reserves	2 021.1	21.2%	64.6%	2 241.7	2 457.6	2 724.9	10.5%	78.7%	
Deferred income	564.9	-8.9%	27.6%	492.6	410.3	305.3	-18.5%	15.1%	
Trade and other payables	155.6	-6.5%	7.7%	186.4	193.5	191.6	7.2%	6.1%	
Provisions	2.2	-13.5%	0.1%	2.9	5.3	9.8	64.9%	0.2%	
Total equity and liabilities	2 743.8	9.8%	100.0%	2 923.6	3 066.7	3 231.6	5.6%	100.0%	

Personnel information**Table 5.20 Government Printing Works personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)
		2015/16			2016/17			2017/18			2018/19			2019/20				
Government Printing Works		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	-	572	166.0	0.3	670	212.8	0.3	669	269.2	0.4	668	310.4	0.5	668	325.9	0.5	15.3%	100.0%
1 – 6	-	402	81.5	0.2	463	101.8	0.2	463	129.0	0.3	463	148.4	0.3	463	155.8	0.3	15.2%	69.2%
7 – 10	-	127	47.1	0.4	157	60.8	0.4	156	76.7	0.5	155	87.9	0.6	155	92.3	0.6	14.9%	23.3%
11 – 12	-	30	21.2	0.7	22	18.0	0.8	21	21.8	1.0	20	23.9	1.2	20	25.0	1.3	11.7%	3.1%
13 – 16	-	13	16.3	1.3	28	32.1	1.1	29	41.7	1.4	30	50.2	1.7	30	52.7	1.8	18.0%	4.4%

1. Rand million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
R million										
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project lifecycle)										
Sebokeng	Construction of new office building	Handed over	10.0	-	-	-	-	-	-	-
Phutadijaba	Construction of new office building	Construction	34.5	18.1	-	11.4	2.7	-	-	-
Taung	Construction of new office building	Design	22.8	4.9	-	-	9.4	5.3	-	-
Hluhluwe	Construction of new office building	Feasibility	35.8	-	-	10.3	0.0	9.9	-	-
Stanger	Construction of new office building	Feasibility	29.8	-	-	-	2.3	12.0	-	-
Lusikisiki	Demolition of old prison and construction of new office building	Various	25.6	5.0	-	0.3	4.5	30.8	43.8	3.7
Randfontein	Demolition of old commando and construction of new office building	Various	43.4	5.0	-	0.7	9.5	3.8	-	-
Marabastad	Construction of ablution block and shelter	Various	5.0	0.5	-	0.2	-	-	-	-
Ongeluksnek	Renovations, repairs and maintenance of buildings to make them habitable	Construction	-	-	-	-	0.2	-	-	-
Repair and upgrade	Renovations, repairs and maintenance of buildings to make them habitable	Handed over	30.1	-	-	-	0.5	-	-	-
Repair and upgrade	Renovations, repairs and maintenance of buildings to make them habitable	Identification	45.4	31.2	-	-	-	-	-	-
Feasibility study: Redevelopment of the 6 Ports of Entry (Beit Bridge, Lembobo, Maseru, Kopfontein, Oshoek and Ficksburg)	Renovations, repairs and maintenance of buildings to make them habitable	Feasibility	-	-	-	-	10.1	-	-	-
New head office	Refurbishment of 13th floor	Design	2.7	2.0	-	0.5	-	1.5	30.0	5.0
Ganyesa	Construction of new office building	Pre-feasibility	21.7	-	-	-	-	0.3	0.3	6.3
Bushbuckridge	Construction of new office building	Pre-feasibility	15.7	-	-	-	100.0	-	7.7	-
Modimolle	Construction of new office building	Pre-feasibility	15.7	-	-	0.1	-	0.5	0.3	0.3
Bochum	Construction of new office building	Pre-feasibility	15.7	-	-	0.3	-	0.3	-	0.0
Mokopane	Construction of new office building	Construction	-	-	-	-	0.5	2.6	4.8	-
Supply and delivery: Park Homes	Construction of residential accommodation for officials	Construction	-	-	-	3.0	2.5	-	-	-
Ministry	Rezoning of office building	Pre-feasibility	20.0	-	-	0.2	-	-	-	-
Lebombo refugee reception centre	Construction of a refugee reception centre	Feasibility	33.0	-	-	-	11.0	12.0	10.0	12.0
Sea port of entry: New offices	Construction of new office building	Feasibility	31.0	-	-	-	10.0	11.0	11.0	11.0
Lebombo official residential accommodation	Provision of residential accommodation for officials	Feasibility	31.0	-	-	-	10.0	11.0	11.0	13.5
Oshoek	Provision of residential accommodation for officials	Feasibility	33.8	-	-	-	10.0	10.0	15.6	15.5
Maseru	Provision of residential accommodation for officials	Feasibility	61.1	-	-	-	25.0	24.0	14.5	14.5
Beitbridge	Provision of residential accommodation for officials	Feasibility	20.6	-	-	-	4.0	5.5	15.6	15.6
Project management	Feasibility study	Feasibility	-	-	-	-	9.3	-	-	-
Lembobo Refugee Reception centre	Provision of residential accommodation for officials	Feasibility	-	-	-	-	8.9	-	-	-
Planned maintenance	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	33.9	4.5	-	3.5	3.5	4.0	4.5	5.0
Maintenance	Installation of generators, earth wires and related services	Handed over	3.9	1.3	-	-	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
New corporation building	Construction of elevators	Handed over	2.5	0.4	-	-	-	-	-	-
New corporation building	Upgrades and renovations of office buildings (such as painting and new flooring)	Handed over	12.0	5.2	-	-	0.9	-	-	-
Look and feel	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	58.8	-	-	18.6	10.2	-	-	-
Itsoseng	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	10.3	-	-	0.3	0.9	2.4	3.5	-
Christiana	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	6.8	-	-	0.3	3.1	2.0	3.5	-
Thohoyandou	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	6.8	-	-	0.3	0.2	3.3	3.5	-
Lichtenburg	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	5.3	-	-	0.3	0.3	5.0	-	-
Louis Trichardt	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	6.8	-	-	0.8	0.3	6.2	3.5	-
Phalaborwa and Mhala	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	2.8	-	-	-	2.7	-	-	-
New head office	Construction of new office building	Feasibility	68.0	-	-	1.5	-	1.5	5.0	15.0
Atamelang, Molopo and Mankwe	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	14.8	-	-	7.8	1.6	0.1	-	-
New cooperation building	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	4.0	-	-	-	-	-	-	-
Harding	Construction of new office building	Feasibility	10.3	-	-	0.3	0.2	6.2	3.5	-
Ingwavuma	Construction of new office building	Feasibility	10.3	-	-	0.3	0.1	6.2	3.5	-
Komanga	Construction of new office building	Feasibility	10.3	-	-	0.3	0.1	6.2	3.5	-
Cowrie Place: Refurbishment	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	16.3	16.3	-	-	-	-	-	-
Cowrie Place: Project management	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	2.2	2.2	-	-	-	-	-	-
Ministry: Refurbishment for Border Management Agency	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	1.8	1.8	-	-	-	-	-	-
Mhala	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	-	-	-	-	0.2	-	-	-
Phalaborwa	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	-	-	-	0.1	-	0.1	-	-
Total			872.2	98.5	-	61.3	254.6	183.8	198.6	117.5

Vote 6

International Relations and Cooperation

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 556.6	1 281.4	1.5	273.7	1 682.8	1 728.3
International Relations	3 568.9	3 545.7	5.2	18.0	3 552.1	3 221.4
International Cooperation	565.4	563.0	0.7	1.8	584.2	591.2
Public Diplomacy and Protocol Services	266.1	264.6	0.4	1.1	288.1	307.6
International Transfers	617.8	–	617.8	–	658.6	657.1
Total expenditure estimates	6 574.9	5 654.7	625.5	294.6	6 765.7	6 505.5

Executive authority Minister of International Relations and Cooperation
Accounting officer Director General of International Relations and Cooperation
Website address www.dirco.gov.za

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

Vote purpose

Formulate, coordinate, implement and manage South Africa's foreign policy and international relations programmes.

Mandate

The president is ultimately responsible for the foreign policy and international relations of South Africa, according to the Constitution. It is the president's prerogative to appoint heads of mission, to receive foreign heads of mission, to conduct state-to-state relations, and to negotiate and sign all international agreements. International agreements that are not of a technical, administrative or executive nature will only bind the country after being approved by Parliament, which also approves the country's ratification of or accession to multilateral agreements. All international agreements must be tabled in Parliament for information purposes.

The Minister of International Relations and Cooperation is entrusted with the formulation, promotion, execution and daily conduct of South Africa's foreign policy. The department's overall mandate is to work for the realisation of South Africa's foreign policy objectives. This is done by:

- coordinating and aligning South Africa's international relations
- monitoring developments in the international environment
- communicating government's policy positions
- developing and advising government on policy options, creating mechanisms and avenues for achieving objectives
- protecting South Africa's sovereignty and territorial integrity
- contributing to the creation of an enabling international environment for South African businesses
- sourcing developmental assistance
- assisting South African citizens abroad.

Selected performance indicators

Table 6.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of structured bilateral mechanisms to promote national priorities (African Agenda and Agenda of the South) per year	International Relations	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	42	29	29 ¹	34	30	30	30
Number of high-level engagements coordinated to promote national priorities (African Agenda and Agenda of the South) per year	International Relations		61	32	39 ²	46	40	40	40
Number of economic diplomacy initiatives undertaken to increase growth: - Trade and investment seminars - Engagements with chambers of commerce	International Relations		154 57	111 122	111 144	58 112	112 126	112 126	112 126
Number of tourism promotional events hosted per year	International Relations		– ³	96	94	67	60	60	60
Number of bilateral meetings held with targeted government ministries and high-level potential investors per year	International Relations		72	148	253 ⁴	150	150	150	150
Number of African Union structures and processes used to promote peace and stability, socioeconomic development, good governance and democracy on the continent per year	International Cooperation		5	3	3	4 ⁵	4	2	2
Number of New Partnership for Africa's Development (NEPAD) summits, working group meetings and processes supported with substance and logistics to enhance socioeconomic development on the continent per year	International Cooperation		4	4	2	2	2	2	2
Number of SADC structures and processes supported with substance and logistics to promote peace and stability, socioeconomic development, good governance, democracy and regional integration per year	International Cooperation		5	7	7	12	12	12	12
Number of multilateral structures and processes to strengthen outcomes to meet the needs of South Africa, Africa and developing countries per year	International Cooperation		– ³	– ³	21	25	15	15	15
Percentage of requests for protocol services responded to per year	Public Diplomacy and Protocol Services		100% (211)	100% (74)	100% (64)	100% ⁶	100% ⁶	100% ⁶	100% ⁶
Percentage of requests for public diplomacy services responded to	Public Diplomacy and Protocol Services	100% (192)	100% (277)	100% (260)	100% ⁶	100% ⁶	100% ⁶	100% ⁶	

1. Of the targeted 34 structured bilateral mechanisms planned in 2015/16, five could not take place due to scheduling difficulties.

2. Of the targeted 58 high-level engagements or visits for 2015/16, 19 did not take place.

3. No historical data available.

4. Actual figure higher than target for the year due to an increase in the number of bilateral meetings held as additional promotional activities were undertaken by missions.

5. South Africa has been re-elected to serve on the African Union Peace and Security Council for an additional two-year term ending in 2018, hence the increase in the target.

6. Actual number of requests cannot be projected as public diplomacy and protocol services are rendered as and when required.

Expenditure analysis

The National Development Plan (NDP) sets out a path to a future where South Africa has a globally competitive economy and is an influential member of the international community. Outcome 11 (create a better South Africa and contribute to a better Africa and a better world) of government's 2014-2019 medium-term strategic framework sets targets over the medium term to realise this future. The Department of International Relations and Cooperation plans to contribute to the targets over the medium term by: strengthening foreign policy instruments; addressing departmental capacity constraints, particularly on economic diplomacy; and developing new infrastructure financing models and implementing pilot infrastructure projects that will inform the development of the foreign property management strategy. Allocations to the department are expected to decrease over the MTEF period, from R6.8 billion in 2016/17 to R6.5 billion in 2019/20. The bulk of expenditure is expected in the *International Relations*, *International Cooperation* and *International Transfers* programmes.

Enhancing economic and political relations, and participating in global governance forums

Over the medium term, the department plans to establish and manage bilateral structures and mechanisms, and coordinate high-level engagements on issues such as trade, investment, peace, security and cultural exchange. This will strengthen South Africa's political and economic partnerships, and could increase exports of the

country's goods and services, attract greater foreign direct investment and technology transfers into value-adding industries and mineral beneficiation, and grow inbound tourism and the skills base. The department's 125 foreign missions play a crucial role in these activities, as do bilateral meetings with targeted government ministries, meetings with potential investors, engagements with various chambers of commerce, and participation in events to promote tourism. These activities are budgeted for in the *International Relations* and *International Cooperation* programmes, in which spending over the medium term is projected to be R12.1 billion. The bulk of this amount is allocated for spending on compensation of employees, travel and subsistence, and other contractual obligations in foreign missions.

To advance South Africa's foreign policy objectives, the department will continue to strengthen and consolidate South-South relations through its membership and engagements with organisations such as the Forum on China-Africa Cooperation, G77 and the Brazil-Russia-India-China-South Africa (BRICS) group of countries. The adoption of the strategy for the BRICS economic partnership is expected to facilitate trade and investment, enhance access to market opportunities, and facilitate trade between member countries. The BRICS New Development Bank was officially established in February 2016. Once in operation, the bank will lend money to developing countries and emerging economies to help finance infrastructure and sustainable projects. The bank's Africa Regional Centre was established in Johannesburg and has begun recruiting staff. The department continues to support, negotiate and influence reforms in systems and structures of global governance through its ongoing participation in United Nations (UN) structures, and multilateral organisations and forums. These activities are funded through the *Membership Contribution* subprogramme in the *International Transfers* programme.

Strengthening the African Agenda and regional integration

South Africa continues to advocate and support the organisational reforms of the African Union (AU) to realise Agenda 2063, which seeks to chart a trajectory for Africa towards self-determination, freedom, progress and collective prosperity. Over the medium term, the department will contribute to processes aimed at improving self-reliance, inclusive growth and sustainable development. This includes supporting the introduction of an effective and predictable financing model for the AU in the form of a 0.2 per cent levy payable by member states on the value of imports from non-member states. The department will work with National Treasury and the Department of Trade and Industry to assess the potential effects of such a levy. Total transfers for membership fees to the AU are projected to decrease from R291.3 million in 2016/17 to R238 million in 2019/20.

The department continues to advance Africa's socioeconomic progress and contribute to the revitalisation efforts of New Partnership for Africa's Development (NEPAD). Over the medium term, the department will be involved in rationalising regional economic communities towards a continental free-trade area, and strengthening the political and economic integration of the Southern African Development Community (SADC). These and other related activities are budgeted for in the *Africa* subprogramme in the *International Relations* programme and the *Continental Cooperation* subprogramme in the *International Cooperation* programme. Spending over the medium term is projected to be R3.8 billion, or 19.2 per cent of the department's total budget over the period, the bulk of which will be on compensation of employees, travel and subsistence, and other contractual obligations in foreign missions.

Enhancing operational capacity

Following a review of the legislative framework governing the operations of the foreign service, the department developed the Foreign Services Bill, which is currently before Parliament. The bill is to be finalised over the medium term and provides for a unitary foreign service that represents the country abroad in an effective, coherent and cost-effective manner. In addition, to address gaps in the current human resources, finance and administrative systems, the department embarked on a systems modernisation project that is expected to provide a more secure and efficient ICT environment. A fully integrated information system will be launched by March 2017.

Infrastructure spending

The department manages a portfolio of domestic and international properties. Expenditures incurred in the domestic portfolio include: unitary payments for the public-private partnership for the head office building; rental and maintenance costs for three state protocol lounges at the OR Tambo, Cape Town and King Shaka international airports; the costs of two diplomatic guesthouses; and the accommodation costs of United Nations agencies, the Pan African Parliament and the NEPAD secretariat. In addition, the department manages a portfolio of state-owned and rented properties abroad, and is responsible for leasing, purchasing, disposals, alterations, maintenance, refurbishment, furniture and facilities. Spending on infrastructure is expected to increase from R233.7 million in 2016/17 to R240.9 million over the medium term. In the period ahead, the department expects to develop an international property acquisition and management strategy, and will identify alternative models to fund it.

Expenditure trends

Table 6.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. International Relations														
3. International Cooperation														
4. Public Diplomacy and Protocol Services														
5. International Transfers														
Programme	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2013/14	Adjusted appropriation	Audited outcome	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Audited outcome	2016/17	Adjusted appropriation	Revised estimate	2013/14 - 2016/17	2013/14 - 2016/17
R million														
Programme 1	1 327.8	1 320.7	1 267.2	1 396.3	1 419.6	1 247.9	1 418.5	1 381.6	1 381.5	1 458.7	1 458.7	1 458.7	95.6%	96.0%
Programme 2	2 653.4	2 768.1	2 941.2	2 810.2	3 047.5	3 194.9	2 931.7	3 506.2	3 640.4	3 083.1	3 825.1	3 825.1	118.5%	103.5%
Programme 3	447.9	459.0	451.7	486.4	504.4	485.2	466.9	525.2	523.1	579.3	514.3	514.3	99.7%	98.6%
Programme 4	243.9	254.5	281.6	317.2	309.3	275.9	246.3	363.6	333.2	252.1	252.1	252.1	107.8%	96.9%
Programme 5	875.4	952.4	973.9	744.3	823.6	862.7	635.2	734.3	766.6	515.5	788.4	788.4	122.4%	102.8%
Total	5 548.4	5 754.6	5 915.5	5 754.3	6 104.3	6 066.5	5 698.6	6 510.9	6 644.8	5 888.7	6 838.7	6 838.7	111.3%	101.0%
Change to 2016 Budget estimate										950.0				
Economic classification														
Current payments	4 300.3	4 403.3	4 732.0	4 582.6	4 996.6	5 029.2	4 773.5	5 561.3	5 614.1	5 084.8	5 764.0	5 764.0	112.8%	102.0%
Compensation of employees	2 238.8	2 354.3	2 470.3	2 461.8	2 581.8	2 754.7	2 526.2	2 986.2	3 083.7	2 767.4	3 071.4	3 071.4	113.9%	103.5%
Goods and services	2 061.5	2 013.2	2 261.6	2 120.8	2 414.8	2 227.8	2 247.3	2 525.9	2 474.9	2 265.2	2 640.3	2 640.3	110.5%	100.1%
Interest and rent on land	-	35.8	-	-	-	46.6	-	49.2	55.4	52.3	52.3	52.3	295.1%	112.3%
Transfers and subsidies	875.4	965.8	980.3	745.7	833.7	869.0	641.2	740.3	772.5	522.7	795.1	795.1	122.7%	102.5%
Departmental agencies and accounts	476.9	491.9	481.4	285.6	285.6	277.6	154.0	154.0	145.6	8.8	8.8	8.8	-	-
Foreign governments and international organisations	398.4	460.4	492.5	460.1	539.4	585.2	481.2	580.3	621.0	506.7	779.6	779.6	134.2%	105.0%
Public corporations and private enterprises	-	6.8	0.1	-	-	-	-	-	-	-	-	-	-	2.0%
Households	-	6.7	6.3	0.0	8.7	6.3	6.0	6.0	5.9	7.1	6.7	6.7	191.5%	89.5%
Payments for capital assets	372.7	385.5	203.3	426.0	274.0	168.4	284.0	209.3	240.8	281.1	279.5	279.5	65.4%	77.7%
Buildings and other fixed structures	330.3	343.1	177.0	400.2	236.6	131.5	233.1	153.4	130.2	249.9	233.7	233.7	55.4%	69.6%
Machinery and equipment	42.4	42.4	26.3	25.8	37.4	36.9	50.9	55.9	109.9	31.2	45.9	45.9	145.6%	120.6%
Software and other intangible assets	-	-	-	-	-	-	-	-	0.7	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	17.3	-	-	-	-	-
Total	5 548.4	5 754.6	5 915.5	5 754.3	6 104.3	6 066.5	5 698.6	6 510.9	6 644.8	5 888.7	6 838.7	6 838.7	111.3%	101.0%

Expenditure estimates

Table 6.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. International Relations									
3. International Cooperation									
4. Public Diplomacy and Protocol Services									
5. International Transfers									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	1 458.7	3.4%	21.0%	1 556.6	1 682.8	1 728.3	5.8%	24.1%	
Programme 2	3 825.1	11.4%	53.4%	3 568.9	3 552.1	3 221.4	-5.6%	53.1%	
Programme 3	514.3	3.9%	7.8%	565.4	584.2	591.2	4.8%	8.5%	
Programme 4	252.1	-0.3%	4.5%	266.1	288.1	307.6	6.9%	4.2%	
Programme 5	788.4	-6.1%	13.3%	617.8	658.6	657.1	-5.9%	10.2%	
Total	6 838.7	5.9%	100.0%	6 574.9	6 765.7	6 505.5	-1.7%	100.0%	
Change to 2016 Budget estimate				661.9	583.1	(76.4)			
Economic classification									
Current payments	5 764.0	9.4%	83.0%	5 599.4	5 729.5	5 456.7	-1.8%	84.5%	
Compensation of employees	3 071.4	9.3%	44.7%	2 914.0	2 964.5	2 874.5	-2.2%	44.3%	
Goods and services	2 640.3	9.5%	37.7%	2 685.4	2 765.1	2 582.2	-0.7%	40.0%	
Interest and rent on land	52.3	13.4%	0.6%	-	-	-	-100.0%	0.2%	
Transfers and subsidies	795.1	-6.3%	13.4%	625.5	667.3	666.2	-5.7%	10.3%	
Departmental agencies and accounts	8.8	-73.8%	3.6%	31.5	49.4	57.8	87.0%	0.6%	
Foreign governments and international organisations	779.6	19.2%	9.7%	586.4	609.2	599.3	-8.4%	9.6%	
Households	6.7	0.1%	0.1%	7.7	8.7	9.2	10.8%	0.1%	
Payments for capital assets	279.5	-10.2%	3.5%	294.6	310.4	320.9	4.7%	4.5%	
Buildings and other fixed structures	233.7	-12.0%	2.6%	250.3	264.7	240.9	1.0%	3.7%	
Machinery and equipment	45.9	2.6%	0.9%	44.3	45.6	80.0	20.4%	0.8%	
Total	6 838.7	5.9%	100.0%	6 519.6	6 707.2	6 443.8	-2.0%	99.3%	

Goods and services expenditure trends and estimates

Table 6.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Administrative fees	7 149	9 294	12 105	11 622	17.6%	0.4%	12 438	13 159	13 896	6.1%	0.5%
Advertising	12 013	12 608	4 094	15 693	4.3%	0.5%	16 656	16 124	17 027	2.8%	0.6%
Minor assets	4 780	3 366	2 800	5 519	4.9%	0.2%	4 858	5 094	5 380	-0.8%	0.2%
Audit costs: External	19 471	20 937	23 324	23 510	6.5%	0.9%	24 873	26 315	27 789	5.7%	1.0%
Bursaries: Employees	880	1 247	1 037	1 145	9.2%	-	1 480	1 565	1 653	13.0%	0.1%
Catering: Departmental activities	19 155	30 813	19 947	19 570	0.7%	0.9%	22 695	21 765	22 985	5.5%	0.8%
Communication	69 917	56 384	61 327	50 888	-10.0%	2.5%	54 320	57 185	60 387	5.9%	2.1%
Computer services	112 455	169 331	166 362	122 707	3.0%	5.9%	141 475	148 484	144 658	5.6%	5.2%
Consultants: Business and advisory services	37 116	130 129	3 994	152 564	60.2%	3.4%	159 605	169 518	163 173	2.3%	6.0%
Infrastructure and planning services	20	3 783	-	6 420	584.7%	0.1%	6 678	6 949	7 338	4.6%	0.3%
Legal services	2 834	3 953	4 363	3 593	8.2%	0.2%	3 754	2 896	3 057	-5.2%	0.1%
Contractors	82 576	56 460	85 896	90 451	3.1%	3.3%	94 543	97 907	103 390	4.6%	3.6%
Agency and support/outsourced services	16 445	4 080	4 489	8 657	-19.3%	0.4%	9 027	10 367	10 947	8.1%	0.4%
Entertainment	13 234	13 801	12 559	14 656	3.5%	0.6%	15 331	15 696	16 575	4.2%	0.6%
Fleet services (including government motor transport)	176	294	1 601	35	-41.6%	-	36	29	31	-4.0%	-
Housing	-	-	1	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	10	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Farming supplies	60	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Food and food supplies	381	24	-	351	-2.7%	-	379	389	410	5.3%	-
Inventory: Fuel, oil and gas	134	1	-	-	-100.0%	-	2 859	3 025	3 194	-	0.1%
Inventory: Materials and supplies	1 407	828	-	932	-12.8%	-	979	1 034	1 193	8.6%	-
Inventory: Medical supplies	5	-	-	93	165.0%	-	36	38	40	-24.5%	-
Inventory: Other supplies	780	-	-	-	-100.0%	-	4 551	4 815	5 084	-	0.1%
Consumable supplies	29 926	31 431	35 343	27 570	-2.7%	1.3%	27 087	28 665	30 269	3.2%	1.1%

Table 6.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Consumables: Stationery, printing and office supplies	22 881	18 643	17 176	20 789	-3.1%	0.8%	21 893	23 588	24 908	6.2%	0.9%
Operating leases	922 835	893 262	1 016 886	1 169 710	8.2%	41.7%	1 123 924	1 164 086	1 076 906	-2.7%	42.5%
Rental and hiring	5 251	3 745	4 252	1 292	-37.3%	0.2%	1 559	1 840	1 943	14.6%	0.1%
Property payments	302 823	225 119	388 497	310 943	0.9%	12.8%	310 872	247 844	247 996	-7.3%	10.5%
Travel and subsistence	367 763	315 896	335 194	293 173	-7.3%	13.7%	305 568	331 210	314 351	2.4%	11.7%
Training and development	13 805	6 074	8 144	6 744	-21.2%	0.4%	14 929	15 795	16 680	35.2%	0.5%
Operating payments	182 638	200 777	205 031	265 610	13.3%	8.9%	283 526	330 171	240 320	-3.3%	10.5%
Venues and facilities	12 705	15 549	60 514	16 105	8.2%	1.1%	19 478	19 502	20 595	8.5%	0.7%
Total	2 261 625	2 227 829	2 474 936	2 640 342	5.3%	100.0%	2 685 409	2 765 055	2 582 175	-0.7%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 6.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	481 356	277 560	145 637	8 831	-73.6%	26.7%	31 483	49 414	57 781	87.0%	5.4%
African Renaissance and International Cooperation Fund	481 356	277 560	145 637	31	-96.0%	26.5%	22 243	39 638	47 458	1052.5%	4.0%
South African Development Partnership Agency	-	-	-	8 800	-	0.3%	9 240	9 776	10 323	5.5%	1.4%
Foreign governments and international organisations											
Current	492 539	585 152	621 004	779 578	16.5%	72.5%	586 357	609 176	599 274	-8.4%	93.5%
African Union	176 768	231 840	271 911	291 266	18.1%	28.4%	217 142	227 417	237 912	-6.5%	35.4%
Group of 77 Countries	120	126	237	135	4.0%	-	142	150	158	5.4%	-
India-Brazil-South Africa Trust Fund	8 441	17 292	14 925	26 932	47.2%	2.0%	19 419	19 023	11 640	-24.4%	2.8%
New Partnership for Africa's Development	10 085	7 950	7 950	7 354	-10.0%	1.0%	9 195	9 728	10 273	11.8%	1.3%
African Peer Review Mechanism	1 017	2 650	2 650	2 919	42.1%	0.3%	3 065	3 243	3 425	5.5%	0.5%
Organisation for Economic Cooperation and Development	394	52	594	274	-11.4%	-	288	305	322	5.5%	-
United Nations Development Programme	6 810	11 269	7 481	6 535	-1.4%	0.9%	6 862	7 260	7 667	5.5%	1.0%
African, Caribbean and Pacific Group of States	3 916	12 019	4 319	4 355	3.6%	0.7%	4 841	5 122	5 409	7.5%	0.7%
Commonwealth of Nations	7 029	7 925	8 996	31 013	64.0%	1.6%	21 522	22 190	12 873	-25.4%	3.2%
Southern African Development Community	66 925	70 462	88 421	113 164	19.1%	9.9%	79 353	82 855	74 469	-13.0%	12.7%
United Nations	152 664	198 957	199 643	249 291	17.8%	23.4%	175 870	180 403	180 763	-10.2%	28.6%
United Nations Human Rights Council	-	-	388	404	-	-	424	449	474	5.5%	0.1%
Biochemical and Toxin Weapons Convention	437	357	144	584	10.1%	-	613	649	685	5.5%	0.1%
Comprehensive Nuclear-Test-Ban Treaty	5 112	5 239	5 141	7 042	11.3%	0.7%	7 394	7 823	8 261	5.5%	1.1%
Humanitarian Aid	28 199	16 800	3 164	30 854	3.0%	2.3%	32 397	34 276	36 195	5.5%	4.9%
Indian Ocean Rim Research Centre	180	-	371	170	-1.9%	-	179	189	200	5.6%	-
Perez-Guerrero Trust Fund	63	67	108	72	4.6%	-	76	80	84	5.3%	-
South Centre Capital Fund	-	-	2 982	1 413	-	0.1%	1 484	1 570	1 658	5.5%	0.2%
United Nations Development Programme in Southern Africa	1 150	-	-	1 343	5.3%	0.1%	1 410	1 492	1 576	5.5%	0.2%
United Nations Technical Cooperation	-	588	129	135	-	-	142	150	158	5.4%	-
United Nations Voluntary Fund for Disability	-	79	82	90	-	-	95	101	107	5.9%	-
United Nations Children's Fund	-	237	247	269	-	-	282	298	315	5.4%	-
United Nations Convention on the Law of the Sea	-	-	-	675	-	-	709	750	792	5.5%	0.1%
African Union Commission	21 904	-	-	-	-100.0%	0.6%	3 453	3 653	3 858	-	0.4%
Other transfer payments	1 325	1 243	1 121	3 289	35.4%	0.2%	-	-	-	-100.0%	0.1%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	133	-	-	-	-100.0%	-	-	-	-	-	-
Television licences	133	-	-	-	-100.0%	-	-	-	-	-	-
Households											
Social benefits											
Current	6 262	6 250	5 897	6 735	2.5%	0.7%	7 705	8 671	9 158	10.8%	1.2%
Employee social benefits	6 262	6 250	5 897	6 735	2.5%	0.7%	7 705	8 671	9 158	10.8%	1.2%
Total	980 290	868 962	772 538	795 144	-6.7%	100.0%	625 545	667 261	666 213	-5.7%	100.0%

Personnel information

Table 6.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment										Number								
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average Salary level/Total (%)							
		2015/16		2016/17			2017/18		2018/19		2019/20			2016/17 - 2019/20						
		Number	Cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost				Unit cost					
International Relations and Cooperation		5 255	34	5 006	3 083.7	0.6	4 873	3 071.4	0.6	4 618	2 914.0	0.6	4 404	2 964.5	0.7	4 051	2 874.5	0.7	-6.0%	100.0%
Salary level		286	2	371	87.0	0.2	370	90.8	0.2	370	96.7	0.3	360	100.8	0.3	360	111.8	0.3	-0.9%	8.1%
1 – 6		1 533	15	1 237	537.4	0.4	1 233	531.9	0.4	1 229	573.9	0.5	1 165	605.8	0.5	1 114	618.1	0.6	-3.3%	26.4%
7 – 10		434	4	382	296.8	0.8	382	287.6	0.8	381	303.5	0.8	357	329.6	0.9	357	335.6	0.9	-2.2%	8.2%
11 – 12		290	13	304	329.8	1.1	272	285.4	1.0	270	308.0	1.1	268	310.6	1.2	248	314.0	1.3	-3.0%	5.9%
13 – 16		2 712	–	2 712	1 832.8	0.7	2 616	1 875.7	0.7	2 368	1 631.9	0.7	2 254	1 617.7	0.7	1 972	1 495.0	0.8	-9.0%	51.3%
Other		5 255	34	5 006	3 083.7	0.6	4 873	3 071.4	0.6	4 618	2 914.0	0.6	4 404	2 964.5	0.7	4 051	2 874.5	0.7	-6.0%	100.0%
Programme		916	31	867	389.3	0.4	866	401.8	0.5	865	437.2	0.5	865	479.1	0.6	864	516.7	0.6	-0.1%	19.3%
Programme 1		3 510	–	3 407	2 212.5	0.6	3 311	2 179.8	0.7	3 091	1 967.8	0.6	2 917	1 969.3	0.7	2 611	1 794.3	0.7	-7.6%	66.5%
Programme 2		456	3	413	347.1	0.8	381	343.2	0.9	352	355.3	1.0	341	346.7	1.0	295	381.2	1.3	-8.2%	7.6%
Programme 3		373	–	319	134.9	0.4	315	146.5	0.5	310	153.7	0.5	281	169.4	0.6	281	182.3	0.6	-3.7%	6.6%
Programme 4																				

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

2. Rand million.

Departmental receipts

Table 6.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	36 569	35 147	34 884	24 340	37 159	0.5%	100.0%	38 464	40 388	42 407	4.5%	100.0%
Sales of goods and services produced by department	870	903	1 013	1 077	1 203	11.4%	2.8%	1 122	1 179	1 237	0.9%	3.0%
Sales by market establishments	417	903	569	601	722	20.1%	1.8%	631	663	696	-1.2%	1.7%
of which:												
Parking fees	417	454	371	521	521	7.7%	1.2%	547	575	604	5.1%	1.4%
Rent income	–	449	198	80	201	–	0.6%	84	88	92	-22.9%	0.3%
Administrative fees	–	–	360	386	389	–	0.5%	397	417	438	4.0%	1.0%
of which:												
Insurance fees	–	–	360	378	389	–	0.5%	397	417	438	4.0%	1.0%
Garnishee fees	–	–	–	8	–	–	–	–	–	–	–	–
Other sales	453	–	84	90	92	-41.2%	0.4%	94	99	103	3.8%	0.2%
of which:												
Replacement of access cards and name tags	453	–	6	8	8	-74.0%	0.3%	8	9	9	4.0%	–
Sale of departmental documents and publications	–	–	1	1	1	–	–	1	1	1	–	–
Transport fees	–	–	77	81	83	–	0.1%	85	89	93	3.9%	0.2%
Fines, penalties and forfeits	37	7	–	–	–	-100.0%	–	–	–	–	–	–
Interest, dividends and rent on land	1 384	1 090	1 740	1 827	1 894	11.0%	4.2%	1 918	2 014	2 115	3.7%	5.0%
Interest	1 384	1 090	1 740	1 827	1 894	11.0%	4.2%	1 918	2 014	2 115	3.7%	5.0%
Sales of capital assets	2 125	3 033	5 807	6 097	6 197	42.9%	11.9%	6 402	6 722	7 058	4.4%	16.7%
Transactions in financial assets and liabilities	32 153	30 114	26 324	15 339	27 865	-4.7%	81.0%	29 022	30 473	31 997	4.7%	75.3%
Total	36 569	35 147	34 884	24 340	37 159	0.5%	100.0%	38 464	40 388	42 407	4.5%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 6.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Ministry	6.1	5.9	6.2	6.9	3.7%	0.5%	7.3	7.7	8.3	6.5%	0.5%
Departmental Management	14.3	14.5	14.1	16.6	5.0%	1.1%	17.7	18.8	20.2	6.7%	1.1%
Audit Services	17.0	14.7	20.1	19.0	3.9%	1.3%	21.6	24.1	25.7	10.6%	1.4%
Financial Management	122.2	99.2	103.9	146.4	6.2%	8.8%	161.3	173.3	186.2	8.4%	10.4%
Corporate Services	633.3	657.4	755.0	642.5	0.5%	50.2%	686.2	761.1	772.4	6.3%	44.5%
Diplomatic Training, Research and Development	59.4	60.2	65.5	72.7	7.0%	4.8%	82.0	85.3	91.3	7.9%	5.2%
Foreign Fixed Assets Management	154.4	122.3	135.1	235.7	15.1%	12.1%	243.5	256.1	263.5	3.8%	15.5%
Office Accommodation	260.4	273.7	281.6	318.9	7.0%	21.2%	337.1	356.5	360.6	4.2%	21.4%
Total	1 267.2	1 247.9	1 381.5	1 458.7	4.8%	100.0%	1 556.6	1 682.8	1 728.3	5.8%	100.0%
Change to 2016 Budget estimate				-			35.9	48.7	(6.8)		
Economic classification											
Current payments	1 089.8	1 099.7	1 133.1	1 193.3	3.1%	84.3%	1 281.4	1 392.9	1 429.1	6.2%	82.4%
Compensation of employees	330.3	369.6	389.3	401.8	6.8%	27.8%	437.2	479.1	516.7	8.8%	28.6%
Goods and services ¹	759.5	683.5	688.5	739.3	-0.9%	53.6%	788.9	855.3	850.6	4.8%	50.3%
of which:											
Computer services	110.8	168.3	165.5	121.8	3.2%	10.6%	140.6	147.5	143.6	5.6%	8.6%
Consultants: Business and advisory services	36.4	129.2	4.0	151.9	61.0%	6.0%	159.0	168.8	162.4	2.3%	10.0%
Contractors	65.9	40.9	70.5	74.9	4.4%	4.7%	77.8	81.1	85.6	4.5%	5.0%
Operating leases	198.5	82.9	78.8	124.5	-14.4%	9.1%	131.3	149.1	146.7	5.6%	8.6%
Travel and subsistence	102.0	93.8	97.3	98.2	-1.2%	7.3%	95.3	100.9	106.5	2.7%	6.2%
Operating payments	73.7	86.7	65.4	68.2	-2.5%	5.5%	71.7	89.0	80.1	5.5%	4.8%
Interest and rent on land	-	46.6	55.4	52.3	-	2.9%	55.3	58.5	61.8	5.7%	3.5%
Transfers and subsidies¹	1.1	1.7	1.5	1.4	8.4%	0.1%	1.5	1.6	1.6	5.5%	0.1%
Public corporations and private enterprises	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Households	1.0	1.7	1.5	1.4	13.2%	0.1%	1.5	1.6	1.6	5.5%	0.1%
Payments for capital assets	176.3	146.6	229.8	264.0	14.4%	15.2%	273.7	288.3	297.6	4.1%	17.5%
Buildings and other fixed structures	176.1	131.5	130.2	233.7	9.9%	12.5%	250.3	264.7	240.9	1.0%	15.4%
Machinery and equipment	0.2	15.0	98.8	30.3	437.5%	2.7%	23.4	23.6	56.7	23.2%	2.1%
Software and other intangible assets	-	-	0.7	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	17.1	-	-	0.3%	-	-	-	-	-
Total	1 267.2	1 247.9	1 381.5	1 458.7	4.8%	100.0%	1 556.6	1 682.8	1 728.3	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	21.4%	20.6%	20.8%	21.3%	-	-	23.7%	24.9%	26.6%	-	-

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

Programme 2: International Relations

Programme purpose

Promote relations with foreign countries.

Objective

- Strengthen political, economic and social relations, advancing South Africa's national priorities and the African Agenda, including strengthening South-South cooperation through structured bilateral agreements and high-level engagements on an ongoing basis.

Subprogrammes

- Africa* embraces relevant national priorities by strengthening bilateral cooperation with individual countries in Africa, particularly through focusing on increasing exports of South African goods and services, foreign

direct investment with technology transfers into value-adding industries and mineral beneficiation, and inbound tourism and the skills base. South Africa currently has foreign representation in 47 diplomatic missions in Africa.

- *Asia and Middle East* embraces relevant national priorities by strengthening bilateral cooperation with individual countries in Asia and the Middle East, particularly through focusing on increasing exports of South African goods and services, foreign direct investment with technology transfers into value-adding industries and mineral beneficiation, and inbound tourism and the skills base. South Africa currently has foreign representation in 32 diplomatic missions in Asia and the Middle East.
- *Americas and Caribbean* embraces relevant national priorities by strengthening bilateral cooperation with individual countries in the Americas and the Caribbean, particularly through focusing on increasing exports of South African goods and services, foreign direct investment with technology transfers into value-adding industries and mineral beneficiation, and inbound tourism and the skills base.
- *Europe* embraces relevant national priorities by strengthening bilateral cooperation with individual countries in Europe, particularly through focusing on increasing exports of South African goods and services, foreign direct investment with technology transfers into value-adding industries and mineral beneficiation, and inbound tourism and the skills base. South Africa currently has foreign representation in 28 diplomatic missions in Europe.

Expenditure trends and estimates

Table 6.9 International Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Africa	871.8	949.3	1 094.4	1 189.8	10.9%	30.2%	1 092.4	1 106.1	1 062.0	-3.7%	31.4%
Asia and Middle East	777.9	825.3	965.2	1 015.5	9.3%	26.3%	926.4	959.8	764.9	-9.0%	25.9%
Americas and Caribbean	492.2	535.8	605.9	634.7	8.8%	16.7%	605.8	553.2	509.6	-7.1%	16.3%
Europe	799.3	884.4	974.9	985.1	7.2%	26.8%	944.3	932.9	884.9	-3.5%	26.4%
Total	2 941.2	3 194.9	3 640.4	3 825.1	9.2%	100.0%	3 568.9	3 552.1	3 221.4	-5.6%	100.0%
Change to 2016 Budget estimate				742.1			629.2	533.0	(0.0)		
Economic classification											
Current payments	2 921.5	3 171.6	3 627.0	3 807.5	9.2%	99.5%	3 545.7	3 527.5	3 195.5	-5.7%	99.4%
Compensation of employees	1 748.3	1 944.5	2 212.5	2 179.8	7.6%	59.4%	1 967.8	1 969.3	1 794.3	-6.3%	55.8%
Goods and services ¹	1 173.3	1 227.0	1 414.6	1 627.7	11.5%	40.0%	1 577.9	1 558.3	1 401.3	-4.9%	43.5%
of which:											
Communication	34.1	32.3	37.4	30.0	-4.2%	1.0%	31.5	33.3	35.1	5.5%	0.9%
Consumable supplies	25.7	24.4	27.3	20.3	-7.6%	0.7%	19.5	20.6	21.7	2.3%	0.6%
Operating leases	663.8	727.9	852.8	965.2	13.3%	23.6%	890.5	902.8	841.8	-4.5%	25.4%
Property payments	175.3	169.9	192.3	250.3	12.6%	5.8%	246.4	179.3	175.6	-11.1%	6.0%
Travel and subsistence	105.9	102.9	103.2	106.2	0.1%	3.1%	117.0	125.0	107.4	0.4%	3.2%
Operating payments	87.5	92.7	120.9	171.1	25.0%	3.5%	172.1	195.7	112.2	-13.1%	4.6%
Transfers and subsidies¹	4.1	3.6	3.2	4.4	2.8%	0.1%	5.2	5.5	5.8	9.2%	0.1%
Households	4.1	3.6	3.2	4.4	2.8%	0.1%	5.2	5.5	5.8	9.2%	0.1%
Payments for capital assets	15.6	19.7	10.1	13.2	-5.4%	0.4%	18.0	19.0	20.1	15.1%	0.5%
Machinery and equipment	15.6	19.7	10.1	13.2	-5.4%	0.4%	18.0	19.0	20.1	15.1%	0.5%
Total	2 941.2	3 194.9	3 640.4	3 825.1	9.2%	100.0%	3 568.9	3 552.1	3 221.4	-5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	49.7%	52.7%	54.8%	55.9%	-	-	54.3%	52.5%	49.5%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	4.1	3.6	3.2	4.4	2.8%	0.1%	5.2	5.5	5.8	9.2%	0.1%
Employee social benefits	4.1	3.6	3.2	4.4	2.8%	0.1%	5.2	5.5	5.8	9.2%	0.1%

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

Programme 3: International Cooperation

Programme purpose

Participate in initiatives of international organisations and institutions in line with South Africa's national values and foreign policy objectives.

Objectives

- Contribute to a reformed, strengthened and equal rules-based multilateral system that will be responsive to the needs of developing countries and Africa, in particular, by participating in the global system of governance on an ongoing basis.
- Strengthen the AU and its structures by providing ongoing financial support for the operations of the Pan African Parliament in terms of the country host agreement.
- Improve governance and capacity in the SADC secretariat on an ongoing basis by implementing the secretariat's job-evaluation plan and assisting with the recruitment process on an ongoing basis.
- Contribute towards NEPAD processes for socioeconomic development in Africa by participating in the African Peer Review Mechanism and submitting the African Peer Review Mechanism country report when required.
- Strengthen bilateral, trilateral and multilateral interests and relations within the BRICS group of countries dialogue forum through continuous active participation in forum structures.
- Strengthen political solidarity, economic cooperation and sociocultural relations with Asian countries by participating in the New Asian-African Strategic Partnership structures over the medium term.
- Strengthen North-South economic and political relations and cooperation to advance the African Agenda through the ongoing financing of development initiatives and support to institutional and governance reforms.

Subprogrammes

- *Global System of Governance* provides for multilateralism and a rules-based international order. This entails participating and playing an active role in all forums of the UN system and its specialised agencies, and funding programmes that promote the principles of multilateral activity.
- *Continental Cooperation* provides for the enhancement of the African Agenda and sustainable development.
- *South-South Cooperation* provides for partnerships with countries of the South in advancing South Africa's own development needs and the needs of the African Agenda; and creates political, economic and social convergence for the fight against poverty, underdevelopment and the marginalisation of the South.
- *North-South Dialogue* provides for South Africa's bilateral and multilateral engagements to consolidate and strengthen relations with organisations of the North to advance and support national priorities, the African Agenda and the developmental agenda of the South.

Expenditure trends and estimates

Table 6.10 International Cooperation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Global System of Governance	249.4	270.3	293.8	296.1	5.9%	56.2%	298.9	317.9	316.8	2.3%	54.5%
Continental Cooperation	124.2	132.0	141.0	133.3	2.4%	26.9%	176.0	170.1	171.3	8.7%	28.9%
South-South Cooperation	6.9	4.6	4.5	6.4	-2.3%	1.1%	7.2	8.1	8.7	10.7%	1.3%
North-South Dialogue	71.2	78.2	83.8	78.5	3.3%	15.8%	83.3	88.1	94.4	6.4%	15.3%
Total	451.7	485.2	523.1	514.3	4.4%	100.0%	565.4	584.2	591.2	4.8%	100.0%
Change to 2016 Budget estimate				(64.9)			-	10.2	(21.8)		

Table 6.10 International Cooperation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 -	2016/17				2016/17 -	2019/20
Current payments	441.1	482.7	522.2	512.1	5.1%	99.2%	563.0	581.1	587.9	4.7%	99.5%
Compensation of employees	277.1	305.9	347.1	343.2	7.4%	64.5%	355.3	346.7	381.2	3.6%	63.2%
Goods and services ¹	163.9	176.9	175.1	168.9	1.0%	34.7%	207.7	234.4	206.7	7.0%	36.3%
of which:											
Communication	4.8	5.2	6.1	5.5	4.8%	1.1%	5.8	6.5	6.8	7.6%	1.1%
Entertainment	1.6	1.9	1.9	2.1	8.4%	0.4%	2.2	2.6	2.8	9.9%	0.4%
Operating leases	60.6	82.5	85.3	80.0	9.7%	15.6%	102.1	112.1	88.4	3.4%	17.0%
Property payments	9.0	9.4	11.2	8.6	-1.6%	1.9%	9.1	10.0	10.6	7.0%	1.7%
Travel and subsistence	58.0	47.4	42.2	38.7	-12.6%	9.4%	40.4	50.1	42.1	2.8%	7.6%
Operating payments	15.8	21.0	18.6	25.8	17.9%	4.1%	39.3	45.0	47.5	22.5%	7.0%
Transfers and subsidies¹	1.0	0.6	0.3	0.5	-19.6%	0.1%	0.7	1.2	1.3	35.3%	0.2%
Households	1.0	0.6	0.3	0.5	-19.6%	0.1%	0.7	1.2	1.3	35.3%	0.2%
Payments for capital assets	9.6	1.8	0.6	1.7	-43.8%	0.7%	1.8	1.9	2.0	5.6%	0.3%
Machinery and equipment	8.7	1.8	0.6	1.7	-41.9%	0.6%	1.8	1.9	2.0	5.6%	0.3%
Total	451.7	485.2	523.1	514.3	4.4%	100.0%	565.4	584.2	591.2	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	7.6%	8.0%	7.9%	7.5%	-	-	8.6%	8.6%	9.1%	-	-

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

Programme 4: Public Diplomacy and Protocol Services

Programme purpose

Communicate South Africa's role and position in international relations in domestic and international arenas, and provide state protocol services.

Objective

- Ensure a better understanding of South Africa's foreign policy by providing ongoing strategic public diplomacy direction and state protocol services nationally and internationally.

Subprogrammes

- *Public Diplomacy* promotes a positive projection of South Africa's image, communicates foreign policy positions to domestic and foreign audiences, and markets and brands South Africa by using public diplomacy platforms, strategies, products and services.
- *Protocol Services* facilitates incoming and outgoing high-level visits and ceremonial events, coordinates and regulates engagement with the local diplomatic community, provides protocol advice and support to the various spheres of government, facilitates the hosting of international conferences in South Africa, and manages the state protocol lounges and guesthouses.

Expenditure trends and estimates

Table 6.11 Public Diplomacy and Protocol Services 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 -	2016/17				2016/17 -	2019/20
Public Diplomacy	74.0	71.2	65.1	70.6	-1.6%	24.6%	75.3	81.7	87.4	7.4%	28.3%
Protocol Services	207.6	204.7	268.2	181.5	-4.4%	75.4%	190.8	206.3	220.2	6.6%	71.7%
Total	281.6	275.9	333.2	252.1	-3.6%	100.0%	266.1	288.1	307.6	6.9%	100.0%
Change to 2016 Budget estimate				-			-	-	(0.0)		
Economic classification	279.6	275.1	331.7	251.0	-3.5%	99.5%	264.6	286.5	305.9	6.8%	99.5%
Current payments											
Compensation of employees	114.7	134.7	134.9	146.5	8.5%	46.4%	153.7	169.4	182.3	7.6%	58.5%
Goods and services ¹	164.9	140.4	196.8	104.5	-14.1%	53.1%	110.9	117.1	123.6	5.8%	41.0%
of which:											
Advertising	3.6	9.5	1.9	7.2	25.7%	1.9%	7.8	8.2	8.7	6.3%	2.9%
Communication	8.4	4.5	4.7	3.6	-24.9%	1.8%	3.8	4.0	4.2	5.6%	1.4%

Table 6.11 Public Diplomacy and Protocol Services expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Consumables: Stationery, printing and office supplies	3.9	3.5	2.3	3.9	0.2%	1.2%	4.2	4.4	4.6	5.7%	1.5%
Property payments	31.0	28.1	35.3	30.1	-1.0%	10.9%	31.1	33.0	34.8	5.0%	11.6%
Travel and subsistence	101.9	71.8	92.5	50.0	-21.1%	27.7%	52.8	55.3	58.4	5.3%	19.4%
Venues and facilities	0.5	5.2	50.8	3.9	104.8%	5.3%	5.2	5.5	5.8	14.6%	1.8%
Transfers and subsidies¹	0.2	0.4	1.0	0.4	21.6%	0.2%	0.4	0.4	0.4	5.6%	0.1%
Households	0.2	0.4	1.0	0.4	21.6%	0.2%	0.4	0.4	0.4	5.6%	0.1%
Payments for capital assets	1.8	0.4	0.3	0.7	-27.8%	0.3%	1.1	1.1	1.2	21.4%	0.4%
Machinery and equipment	1.8	0.4	0.3	0.7	-27.8%	0.3%	1.1	1.1	1.2	21.4%	0.4%
Payments for financial assets	-	-	0.2	-	-	-	-	-	-	-	-
Total	281.6	275.9	333.2	252.1	-3.6%	100.0%	266.1	288.1	307.6	6.9%	100.0%
Proportion of total programme expenditure to vote expenditure	4.8%	4.5%	5.0%	3.7%	-	-	4.0%	4.3%	4.7%	-	-

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

Programme 5: International Transfers

Programme purpose

Fund membership fees and transfers to international organisations.

Objective

- Promote multilateral activities that enhance South Africa's economic and diplomatic relations within the continent and with the world over the medium term by:
 - providing South Africa's annual contribution to membership fees of international organisations such as the UN, AU and SADC
 - providing annual transfers to recapitalise the African Renaissance and International Cooperation Fund as contributions to its operations.

Subprogrammes

- Departmental Agencies* facilitates the transfer to the African Renaissance and International Cooperation Fund, a public entity of the department.
- Membership Contribution* facilitates transfers to international organisations annually.

Expenditure trends and estimates

Table 6.12 International Transfers expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Departmental Agencies	481.4	277.6	145.6	8.8	-73.6%	26.9%	31.5	49.4	57.8	87.0%	5.4%
Membership Contribution	492.5	585.2	621.0	779.6	16.5%	73.1%	586.4	609.2	599.3	-8.4%	94.6%
Total	973.9	862.7	766.6	788.4	-6.8%	100.0%	617.8	658.6	657.1	-5.9%	100.0%
Change to 2016 Budget estimate				272.9			(3.3)	(8.8)	(47.8)		
Economic classification											
Transfers and subsidies¹	973.9	862.7	766.6	788.4	-6.8%	100.0%	617.8	658.6	657.1	-5.9%	100.0%
Departmental agencies and accounts	481.4	277.6	145.6	8.8	-73.6%	26.9%	31.5	49.4	57.8	87.0%	5.4%
Foreign governments and international organisations	492.5	585.2	621.0	779.6	16.5%	73.1%	586.4	609.2	599.3	-8.4%	94.6%
Total	973.9	862.7	766.6	788.4	-6.8%	100.0%	617.8	658.6	657.1	-5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	16.5%	14.2%	11.5%	11.5%	-	-	9.4%	9.7%	10.1%	-	-

Table 6.12 International Transfers expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	481.4	277.6	145.6	8.8	-73.6%	26.9%	31.5	49.4	57.8	87.0%	5.4%
African Renaissance and International Cooperation Fund	481.4	277.6	145.6	0.0	-96.0%	26.7%	22.2	39.6	47.5	1052.5%	4.0%
South African Development Partnership Agency	-	-	-	8.8	-	0.3%	9.2	9.8	10.3	5.5%	1.4%
Foreign governments and international organisations											
Current	492.5	585.0	620.8	779.4	16.5%	73.1%	586.2	609.0	599.1	-8.4%	94.6%
African Union	176.8	231.8	271.9	291.3	18.1%	28.7%	217.1	227.4	237.9	-6.5%	35.8%
Group of 77 Countries	0.1	0.1	0.2	0.1	4.0%	-	0.1	0.2	0.2	5.4%	-
India-Brazil-South Africa Trust Fund	8.4	17.3	14.9	26.9	47.2%	2.0%	19.4	19.0	11.6	-24.4%	2.8%
New Partnership for Africa's Development	10.1	8.0	8.0	7.4	-10.0%	1.0%	9.2	9.7	10.3	11.8%	1.3%
African Peer Review Mechanism	1.0	2.7	2.7	2.9	42.1%	0.3%	3.1	3.2	3.4	5.5%	0.5%
Organisation for Economic Cooperation and Development	0.4	0.1	0.6	0.3	-11.4%	-	0.3	0.3	0.3	5.5%	-
United Nations Development Programme	6.8	11.3	7.5	6.5	-1.4%	0.9%	6.9	7.3	7.7	5.5%	1.0%
African, Caribbean and Pacific Group of States	3.9	12.0	4.3	4.4	3.6%	0.7%	4.8	5.1	5.4	7.5%	0.7%
Commonwealth of Nations	7.0	7.9	9.0	31.0	64.0%	1.6%	21.5	22.2	12.9	-25.4%	3.2%
Southern African Development Community	66.9	70.5	88.4	113.2	19.1%	10.0%	79.4	82.9	74.5	-13.0%	12.9%
United Nations	152.7	199.0	199.6	249.3	17.8%	23.6%	175.9	180.4	180.8	-10.2%	28.9%
United Nations Human Rights Council	-	-	0.4	0.4	-	-	0.4	0.4	0.5	5.5%	0.1%
Biochemical and Toxin Weapons Convention	0.4	0.4	0.1	0.6	10.1%	-	0.6	0.6	0.7	5.5%	0.1%
Comprehensive Nuclear-Test-Ban Treaty	5.1	5.2	5.1	7.0	11.3%	0.7%	7.4	7.8	8.3	5.5%	1.1%
Humanitarian Aid	28.2	16.8	3.2	30.9	3.0%	2.3%	32.4	34.3	36.2	5.5%	4.9%
Indian Ocean Rim Research Centre	0.2	-	0.4	0.2	-1.9%	-	0.2	0.2	0.2	5.6%	-
South Centre Capital Fund	-	-	3.0	1.4	-	0.1%	1.5	1.6	1.7	5.5%	0.2%
United Nations Development Programme in Southern Africa	1.2	-	-	1.3	5.3%	0.1%	1.4	1.5	1.6	5.5%	0.2%
United Nations Technical Cooperation	-	0.6	0.1	0.1	-	-	0.1	0.2	0.2	5.4%	-
United Nations Children's Fund	-	0.2	0.2	0.3	-	-	0.3	0.3	0.3	5.4%	-
United Nations Convention on the Law of the Sea	-	-	-	0.7	-	-	0.7	0.8	0.8	5.5%	0.1%
African Union Commission	21.9	-	-	-	-100.0%	0.6%	3.5	3.7	3.9	-	0.4%
Other transfer payments	1.3	1.2	1.1	3.3	35.4%	0.2%	-	-	-	-100.0%	0.1%

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

Entity

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

- The **African Renaissance and International Cooperation Fund** provides cooperation funding for initiatives between South Africa and other countries that relate to the promotion of democracy and good governance, the prevention and resolution of conflicts, socioeconomic development and integration, humanitarian assistance and relief, and human resources and infrastructural development. The entity's total budget for 2017/18 in R22.2 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
R million										
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
Dar es Salaam: Construction of chancery	Construction of chancery	Construction	114.3	27.5	28.8	39.8	3.5	-	-	-
Lilongwe: Construction of chancery and staff housing	Construction of chancery and staff housing	Construction	117.9	11.6	33.3	60.0	-	-	-	-
Design of standard concept for chancery and official residence (once-off)	Design of a standard concept for the chancery and official residence	Design	0.5	-	-	-	-	-	0.5	-
Kigali: Construction of chancery and official residence	Construction of chancery	Design	75.0	-	-	-	3.0	4.0	-	-
Mbabane: Construction of staff housing and official Res	Construction of chancery and official residence	Feasibility	65.8	2.0	-	-	12.6	5.0	3.5	5.0
Mbabane: Construction of chancery	Construction of chancery	Feasibility	29.5	-	-	-	6.3	5.0	10.0	-
Riyadh: Construction of chancery and official residence	Construction of chancery and official residence	Feasibility	-	-	-	-	-	-	-	2.0
Bamako: Construction of chancery, official residence and staff housing (building of wall)	Construction of chancery, official residence and staff housing: Building of wall	Feasibility	1.9	-	-	-	-	-	-	-
Montevideo: Construction of staff housing	Construction of staff housing	Feasibility	3.3	-	-	-	3.3	-	-	-
Luanda: Property redevelopment	Redevelopment of property	Site identification	130.1	-	-	-	-	10.0	25.0	48.5
Gaborone: Construction of official residence	Construction of official residence	Feasibility	25.0	-	-	-	11.5	-	-	-
London: Refurbishment of official residence	Refurbishment of infrastructure	Handed over	1.8	-	-	-	0.8	-	-	-
Washington: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Handed over	234.2	88.1	17.6	-	-	-	-	-
Juba: Construction of chancery	Refurbishment of infrastructure	Feasibility	63.3	-	-	-	-	4.0	22.8	71.3
Paris: Refurbishment of official residence	Refurbishment of infrastructure	Tender	7.0	1.0	5.1	-	-	10.0	15.2	5.0
The Hague: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	153.6	15.0	16.0	2.2	-	55.3	5.0	-
Madrid: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	4.5	-	-	-	1.5	3.0	5.0	-
Sao Paulo: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	2.7	1.1	-	-	-	2.0	5.0	-
Bonn: Refurbishment of chancery	Refurbishment of infrastructure	On-going	-	-	-	-	-	-	7.0	-
London: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	51.0	-	-	-	28.0	10.0	10.0	-
Kinshasa: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	15.0	-	-	-	5.0	2.0	4.5	2.0
New York: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	5.0	-	-	-	2.5	2.5	3.0	-
Buenos Aires: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	25.0	-	-	-	13.0	2.5	5.5	8.0
Harare: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	18.0	-	-	-	5.0	3.0	6.8	4.2
Maputo: Refurbishment of chancery, official residence and staff housing	Refurbishment of infrastructure	Feasibility	28.5	-	-	-	18.2	6.5	4.8	3.3
Lisbon: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	21.5	-	-	-	10.0	2.0	8.5	3.5
Tehran: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	8.5	-	-	-	2.5	3.5	6.5	3.5
Brasilia: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	12.0	-	-	-	-	15.5	-	5.5

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
R million										
Vienna: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	10.0	-	-	-	5.0	5.0	12.0	-
Abuja: Construction of chancery and official residence	Construction of chancery and official residence	On hold	144.3	-	-	-	-	-	4.7	-
Maseru: Office accommodation	Construction of office accommodation	Site identification	1.5	1.0	-	-	-	3.0	-	2.0
Tokyo: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	51.7	35.6	-	-	-	-	-	-
Refurbishment at various missions	Refurbishment of infrastructure	Various	-	19.8	-	-	-	-	-	-
Rome: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Ongoing	-	-	-	-	-	-	9.0	-
Mbabane: Refurbishment of official residence	Refurbishment of infrastructure	Tender	2.0	-	0.5	-	-	-	-	-
Addis Ababa: Refurbishment of chancery and staff residence	Refurbishment of infrastructure	Construction	21.0	-	-	-	13.2	5.9	-	-
Bern: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Construction	-	-	-	-	-	3.0	2.5	-
Copenhagen: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Construction	0.1	0.3	2.2	-	-	-	-	3.5
New Delhi: Construction of chancery and official residence	Acquisition of property	Feasibility	140.0	-	-	-	5.9	23.0	19.6	73.5
Antananarivo: Acquisition of chancery and official residence	Acquisition of property	Feasibility	40.0	-	-	-	-	-	-	-
Port Louis: Acquisition of chancery and official residence	Acquisition of property	Feasibility	40.0	-	-	-	-	-	-	-
Lusaka: Acquisition of chancery and official residence	Acquisition of property	Feasibility	50.0	-	-	-	50.0	30.0	-	-
Nairobi: Acquisition of chancery	Acquisition of property	Feasibility	70.0	-	-	-	-	-	31.6	-
Total			1 785.2	202.9	103.6	102.0	200.7	215.7	228.1	240.9

Vote 7

National Treasury

Budget summary

R million	2017/18					2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	414.3	404.0	3.9	6.5	–	456.3	560.0
Economic Policy, Tax, Financial Regulation and Research	139.6	106.9	31.9	0.8	–	142.5	149.5
Public Finance and Budget Management	286.1	233.7	50.6	1.8	–	291.2	310.4
Asset and Liability Management	102.4	101.7	–	0.7	–	139.4	110.6
Financial Accounting and Supply Chain Management Systems	1 087.9	983.2	99.4	5.3	–	1 207.2	1 091.2
International Financial Relations	5 836.8	52.2	914.9	0.6	4 869.1	5 911.1	6 246.4
Civil and Military Pensions, Contributions to Funds and Other Benefits	4 835.0	65.2	4 769.8	–	–	5 160.9	5 571.3
Technical Support and Development Finance	2 873.3	389.3	2 484.1	–	–	3 230.3	3 410.0
Revenue Administration	10 218.2	–	10 218.2	–	–	10 560.2	10 972.1
Financial Intelligence and State Security	5 005.6	–	5 005.6	–	–	5 296.0	5 592.5
Subtotal	30 799.2	2 336.1	23 578.4	15.7	4 869.1	32 395.0	34 014.0
Direct charge against the National Revenue Fund							
Provincial equitable share	441 331.1	–	441 331.1	–	–	471 522.5	506 103.7
Debt-service costs	162 353.1	162 353.1	–	–	–	180 651.5	197 319.8
General fuel levy sharing with metropolitan municipalities	11 785.0	–	11 785.0	–	–	12 468.6	13 166.8
National Revenue Fund payments	387.6	–	–	–	387.6	–	–
Total expenditure estimates	646 656.0	164 689.2	476 694.5	15.7	5 256.7	697 037.6	750 604.2

Executive authority

Minister of Finance

Accounting officer

Director General of the National Treasury

Website address

www.treasury.gov.za

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

Vote purpose

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

Mandate

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

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

Selected performance indicators

Table 7.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive growth	38.1% (R1.4tr)	41% (R1.6tr)	44.2% (R1.8tr)	45.5% (R2tr)	47.0% (R2.2tr)	47.6% (R2.4tr)	48.2% (R2.7tr)
Value of government gross annual borrowing	Asset and Liability Management		R201.2bn	R215.3bn	R200.4bn	R243.4bn	R220.9bn	R224.2bn	R284.4bn
Cost to service debt as a percentage of GDP	Asset and Liability Management		2.8% (R101.2bn)	3% (R114.8bn)	3.2% (R128.8bn)	3.3% (R146.3bn)	3.4% (R162.4bn)	3.5% (R180.7bn)	3.6% (R197.3bn)
Number of active training providers delivering the municipal regulated minimum competency levels programme per year	Financial Accounting and Supply Chain Management Systems	Outcome 12: An efficient, effective and development-oriented public service	24	40	78	43	43	43	43
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Accounting and Supply Chain Management Systems		267	350	312	750	740	740	740
Number of transversal term contracts renewed per year for national procurement ²	Financial Accounting and Supply Chain Management Systems		18	16	16	17	17	11	15
Total number of precinct plans completed	Technical Support and Development Finance		- ¹	- ¹	10	4	8	12	18
Total number of catalytic projects approved	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	- ¹	317	352	360	380	400	420
Total estimated third-party investment leveraged for neighbourhood development	Technical Support and Development Finance		R1.9bn	R2.5bn	R4.2bn	R4bn	R4.3bn	R4.5bn	R4.8bn
Number of integrated projects in integration zones identified for planning per year	Technical Support and Development Finance		12	14	10	12	12	12	12
Number of integrated projects in integration zones under implementation per year	Technical Support and Development Finance		3	3	3	8	10	12	12
Total number of new jobs contracted for approved and active projects in the Jobs Fund (cumulative)	Technical Support and Development Finance		65 121	132 725	119 888	150 000	150 000	150 000	150 000
Number of placements contracted with project partners on the Jobs Fund (cumulative inception to date and still active) per year	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive growth	11 328	84 513	85 851	70 000	70 000	70 000	70 000

1. No historical data available.

2. Indicator wording revised. Previously recorded as "percentage of identified transversal contracts with strategic sourcing principles introduced per year".

Expenditure analysis

The National Development Plan (NDP) recognises that faster, broad-based growth is needed to transform the economy, create jobs, and reduce poverty and inequality in South Africa. Outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium-term strategic framework gives expression to this vision, with National Treasury's work contributing to its realisation. Over the medium term, the Treasury will continue prioritising infrastructure investment to ease bottlenecks and raise the economy's potential growth rate. The department will also continue working on preventing South Africa's credit rating from being downgraded to sub-investment grade.

The department's strategic focus over the medium term period will continue to be on managing future spending growth and fiscal risk; reviewing tax policy; supporting sustainable employment; supporting infrastructure development and economically integrated cities and communities; making government procurement more efficient; strengthening government financial management; strengthening the regulation of the financial sector; regional and international cooperation; and managing government's assets and liabilities.

The Treasury is responsible for the main statutory transfers to provincial governments, and plans to transfer R441.3 billion in 2017/18, R471.5 billion in 2018/19 and R506.1 billion in 2019/20 for the provincial equitable share. Cabinet has approved a reduction to the transfer of R500 million in 2017/18, and increases of R2.5 billion in 2018/19 and R3.7 billion in 2019/20. The department also provides for the *Civil and Military Pensions, Contributions to Funds and Other Benefits* programme, with about half of the funds transferred as government's contribution to medical schemes. Cabinet has approved additional funding of R453.1 million in 2017/18, R524.8 million in 2018/19 and R675.6 million in 2019/20 for post-retirement medical subsidies to provide medical assistance to employees who leave the public service due to retirement, including early retirement from age 50, death, and discharge as a result of poor health or injury on duty.

Servicing of government debt and distributing the general fuel levy to metropolitan municipalities are the department's other core responsibilities. The Treasury will spend a projected R162.4 billion in 2017/18, R180.7 billion in 2018/19 and R197.3 billion in 2019/20 to service government debt. Cabinet has approved increased funding of R426.1 million in 2017/18, R2.1 billion in 2018/19 and R8.8 billion in 2019/20 to cater for higher debt-service costs. The distribution of the general fuel levy to metropolitan municipalities is projected at R11.8 billion in 2017/18, R12.5 billion in 2018/19 and R13.2 billion in 2019/20.

The ceiling for the department's spending on compensation of employees is projected at R2.5 billion over the medium term, after Cabinet-approved reductions of R8.9 million in 2017/18, R9.2 million in 2018/19 and R9.7 million in 2019/20. The reductions were made to lower the national aggregate expenditure ceiling.

Managing future spending growth and fiscal risk

Over the medium term, the Treasury will continue to manage the national budget preparation process and facilitate the Division of Revenue Act process. These activities are budgeted for in the *Public Finance and Budget Management* programme at a projected cost of R727.9 million over the medium term period. Due to the deterioration in the economic outlook, government is committed to its fiscal policy position of reducing the budget deficit and stabilising debt.

Reviewing tax policy

The Treasury will facilitate the introduction of a tax on beverages with high sugar content to assist in reducing excessive sugar intake and combating the rising levels of obesity and diabetes. The department will also support the implementation of a tyre levy to encourage waste reduction, reuse, treatment and recycling. These tax policies will be introduced from the beginning of 2017/18. Projected revenue of R9.5 billion will be raised through increases in excise duties, the general fuel levy and environmental taxes over the medium term. Spending over the medium term is projected at R29.7 million in 2017/18, R30 million in 2018/19 and R31 million in 2019/20 in the *Tax Policy* subprogramme of the *Economic Policy, Tax, Financial Regulation and Research* programme.

Supporting sustainable employment

The department supports innovative and partnership-based approaches to sustainable employment creation; job seeker support and enterprise development through the Jobs Fund; and research into employment, income distribution and inclusive growth. The Jobs Fund has recently completed a funding round that will provide financial assistance to support new and innovative initiatives that have high potential for direct job creation in the short to medium term or are focused on reducing barriers to job creation. Each funding round usually takes about nine months. At its inception in 2011, the total budget for the fund was set at R9 billion (including the operational budget), which is ringfenced until the completion of the fund's work in 2023 for the creation of 150 000 permanent jobs.

An amount of R6.5 billion has so far been allocated to a portfolio of 125 approved employment-generating initiatives, and 84 040 new permanent jobs have been created by 99 implementing projects and an additional 48 708 unemployed individuals have been placed in permanent employment. Initiatives supported by the Jobs Fund have resulted in the direct employment of 132 748 people in sustainable jobs. In addition, 169 042 people have benefited from work readiness and technical training interventions. Cabinet has approved a reduction of R408.7 million over the medium term period for the Jobs Fund. Current estimates suggest that the fund will exceed the target of 150 000 jobs as 88.5 per cent of the target has already been met. Spending is projected at R3.3 billion over the medium term in the *Employment Creation Facilitation* subprogramme in the *Technical Support and Development Finance* programme.

Supporting infrastructure development and economically integrated cities and communities

The *neighbourhood development partnership grant* has been successfully funding neighbourhood development projects to improve the quality of life of residents in targeted areas, generally townships. Capital funding is reserved for projects that contribute to spatial transformation, and assists 18 metropolitan and secondary city municipalities to plan and develop inclusive and productive cities. Such projects use catalytic infrastructure (development and upgrading of roads, water, sewerage, energy infrastructure, public

transport facilities, and community and government facilities) to attract third-party investment to township nodes in strategic integration zones.

The grant has developed and implemented a two-stage capital funding approval process, portfolio management system and baseline management approach that optimises funding. The first funding approval is for project planning and the second is for implementation. This process reduces the risk of contingent project liabilities that result in slow spending due to factors such as procurement delays. Over the medium term, the grant will support an estimated 18 urban hub precinct plans that will prioritise 80 catalytic infrastructure projects. Spending over the medium term is projected at R691.1 million in 2017/18, R731.2 million in 2018/19 and R772.2 million in 2019/20 in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme.

The *integrated city development grant* provides a financial incentive for metropolitan municipalities to integrate and focus their use of investment available for infrastructure investment and regulatory instruments to achieve more compact and efficient urban spaces. In the eight metropolitan municipalities, 25 strategic integration zones have been identified. Cities are currently undertaking more detailed planning and the implementation of catalytic integrated development projects within these prioritised areas. Projects that are being implemented are located in inner-city areas in Johannesburg (inner-city core and Hillbrow), East London (Buffalo City) and Ekurhuleni (Kempton Park central business district); in township areas such as Jabulani, Soweto; and in well-located transport corridors such as the Voortrekker Road Corridor (Cape Town). This funding has also contributed to the development of large land and housing projects such as Cornubia in eThekweni. Over the medium term period, the grant allocation is projected at R292.1 million in 2017/18, R309.1 million in 2018/19 and R326.4 million in 2019/20 in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme.

The infrastructure delivery improvement programme supports provincial departments that deliver infrastructure, and aims to improve the delivery of public-sector infrastructure through institutionalising best practice and building capacity. Over the medium term, the programme has projected to train 300 officials on infrastructure delivery management system initiatives and 27 in capacity improvement initiatives to be undertaken to support infrastructure delivery. The allocation over the medium term is projected at R90 million in 2017/18, R93.1 million in 2018/19 and R98.3 million in 2019/20 in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme.

The *infrastructure skills development grant* supports municipalities by recruiting and training unemployed graduates, and developing professionals, as per the requirements of statutory councils within the built environment sector. The grant funds the training of 315 graduates from various municipalities, and 138 graduates have completed the training, with 114 having been permanently appointed. To support this, the grant's allocation over the medium term is projected at R140.8 million in 2017/18, R148.9 million in 2018/19 and R157.3 million in 2019/20 in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme.

Making government procurement more efficient

Through the Office of the Chief Procurement Officer, the Treasury is effecting government procurement more efficiently by means of the implementation of current short and medium-term reforms with the objective of improving government spending patterns, increased efficiency and minimised opportunities for corruption in the public sector.

The draft Public Procurement Bill is the short-term reform and is expected to be completed by March 2017. The objective of the bill is to consolidate the fragmented legal and policy environment, and to provide a flexible, agile and expanded scope of service delivery, empowerment, savings strategies and contract management. This legislation will establish a single public procurement authority as an oversight custodian to implement procurement in terms of section 217 of the Constitution.

The establishment of the central supplier database is not only to reduce administrative red tape when doing business with government, but to enhance compliance in procurement practices. About 9 000 suppliers employed by the state were identified through the database in 2015/16. About 12 000 identification numbers of deceased persons were also identified as suppliers fraudulently doing business with the state. Furthermore, 45 000 bank accounts were detected as those not being linked to the same supplier registered on the database.

Through these initiatives, in 2016/17, actual savings of R675 million (R400 million on cell phones and R275 million on vehicles) have since been secured through the negotiated leveraged procurement of mobile telecommunication services, which translates to 40 per cent, and a centralised vehicle procurement contract that has been negotiated.

The procurement of mobile telecommunication services was leveraged through aggregation and consolidation of the highest spending departments, thereby redefining specification requirements for government by using a wholesale model rather than an individual subscription contract per user. This also meant buying bulk voice, data and SMS bundles in an enterprise architecture solution and open competitive bidding in the market. The vehicle contract is expected to save the state between R1 billion and R1.5 billion per year over the medium term, depending on the type of vehicles acquired.

The Office of the Chief Procurement Officer currently manages 69 contracts for use across government, which comprises approximately 24 000 items at an estimated value of R61 billion. These contracts include medical equipment and consumables, vehicle and related services, agricultural products, education materials, textiles and support services. Over the medium term, the office will also lead the digitisation of procurement processes. Several procurement processes will be automated and will contribute to simplifying and speeding up procurement processes and activities. The procurement processes themselves are also anticipated to provide government with additional savings.

Cabinet approved additional funding of R64.9 million in 2017/18, R157.2 million in 2018/19 and R101.3 million in 2019/20 in support of the Office of the Chief Procurement Officer to fulfil its key mandate in terms of modernising the state procurement system to be fair, transparent, equitable, competitive and cost effective. Spending in this regard is projected at R164.7 million in 2017/18, R260.5 million in 2018/19 and R214.4 million in 2019/20 in the *Office of the Chief Procurement Officer* subprogramme in the *Financial Accounting and Supply Chain Management Systems* programme.

Strengthening government financial management

The procurement of the integrated financial management system will alleviate constraints in policy implementation as a result of ageing and obsolete software and hardware. The system will transform practices by providing centrally hosted and integrated financial, supply chain and human resources management systems. The Treasury purchased software licences for the integrated financial management system for R461 million in 2016/17, and will aim to complete the centralised design of the system, plan and procure the hardware (including hosting infrastructure), and implement the software in 2017/18. Cabinet has approved additional funding of R130 million in 2017/18 and R120 million in 2018/19 for the system. Spending over the medium term is projected at R353.5 million in 2017/18, R350.1 million in 2018/19 and R243 million in 2019/20 in the *Financial Systems* subprogramme in the *Financial Accounting and Supply Chain Management Systems* programme.

Through the *local government financial management grant*, the Treasury promotes and supports reforms in financial management and the building of capacity at municipalities to improve the implementation of the Municipal Finance Management Act (2003). The funds disbursed through the grant augment municipal resources to address capacity constraints in financial management, and the progress of municipalities in this regard is monitored through regular reports to the Treasury. The grant allocation is R502 million in 2017/18, R531.1 million in 2018/19 and R560.9 million in 2019/20 in the *Local Government Financial Management Support* subprogramme in the *Technical Support and Development Finance* programme.

Strengthening the regulation of the financial sector

In 2016/17, an impact study of the twin peaks reforms was conducted by the Treasury on the Financial Sector Regulation Bill, which will establish the twin peaks institutional framework for financial regulation and supervision. It outlines the expected impact of the reforms on the national priorities of social cohesion, security, economic growth and investment, economic inclusion, and environmental sustainability. This is to ensure a stable and more inclusive financial sector, and improve support to increased economic growth.

The revised Financial Sector Regulation Bill was submitted for parliamentary approval in 2016/17. Over the medium term, the bill will establish a system of financial regulation by establishing a prudential authority and a financial sector conduct authority, and conferring powers on these entities; preserve and enhance

financial stability in South Africa by conferring powers on the South African Reserve Bank; establish a financial stability oversight committee; regulate and supervise financial product providers and financial services providers; and improve market conduct in order to protect financial customers.

Spending on these activities is projected at R24.6 million in 2017/18, R24.9 million in 2018/19 and R26.3 million in 2019/20 in the *Financial Sector Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

Facilitating regional and international cooperation

The Brazil-Russia-India-China-South Africa (BRICS) New Development Bank was officially established in February 2016. National Treasury facilitated the transfer payment of the first capital instalment of R2.3 billion in December 2015, with the second capital instalment of R3.5 billion made in August 2016 for the South African government's capital contribution. The bank will focus on lending money to developing countries to help finance infrastructure projects. The bank's Africa Regional Centre was established in Johannesburg and has begun its recruitment process.

Over the medium term, the Treasury will represent South Africa's regional and global interests by maintaining its engagement with regional and international forums and institutions such as the BRICS group of countries, the G20, the Southern African Customs Union and the World Bank through strengthening and expanding South Africa's engagement in key institutions and with partners at selected policy forums, increasing capital participation (as appropriate) to more firmly anchor South Africa's role, and advancing governance reform and pressing for improved effectiveness in the delivery of institutional organisational mandates. Spending on these activities is projected at R4.5 billion in 2017/18, R4.5 billion in 2018/19 and R4.8 billion in 2019/20 in the *International Development Funding Institutions* subprogramme in the *International Financial Relations* programme.

Compensation to member countries of the Common Monetary Area for the use of the rand as currency in Namibia, Lesotho and Swaziland is expected to increase from R754.9 million in 2017/18 to R849.9 million in 2019/20, funded in the *African Integration and Support* subprogramme in the *International Financial Relations* programme.

Managing government's assets and liabilities

National Treasury is responsible for overseeing state-owned enterprises and enabling them to meet government's policy objectives in a financially and fiscally sustainable manner. The oversight and governance of state-owned enterprises unit compiles annual reviews of the corporate plans of all public entities listed in schedules 2 and 3B of the Public Finance Management Act (1999), including some selected schedule 3A entities. In addition to assessing the entities' alignment with government's priorities and their financial sustainability and soundness of governance, the review aims to identify possible risks and mitigate their possible effects. Similarly, the performance of public entities is evaluated through a review of their annual reports. Over the medium term, the Treasury will continue to compile submissions and review applications for borrowing limits in state-owned entities, and report on their compliance with statutes such as the Public Finance Management Act (1999), the Companies Act (2008), National Treasury Regulations and the King III report on corporate governance.

Over the medium term, the Treasury will continue to finance government's gross borrowing requirements in domestic and international capital markets, taking into consideration a risk-sensitive approach to debt financing and the management of the debt portfolio. Surplus cash will also be managed prudently to ensure government remains liquid. Spending on these activities is projected at R102.4 million in 2017/18, R139.4 million in 2018/19 and R110.6 million in 2019/20 in the *Asset and Liability Management* Programme.

Expenditure trends

Table 7.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Economic Policy, Tax, Financial Regulation and Research														
3. Public Finance and Budget Management														
4. Asset and Liability Management														
5. Financial Accounting and Supply Chain Management Systems														
6. International Financial Relations														
7. Civil and Military Pensions, Contributions to Funds and Other Benefits														
8. Technical Support and Development Finance														
9. Revenue Administration														
10. Financial Intelligence and State Security														
Programme	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	341.7	356.4	319.6	343.1	372.4	362.5	366.7	363.6	375.6	412.7	467.4	446.1	102.7%	96.4%
Programme 2	145.9	133.9	124.1	138.9	134.4	124.3	133.9	135.4	131.3	146.1	150.2	153.9	94.5%	96.4%
Programme 3	265.5	246.2	227.6	262.8	259.9	245.3	257.0	266.1	262.6	287.0	294.5	287.9	95.4%	95.9%
Programme 4	2 995.2	2 994.0	2 990.9	3 342.1	3 343.4	3 089.4	3 116.9	3 264.9	3 264.3	107.2	113.1	113.3	98.9%	97.4%
Programme 5	724.6	734.7	707.8	761.6	770.0	731.5	751.4	807.1	774.5	849.9	1 216.8	1 217.8	111.1%	97.2%
Programme 6	1 112.5	1 092.0	1 067.7	1 179.8	1 199.7	1 198.7	1 247.4	3 254.9	3 546.1	5 039.1	4 978.0	4 977.3	125.8%	102.5%
Programme 7	3 497.0	3 497.0	3 523.1	3 717.8	3 717.8	3 730.9	3 962.9	3 962.9	3 967.7	4 173.2	4 462.6	4 462.6	102.2%	100.3%
Programme 8	2 764.7	2 469.1	2 437.3	3 712.2	3 099.8	2 893.3	3 143.9	2 774.6	2 472.2	2 634.7	2 612.7	2 598.5	84.9%	94.9%
Programme 9	9 534.4	9 534.4	9 534.4	9 440.3	9 440.3	9 440.3	9 434.4	9 334.4	9 334.4	10 009.2	9 363.7	9 363.7	98.1%	100.0%
Programme 10	4 174.6	4 174.6	4 174.6	4 366.3	4 366.3	4 366.3	4 542.8	4 562.1	4 562.1	4 812.5	4 812.5	4 812.5	100.1%	100.0%
Subtotal	25 556.0	25 232.3	25 107.1	27 265.0	26 703.9	26 182.5	26 957.3	28 726.1	28 690.8	28 471.4	28 471.4	28 433.6	100.2%	99.3%
Direct charge against the National Revenue Fund	445 415.7	446 793.2	447 809.7	485 012.5	484 907.8	486 435.9	519 893.8	525 742.6	526 636.1	569 787.4	570 833.0	569 657.3	100.5%	100.1%
Provincial equitable share	335 130.9	336 495.3	336 495.3	359 921.8	359 921.8	359 921.8	382 673.5	386 500.0	386 500.0	410 698.6	410 698.6	410 698.6	100.3%	100.0%
Debt-service costs	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 281.4	100.5%	100.1%
General fuel levy sharing with metropolitan municipalities	9 613.4	9 613.4	9 613.4	10 190.2	10 190.2	10 190.2	10 658.9	10 658.9	10 658.9	11 223.8	11 223.8	11 223.8	100.0%	100.0%
National Revenue Fund payments	930.0	200.0	516.3	–	310.9	1 525.5	121.0	681.7	681.7	145.0	1 221.4	1 453.6	349.3%	173.0%
Total	470 971.7	472 025.5	472 916.7	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5	598 091.0	100.5%	100.1%
Change to 2016 Budget estimate										1 045.6				
Economic classification														
Current payments	101 551.5	102 283.2	102 847.4	116 832.7	116 304.8	116 328.4	128 388.5	129 824.5	130 621.5	149 812.3	150 180.2	148 720.6	100.4%	100.0%
Compensation of employees	710.5	659.5	602.1	764.9	689.0	671.5	725.5	733.4	732.7	817.6	815.7	797.8	92.9%	96.8%
Goods and services	1 099.5	1 139.2	1 060.6	1 167.2	1 130.8	858.5	1 222.6	1 189.1	1 093.2	1 274.8	1 675.2	1 641.4	97.7%	90.6%
Interest and rent on land	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 281.4	100.5%	100.1%
Transfers and subsidies	365 286.5	366 323.5	366 311.6	391 863.0	391 336.9	391 368.2	414 954.5	418 329.0	418 144.3	444 111.4	443 844.7	443 844.7	100.2%	100.0%
Provinces and municipalities	345 905.6	347 270.0	347 257.9	371 511.7	371 511.7	371 510.9	394 767.6	398 594.2	398 570.7	423 409.0	423 409.0	423 409.0	100.3%	100.0%
Departmental agencies and accounts	13 919.6	13 922.2	13 960.1	14 011.1	14 127.7	14 115.1	15 420.4	15 042.1	14 816.6	15 741.5	15 096.0	15 096.0	–	–
Higher education institutions	10.0	10.0	10.0	5.8	5.8	–	–	–	–	–	–	–	63.3%	63.3%
Foreign governments and international organisations	800.4	771.5	712.3	828.3	777.2	790.5	854.1	777.9	831.3	838.0	925.5	925.5	98.2%	100.2%
Public corporations and private enterprises	1 206.3	903.1	903.1	1 844.5	1 252.2	1 274.5	11.4	11.4	11.4	12.0	12.0	12.0	71.6%	101.0%
Households	3 444.6	3 446.7	3 468.2	3 661.6	3 662.2	3 677.1	3 900.9	3 903.5	3 914.3	4 111.0	4 402.2	4 402.2	102.3%	100.3%
Payments for capital assets	21.6	33.3	21.3	11.4	19.6	20.1	16.4	26.1	33.2	38.0	56.9	70.9	166.5%	107.1%
Buildings and other fixed structures	5.0	5.0	–	–	–	0.4	–	0.4	–	–	0.2	0.2	11.3%	10.0%
Machinery and equipment	16.6	28.3	21.3	11.4	19.6	19.8	16.4	25.7	33.2	37.9	56.7	70.7	176.0%	111.3%
Payments for financial assets	4 112.0	3 385.5	3 736.4	3 570.5	3 950.5	4 901.8	3 491.7	6 289.0	6 527.9	4 297.2	5 222.6	5 454.8	133.3%	109.4%
Total	470 971.7	472 025.5	472 916.7	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5	598 091.0	100.5%	100.1%

Expenditure estimates

Table 7.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Economic Policy, Tax, Financial Regulation and Research								
3. Public Finance and Budget Management								
4. Asset and Liability Management								
5. Financial Accounting and Supply Chain Management Systems								
6. International Financial Relations								
7. Civil and Military Pensions, Contributions to Funds and Other Benefits								
8. Technical Support and Development Finance								
9. Revenue Administration								
10. Financial Intelligence and State Security								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	446.1	7.8%	0.1%	414.3	456.3	560.0	7.9%	0.1%
Programme 2	153.9	4.8%	0.0%	139.6	142.5	149.5	-1.0%	0.0%
Programme 3	287.9	5.4%	0.0%	286.1	291.2	310.4	2.5%	0.0%
Programme 4	113.3	-66.4%	0.4%	102.4	139.4	110.6	-0.8%	0.0%
Programme 5	1 217.8	18.3%	0.2%	1 087.9	1 207.2	1 091.2	-3.6%	0.2%
Programme 6	4 977.3	65.8%	0.5%	5 836.8	5 911.1	6 246.4	7.9%	0.9%
Programme 7	4 462.6	8.5%	0.7%	4 835.0	5 160.9	5 571.3	7.7%	0.7%
Programme 8	2 598.5	1.7%	0.5%	2 873.3	3 230.3	3 410.0	9.5%	0.4%
Programme 9	9 363.7	-0.6%	1.8%	10 218.2	10 560.2	10 972.1	5.4%	1.5%
Programme 10	4 812.5	4.9%	0.8%	5 005.6	5 296.0	5 592.5	5.1%	0.8%
Subtotal	28 433.6	4.1%	5.1%	30 799.2	32 395.0	34 014.0	6.2%	4.7%
Direct charge against the National Revenue Fund	569 657.3	8.4%	94.9%	615 856.8	664 642.6	716 590.2	7.9%	95.3%
Provincial equitable share	410 698.6	6.9%	69.8%	441 331.1	471 522.5	506 103.7	7.2%	68.0%
Debt-service costs	146 281.4	13.3%	23.0%	162 353.1	180 651.5	197 319.8	10.5%	25.5%
General fuel levy sharing with metropolitan municipalities	11 223.8	5.3%	1.9%	11 785.0	12 468.6	13 166.8	5.5%	1.8%
National Revenue Fund payments	1 453.6	93.7%	0.2%	387.6	–	–	-100.0%	0.1%
Total	598 091.0	8.2%	100.0%	646 656.0	697 037.6	750 604.2	7.9%	100.0%
Change to 2016 Budget estimate				(14.1)	4 651.5	12 334.1		
Economic classification								
Current payments	148 720.6	13.3%	23.3%	164 689.2	183 204.2	199 879.6	10.4%	25.9%
Compensation of employees	797.8	6.6%	0.1%	799.3	807.8	869.3	2.9%	0.1%
Goods and services	1 641.4	12.9%	0.2%	1 536.8	1 744.9	1 690.5	1.0%	0.2%
Interest and rent on land	146 281.4	13.3%	23.0%	162 353.1	180 651.5	197 319.8	10.5%	25.5%
Transfers and subsidies	443 844.7	6.6%	75.7%	476 694.5	508 930.7	545 547.4	7.1%	73.4%
Provinces and municipalities	423 409.0	6.8%	72.0%	454 714.4	485 682.0	521 056.1	7.2%	70.0%
Departmental agencies and accounts	15 096.0	2.7%	2.7%	16 281.0	17 168.6	17 949.3	5.9%	2.5%
Foreign governments and international organisations	925.5	6.3%	0.2%	917.5	975.5	1 030.1	3.6%	0.1%
Public corporations and private enterprises	12.0	-76.3%	0.1%	12.6	13.3	14.1	5.4%	0.0%
Households	4 402.2	8.5%	0.7%	4 769.0	5 091.2	5 497.7	7.7%	0.7%
Payments for capital assets	70.9	28.6%	0.0%	15.7	16.5	17.3	-37.5%	0.0%
Buildings and other fixed structures	0.2	-65.8%	0.0%	–	–	–	-100.0%	0.0%
Machinery and equipment	70.7	35.7%	0.0%	15.7	16.5	17.3	-37.4%	0.0%
Payments for financial assets	5 454.8	17.2%	1.0%	5 256.7	4 886.3	5 159.9	-1.8%	0.8%
Total	598 091.0	8.2%	100.0%	646 656.0	697 037.6	750 604.2	7.9%	100.0%

Goods and services expenditure trends and estimates

Table 7.4 Vote Goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Administrative fees	3 260	3 110	3 510	3 370	1.1%	0.3%	3 204	3 336	3 377	0.1%	0.2%
Advertising	2 162	1 871	6 344	1 573	-10.1%	0.3%	2 148	2 121	2 330	14.0%	0.1%
Minor assets	333	1 880	523	1 470	64.0%	0.1%	6 744	2 370	2 429	18.2%	0.2%
Audit costs: External	12 587	15 299	11 819	15 393	6.9%	1.2%	16 614	17 531	18 470	6.3%	1.0%
Bursaries: Employees	4 122	4 230	4 802	6 024	13.5%	0.4%	7 943	7 505	7 850	9.2%	0.4%
Catering: Departmental activities	1 716	1 225	1 098	1 452	-5.4%	0.1%	1 869	1 977	2 082	12.8%	0.1%
Communication	7 559	6 102	7 976	8 630	4.5%	0.6%	8 809	9 333	9 828	4.4%	0.6%
Computer services	432 526	420 591	368 743	829 186	24.2%	43.8%	631 616	688 979	585 718	-10.9%	41.2%

Table 7.4 Vote Goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Consultants: Business and advisory services	427 110	218 091	505 356	589 257	11.3%	37.1%	643 093	756 591	782 896	9.9%	41.7%
Legal services	10 679	12 667	11 946	11 952	3.8%	1.0%	12 504	13 137	13 794	4.9%	0.8%
Science and technological services	-	-	180	-	-	-	-	-	2 425	-	-
Contractors	2 476	2 381	2 414	2 606	1.7%	0.2%	4 820	5 511	4 262	17.8%	0.3%
Agency and support/outsourced services	15 601	9 833	11 052	11 397	-9.9%	1.0%	13 878	14 817	14 782	9.1%	0.8%
Entertainment	216	121	121	496	31.9%	-	498	530	536	2.6%	-
Fleet services (including government motor transport)	1 646	2 255	1 350	1 528	-2.4%	0.1%	1 153	1 230	1 310	-5.0%	0.1%
Inventory: Clothing material and accessories	-	-	13	-	-	-	-	-	-	-	-
Consumable supplies	3 334	3 459	2 183	2 394	-10.5%	0.2%	3 680	3 917	4 101	19.7%	0.2%
Consumables: Stationery, printing and office supplies	11 005	11 388	10 724	13 926	8.2%	1.0%	14 273	13 797	31 521	31.3%	1.1%
Operating leases	41 125	60 797	52 928	69 465	19.1%	4.8%	69 062	93 091	83 200	6.2%	4.7%
Rental and hiring	-	-	10	-	-	-	-	-	12 591	-	0.2%
Property payments	12 026	21 389	23 057	28 607	33.5%	1.8%	16 399	28 178	19 211	-12.4%	1.4%
Transport provided: Departmental activity	-	-	18 254	-	-	0.4%	-	-	-	-	-
Travel and subsistence	46 567	43 077	28 671	52 150	3.8%	3.6%	53 807	57 667	61 129	5.4%	3.4%
Training and development	5 798	6 490	8 669	9 708	18.7%	0.7%	7 579	7 428	7 998	-6.3%	0.5%
Operating payments	5 901	5 528	9 894	6 932	5.5%	0.6%	7 905	8 328	8 649	7.7%	0.5%
Venues and facilities	12 857	6 690	1 529	7 732	-15.6%	0.6%	9 182	7 543	9 961	8.8%	0.5%
Total	1 060 606	858 474	1 093 166	1 675 248	16.5%	100.0%	1 536 780	1 744 917	1 690 450	0.3%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 7.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Provinces and municipalities											
Provincial revenue funds											
Current	336 495 345	359 921 783	386 500 009	410 698 585	6.9%	92.2%	441 331 122	471 522 489	506 103 653	7.2%	92.6%
Direct charge: Provincial equitable share	336 495 345	359 921 783	386 500 009	410 698 585	6.9%	92.2%	441 331 122	471 522 489	506 103 653	7.2%	92.6%
Provinces and municipalities											
Municipal bank accounts											
Current	10 136 658	10 743 725	11 235 865	11 819 566	5.3%	2.7%	12 427 803	13 148 615	13 884 938	5.5%	2.6%
Local government financial management grant	424 798	449 138	452 491	465 264	3.1%	0.1%	502 006	531 122	560 865	6.4%	0.1%
Infrastructure skills development grant	98 500	104 425	124 465	130 471	9.8%	-	140 774	148 939	157 280	6.4%	-
Direct charge: General fuel levy sharing with metropolitan municipalities	9 613 360	10 190 162	10 658 909	11 223 831	5.3%	2.6%	11 785 023	12 468 554	13 166 793	5.5%	2.5%
Capital	625 935	845 390	834 875	890 805	12.5%	0.2%	955 509	1 010 929	1 067 541	6.2%	0.2%
Integrated city development grant	40 000	255 000	251 300	266 805	88.2%	0.1%	292 119	309 062	326 369	6.9%	0.1%
Neighbourhood development partnership grant	585 935	590 390	583 575	624 000	2.1%	0.1%	663 390	701 867	741 172	5.9%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	12 587 392	12 972 492	13 552 569	13 631 771	2.7%	3.3%	14 729 230	15 526 875	16 215 644	6.0%	3.0%
Communication	9	9	9	10	3.6%	-	19	20	21	28.1%	-
Finance and Accounting Services	1 857	2 295	1 850	2 106	4.3%	-	2 061	2 084	2 195	1.4%	-
Sector Education and Training Authority											
Cooperative Banks Development Agency	16 236	16 838	17 341	16 472	0.5%	-	19 275	20 393	21 535	9.3%	-
Financial and Fiscal Commission	39 567	45 288	41 156	44 839	4.3%	-	50 647	53 110	56 084	7.7%	-
Accounting Standards Board	10 061	10 250	-	12 517	7.6%	-	13 463	14 414	15 224	6.7%	-
Independent Regulatory Board for Auditors	32 933	34 577	41 273	28 978	-4.2%	-	39 624	41 922	44 270	15.2%	-
Auditor-General of South Africa	40 812	61 257	41 856	44 075	2.6%	-	46 278	48 962	51 704	5.5%	-
Government Technical Advisory Centre	109 310	107 677	776 062	770 171	91.7%	0.1%	885 040	1 130 753	1 192 818	15.7%	0.2%
Neighbourhood development partnership grant (Indirect)	-	30 000	-	-	-	-	-	-	-	-	-

Table 7.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
South African Revenue Service: Operations	8 676 298	8 596 216	8 390 995	8 320 321	-1.4%	2.1%	9 041 607	9 310 927	9 656 407	5.1%	1.8%
South African Revenue Service: Office of the Tax Ombud	-	-	-	-	-	-	35 030	41 527	40 308	-	-
Financial Intelligence Centre: Operations	175 041	186 651	226 664	239 641	11.0%	0.1%	254 941	269 727	284 832	5.9%	0.1%
Secret Services: Operations	3 485 268	3 881 434	4 015 363	4 152 641	6.0%	1.0%	4 341 245	4 593 036	4 850 246	5.3%	0.9%
Capital	1 372 668	1 142 645	1 264 026	1 464 267	2.2%	0.3%	1 551 756	1 641 759	1 733 697	5.8%	0.3%
Government Technical Advisory Centre	328	375	547	707	29.2%	-	742	785	829	5.4%	-
South African Revenue Service: Machinery and equipment	858 095	844 105	943 444	1 043 355	6.7%	0.2%	1 141 561	1 207 772	1 275 407	6.9%	0.2%
Financial Intelligence Centre: Machinery and equipment	65 959	11 429	12 824	16 731	-36.7%	-	15 250	16 135	17 039	0.6%	-
Secret Services: Machinery and equipment	448 286	286 736	307 211	403 474	-3.4%	0.1%	394 203	417 067	440 422	3.0%	0.1%
Higher education institutions											
Current	10 000	-	-	-	-100.0%	-	-	-	-	-	-
University of Cape Town	10 000	-	-	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	576 894	607 773	740 644	834 842	13.1%	0.2%	787 353	839 381	886 401	2.0%	0.2%
Common Monetary Area Compensation	554 445	581 616	712 496	802 141	13.1%	0.2%	754 924	804 866	849 938	1.9%	0.2%
Collaborative Africa Budget Reform Initiative	1 329	4 409	1 834	1 552	5.3%	-	1 630	1 712	1 808	5.2%	-
Commonwealth Fund for Technical Cooperation	5 316	5 714	5 533	5 826	3.1%	-	6 117	6 423	6 783	5.2%	-
International Finance Facility for Immunisation	10 686	11 481	15 498	14 500	10.7%	-	13 046	13 445	14 212	-0.7%	-
African Institute for Economic Development and Planning	1 659	917	1 242	1 269	-8.5%	-	1 309	1 351	1 427	4.0%	-
Africa Regional Technical Assistance Centre for Southern Africa	350	350	959	1 000	41.9%	-	1 125	1 213	1 281	8.6%	-
Infrastructure Consortium for Africa	1 000	1 000	1 000	-	-100.0%	-	-	-	-	-	-
African Risk Capacity	-	-	-	6 109	-	-	6 635	7 676	8 106	9.9%	-
United Kingdom tax	2 109	2 286	2 082	2 445	5.1%	-	2 567	2 695	2 846	5.2%	-
Capital	135 408	182 776	90 660	90 680	-12.5%	-	130 132	136 120	143 743	16.6%	-
African Development Bank and African Development Fund	40 169	92 116	-	-	-100.0%	-	33 465	35 406	37 389	-	-
World Bank Group	95 239	90 660	90 660	90 680	-1.6%	-	96 667	100 714	106 354	5.5%	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	903 105	1 274 456	11 384	11 999	-76.3%	0.1%	12 586	13 316	14 062	5.4%	-
Economic Research Southern Africa	9 900	10 780	11 384	11 999	6.6%	-	12 586	13 316	14 062	5.4%	-
Development Bank of Southern Africa	893 205	1 164 888	-	-	-100.0%	0.1%	-	-	-	-	-
Municipal Finance Improvement Programme	-	98 788	-	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	3 466 846	3 675 562	3 912 917	4 400 646	8.3%	1.0%	4 767 239	5 089 341	5 495 751	7.7%	1.0%
Employee social benefits	3 378	1 317	3 902	1 875	-17.8%	-	-	-	-	-100.0%	-
Contribution to provident funds for associated institutions	422	321	339	357	-5.4%	-	300	330	360	0.3%	-
Parliamentary Awards	20	21	19	23	4.8%	-	23	24	25	2.8%	-
Other benefits	77 775	70 416	82 512	88 070	4.2%	-	93 144	98 584	104 093	5.7%	-
Injury on duty	500 677	526 387	514 865	591 664	5.7%	0.1%	621 247	652 309	688 838	5.2%	0.1%
Post-Retirement medical scheme	1 441 406	1 511 127	2 109 613	2 102 160	13.4%	0.4%	2 298 059	2 520 358	2 774 437	9.7%	0.5%
Special pensions	435 433	423 483	439 801	479 763	3.3%	0.1%	494 340	528 944	565 970	5.7%	0.1%
Political Office Bearers Pension Fund	208 162	71 997	-	-	-100.0%	-	291 222	306 083	323 224	-	-
Pension benefits: President of South Africa	7 477	7 884	7 275	8 990	6.3%	-	9 507	10 032	10 594	5.6%	-
Military pensions: Ex-servicemen	26 542	11 694	2 879	3 570	-48.8%	-	3 420	5 041	6 947	24.8%	-
South African citizen force	138 958	155 941	166 202	201 854	13.3%	-	193 858	203 627	214 470	2.0%	-
Civil protection	19	19	19	19	-	-	19	19	19	-	-
Other benefits: Ex-servicemen	26 577	20 155	10 491	22 810	-5.0%	-	24 800	26 690	28 185	7.3%	-
Non-statutory forces	600 000	874 800	575 000	899 491	14.4%	0.2%	737 300	737 300	778 589	-4.7%	0.2%
Households											
Other transfers to households											
Current	1 351	1 557	1 394	1 580	5.4%	-	1 800	1 850	1 943	7.1%	-
Bursaries for non-employees	1 351	1 557	1 394	1 580	5.4%	-	1 800	1 850	1 943	7.1%	-
Total	366 311 602	391 368 159	418 144 343	443 844 741	6.6%	100.0%	476 694 530	508 930 675	545 547 373	7.1%	100.0%

Personnel information

Table 7.6 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Economic Policy, Tax, Financial Regulation and Research																			
3. Public Finance and Budget Management																			
4. Asset and Liability Management																			
5. Financial Accounting and Supply Chain Management Systems																			
6. International Financial Relations																			
7. Civil and Military Pensions, Contributions to Funds and Other Benefits																			
8. Technical Support and Development Finance																			
9. Revenue Administration																			
10. Financial Intelligence and State Security																			
National Treasury	Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment									Number							
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate			Average growth rate (%)	Average: Salary level/Total (%)						
			2015/16		2016/17		2017/18		2018/19		2019/20								
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	2016/17 - 2019/20				
National Treasury	1 267	68	1 218	732.7	0.6	1 222	797.8	0.7	1 172	799.3	0.7	1 124	807.8	0.7	1 161	869.3	0.7	-1.7%	100.0%
Salary level																			
1 – 6	62	3	61	13.8	0.2	63	15.0	0.2	61	14.1	0.2	60	14.6	0.2	62	16.1	0.3	-0.5%	5.3%
7 – 10	543	20	532	199.1	0.4	509	204.4	0.4	482	205.0	0.4	452	202.5	0.4	476	226.3	0.5	-2.2%	41.0%
11 – 12	360	20	338	216.8	0.6	332	233.9	0.7	319	249.3	0.8	307	254.6	0.8	314	275.0	0.9	-1.8%	27.2%
13 – 16	300	25	287	303.1	1.1	318	344.6	1.1	310	330.9	1.1	305	336.1	1.1	309	352.0	1.1	-1.0%	26.5%
Other	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme	1 267	68	1 218	732.7	0.6	1 222	797.8	0.7	1 172	799.3	0.7	1 124	807.8	0.7	1 161	869.3	0.7	-1.7%	100.0%
Programme 1	404	6	384	182.4	0.5	376	201.0	0.5	368	199.5	0.5	356	201.8	0.6	365	219.3	0.6	-1.0%	31.3%
Programme 2	123	–	105	78.2	0.7	104	81.4	0.8	98	78.1	0.8	92	78.7	0.9	93	82.3	0.9	-3.7%	8.3%
Programme 3	262	52	277	192.3	0.7	286	201.0	0.7	261	201.9	0.8	249	204.2	0.8	259	219.2	0.8	-3.3%	22.5%
Programme 4	120	–	111	72.1	0.6	111	77.6	0.7	105	77.5	0.7	100	78.7	0.8	104	84.6	0.8	-2.1%	9.0%
Programme 5	312	10	303	179.5	0.6	304	204.3	0.7	293	206.1	0.7	283	208.3	0.7	292	223.7	0.8	-1.3%	25.0%
Programme 6	46	–	38	28.2	0.7	41	32.6	0.8	47	36.0	0.8	44	36.1	0.8	48	40.2	0.8	5.4%	3.8%

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

2. Rand million.

Departmental receipts

Table 7.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	3 687 531	5 599 130	5 602 331	5 187 759	5 187 759	12.1%	27.6%	5 110 655	3 867 292	4 193 433	-6.8%	27.1%
Sales of goods and services produced by department	73 026	65 722	38 619	29 933	29 933	-25.7%	0.3%	31 691	26 165	27 631	-2.6%	0.2%
Sales by market establishments	96	100	103	100	100	1.4%	–	110	120	127	8.3%	–
of which:												
Rental parking: Covered and open	96	100	103	100	100	1.4%	–	110	120	127	8.3%	–
Administrative fees	–	1	5	1	1	–	–	10	10	11	122.4%	–
of which:												
Required information: Duplicate certificate	–	1	5	1	1	–	–	10	10	11	122.4%	–
Other sales	72 930	65 621	38 511	29 832	29 832	-25.8%	0.3%	31 571	26 035	27 493	-2.7%	0.2%
of which:												
Commission: Insurance	73	82	–	94	94	8.8%	–	100	100	106	4.1%	–
Directors fees	307	250	–	228	228	-9.4%	–	210	220	232	0.6%	–
Replacement of security cards	7	12	–	10	10	12.6%	–	16	15	16	17.0%	–
Fees for government guarantee insurance	72 467	65 158	38 511	29 380	29 380	-26.0%	0.3%	31 235	25 685	27 123	-2.6%	0.2%
Sales of assets less than R5 000	76	119	–	120	120	16.4%	–	10	15	16	-48.9%	–
Sales of scrap, waste, arms and other used current goods	61	69	20	24	24	-26.7%	–	22	23	24	–	–
of which:												
Waste paper	5	9	20	6	6	6.3%	–	7	8	8	10.1%	–
Scrap	24	30	–	4	4	-45.0%	–	–	–	–	-100.0%	–
Departmental publications	32	30	–	14	14	-24.1%	–	15	15	16	4.6%	–

Table 7.7 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 (%)
	2013/14	2014/15	2015/16					2016/17	2013/14 - 2016/17	2017/18		
R thousand												
Interest, dividends and rent on land	2 586 428	4 580 566	4 640 219	4 067 002	4 067 002	16.3%	21.8%	3 988 602	3 580 754	3 890 848	-1.5%	22.9%
Interest	2 479 141	4 374 788	4 377 214	3 915 802	3 915 802	16.5%	20.8%	3 817 934	3 400 500	3 700 500	-1.9%	21.9%
Dividends	107 287	205 778	263 005	151 200	151 200	12.1%	1.0%	170 668	180 254	190 348	8.0%	1.0%
of which:												
South African Reserve Bank	107 287	-	-	-	-	-100.0%	0.1%	-	-	-	-	-
South African Special Risks Insurance Association	-	205 778	263 005	151 200	151 200	-	0.9%	170 668	180 254	190 348	8.0%	1.0%
Sales of capital assets	111	-	17	-	-	-100.0%	-	-	-	-	-	-
Transactions in financial assets and liabilities	1 027 905	952 773	923 456	1 090 800	1 090 800	2.0%	5.5%	1 090 340	260 350	274 930	-36.8%	4.0%
National Revenue Fund receipts	11 663 544	12 646 970	14 377 522	14 665 000	14 008 423	6.3%	72.4%	14 578 000	11 306 000	9 526 000	-12.1%	72.9%
of which:												
Revaluation of profits on foreign currency transactions	5 670 623	4 406 734	8 869 128	11 154 808	10 710 440	23.6%	40.8%	14 578 000	11 306 000	9 526 000	-3.8%	68.0%
Premiums on loan transactions	5 510 307	5 467 553	2 873 818	2 752 807	2 500 000	-23.2%	22.5%	-	-	-	-100.0%	3.7%
Liquidation of South African Special Risks Insurance Association investment	75 000	40 000	-	-	-	-100.0%	0.2%	-	-	-	-	-
Other (mainly penalties on retail bonds)	8 346	2 646	69 673	10 192	17 800	28.7%	0.1%	-	-	-	-100.0%	-
Proceeds from foreign exchange amnesty	399 268	-	-	-	-	-100.0%	0.5%	-	-	-	-	-
Premiums on debt portfolio restructuring (switches)	-	2 730 037	2 564 903	747 193	780 183	-	8.3%	-	-	-	-100.0%	1.2%
Total	15 351 075	18 246 100	19 979 853	19 852 759	19 196 182	7.7%	100.0%	19 688 655	15 173 292	13 719 433	-10.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 7.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Ministry	3.3	3.3	3.6	4.0	6.9%	0.9%	4.9	5.1	5.5	11.0%	1.0%
Departmental Management	42.2	47.5	47.1	52.3	7.4%	12.4%	58.0	59.6	64.9	7.5%	12.4%
Corporate Services	90.5	107.3	116.5	155.7	19.8%	30.8%	119.9	125.0	148.9	-1.5%	28.9%
Enterprise Wide Risk Management	32.0	22.5	27.5	27.1	-5.4%	7.2%	29.3	30.0	32.3	6.1%	6.3%
Financial Administration	35.7	38.6	38.7	51.8	13.2%	10.8%	39.3	40.3	96.6	23.1%	12.0%
Legal Services	16.4	16.6	18.7	20.0	6.8%	4.7%	20.1	20.8	21.9	3.1%	4.4%
Internal Audit	22.0	17.1	20.7	23.3	2.0%	5.5%	22.5	22.7	24.6	1.8%	4.9%
Communications	8.8	10.1	10.2	13.3	14.7%	2.8%	9.6	9.4	9.7	-9.9%	2.2%
Office Accommodation	68.7	99.5	92.6	119.9	20.4%	25.0%	110.7	143.4	155.6	9.1%	27.9%
Total	319.6	362.5	375.6	467.4	13.5%	100.0%	414.3	456.3	560.0	6.2%	100.0%
Change to 2016 Budget estimate				54.8			2.4	23.9	99.4		
Economic classification											
Current payments	298.6	345.1	347.8	417.2	11.8%	92.4%	404.0	445.0	548.2	9.5%	95.6%
Compensation of employees	144.3	166.4	182.4	210.2	13.4%	46.1%	199.5	201.8	219.3	1.4%	43.8%
Goods and services ¹	154.3	178.7	165.4	207.0	10.3%	46.3%	204.4	243.2	328.9	16.7%	51.8%
of which:											
Computer services	18.4	24.9	18.6	34.7	23.6%	6.3%	28.2	30.7	47.5	11.1%	7.4%
Consultants: Business and advisory services	18.9	8.9	7.0	8.6	-23.0%	2.9%	9.5	9.8	63.7	94.7%	4.8%
Agency and support/outourced services	10.4	9.7	11.0	11.1	2.2%	2.8%	13.9	14.8	14.8	10.1%	2.9%
Operating leases	39.5	58.9	51.1	64.5	17.8%	14.0%	66.7	90.5	80.5	7.7%	15.9%
Property payments	12.0	21.4	23.1	28.6	33.5%	5.6%	16.4	28.2	19.2	-12.4%	4.9%
Travel and subsistence	15.2	13.2	14.0	15.3	0.3%	3.8%	16.3	17.5	18.4	6.3%	3.6%

Table 7.8 Administration expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	3.5	4.3	4.3	4.6	9.3%	1.1%	3.9	4.0	4.2	-3.5%	0.9%
Departmental agencies and accounts	1.9	2.3	1.9	2.1	4.3%	0.5%	2.1	2.1	2.2	1.6%	0.4%
Households	1.7	2.0	2.4	2.5	14.4%	0.6%	1.8	1.9	1.9	-8.2%	0.4%
Payments for capital assets	17.2	13.1	23.4	45.6	38.4%	6.5%	6.5	7.4	7.6	-44.9%	3.5%
Machinery and equipment	17.2	13.1	23.4	45.6	38.4%	6.5%	6.5	7.4	7.6	-44.9%	3.5%
Payments for financial assets	0.3	0.1	0.1	-	-100.0%	-	-	-	-	-	-
Total	319.6	362.5	375.6	467.4	13.5%	100.0%	414.3	456.3	560.0	6.2%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	1.4%	1.3%	1.6%	-	-	1.3%	1.4%	1.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1.9	2.3	1.9	2.1	4.3%	0.5%	2.1	2.1	2.2	1.4%	0.4%
Finance and Accounting Services	1.9	2.3	1.9	2.1	4.3%	0.5%	2.1	2.1	2.2	1.4%	0.4%
Sector Education and Training Authority											

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

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

Programme purpose

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

Objectives

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

Subprogrammes

- *Programme Management for Economic Policy, Tax, Financial Regulation and Research* provides overall programme management and policy advice to government relating to the promotion of economic growth, employment, and microeconomic and macroeconomic stability.
- *Research* promotes economic research institutions through the funding of economic research in the public interest, as well as more dedicated research on behalf of the department. This includes promoting the research capacity of local academic researchers in areas such as economic growth, job creation, macroeconomic stability, poverty alleviation, retirement reform and financial sector development.
- *Financial Sector Policy* is responsible for developing policy on the regulation of the financial sector in South Africa; developing policies to broaden access to financial services for all South Africans; and developing policies to improve the national savings rate through reforms to the legislative framework governing the savings industry, including work being undertaken towards the implementation of retirement reform proposals.
- *Tax Policy* is responsible for drafting annual tax proposals and tax legislation as part of the national budget to promote an effective, equitable and efficient tax policy framework and tax administrative system that ensures sustainable growth and delivery on government's mandate to address the needs of all South Africans. This includes providing tax proposals towards improved environmental sustainability.

- *Economic Policy* provides macroeconomic and microeconomic forecasts, policy analysis on microeconomic and regulatory issues, economic impact assessments, and scenario modelling to provide sound policy advice on the economic environment for the annual budget and other government processes. Policy advice is mainly focused on creating decent employment through inclusive growth. This subprogramme also provides analytical work and policy advice on a wide range of issues including: inflation management; electricity pricing; economic growth; structural budget balances; industrial policy; small, medium and micro enterprise policy; and the exchange rate.
- *Cooperative Banks Development Agency* facilitates the transfer payment to the Cooperative Banks Development Agency, which provides for the registration, supervision and regulation of cooperative banks and the development of cooperative financial institutions, such as savings and credit cooperatives, community banks, village banks and financial services cooperatives, into cooperative banks.

Expenditure trends and estimates

Table 7.9 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16	2016/17		2013/14 - 2016/17	2016/17 - 2019/20	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20
R million												
Programme Management for Economic Policy, Tax, Financial Regulation and Research	20.2	20.7	21.2	24.5	6.6%	16.3%	24.8	25.7	27.2	3.6%	17.6%	
Research	16.7	11.5	11.0	11.9	-10.5%	9.6%	13.3	12.9	13.5	4.2%	8.9%	
Financial Sector Policy	25.1	28.0	27.6	34.4	11.1%	21.7%	24.6	24.9	26.3	-8.6%	19.0%	
Tax Policy	23.4	21.6	27.6	32.0	11.0%	19.7%	29.7	30.0	31.0	-1.1%	21.1%	
Economic Policy	22.5	25.7	26.5	30.9	11.1%	19.9%	28.0	28.5	29.9	-1.0%	20.2%	
Cooperative Banks Development Agency	16.2	16.8	17.3	16.5	0.5%	12.6%	19.3	20.4	21.5	9.3%	13.4%	
Total	124.1	124.3	131.3	150.2	6.6%	100.0%	139.6	142.5	149.5	-0.2%	100.0%	
Change to 2016 Budget estimate				4.1			(9.3)	(8.4)	(11.7)			
Economic classification	97.1	96.3	102.2	120.6	7.5%	78.5%	106.9	107.9	113.0	-2.1%	77.1%	
Current payments												
Compensation of employees	66.7	70.8	78.2	83.9	7.9%	56.5%	78.1	78.7	82.3	-0.6%	55.5%	
Goods and services ¹	30.4	25.5	24.0	36.7	6.5%	22.0%	28.8	29.2	30.7	-5.8%	21.6%	
of which:												
Communication	0.4	0.3	0.4	0.2	-24.0%	0.2%	0.4	0.4	0.5	43.2%	0.2%	
Consultants: Business and advisory services	17.1	11.8	11.5	22.7	9.8%	11.9%	13.7	13.4	14.0	-14.8%	11.0%	
Consumables: Stationery, printing and office supplies	0.9	1.0	0.5	1.0	4.4%	0.7%	1.1	1.1	1.2	5.7%	0.8%	
Travel and subsistence	5.4	5.4	0.3	6.1	4.1%	3.3%	5.7	6.1	6.5	1.8%	4.2%	
Training and development	0.6	0.7	4.5	0.9	18.7%	1.3%	0.8	0.8	0.8	-4.7%	0.6%	
Operating payments	4.0	4.0	0.3	4.2	1.4%	2.4%	5.6	5.9	6.1	13.6%	3.8%	
Transfers and subsidies¹	26.5	27.7	28.8	28.6	2.6%	21.1%	31.9	33.7	35.6	7.5%	22.3%	
Departmental agencies and accounts	16.2	16.8	17.3	16.5	0.5%	12.6%	19.3	20.4	21.5	9.3%	13.4%	
Public corporations and private enterprises	9.9	10.8	11.4	12.0	6.6%	8.3%	12.6	13.3	14.1	5.4%	8.9%	
Households	0.4	-	0.1	0.1	-28.1%	0.1%	-	-	-	-100.0%	-	
Payments for capital assets	0.4	0.4	0.3	1.0	29.0%	0.4%	0.8	0.9	0.9	-3.2%	0.6%	
Machinery and equipment	0.4	0.4	0.3	1.0	29.0%	0.4%	0.8	0.9	0.9	-3.2%	0.6%	
Total	124.1	124.3	131.3	150.2	6.6%	100.0%	139.6	142.5	149.5	-0.2%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.5%	-	-	0.5%	0.4%	0.4%	-	-	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	16.2	16.8	17.3	16.5	0.5%	12.6%	19.3	20.4	21.5	9.3%	13.4%	
Cooperative Banks Development Agency	16.2	16.8	17.3	16.5	0.5%	12.6%	19.3	20.4	21.5	9.3%	13.4%	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current	9.9	10.8	11.4	12.0	6.6%	8.3%	12.6	13.3	14.1	5.4%	8.9%	
Economic Research Southern Africa	9.9	10.8	11.4	12.0	6.6%	8.3%	12.6	13.3	14.1	5.4%	8.9%	

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

Programme 3: Public Finance and Budget Management

Programme purpose

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

Objectives

- Promote growth, social development and poverty reduction through sound fiscal and financial policies and the effective, efficient and appropriate allocation of public funds on an annual basis.
- Prepare a national budget that gives effect to government's economic, fiscal, social and developmental goals as expressed in the NDP and the government's 2014-2019 medium-term strategic framework to provide fiscal policy advice by monitoring economic and fiscal trends and advising on policy options and the budget framework.
- Produce and publish the Budget Review, the Estimates of National Expenditure, the Adjusted Estimates of National Expenditure, the Medium Term Budget Policy Statement and appropriation legislation containing relevant, accurate and clear financial information and associated indicators of service delivery and performance annually.
- Contribute to public policy and programme development through support for planning, policy and programme analysis, budgeting and project management, including support for public finance reform in provinces and municipalities.
- Promote public and private investment in infrastructure and public services 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 on an ongoing basis.
- Monitor and analyse public expenditure and service delivery, and support improved monitoring and analysis of public expenditure and service delivery, and measure the appropriate use of public and private financial resources for social and economic development and infrastructure investment on an ongoing basis.
- Support and enable budget analysis by a broad range of stakeholders, such as Parliament, through increased budget participation by the public 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 three spheres of government.
- *Public Finance* provides financial and budgetary analysis of government programmes, advises on policy and service delivery trends, and manages National Treasury's relations with other national departments.
- *Budget Office and Coordination* is responsible for the national budget process including the publication of the Budget Review, the Medium Term Budget Policy Statement and the Estimates of National Expenditure. The unit leads the budget reform programme, coordinates international technical assistance and donor finance, provides advice on public service remuneration and pension arrangements, compiles public finance statistics and provides fiscal policy advice.
- *Intergovernmental Relations* coordinates fiscal relations between national, provincial and local government; promotes sound provincial and municipal budgetary planning, reporting and financial management; and provides support for government with the aim of promoting improved infrastructure planning and management to support the service delivery targets in all spheres of government.
- *Financial and Fiscal Commission* facilitates the annual transfer payment to the Financial and Fiscal Commission, which provides independent, objective, impartial and unbiased advice to all three spheres of

government regarding the division of revenue, as well as advice on the enactment of legislation pertaining to provincial taxes, municipal fiscal powers and functions, and provincial and municipal loans.

Expenditure trends and estimates

Table 7.10 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20			
R million											
Programme Management for Public Finance and Budget Management											
Management	17.3	20.6	17.9	23.0	9.9%	7.7%	27.2	26.7	27.9	6.7%	8.9%
Public Finance	47.5	52.3	59.2	58.4	7.2%	21.1%	56.6	57.3	61.3	1.6%	19.8%
Budget Office and Coordination	52.4	53.2	55.4	58.8	3.9%	21.3%	58.3	59.0	63.4	2.5%	20.3%
Intergovernmental Relations	70.8	73.8	89.0	109.4	15.6%	33.3%	93.4	95.1	101.8	-2.4%	33.8%
Financial and Fiscal Commission	39.6	45.3	41.2	44.8	4.3%	16.6%	50.6	53.1	56.1	7.7%	17.3%
Total	227.6	245.3	262.6	294.5	9.0%	100.0%	286.1	291.2	310.4	1.8%	100.0%
Change to 2016 Budget estimate				7.5			(7.5)	(6.5)	(8.2)		
Economic classification											
Current payments	185.3	198.4	218.7	247.5	10.1%	82.5%	233.7	236.1	252.4	0.7%	82.0%
Compensation of employees	157.0	175.1	192.3	207.6	9.8%	71.1%	201.9	204.2	219.2	1.8%	70.5%
Goods and services ¹	28.3	23.3	26.4	39.8	12.1%	11.4%	31.7	31.9	33.2	-5.9%	11.6%
of which:											
Bursaries: Employees	0.6	0.7	0.8	0.9	13.5%	0.3%	1.2	1.0	1.0	6.3%	0.3%
Communication	0.8	0.6	0.9	0.4	-20.6%	0.3%	0.9	1.0	1.0	35.0%	0.3%
Computer services	0.7	1.0	1.6	0.9	11.0%	0.4%	0.9	1.0	1.0	4.1%	0.3%
Consultants: Business and advisory services	8.5	4.4	6.8	18.2	29.1%	3.7%	7.9	7.6	7.5	-25.6%	3.5%
Consumables: Stationery, printing and office supplies	5.7	5.8	5.7	6.8	5.8%	2.3%	7.2	7.2	7.6	3.9%	2.4%
Travel and subsistence	8.6	7.9	7.8	8.8	0.7%	3.2%	9.3	9.7	10.3	5.5%	3.2%
Transfers and subsidies¹	41.4	45.5	42.7	45.0	2.8%	16.9%	50.6	53.1	56.1	7.6%	17.3%
Departmental agencies and accounts	39.6	45.3	41.2	44.8	4.3%	16.6%	50.6	53.1	56.1	7.7%	17.3%
Households	1.8	0.2	1.5	0.1	-57.3%	0.4%	-	-	-	-100.0%	-
Payments for capital assets	0.9	1.3	1.1	2.0	31.7%	0.5%	1.8	2.0	2.0	-1.2%	0.7%
Machinery and equipment	0.9	1.3	1.1	2.0	31.7%	0.5%	1.8	2.0	2.0	-1.2%	0.7%
Payments for financial assets	-	-	0.1	-	-100.0%	-	-	-	-	-	-
Total	227.6	245.3	262.6	294.5	9.0%	100.0%	286.1	291.2	310.4	1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.9%	0.9%	0.9%	1.0%	-	-	0.9%	0.9%	0.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	39.6	45.3	41.2	44.8	4.3%	16.6%	50.6	53.1	56.1	7.7%	17.3%
Financial and Fiscal Commission	39.6	45.3	41.2	44.8	4.3%	16.6%	50.6	53.1	56.1	7.7%	17.3%

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

Programme 4: Asset and Liability Management

Programme purpose

Manage government's annual funding programme in a manner that ensures prudent cash management, 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 enterprises on an ongoing basis by:
 - reviewing the corporate plans and annual financial statements of state-owned enterprises
 - coordinating state-owned entities' borrowing programmes
 - tracking progress on capital expenditure programmes
 - reviewing applications for funding, guarantees and borrowing limits in terms of the Public Finance Management Act (1999), and monitoring progress.

- Meet government's annual gross borrowing requirement consisting of the budget deficit and maturing debt by sourcing funds from domestic and international markets, and service government's debt optimally.
- Ensure that government's liquidity requirements are consistently met within credit risk guidelines.
- 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, and implement debt management strategies that minimise government's exposure to adverse risks on an ongoing basis.

Subprogrammes

- *Programme Management for Asset and Liability Management* provides support for planning, monitoring and delivering the programme's activities.
- *State-Owned Entity Financial Management and Governance* is responsible for overseeing and enabling state-owned enterprises to meet government's policy objectives in a financially and fiscally sustainable manner, and for promoting sound corporate governance.
- *Government Debt Management* is responsible for government's long-term funding needs and 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; invests government surplus cash, supplies reliable systems; and provides quality information relating to the division's operations.
- *Strategy and Risk Management* develops and maintains a risk management framework for the debt and contingent liabilities of government, and implements debt management strategies that minimise government's exposure to adverse risks.
- *Financial Investments* provides for the funding needs of state-owned entities.

Expenditure trends and estimates

Table 7.11 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Programme Management for Asset and Liability Management	16.4	12.0	9.2	26.9	17.8%	0.7%	15.3	51.0	15.7	-16.4%	23.4%
State Owned Entity Financial Management and Governance	26.3	29.2	30.8	33.9	8.8%	1.3%	33.7	34.2	36.7	2.7%	29.8%
Government Debt Management	17.3	19.3	19.4	18.9	3.0%	0.8%	18.9	19.1	20.6	2.8%	16.7%
Financial Operations	17.2	20.0	21.0	22.3	8.9%	0.9%	23.2	23.7	25.3	4.3%	20.3%
Strategy and Risk Management	8.6	9.0	9.8	11.1	8.8%	0.4%	11.2	11.3	12.2	3.1%	9.8%
Financial Investments	2 905.0	3 000.0	3 174.0	–	-100.0%	96.0%	–	–	–	–	–
Total	2 990.9	3 089.4	3 264.3	113.1	-66.4%	100.0%	102.4	139.4	110.6	-0.8%	100.0%
Change to 2016				5.9			2.0	37.5	1.4		
Budget estimate											
Economic classification											
Current payments	85.4	88.9	89.1	112.0	9.5%	4.0%	101.7	138.7	109.8	-0.7%	99.3%
Compensation of employees	62.8	69.3	72.1	77.4	7.2%	3.0%	77.5	78.7	84.6	3.0%	68.4%
Goods and services ¹	22.6	19.6	17.1	34.7	15.3%	1.0%	24.1	60.0	25.2	-10.1%	30.9%
<i>of which:</i>											
<i>Audit costs: External</i>	0.7	0.5	0.5	0.5	-9.5%	–	0.7	0.7	0.7	11.4%	0.5%
<i>Bursaries: Employees</i>	0.5	0.6	0.6	0.8	19.1%	–	1.0	0.9	0.9	3.9%	0.8%
<i>Computer services</i>	10.5	9.6	9.5	14.4	11.1%	0.5%	10.7	41.0	11.6	-6.9%	16.7%
<i>Consultants: Business and advisory services</i>	6.0	4.9	2.2	14.6	34.2%	0.3%	5.9	11.4	5.6	-27.2%	8.1%
<i>Travel and subsistence</i>	2.8	1.7	2.3	2.1	-8.5%	0.1%	3.3	3.4	3.5	18.7%	2.6%
<i>Training and development</i>	0.4	0.4	0.4	0.7	19.0%	–	0.8	0.9	0.9	7.9%	0.7%

Table 7.11 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Transfers and subsidies¹	0.1	0.2	0.9	0.4	53.5%	-	-	-	-	-100.0%	0.1%
Households	0.1	0.2	0.9	0.4	53.5%	-	-	-	-	-100.0%	0.1%
Payments for capital assets	0.4	0.3	0.2	0.7	19.5%	-	0.7	0.7	0.7	0.5%	0.6%
Machinery and equipment	0.4	0.3	0.2	0.7	19.5%	-	0.7	0.7	0.7	0.5%	0.6%
Payments for financial assets	2 905.0	3 000.0	3 174.0	-	-100.0%	96.0%	-	-	-	-	-
Total	2 990.9	3 089.4	3 264.3	113.1	-66.4%	100.0%	102.4	139.4	110.6	-0.8%	100.0%
Proportion of total programme expenditure to vote expenditure	11.9%	11.8%	11.4%	0.4%	-	-	0.3%	0.4%	0.3%	-	-

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

Programme 5: Financial Accounting and Supply Chain Management Systems

Programme purpose

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

Objectives

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

- developing a centralised supplier database to register all suppliers that render services to government
- introducing policy reforms to ensure that all procuring government institutions implement a single supply chain management policy
- providing training solutions to close the skills gaps for existing and future supply chain management practitioners.

Subprogrammes

- *Programme Management for Financial Accounting and Supply Chain Management Systems* supports the planning, monitoring and coordinating deliverables of the programme plan, such as the development and implementation of the integrated financial management system; and facilitates accountability and governance in the public sector, especially in terms of financial management.
- *Office of the Chief Procurement Officer* aims to modernise the state procurement system to be fair, equitable, transparent, competitive and cost effective; enable the efficient, economic, effective and transparent utilisation 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, develops financial management regulatory frameworks with local and international best practice; develops and implements accounting policies; and improves the financial management, risk management and internal audit capacity in government.
- *Audit Statutory Bodies* is a transfer payment that provides for compensation for certain shortfalls of statutory bodies and municipalities in terms of the Auditor-General Act (1995). This subprogramme's total budget is transferred in full to fund municipalities that are unable to pay for audit services.
- *Service Charges: Commercial Banks* is a transfer payment that provides for bank service charges for all government departments' deposit accounts.

Expenditure trends and estimates

Table 7.12 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Programme Management for Financial Accounting and Supply Chain Management Systems	18.4	15.2	24.7	57.6	46.4%	3.4%	101.2	196.8	143.4	35.5%	10.8%
Office of the Chief Procurement Officer	33.3	38.6	55.3	68.2	27.0%	5.7%	68.9	69.3	76.7	4.0%	6.2%
Financial Systems	424.1	412.1	441.0	829.0	25.0%	61.4%	638.6	652.3	564.2	-12.0%	58.3%
Financial Reporting for National Accounts	85.4	86.4	83.0	88.0	1.0%	10.0%	99.2	103.4	109.7	7.6%	8.7%
Financial Management Policy and Compliance Improvement	105.6	117.8	128.5	129.6	7.1%	14.0%	133.4	136.2	145.2	3.9%	11.8%
Audit Statutory Bodies	40.8	61.3	41.9	44.1	2.6%	5.5%	46.3	49.0	51.7	5.5%	4.1%
Service Charges: Commercial Banks	0.1	0.1	0.1	0.3	43.7%	–	0.3	0.3	0.3	5.5%	–
Total	707.8	731.5	774.5	1 216.8	19.8%	100.0%	1 087.9	1 207.2	1 091.2	-3.6%	100.0%
Change to 2016 Budget estimate				366.9			177.9	261.4	88.4		

Table 7.12 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Current payments	621.1	619.8	682.9	1 125.0	21.9%	88.9%	983.2	1 096.9	974.6	-4.7%	90.8%
Compensation of employees	149.5	158.3	179.5	203.4	10.8%	20.1%	206.1	208.3	223.7	3.2%	18.3%
Goods and services ¹	471.5	461.5	503.4	921.6	25.0%	68.7%	777.1	888.6	750.8	-6.6%	72.5%
of which:											
Audit costs: External	3.7	6.5	3.9	7.4	26.4%	0.6%	8.0	8.4	8.9	6.5%	0.7%
Bursaries: Employees	1.4	1.3	2.1	2.0	12.8%	0.2%	2.3	2.2	2.3	3.6%	0.2%
Computer services	402.9	384.6	338.8	778.9	24.6%	55.5%	591.7	616.3	525.5	-12.3%	54.6%
Consultants: Business and advisory services	41.9	49.9	137.4	107.2	36.8%	9.8%	151.2	237.4	188.3	20.6%	14.9%
Travel and subsistence	7.0	7.2	4.2	10.6	15.0%	0.8%	9.6	10.3	11.0	1.1%	0.9%
Venues and facilities	7.1	4.7	0.3	4.8	-12.0%	0.5%	5.5	5.7	5.9	7.0%	0.5%
Transfers and subsidies¹	84.5	106.5	83.5	85.9	0.6%	10.5%	99.4	105.3	111.2	9.0%	8.7%
Departmental agencies and accounts	83.8	106.1	83.1	85.6	0.7%	10.5%	99.4	105.3	111.2	9.1%	8.7%
Households	0.6	0.4	0.4	0.3	-23.4%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	2.1	3.9	8.1	5.9	41.7%	0.6%	5.3	5.0	5.4	-2.6%	0.5%
Buildings and other fixed structures	-	0.4	-	-	-	-	-	-	-	-	-
Machinery and equipment	2.1	3.5	8.1	5.9	41.5%	0.6%	5.3	5.0	5.4	-2.5%	0.5%
Payments for financial assets	0.2	1.3	-	-	-100.0%	-	-	-	-	-	-
Total	707.8	731.5	774.5	1 216.8	19.8%	100.0%	1 087.9	1 207.2	1 091.2	-3.6%	100.0%
Proportion of total programme expenditure to vote expenditure	2.8%	2.8%	2.7%	4.3%	-	-	3.5%	3.7%	3.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	83.8	106.1	83.1	85.6	0.7%	10.5%	99.4	105.3	111.2	9.1%	8.7%
Accounting Standards Board	10.1	10.3	-	12.5	7.6%	1.0%	13.5	14.4	15.2	6.7%	1.2%
Independent Regulatory Board for Auditors	32.9	34.6	41.3	29.0	-4.2%	4.0%	39.6	41.9	44.3	15.2%	3.4%
Auditor-General of South Africa	40.8	61.3	41.9	44.1	2.6%	5.5%	46.3	49.0	51.7	5.5%	4.1%

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

Programme 6: International Financial Relations

Programme purpose

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

Objectives

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

- developing and implementing a policy of one-stop border posts over the medium term
- providing ongoing support to the committees of the SADC dealing with economic and financial protocols
- supporting the Southern African Customs Union to meet regional challenges on an ongoing basis.

Subprogrammes

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

Expenditure trends and estimates

Table 7.13 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Programme Management for International Financial Relations	19.1	8.3	14.5	12.6	-12.9%	0.5%	12.2	12.7	14.1	3.6%	0.2%
International Economic Cooperation	23.8	27.3	30.4	41.0	19.9%	1.1%	40.5	39.4	45.1	3.2%	0.7%
African Integration and Support	558.8	588.3	717.5	812.1	13.3%	24.8%	765.6	816.8	862.6	2.0%	14.2%
International Development Funding Institutions	450.0	557.6	2 762.7	4 091.9	108.7%	72.9%	4 999.2	5 022.4	5 303.6	9.0%	84.5%
International Projects	16.0	17.2	21.0	20.3	8.3%	0.7%	19.2	19.9	21.0	1.1%	0.3%
Total	1 067.7	1 198.7	3 546.1	4 978.0	67.1%	100.0%	5 836.8	5 911.1	6 246.4	7.9%	100.0%
Change to 2016 Budget estimate				(61.1)			1.9	1.0	4.7		
Economic classification											
Current payments	42.6	35.4	44.7	52.0	6.9%	1.6%	52.2	51.5	58.5	4.0%	0.9%
Compensation of employees	21.8	26.1	28.2	33.3	15.2%	1.0%	36.0	36.1	40.2	6.5%	0.6%
Goods and services ¹	20.8	9.3	16.5	18.7	-3.4%	0.6%	16.1	15.4	18.2	-0.9%	0.3%
<i>of which:</i>											
<i>Bursaries: Employees</i>	0.1	0.1	0.1	0.5	59.8%	-	0.7	0.7	0.8	17.9%	-
<i>Communication</i>	0.5	0.4	0.4	0.3	-14.5%	-	0.4	0.5	0.5	19.4%	-
<i>Consultants: Business and advisory services</i>	1.9	0.6	0.1	1.3	-12.8%	-	0.4	0.4	0.4	-31.2%	-
<i>Travel and subsistence</i>	7.6	6.9	-	9.2	6.5%	0.2%	9.6	10.8	11.4	7.6%	0.2%
<i>Operating payments</i>	0.3	0.2	4.4	1.1	48.0%	0.1%	1.3	1.3	1.4	6.8%	-
<i>Venues and facilities</i>	4.5	0.3	-	2.4	-19.5%	0.1%	2.7	0.7	2.7	4.6%	-
Transfers and subsidies¹	710.3	788.3	829.2	923.1	9.1%	30.1%	914.9	972.8	1 027.3	3.6%	16.7%
Foreign governments and international organisations	710.2	788.3	829.2	923.1	9.1%	30.1%	914.9	972.8	1 027.3	3.6%	16.7%
Households	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.3	0.1	0.2	1.6	85.3%	-	0.6	0.5	0.7	-25.4%	-
Buildings and other fixed structures	-	-	-	0.2	-	-	-	-	-	-100.0%	-
Machinery and equipment	0.3	0.1	0.2	1.4	77.5%	-	0.6	0.5	0.7	-22.1%	-
Payments for financial assets	314.6	374.8	2 672.0	4 001.2	133.4%	68.2%	4 869.1	4 886.3	5 159.9	8.8%	82.3%
Total	1 067.7	1 198.7	3 546.1	4 978.0	67.1%	100.0%	5 836.8	5 911.1	6 246.4	7.9%	100.0%
Proportion of total programme expenditure to vote expenditure	4.3%	4.6%	12.4%	17.5%	-	-	19.0%	18.2%	18.4%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	574.8	605.5	738.6	832.4	13.1%	25.5%	784.8	836.7	883.6	2.0%	14.5%
Common Monetary Area Compensation	554.4	581.6	712.5	802.1	13.1%	24.6%	754.9	804.9	849.9	1.9%	14.0%
Collaborative Africa Budget Reform Initiative	1.3	4.4	1.8	1.6	5.3%	0.1%	1.6	1.7	1.8	5.2%	-
Commonwealth Fund for Technical Cooperation	5.3	5.7	5.5	5.8	3.1%	0.2%	6.1	6.4	6.8	5.2%	0.1%
International Finance Facility for Immunisation	10.7	11.5	15.5	14.5	10.7%	0.5%	13.0	13.4	14.2	-0.7%	0.2%
African Institute for Economic Development and Planning	1.7	0.9	1.2	1.3	-8.5%	-	1.3	1.4	1.4	4.0%	-
Africa Regional Technical Assistance Centre for Southern Africa	0.4	0.4	1.0	1.0	41.9%	-	1.1	1.2	1.3	8.6%	-
Infrastructure Consortium for Africa	1.0	1.0	1.0	-	-100.0%	-	-	-	-	-	-
African Risk Capacity	-	-	-	6.1	-	0.1%	6.6	7.7	8.1	9.9%	0.1%
Capital	135.4	182.8	90.7	90.7	-12.5%	4.6%	130.1	136.1	143.7	16.6%	2.2%
African Development Bank and African Development Fund	40.2	92.1	-	-	-100.0%	1.2%	33.5	35.4	37.4	-	0.5%
World Bank Group	95.2	90.7	90.7	90.7	-1.6%	3.4%	96.7	100.7	106.4	5.5%	1.7%

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

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

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

Table 7.14 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Government Pensions Administration Agency	57.5	54.4	56.6	61.4	2.2%	1.5%	65.2	68.9	72.7	5.8%	1.3%
Civil Pensions and Contributions to Funds	2 673.5	2 613.9	3 156.5	3 273.5	7.0%	74.7%	3 810.4	4 119.4	4 470.4	10.9%	78.3%
Military Pensions and Other Benefits	792.1	1 062.6	754.6	1 127.7	12.5%	23.8%	959.4	972.7	1 028.2	-3.0%	20.4%
Total	3 523.1	3 730.9	3 967.7	4 462.6	8.2%	100.0%	4 835.0	5 160.9	5 571.3	7.7%	100.0%
Change to 2016 Budget estimate				289.4			453.1	524.8	675.6		
Economic classification											
Current payments	57.5	54.4	56.6	61.4	2.2%	1.5%	65.2	68.9	72.7	5.8%	1.3%
Goods and services ¹	57.5	54.4	56.6	61.4	2.2%	1.5%	65.2	68.9	72.7	5.8%	1.3%
of which:											
Consultants: Business and advisory services	57.5	54.4	56.6	61.4	2.2%	1.5%	65.2	68.9	72.7	5.8%	1.3%
Transfers and subsidies¹	3 465.6	3 676.5	3 911.1	4 401.2	8.3%	98.5%	4 769.8	5 092.0	5 498.6	7.7%	98.7%
Foreign governments and international organisations	2.1	2.3	2.1	2.4	5.1%	0.1%	2.6	2.7	2.8	5.2%	0.1%
Households	3 463.5	3 674.2	3 909.0	4 398.8	8.3%	98.5%	4 767.2	5 089.3	5 495.8	7.7%	98.6%
Total	3 523.1	3 730.9	3 967.7	4 462.6	8.2%	100.0%	4 835.0	5 160.9	5 571.3	7.7%	100.0%
Proportion of total programme expenditure to vote expenditure	14.0%	14.2%	13.8%	15.7%	-	-	15.7%	15.9%	16.4%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	2.1	2.3	2.1	2.4	5.1%	0.1%	2.6	2.7	2.8	5.2%	0.1%
United Kingdom tax	2.1	2.3	2.1	2.4	5.1%	0.1%	2.6	2.7	2.8	5.2%	0.1%
Households											
Social benefits											
Current	3 463.4	3 674.2	3 909.0	4 398.7	8.3%	98.5%	4 767.2	5 089.3	5 495.7	7.7%	98.6%
Contribution to provident funds for associated institutions	0.4	0.3	0.3	0.4	-5.4%	-	0.3	0.3	0.4	0.3%	-
Other benefits	77.8	70.4	82.5	88.1	4.2%	2.0%	93.1	98.6	104.1	5.7%	1.9%
Injury on duty	500.7	526.4	514.9	591.7	5.7%	13.6%	621.2	652.3	688.8	5.2%	12.8%
Post-Retirement medical scheme	1 441.4	1 511.1	2 109.6	2 102.2	13.4%	45.7%	2 298.1	2 520.4	2 774.4	9.7%	48.4%
Special pensions	435.4	423.5	439.8	479.8	3.3%	11.3%	494.3	528.9	566.0	5.7%	10.3%
Political Office Bearers Pension Fund	208.2	72.0	-	-	-100.0%	1.8%	291.2	306.1	323.2	-	4.6%
Pension benefits: President of South Africa	7.5	7.9	7.3	9.0	6.3%	0.2%	9.5	10.0	10.6	5.6%	0.2%
Military pensions: Ex-servicemen	26.5	11.7	2.9	3.6	-48.8%	0.3%	3.4	5.0	6.9	24.8%	0.1%
South African citizen force	139.0	155.9	166.2	201.9	13.3%	4.2%	193.9	203.6	214.5	2.0%	4.1%
Other benefits: Ex-servicemen	26.6	20.2	10.5	22.8	-5.0%	0.5%	24.8	26.7	28.2	7.3%	0.5%
Non-statutory forces	600.0	874.8	575.0	899.5	14.4%	18.8%	737.3	737.3	778.6	-4.7%	15.7%

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

Programme 8: Technical Support and Development Finance

Programme purpose

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

Objectives

- Build public-sector capacity through diagnostic and advisory services and support for organisational development, specialised procurement, improved public finance management, and programme and project implementation on an ongoing basis.
- Enhance budget and financial management practices by strengthening public finance management capacity in municipalities and support provincial treasury oversight of local government financial management on an ongoing basis.

- Ensure liveable, sustainable, resilient, efficient, and integrated towns and cities by promoting public and private investment in city development, integrated urban networks and neighbourhood development initiatives on an ongoing basis.
- Stimulate employment and inclusive growth by supporting innovative and partnership-based approaches to employment creation, job seeker support and enterprise development on an ongoing basis.
- Ensure technical capacity in local government building environment by supporting infrastructure planning and implementation in all provinces, and infrastructure skills development in all municipalities on an ongoing basis.

Subprogrammes

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

Expenditure trends and estimates

Table 7.15 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20
R million											
Local Government Financial Management Support	546.3	547.9	573.9	587.9	2.5%	21.7%	636.8	672.0	709.4	6.5%	21.5%
Urban Development and Support	680.9	875.4	848.3	913.0	10.3%	31.9%	983.3	1 040.3	1 098.5	6.4%	33.3%
Employment Creation Facilitation	952.9	1 213.2	749.5	769.9	-6.9%	35.4%	897.4	1 147.3	1 210.5	16.3%	33.2%
Government Technical Advisory Centre	69.7	79.8	83.6	88.0	8.1%	3.1%	80.8	81.9	86.5	-0.6%	2.8%
Infrastructure Development Support	187.5	177.1	216.9	253.9	10.6%	8.0%	275.1	288.8	305.0	6.3%	9.3%
Total	2 437.3	2 893.3	2 472.2	2 612.7	2.3%	100.0%	2 873.3	3 230.3	3 410.0	9.3%	100.0%
Change to 2016 Budget estimate				(22.0)			(23.7)	(204.2)	(216.9)		

Table 7.15 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Current payments	275.2	91.7	283.8	355.3	8.9%	9.7%	389.3	407.8	430.6	6.6%	13.1%
Compensation of employees	–	5.4	–	–	–	0.1%	–	–	–	–	–
Goods and services ¹	275.2	86.2	283.8	355.3	8.9%	9.6%	389.3	407.8	430.6	6.6%	13.1%
of which:											
Administrative fees	–	0.5	–	–	–	–	–	–	–	–	–
Advertising	–	0.1	–	–	–	–	–	–	–	–	–
Minor assets	–	0.6	–	–	–	–	–	–	–	–	–
Consultants: Business and advisory services	275.2	83.0	283.8	355.3	8.9%	9.6%	389.3	407.8	430.6	6.6%	13.1%
Transfers and subsidies¹	2 162.1	2 800.7	2 188.4	2 257.4	1.4%	90.3%	2 484.1	2 822.5	2 979.3	9.7%	86.9%
Provinces and municipalities	1 149.2	1 399.0	1 411.8	1 486.5	9.0%	52.3%	1 598.3	1 691.0	1 785.7	6.3%	54.1%
Departmental agencies and accounts	109.6	138.1	776.6	770.9	91.6%	17.2%	885.8	1 131.5	1 193.6	15.7%	32.8%
Higher education institutions	10.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Public corporations and private enterprises	893.2	1 263.7	–	–	-100.0%	20.7%	–	–	–	–	–
Payments for capital assets	–	1.0	–	–	–	–	–	–	–	–	–
Machinery and equipment	–	1.0	–	–	–	–	–	–	–	–	–
Total	2 437.3	2 893.3	2 472.2	2 612.7	2.3%	100.0%	2 873.3	3 230.3	3 410.0	9.3%	100.0%
Proportion of total programme expenditure to vote expenditure	9.7%	11.1%	8.6%	9.2%	–	–	9.3%	10.0%	10.0%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	109.3	137.7	776.1	770.2	91.7%	17.2%	885.0	1 130.8	1 192.8	15.7%	32.8%
Government Technical Advisory Centre	109.3	107.7	776.1	770.2	91.7%	16.9%	885.0	1 130.8	1 192.8	15.7%	32.8%
Neighbourhood development partnership grant (Indirect)	–	30.0	–	–	–	0.3%	–	–	–	–	–
Capital	0.3	0.4	0.5	0.7	29.2%	–	0.7	0.8	0.8	5.4%	–
Government Technical Advisory Centre	0.3	0.4	0.5	0.7	29.2%	–	0.7	0.8	0.8	5.4%	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	893.2	1 263.7	–	–	-100.0%	20.7%	–	–	–	–	–
Development Bank of Southern Africa	893.2	1 164.9	–	–	-100.0%	19.8%	–	–	–	–	–
Municipal Finance Improvement Programme	–	98.8	–	–	–	0.9%	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	523.3	553.6	577.0	595.7	4.4%	21.6%	642.8	680.1	718.1	6.4%	21.7%
Local government financial management grant	424.8	449.1	452.5	465.3	3.1%	17.2%	502.0	531.1	560.9	6.4%	17.0%
Infrastructure skills development grant	98.5	104.4	124.5	130.5	9.8%	4.4%	140.8	148.9	157.3	6.4%	4.8%
Capital	625.9	845.4	834.9	890.8	12.5%	30.7%	955.5	1 010.9	1 067.5	6.2%	32.4%
Integrated city development grant	40.0	255.0	251.3	266.8	88.2%	7.8%	292.1	309.1	326.4	6.9%	9.8%
Neighbourhood development partnership grant	585.9	590.4	583.6	624.0	2.1%	22.9%	663.4	701.9	741.2	5.9%	22.5%

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

Programme 9: Revenue Administration

Programme purpose

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

Objectives

- Centralise registration, accreditation and licensing capabilities over the medium term by:
 - improving the South African Revenue Service's registration database
 - moving the customs service into the unified trader and traveller master database using online registration and entity-level risk assessment.

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

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 7.16 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
South African Revenue Service	9 534.4	9 440.3	9 334.4	9 363.7	-0.6%	100.0%	10 218.2	10 560.2	10 972.1	5.4%	100.0%
Total	9 534.4	9 440.3	9 334.4	9 363.7	-0.6%	100.0%	10 218.2	10 560.2	10 972.1	5.4%	100.0%
Change to 2016 Budget estimate				(645.5)			(860.3)	(476.9)	(683.1)		
Economic classification											
Transfers and subsidies ¹	9 534.4	9 440.3	9 334.4	9 363.7	-0.6%	100.0%	10 218.2	10 560.2	10 972.1	5.4%	100.0%
Departmental agencies and accounts	9 534.4	9 440.3	9 334.4	9 363.7	-0.6%	100.0%	10 218.2	10 560.2	10 972.1	5.4%	100.0%
Total	9 534.4	9 440.3	9 334.4	9 363.7	-0.6%	100.0%	10 218.2	10 560.2	10 972.1	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	38.0%	36.1%	32.5%	32.9%	-	-	33.2%	32.6%	32.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8 676.3	8 596.2	8 391.0	8 320.3	-1.4%	90.2%	9 076.6	9 352.5	9 696.7	5.2%	88.6%
South African Revenue Service: Operations	8 676.3	8 596.2	8 391.0	8 320.3	-1.4%	90.2%	9 041.6	9 310.9	9 656.4	5.1%	88.4%
South African Revenue Service: Office of the Tax Ombud	-	-	-	-	-	-	35.0	41.5	40.3	-	0.3%
Capital	858.1	844.1	943.4	1 043.4	6.7%	9.8%	1 141.6	1 207.8	1 275.4	6.9%	11.4%
South African Revenue Service: Machinery and equipment	858.1	844.1	943.4	1 043.4	6.7%	9.8%	1 141.6	1 207.8	1 275.4	6.9%	11.4%

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

Programme 10: Financial Intelligence and State Security

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

Table 7.17 Financial Intelligence and State Security expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Financial Intelligence Centre	241.0	198.1	239.5	256.4	2.1%	5.2%	270.2	285.9	301.9	5.6%	5.4%
Secret Services	3 933.6	4 168.2	4 322.6	4 556.1	5.0%	94.8%	4 735.4	5 010.1	5 290.7	5.1%	94.6%
Total	4 174.6	4 366.3	4 562.1	4 812.5	4.9%	100.0%	5 005.6	5 296.0	5 592.5	5.1%	100.0%
Change to 2016 Budget estimate							(64.4)	(68.1)	(71.9)		
Economic classification											
Transfers and subsidies ¹	4 174.6	4 366.3	4 562.1	4 812.5	4.9%	100.0%	5 005.6	5 296.0	5 592.5	5.1%	100.0%
Departmental agencies and accounts	4 174.6	4 366.3	4 562.1	4 812.5	4.9%	100.0%	5 005.6	5 296.0	5 592.5	5.1%	100.0%
Total	4 174.6	4 366.3	4 562.1	4 812.5	4.9%	100.0%	5 005.6	5 296.0	5 592.5	5.1%	100.0%
Proportion of total programme expenditure to vote expenditure	16.6%	16.7%	15.9%	16.9%	–	–	16.3%	16.3%	16.4%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3 660.3	4 068.1	4 242.0	4 392.3	6.3%	91.3%	4 596.2	4 862.8	5 135.1	5.3%	91.7%
Financial Intelligence Centre: Operations	175.0	186.7	226.7	239.6	11.0%	4.6%	254.9	269.7	284.8	5.9%	5.1%
Secret Services: Operations	3 485.3	3 881.4	4 015.4	4 152.6	6.0%	86.7%	4 341.2	4 593.0	4 850.2	5.3%	86.6%
Capital	514.2	298.2	320.0	420.2	-6.5%	8.7%	409.5	433.2	457.5	2.9%	8.3%
Financial Intelligence Centre: Machinery and equipment	66.0	11.4	12.8	16.7	-36.7%	0.6%	15.3	16.1	17.0	0.6%	0.3%
Secret Services: Machinery and equipment	448.3	286.7	307.2	403.5	-3.4%	8.1%	394.2	417.1	440.4	3.0%	8.0%

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

Entities¹

Development Bank of Southern Africa

Mandate

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

Selected performance indicators

Table 7.18 Development Bank of Southern Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Cost-to-income ratio (bank wide)	Administration		28.4%	34%	29%	40%	40%	40%	40%
Total value of disbursements to infrastructure related projects per year	Development finance	Outcome 12: An efficient, effective and development-oriented public service	R12.7bn	R13bn	R17.1bn	R16.4bn	R17.4bn	R18.4bn	R19.4bn
Value of bank-wide net profit/(loss) per year	Development finance		R787m	R1.2bn	R2.6bn	R1bn	R1.1bn	R1.1bn	R1.2bn
Number of schools completed per year for which the bank has provided financial support as part of the accelerated schools infrastructure delivery initiative	Non-financing development activities	Outcome 1: Quality basic education	32	15	35	22	- ¹	- ¹	- ¹
Number of houses completed per year for which the bank has provided financial support (Elliotdale housing scheme)	Non-financing development activities	Outcome 8: Sustainable human settlements and improved quality of household life	770	1 128	1 382	1 730	- ¹	- ¹	- ¹

1. Indicator phased out in 2017/18.

Expenditure analysis

Over the medium term, the Development Bank of Southern Africa will focus on social and economic infrastructure development, with an emphasis on driving financial and non-financial investments in energy, transport, water and communications. It will also provide some support to social sectors such as health, education and housing. The support provided includes facilitating infrastructure development in municipalities, driving investments to increase the total value of disbursements to infrastructure-related projects, and providing development planning and implementation support interventions in the origination of infrastructure projects to identified municipalities. This is in line with outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework, in recognition of the NDP's vision of strengthened financial services. The bank aims to accelerate infrastructure financing to municipalities, state-owned companies, independent power producers, and public-private partnerships. Infrastructure support for the rest of Africa targets clients supporting state-owned enterprises and public-private partnerships.

The bank will actively support infrastructure development in municipalities, with the aim of addressing backlogs and expediting the delivery of essential social services in support of sustainable living conditions and improved quality of life within communities. Over the medium term, the bank is expected to increase its annual infrastructure lending support from R6 billion to R9.6 billion. The bank will also set aside between R130 million and R150 million each year over the medium term period to provide planning and implementation support for the origination of infrastructure projects in selected, under-capacitated municipalities. The bank also plans to drive investments in sectors such as energy, transport and logistics, water, ICT, and health and education with an aim to increase the total value of disbursements to infrastructure-related projects, from R16.4 billion in 2016/17 to R19.4 billion in 2019/20.

The bank will continue to provide development planning, pre-financing and implementation support, and post-financing support to identified municipalities in the origination of infrastructure projects intended to alleviate constraints, and enable expanded lending take-up. This support will be financed through funds set aside, currently approximately R100 million per year, for non-lending support for all municipal market

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

segments, with more focus on lower-tier municipalities. The development spend envelope will specifically cover operational expenditure incurred within the development planning and implementation support areas, and limited concessional funding. The bank completed the construction of 15 schools in 2014/15. In addition, 22 schools are in various stages of construction during 2016/17.

As at 31 October 2016, the bank had an establishment of 696 funded posts, of which 131 posts were vacant due to a shortage in the supply of many of the business-critical skills required by the bank to deliver on its strategy. The bank used consultants to perform the organisational review process and to assist management with the implementation of the revised strategy, as these skills could not be sourced from within the bank. Significant efforts have been made to retain staff and recruit new skilled staff to complement the bank's strategy. Over the medium term, the number of filled posts is expected to increase to 696 to ensure that the bank is adequately capacitated to deliver on its mandate.

Revenue is expected to increase from R8.6 billion in 2017/18 to R10.2 billion in 2019/20, largely driven by an expected increase in the repayments of developmental loan disbursements and the planned effective management of the non-performing loan book, which is expected to affect net loan impairments.

Programmes/objectives/activities

Table 7.19 Development Bank of Southern Africa 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 (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
					2013/14 - 2016/17					2016/17 - 2019/20	
Administration	1 433.5	1 109.7	626.3	886.7	-14.8%	19.6%	976.7	1 063.9	1 123.5	8.2%	12.9%
Development finance	3 126.3	3 747.9	4 587.9	5 280.5	19.1%	77.4%	6 253.6	7 119.6	7 518.3	12.5%	82.9%
Non-financing development activities	88.0	118.1	162.6	285.9	48.1%	2.9%	320.1	344.0	363.3	8.3%	4.2%
Total	4 647.8	4 975.7	5 376.8	6 453.1	11.6%	100.0%	7 550.4	8 527.5	9 005.0	11.7%	100.0%

Statements of historical financial performance and position

Table 7.20 Development Bank of Southern Africa statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average: Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16	Budget estimate	2016/17	
									2013/14 - 2016/17
Revenue									
Non-tax revenue	4 605.0	5 434.9	5 261.3	6 189.9	6 518.5	7 953.5	8 092.8	7 445.4	110.4%
Sale of goods and services other than capital assets	154.0	334.6	163.5	232.9	358.7	275.9	411.8	298.9	105.0%
<i>of which:</i>									
Sales by market establishment	154.0	334.6	163.5	232.9	358.7	275.9	411.8	298.9	105.0%
Other non-tax revenue	4 450.9	5 100.2	5 097.9	5 957.0	6 159.9	7 677.6	7 681.0	7 146.4	110.7%
Total revenue	4 605.0	5 434.9	5 261.3	6 189.9	6 518.5	7 953.5	8 092.8	7 445.4	110.4%
Expenses									
Current expenses	4 006.0	4 609.9	4 700.6	4 931.7	5 321.5	5 314.1	6 273.1	6 273.1	104.1%
Compensation of employees	564.3	561.6	628.2	607.3	772.7	730.9	879.5	879.5	97.7%
Goods and services	688.3	1 542.0	1 132.9	1 296.4	1 052.5	1 197.2	1 243.1	1 243.1	128.2%
Depreciation	19.6	18.6	23.8	25.1	29.0	30.6	36.0	36.0	101.7%
Interest, dividends and rent on land	2 733.7	2 487.8	2 915.5	3 002.9	3 467.4	3 355.4	4 114.6	4 114.6	98.0%
Transfers and subsidies	79.6	37.9	117.3	44.1	286.0	62.6	180.0	180.0	49.0%
Total expenses	4 085.6	4 647.8	4 817.9	4 975.7	5 607.5	5 376.8	6 453.1	6 453.1	102.3%
Surplus/(Deficit)	519.0	787.0	443.0	1 214.0	911.0	2 577.0	1 640.0	992.0	
Statement of financial position									
Carrying value of assets	567.7	544.7	578.4	580.4	616.1	580.3	612.1	563.7	95.6%
<i>of which:</i>									
Acquisition of assets	-	(6.6)	(23.8)	(7.0)	(35.0)	(14.7)	(25.0)	(35.0)	75.5%
Investments	9 155.8	8 150.9	8 190.3	8 203.6	5 246.3	8 757.3	5 057.2	8 853.9	122.8%
Loans	52 538.2	50 849.0	56 862.6	58 030.6	72 504.9	70 785.3	87 063.9	84 583.2	98.2%
Receivables and prepayments	314.9	145.3	305.7	227.9	146.7	138.5	151.9	146.7	71.6%
Cash and cash equivalents	5 413.9	4 135.7	796.9	3 901.7	3 108.8	2 084.6	4 276.6	155.0	75.6%
Total assets	67 990.5	63 825.5	66 733.9	70 944.1	81 622.7	82 346.0	97 161.7	94 302.6	99.3%
Accumulated surplus/(deficit)	10 867.8	11 496.4	11 681.1	12 460.6	13 322.5	14 544.9	14 382.1	15 510.5	107.5%
Capital and reserves	5 360.3	6 004.2	5 360.3	6 322.1	6 134.4	2 827.9	6 134.4	2 793.3	78.1%
Capital reserve fund	7 752.2	2 400.0	5 100.0	4 900.0	7 900.0	11 892.3	7 900.0	11 892.3	108.5%
Borrowings	43 015.2	42 887.2	43 597.4	46 163.5	52 722.4	51 791.2	67 072.2	62 525.6	98.5%
Trade and other payables	995.0	813.7	837.8	811.8	1 142.0	894.8	1 238.1	294.2	66.8%
Provisions	-	221.0	152.0	283.1	398.3	391.8	431.8	1 283.6	221.9%
Derivatives financial instruments	-	3.1	5.2	3.1	3.1	3.1	3.1	3.1	109.1%
Total equity and liabilities	67 990.5	63 825.5	66 733.9	70 944.1	81 622.7	82 346.0	97 161.7	94 302.6	99.3%

Statements of estimates of financial performance and position

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

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
					2016/17	2013/14 - 2016/17	2017/18		
R million									
Revenue									
Non-tax revenue		7 445.4	11.1%	100.0%	8 601.6	9 661.9	10 202.9	11.1%	100.0%
Sale of goods and services other than capital assets		298.9	-3.7%	4.4%	610.0	695.0	733.9	34.9%	6.4%
of which:									
Sales by market establishment		298.9	-3.7%	4.4%	610.0	695.0	733.9	34.9%	6.4%
Other non-tax revenue		7 146.4	11.9%	95.6%	7 991.6	8 966.8	9 469.0	9.8%	93.6%
Total revenue		7 445.4	11.1%	100.0%	8 601.6	9 661.9	10 202.9	11.1%	100.0%
Expenses									
Current expenses		6 273.1	10.8%	98.6%	7 360.4	8 327.5	8 793.8	11.9%	153.4%
Compensation of employees		879.5	16.1%	12.9%	953.4	1 023.1	1 080.4	7.1%	12.6%
Goods and services		1 243.1	-6.9%	25.2%	1 347.2	1 475.0	1 557.6	7.8%	17.9%
Depreciation		36.0	24.6%	0.5%	36.0	36.0	38.0	1.8%	0.5%
Interest, dividends and rent on land		4 114.6	18.3%	60.0%	5 023.8	5 793.4	6 117.9	14.1%	66.5%
Transfers and subsidies		180.0	68.1%	1.4%	190.0	200.0	211.2	5.5%	2.5%
Total expenses		6 453.1	11.6%	100.0%	7 550.4	8 527.5	9 005.0	11.7%	100.0%
Surplus/(Deficit)		992.0	-	-	1 051.0	1 134.0	1 198.0	6.5%	-
Statement of financial position									
Carrying value of assets		563.7	1.1%	0.7%	562.7	561.7	593.2	1.7%	0.5%
of which:									
Acquisition of assets		(35.0)	74.7%	-	(35.0)	(35.0)	(37.0)	1.8%	-0.0%
Investments		8 853.9	2.8%	11.1%	9 392.4	9 330.1	9 852.6	3.6%	8.8%
Loans		84 583.2	18.5%	84.3%	93 200.0	100 320.8	105 938.8	7.8%	90.3%
Receivables and prepayments		146.7	0.3%	0.2%	151.9	157.4	166.2	4.3%	0.1%
Cash and cash equivalents		155.0	-66.5%	3.7%	79.1	227.0	239.7	15.6%	0.2%
Total assets		94 302.6	13.9%	100.0%	103 386.1	110 597.0	116 790.4	7.4%	100.0%
Accumulated surplus/(deficit)		15 510.5	10.5%	17.4%	16 561.6	17 696.0	18 898.1	6.8%	16.2%
Capital and reserves		2 793.3	-22.5%	6.2%	2 793.3	2 793.3	3 404.6	6.8%	2.8%
Capital reserve fund		11 892.3	70.5%	9.4%	11 892.3	11 892.3	11 892.3	-	11.3%
Borrowings		62 525.6	13.4%	65.4%	70 393.4	76 297.5	80 570.2	8.8%	68.1%
Trade and other payables		294.2	-28.8%	1.0%	324.9	357.0	377.0	8.6%	0.3%
Provisions		1 283.6	79.7%	0.6%	1 417.6	1 557.8	1 645.1	8.6%	1.4%
Derivatives financial instruments		3.1	-	-	3.1	3.1	3.1	-	-
Total equity and liabilities		94 302.6	13.9%	100.0%	103 386.1	110 597.0	116 790.4	7.4%	100.0%

Personnel information

Table 7.22 Development Bank of Southern Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017			Number and cost ¹ of personnel posts filled / planned for on funded establishment										Number						
Number of funded posts	Number of posts on approved establishment		Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
			2015/16	Unit cost	2016/17	Unit cost	2017/18		2018/19		2019/20				2016/17 - 2019/20				
			Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost					
Development Bank of Southern Africa			696	730.9	1.3	696	879.5	1.3	696	953.4	1.4	696	1 023.1	1.5	696	1 080.4	1.6	7.1%	100.0%
Salary level	696	696	569	730.9	1.3	696	879.5	1.3	696	953.4	1.4	696	1 023.1	1.5	696	1 080.4	1.6	7.1%	100.0%
1 - 6	23	23	39	7.2	0.2	23	3.8	0.2	23	4.1	0.2	23	4.4	0.2	23	4.6	0.2	7.1%	3.3%
7 - 10	193	193	179	93.9	0.5	193	95.5	0.5	193	103.6	0.5	193	111.2	0.6	193	117.4	0.6	7.1%	27.7%
11 - 12	150	150	147	283.4	1.9	150	248.8	1.7	150	269.4	1.8	150	289.1	1.9	150	305.3	2.0	7.1%	21.6%
13 - 16	319	319	194	308.7	1.6	319	490.6	1.5	319	532.0	1.7	319	570.9	1.8	319	602.9	1.9	7.1%	45.8%
17 - 22	11	11	10	37.7	3.8	11	40.9	3.7	11	44.3	4.0	11	47.5	4.3	11	50.2	4.6	7.1%	1.6%

1. Rand million.

Land and Agricultural Development Bank of South Africa

Mandate

The mandate of the Land and Agricultural Development Bank of South Africa, as a development finance institution, is to address agricultural and rural development in South Africa. The bank operates in the agricultural and agribusiness sectors and is regulated by the Land and Agricultural Development Bank Act (2002) and the Public Finance Management Act (1999). Its broader mandate, as expressed in the act, is to promote the equitable ownership of agricultural land, particularly by historically disadvantaged people; agrarian reform, land redistribution or development programmes for historically disadvantaged people; land

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

Selected performance indicators

Table 7.23 Land and Agricultural Development Bank of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Cost-to-income ratio	Administration	Outcome 7: Comprehensive rural development and land reform	59.5%	55%	56%	38.7%	36.7%	34.2%	33.8%
Capital adequacy ratio	Administration		26%	37%	34%	28%	30%	33%	32%
Value of development loan book disbursements	Administration		R819.3m	R769.1m	R700m	R735m	R772m	R811m	R811m
Value of business and corporate banking loans	Business and corporate banking		R24.6m	R31.5m	R34.4m	R36.1m	R37.9m	R39.8m	R39.8m
Value of development loan book disbursements	Business and corporate banking		R595.9m	R456.9m	R370m	R388.4m	R408.0m	R428.6m	R428.6m
Value of retail commercial banking loans	Retail commercial banking		R4.9m	R5.7m	R5.8m	R6.1m	R6.4m	R6.8m	R6.8m
Value of development loan book disbursements	Retail commercial banking		R134.4m	R107.7m	R130m	R136.5m	R143.4m	R150.6m	R150.6m
Value of retail emerging markets loans	Retail emerging markets		R391.2m	R489m	R504m	- ¹	- ¹	- ¹	- ¹

1. Indicator phased out from 2016/17.

Expenditure analysis

The Land and Agricultural Development Bank has increased its appetite for the development component of its mandate, as supported by the growth in its development loan book, and is expected to play a pivotal role in advancing agriculture and rural development. This is in line with outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework, and acknowledges the NDP's vision of creating more jobs through agricultural development. Over the medium term, the bank will continue to focus on building itself into a sustainable institution and disbursing funds to deserving developmental projects.

In 2015, the bank conducted an organisational review to strengthen the balance sheet, enhance financial sustainability, improve operational efficiency and increase developmental impact. As a result of the improved focus provided by the review, the development loan book is set to grow over the medium term, which in turn will increase interest expenditure on funding liabilities, a primary driver of the bank's costs. This is the reason for the projected increase in total expenditure at an average annual rate of 17.1 per cent, from R3.9 billion in 2016/17 to R6.3 billion in 2019/20. Interest costs are expected to increase from a base of R2.1 billion in 2015/16 to approximately R2.5 billion in 2017/18.

The bank aims to increase the value of development loan book disbursements from R136.5 million in 2016/17 to R150.6 million in 2019/20. Over the medium term, the need to finance growth in the loan book will see the interest expense bill increase to approximately R4.7 billion in 2019/20. Spending on compensation of employees is expected to increase at an average annual rate of 7 per cent, from R404.3 million in 2016/17 to R495.3 million in 2019/20. The bank's total staff complement is expected to remain constant at an average of 435 over the medium term period.

The bank sources a significant component of its funding from the open market, which explains why it is highly exposed to the movement in market rates. The bank significantly relies on interest income, and an area it intends to address is income diversification through increasing revenue from non-interest income. Over the medium term, total revenue is expected to increase at an average annual rate of 17.8 per cent, from R4.2 billion in 2016/17 to R6.8 billion in 2019/20, as the bank grows its gross loan book.

Programmes/objectives/activities

Table 7.24 Land and Agricultural Development Bank of South Africa 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	415.1	352.9	566.0	449.1	2.7%	14.4%	425.5	472.3	520.7	5.1%	9.1%
Corporate Banking	1 336.6	2 291.2	2 507.0	2 816.9	28.2%	69.0%	3 788.7	4 281.5	4 773.6	19.2%	74.5%
Commercial Development Banking	425.8	464.2	489.9	656.3	15.5%	16.2%	835.1	918.5	1 011.6	15.5%	16.4%
Retail emerging markets	20.8	29.2	–	–	-100.0%	0.5%	–	–	–	–	–
Total	2 198.3	3 137.5	3 562.8	3 922.3	21.3%	100.0%	5 049.3	5 672.4	6 305.9	17.1%	100.0%

Statements of historical financial performance and position

Table 7.25 Land and Agricultural Development Bank of South Africa statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2016/17	2013/14 - 2016/17
Revenue									
Non-tax revenue	2 247.5	2 592.6	2 686.2	3 429.8	3 636.9	3 634.6	4 196.0	4 150.5	108.2%
Sale of goods and services other than capital assets	37.3	24.4	38.2	47.4	15.8	59.4	16.7	123.9	236.0%
<i>of which:</i>									
Administrative fees	26.6	–	26.9	–	–	42.1	–	111.6	287.7%
Sales by market establishment	10.8	24.4	11.4	47.4	15.8	17.3	16.7	12.3	185.5%
Other non-tax revenue	2 210.2	2 568.2	2 648.0	3 382.5	3 621.1	3 575.2	4 179.3	4 026.6	107.1%
Total revenue	2 247.5	2 592.6	2 686.2	3 429.8	3 636.9	3 634.6	4 196.0	4 150.5	108.2%
Expenses									
Current expenses	1 967.2	2 170.8	2 454.8	3 099.2	3 116.0	3 508.5	3 986.9	3 876.5	109.8%
Compensation of employees	393.7	381.3	399.0	343.6	351.8	318.0	424.3	404.3	92.2%
Goods and services	205.9	213.2	201.9	507.4	264.8	692.8	281.3	663.8	217.7%
Depreciation	25.3	16.1	26.8	18.2	12.1	15.0	12.8	9.8	76.7%
Interest, dividends and rent on land	1 342.3	1 560.2	1 827.0	2 230.0	2 487.3	2 482.7	3 268.4	2 798.6	101.6%
Total expenses	1 994.7	2 198.3	2 482.9	3 137.5	3 162.2	3 562.8	4 035.7	3 922.3	109.8%
Surplus/(Deficit)	253.0	394.0	203.0	292.0	475.0	72.0	160.0	228.0	
Statement of financial position									
Carrying value of assets	144.6	218.2	227.4	224.3	213.9	224.7	216.8	253.4	114.7%
<i>of which:</i>									
Acquisition of assets	(12.8)	(5.2)	(6.5)	(5.9)	(5.8)	(5.8)	(4.5)	(51.1)	230.0%
Investments	332.1	1 372.7	1 428.1	1 637.7	440.5	572.5	491.2	612.2	155.8%
Inventory	181.4	–	183.5	0.2	–	–	–	–	0.1%
Receivables and prepayments	28 355.4	33 706.9	33 147.8	37 027.6	40 068.4	36 834.0	41 990.3	41 800.0	104.0%
Cash and cash equivalents	2 000.0	1 474.9	2 898.8	1 605.7	1 400.0	2 120.6	1 780.3	1 842.9	87.2%
Non-current assets held for sale	136.1	52.6	–	53.1	53.6	47.6	53.1	50.0	83.8%
Total assets	31 149.7	36 825.1	37 885.6	40 548.5	42 176.3	39 799.5	44 531.6	44 558.5	103.8%
Accumulated surplus/(deficit)	6 156.0	2 790.6	6 879.1	3 085.3	1 923.0	3 157.1	2 055.7	3 427.3	73.2%
Capital and reserves	112.2	137.1	135.4	134.8	134.8	135.1	134.8	134.8	104.7%
Capital reserve fund	–	3 897.7	–	4 397.7	4 397.7	1 766.6	4 397.7	1 766.6	134.5%
Borrowings	24 000.9	4 214.7	29 824.5	6 373.5	6 940.2	4 661.3	7 297.6	7 750.0	33.8%
Trade and other payables	185.8	253.7	207.1	647.7	365.4	188.2	385.5	201.4	112.9%
Provisions	685.8	1 017.6	791.7	495.7	742.0	528.4	781.5	535.2	85.9%
Derivatives financial instruments	9.0	24 513.7	47.7	25 413.9	27 673.4	29 362.8	29 478.9	30 743.3	192.3%
Total equity and liabilities	31 149.7	36 825.1	37 885.6	40 548.5	42 176.3	39 799.5	44 531.6	44 558.5	103.8%

Statements of estimates of financial performance and position

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

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
Revenue									
Non-tax revenue	4 150.5	17.0%	100.0%	5 346.5	6 073.4	6 791.2	17.8%	100.0%	
Sale of goods and services other than capital assets	123.9	71.9%	1.7%	116.1	147.3	164.2	9.9%	2.5%	
<i>of which:</i>									
Administrative fees	111.6	–	1.0%	103.0	134.2	151.2	10.6%	2.3%	
Sales by market establishment	12.3	-20.5%	0.8%	13.1	13.1	13.1	2.1%	0.2%	
Other non-tax revenue	4 026.6	16.2%	98.3%	5 230.5	5 926.2	6 627.0	18.1%	97.5%	
Total revenue	4 150.5	17.0%	100.0%	5 346.5	6 073.4	6 791.2	17.8%	100.0%	

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

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate		2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
R million		2016/17						
Expenses								
Current expenses	3 876.5	21.3%	98.7%	4 995.4	5 608.6	6 235.2	17.2%	176.5%
Compensation of employees	404.3	2.0%	11.9%	432.6	462.9	495.3	7.0%	8.7%
Goods and services	663.8	46.0%	15.6%	566.4	615.5	652.4	-0.6%	12.3%
Depreciation	9.8	-15.4%	0.5%	22.8	16.7	12.4	8.3%	0.3%
Interest, dividends and rent on land	2 798.6	21.5%	70.8%	3 973.5	4 513.5	5 075.0	21.9%	77.5%
Total expenses	3 922.3	21.3%	100.0%	5 049.3	5 672.4	6 305.9	17.1%	100.0%
Surplus/(Deficit)	228.0			297.0	401.0	485.0	28.6%	
Statement of financial position								
Carrying value of assets	253.4	5.1%	0.6%	237.6	220.8	203.9	-7.0%	0.4%
of which:								
Acquisition of assets	(51.1)	114.0%	-	(2.5)	(1.2)	(0.9)	-74.5%	-0.0%
Investments	612.2	-23.6%	2.6%	2 142.6	2 686.1	2 716.7	64.3%	3.7%
Receivables and prepayments	41 800.0	7.4%	92.3%	46 403.8	51 629.3	57 331.2	11.1%	92.8%
Cash and cash equivalents	1 842.9	7.7%	4.4%	1 511.2	1 227.1	1 488.8	-6.9%	2.9%
Non-current assets held for sale	50.0	-1.7%	0.1%	47.6	47.6	47.6	-1.6%	0.1%
Total assets	44 558.5	6.6%	100.0%	50 342.9	55 810.9	61 788.2	11.5%	100.0%
Accumulated surplus/(deficit)	3 427.3	7.1%	7.7%	4 402.9	4 804.0	5 289.3	15.6%	8.4%
Capital and reserves	134.8	-0.6%	0.3%	134.8	134.8	134.8	-	0.3%
Capital reserve fund	1 766.6	-23.2%	7.5%	1 766.6	1 766.6	1 766.6	-	3.4%
Borrowings	7 750.0	22.5%	14.1%	11 227.3	14 790.3	17 823.9	32.0%	23.8%
Trade and other payables	201.4	-7.4%	0.8%	389.6	434.5	483.2	33.9%	0.7%
Provisions	535.2	-19.3%	1.6%	537.8	587.4	637.8	6.0%	1.1%
Derivatives financial instruments	30 743.3	7.8%	68.0%	31 883.9	33 293.3	35 652.6	5.1%	62.4%
Total equity and liabilities	44 558.5	6.6%	100.0%	50 342.9	55 810.9	61 788.2	11.5%	100.0%

Personnel information

Table 7.27 Land and Agricultural Development Bank of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20							
Land and Agricultural Development Bank of South Africa		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	481	481	433	318.0	0.7	481	404.3	0.8	435	432.6	1.0	435	462.9	1.1	435	495.3	1.1	7.0%	100.0%
1 – 6	29	29	27	43.0	1.6	29	71.4	2.5	22	76.3	3.5	22	81.7	3.7	22	87.4	4.0	7.0%	5.3%
7 – 10	172	172	218	105.6	0.5	172	79.7	0.5	244	85.3	0.3	244	91.3	0.4	244	97.6	0.4	7.0%	51.0%
11 – 12	230	230	154	109.2	0.7	230	185.7	0.8	154	198.7	1.3	154	212.6	1.4	154	227.5	1.5	7.0%	38.5%
13 – 16	39	39	24	35.9	1.5	39	39.4	1.0	5	42.2	8.4	5	45.1	9.0	5	48.3	9.7	7.0%	2.9%
17 – 22	11	11	10	24.3	2.4	11	28.2	2.6	10	30.2	3.0	10	32.3	3.2	10	34.5	3.5	7.0%	2.3%

1. Rand million.

South African Revenue Service

Mandate

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

Selected performance indicators

Table 7.28 South African Revenue Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Customs revenue collected per year	Business and individual tax	Outcome 12: An efficient, effective and development-oriented public service	R180.2bn	R202.2bn	R302.3bn	R335.8bn	- ¹	- ¹	- ¹
Revenue collected (excluding customs and excise revenue) per year	Business and individual tax		R714.8bn	R791.5bn	R767.7bn	R838.9bn	- ¹	- ¹	- ¹
Percentage of compliance of personal income tax filling per year (number of personal income tax returns submitted in tax year versus the total number of personal income tax returns required in tax year)	Business and individual tax		84% (R4.89m/ R5.82m)	91.6% (R4.89m/ R5.34m)	92% (R4.2m/ R4.57m)	92% (R4.89m/ R5.32m)	92% (R4.89m/ R5.32m)	92% (R4.89m/ R5.32m)	92% (R4.89m/ R5.32m)
Percentage of trade audited to obtain preferred trader status (number of preferred trader declarations versus the total number of declarations) per year	Customs and excise		20% (R20.7m/ R103.5m)	21% (R20.7m/ R98.57m)	29% (R7.8m/ R26.9m)	35% (R20.7m/ R59.14m)	35% (R20.7m/ R59.14m)	35% (R20.7m/ R59.14m)	35% (R20.7m/ R59.14m)

1. As the amount of revenue collected over the medium term is subject to the fiscal framework, projections cannot be provided.

Expenditure analysis

Over the medium term, the South African Revenue Service will focus on contributing more than 90 per cent of the revenue required by government. This is in line with outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework, and gives expression to the NDP's vision of ensuring high-quality public services as a result of tax contributions. Total revenue is expected to increase at an average annual rate of 4.8 per cent over the medium term, from R9.9 billion in 2016/17 to R11.4 billion in 2019/20, while total expenditure is expected to increase at an average annual rate of 1.9 per cent, from R11.3 billion to R12 billion over the same period.

To deliver on its mandate, the revenue service requires skilled employees to match its expanding footprint and optimise revenue collections. As such, spending on compensation of employees accounts for 67.9 per cent of the organisation's total budget over the medium term. The organisation plans to fill critical vacancies and recruit scarce and high-end skills in an effort to bring about shifts in the compliance landscape in critical areas such as base erosion and profit shifting, transfer pricing, audit, risk identification, and forensic functions. As a result, spending on compensation of employees is expected to increase at an average annual rate of 4.2 per cent, from R7.3 billion in 2016/17 to R8.2 million in 2019/20. As at 31 October 2016, the organisation had a total headcount of 13 757, of which 13 239 are permanent employees, 118 are temporary employees, 400 are graduate trainees, with 709 vacancies. The organisation's total staff complement is expected to be 14 119 by 2019/20 as the headcount is adjusted in line with the Cabinet-approved budget reductions of R108 million in 2018/19 and R214 million in 2019/20.

Improvements and maintenance of the organisation's systems will continue, albeit moderately over the medium term. This will enable the organisation to increase its revenue collection capability, build resilience into its key processes and systems, and improve taxpayer and trader experience. The organisation is expected to spend approximately R11.7 million on modernisation projects in 2017/18.

Programmes/objectives/activities

Table 7.29 South African Revenue Service expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	3 153.0	3 565.6	4 438.9	5 006.4	16.7%	40.3%	5 405.8	5 135.9	5 006.7	0.0%	43.9%
Business and Individual Tax	1 794.3	1 978.5	1 782.0	1 693.9	-1.9%	18.4%	1 826.3	1 901.0	2 012.9	5.9%	15.8%
Enforcement	1 560.9	1 596.6	1 494.2	1 685.3	2.6%	16.0%	1 818.2	1 925.2	2 049.3	6.7%	15.9%
Customs and Excise	987.0	1 077.4	1 058.2	1 217.2	7.2%	10.9%	1 311.9	1 363.9	1 455.9	6.1%	11.4%
Digital, Information, Services and Technology	1 052.6	1 166.7	1 178.1	1 329.6	8.1%	11.9%	1 445.3	1 331.4	1 394.5	1.6%	11.7%
Modernisation and Impactful Initiatives	141.2	110.0	252.9	336.4	33.5%	2.1%	11.2	–	–	-100.0%	0.8%
Office of the Tax Ombud	2.4	11.0	25.2	29.0	131.1%	0.2%	33.5	34.3	36.5	7.9%	0.3%
African Tax Administration Forum	8.0	12.6	13.1	13.5	19.1%	0.1%	14.4	15.2	16.1	5.9%	0.1%
Davis Tax Committee	2.5	4.2	2.9	4.1	18.0%	–	4.3	4.4	4.6	4.0%	–
SARS Advisory Board	–	–	1.0	2.1	–	–	–	–	–	-100.0%	–
Total	8 701.9	9 522.7	10 246.6	11 317.6	9.2%	100.0%	11 870.9	11 711.3	11 976.4	1.9%	100.0%

Statements of historical financial performance and position

Table 7.30 South African Revenue Service statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2013/14 - 2016/17
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
Revenue									
Non-tax revenue	310.0	480.0	310.0	525.5	473.9	565.0	367.8	535.6	144.1%
Sale of goods and services other than capital assets	250.0	339.8	250.0	305.7	297.4	320.5	300.4	305.6	115.8%
<i>of which:</i>									
Administrative fees	250.0	339.8	250.0	305.7	297.4	320.5	300.4	305.6	115.8%
Other non-tax revenue	60.0	140.2	60.0	219.8	176.4	244.5	67.3	230.0	229.4%
Transfers received	9 534.4	9 534.4	9 440.3	9 440.3	9 334.4	9 334.4	10 009.2	9 363.7	98.3%
Total revenue	9 844.4	10 014.4	9 750.3	9 965.9	9 808.3	9 899.4	10 376.9	9 899.3	100.0%
Expenses									
Current expenses	9 568.9	8 701.9	9 693.1	9 522.7	10 740.0	10 246.6	10 747.9	11 317.6	97.6%
Compensation of employees	6 253.8	5 841.9	6 442.5	6 467.5	6 718.8	6 864.7	7 263.1	7 285.7	99.2%
Goods and services	2 775.8	2 291.0	2 685.3	2 418.2	3 383.1	2 761.4	2 894.0	3 299.7	91.8%
Depreciation	526.6	563.0	558.3	630.3	633.3	615.8	588.1	729.5	110.1%
Interest, dividends and rent on land	12.8	5.9	7.0	6.7	4.8	4.7	2.7	2.7	73.3%
Total expenses	9 568.9	8 701.9	9 693.1	9 522.7	10 740.0	10 246.6	10 747.9	11 317.6	97.6%
Surplus/(Deficit)	275.0	1 313.0	57.0	443.0	(932.0)	(347.0)	(371.0)	(1 418.0)	
Statement of financial position									
Carrying value of assets	2 641.3	2 749.2	3 751.8	2 712.9	3 830.0	2 586.4	2 215.3	3 561.5	93.3%
<i>of which:</i>									
Acquisition of assets	(1 284.1)	(652.3)	(756.8)	(540.5)	(1 750.4)	(487.1)	(217.1)	(1 704.7)	84.4%
Loans	75.2	74.7	56.6	81.0	71.0	80.5	70.5	70.5	112.2%
Accrued investment interest	–	–	–	31.0	41.3	5.5	15.7	15.7	91.6%
Receivables and prepayments	142.1	111.7	155.5	138.7	131.5	143.0	135.7	135.7	93.7%
Cash and cash equivalents	1 509.5	2 901.7	1 684.0	3 415.1	1 228.6	3 370.2	3 174.3	955.7	140.1%
Total assets	4 368.1	5 837.4	5 647.9	6 378.8	5 302.4	6 185.5	5 611.5	4 739.1	110.6%
Accumulated surplus/(deficit)	2 564.4	4 177.2	3 790.2	4 615.3	3 683.6	4 272.5	3 901.5	2 854.2	114.2%
Capital and reserves	77.1	124.5	93.5	190.2	397.6	224.2	411.7	224.5	77.9%
Finance lease	132.6	23.3	7.3	21.6	12.3	13.1	11.8	11.8	42.6%
Deferred income	0.2	0.1	0.6	0.4	–	0.3	–	–	94.6%
Trade and other payables	926.1	841.4	953.5	840.9	591.0	922.3	579.3	847.6	113.2%
Provisions	466.2	670.8	802.9	710.5	617.9	753.0	707.2	800.9	113.2%
Derivatives financial instruments	201.4	–	–	–	–	–	–	–	–
Total equity and liabilities	4 368.1	5 837.4	5 647.9	6 378.8	5 302.4	6 185.5	5 611.5	4 739.1	110.6%

Statements of estimates of financial performance and position

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

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2016/17	2013/14 - 2016/17	2017/18		
R million									
Revenue									
Non-tax revenue		535.6	3.7%	5.3%	469.2	444.2	422.1	-7.6%	4.4%
Sale of goods and services other than capital assets		305.6	-3.5%	3.2%	308.6	311.7	314.8	1.0%	2.9%
<i>of which:</i>									
Administrative fees		305.6	-3.5%	3.2%	308.6	311.7	314.8	1.0%	2.9%
Other non-tax revenue		230.0	17.9%	2.1%	160.6	132.5	107.3	-22.4%	1.5%
Transfers received		9 363.7	-0.6%	94.7%	10 212.2	10 571.2	10 983.1	5.5%	95.6%
Total revenue		9 899.3	-0.4%	100.0%	10 681.4	11 015.4	11 405.2	4.8%	100.0%
Expenses									
Current expenses		11 317.6	9.2%	100.0%	11 870.9	11 711.3	11 976.4	1.9%	117.2%
Compensation of employees		7 285.7	7.6%	66.6%	7 869.0	8 029.0	8 241.4	4.2%	67.0%
Goods and services		3 299.7	12.9%	27.0%	3 214.0	2 998.2	3 163.2	-1.4%	27.1%
Depreciation		729.5	9.0%	6.4%	785.7	682.7	571.1	-7.8%	5.9%
Interest, dividends and rent on land		2.7	-23.1%	0.1%	2.1	1.4	0.6	-39.1%	-
Total expenses		11 317.6	9.2%	100.0%	11 870.9	11 711.3	11 976.4	1.9%	100.0%
Surplus/(Deficit)		(1 418.0)	(2.0)		(1 189.0)	(696.0)	(571.0)	-26.2%	
Statement of financial position									
Carrying value of assets		3 561.5	9.0%	51.6%	3 238.3	2 653.3	2 082.2	-16.4%	86.2%
<i>of which:</i>									
Acquisition of assets		(1 704.7)	37.7%	-15.9%	(462.5)	(97.7)	-	-100.0%	-13.0%
Loans		70.5	-1.9%	1.3%	60.5	50.5	40.5	-16.9%	1.7%
Accrued investment interest		15.7	-	0.2%	16.9	15.6	14.7	-2.1%	0.5%
Receivables and prepayments		135.7	6.7%	2.3%	138.0	140.2	143.5	1.9%	4.4%
Cash and cash equivalents		955.7	-30.9%	44.5%	124.6	117.5	36.7	-66.3%	7.3%
Total assets		4 739.1	-6.7%	100.0%	3 578.2	2 977.1	2 317.6	-21.2%	100.0%
Accumulated surplus/(deficit)		2 854.2	-11.9%	68.3%	1 664.7	968.7	397.6	-48.2%	39.1%
Capital and reserves		224.5	21.7%	3.4%	224.5	224.5	224.5	-	7.1%
Finance lease		11.8	-20.2%	0.3%	5.7	1.6	-	-88.1%	0.1%
Trade and other payables		847.6	0.2%	15.1%	830.4	1 237.0	1 452.7	19.7%	36.3%
Provisions		800.9	6.1%	12.9%	852.9	545.2	242.7	-32.8%	17.4%
Total equity and liabilities		4 739.1	-6.7%	100.0%	3 578.2	2 977.1	2 317.6	-21.2%	100.0%

Personnel information

Table 7.32 South African Revenue Service personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost		
South African Revenue Service		14 466	14 466	14 233	6 864.7	0.5	14 466	7 285.7	0.5	14 466	7 869.0	0.5	14 291	8 029.0	0.6	14 119	8 241.4	0.6	4.2%	100.0%
Salary level																				
1 – 6	762	762	790	105.1	0.1	762	106.1	0.1	762	114.6	0.2	761	118.8	0.2	759	124.0	0.2	5.3%	5.3%	
7 – 10	9 396	9 396	9 358	3 055.8	0.3	9 396	3 165.3	0.3	9 396	3 418.7	0.4	9 315	3 522.0	0.4	9 235	3 650.5	0.4	4.9%	65.1%	
11 – 12	2 426	2 426	2 369	1 665.9	0.7	2 426	1 734.5	0.7	2 426	1 873.4	0.8	2 396	1 923.0	0.8	2 366	1 985.9	0.8	4.6%	16.8%	
13 – 16	1 830	1 830	1 678	1 899.9	1.1	1 830	2 134.1	1.2	1 830	2 304.9	1.3	1 771	2 311.0	1.3	1 714	2 329.5	1.4	3.0%	12.5%	
17 – 22	52	52	38	138.0	3.6	52	145.7	2.8	52	157.4	3.0	49	154.2	3.1	46	151.5	3.3	1.3%	0.3%	

1. Rand million.

Other entities

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

- The **Accounting Standards Board** develops uniform standards of generally recognised accounting practice for all spheres of government in terms of section 216(1)(a) of the Constitution and the Public Finance Management Act (1999). A further function of the board is to promote transparency in and the effective management of revenue, expenditure, assets and liabilities of the entities to which the standards apply. The board's total budget for 2017/18 is R13.8 million.

- The **Cooperative Banks Development Agency** was established in terms of the Cooperative Banks Act (2007), as amended, with the South African Reserve Bank as the sole supervisor of cooperative banks. The agency is mandated to provide for the registration and supervision of deposit taking financial services cooperatives, and savings and credit cooperatives, collectively referred to as cooperative financial institutions. The agency also facilitates, promotes and funds the education and training of these institutions. Its total budget for 2017/18 is R37.5 million.
- The **Financial and Fiscal Commission** derives its mandate from the Financial and Fiscal Commission Act (1997). The commission's legislative mandate is to advise the relevant legislative authorities on the financial and fiscal requirements for the national, provincial and local spheres of government in terms of section 220 of the Constitution. The commission's total budget for 2017/18 is R50.8 million.
- The **Financial Intelligence Centre** was established by the Financial Intelligence Centre Act (2001) and began operations in 2003. The act mandates the centre to identify the proceeds of unlawful activities, combat money-laundering activities, combat the financing of terrorist and related activities, exchange information with law enforcement and other local and international agencies, supervise and enforce compliance with the act, and facilitate effective supervision and enforcement by supervisory bodies. The organisation's total budget for 2017/18 is R288.6 million.
- The **Financial Services Board** is an independent institution established by statute to oversee the South African non-banking financial services industry in the public interest. The board's legislative mandate is primarily derived from the Financial Services Board Act (1990). Its total budget for 2017/18 is R800.3 million.
- The **Government Pensions Administration Agency** provides pensions administration services to the Government Employees Pension Fund in terms of the Government Employees Pension Fund Act (1979) and the Associated Institutions Pension Fund Act (1963). The agency's total budget for 2017/18 is R1.1 billion.
- The **Government Technical Advisory Centre** is mandated to assist organs of state in building their capacity for efficient, effective and transparent financial management. Its overarching objectives are to: render consulting services to government departments and other organs of state; provide specialised procurement support for high-impact government initiatives; render advice on the feasibility of infrastructure projects; and provide knowledge management for projects undertaken and any ancillary support. The centre's total budget for 2017/18 is R1.1 billion.
- The **Independent Regulatory Board for Auditors** develops and maintains auditing and ethical standards that are internationally comparable, provides an appropriate framework for the education and training of properly qualified auditors, inspects and reviews the work of registered auditors, and investigates and takes appropriate action against registered auditors who do not comply with standards and are guilty of improper conduct. The board's total budget for 2017/18 is R119.1 million.
- The **Office of the Ombud for Financial Services Providers** is mandated to consider and dispose of complaints against financial services providers, primarily intermediaries selling investment products. The organisation's total budget for 2017/18 is R48.1 million.
- The **Office of the Pension Funds Adjudicator** investigates and determines complaints lodged in terms of the Pension Funds Act (1956). The office ensures a procedurally fair, economical and expeditious resolution of complaints in terms of the act. The office has jurisdiction only over funds that are registered under the Pension Funds Act (1956). The organisation's total budget for 2017/18 is R60.4 million.
- The **Public Investment Corporation** is one of the largest investment managers in Africa, managing assets worth more than R1.7 trillion. The corporation is mandated to invest funds on behalf of its clients, based on the investment mandates as agreed on with each client and approved by the Financial Services Board. The corporation's clients are public-sector entities, most of which are pension, provident, social security, development and guardian funds. The corporation's total budget for 2017/18 is R1.1 billion.
- **South African Airways** is South Africa's national air carrier, which operates a full service network in the international, regional and domestic markets. On 12 December 2014, the president transferred the administration, powers and functions entrusted by the South African Airways Act (2007) and all

amendments thereto from the Minister of Public Enterprises to the Minister of Finance, in terms of section 97 of the Constitution. The airline's total budget for 2017/18 is R41.4 billion.

- The **South African Special Risks Insurance Association** was established in 1979 and was registered in terms of section 21 of the Companies Act (1973). The association is mandated to support the insurance industry by providing cover for special risks such as riots, strikes, political unrest, terrorist attacks, civil commotion, public disorder and labour disturbances. Its total budget for 2017/18 is R1.8 billion.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Neighbourhood development partnership grant	Long term township regeneration planning, catalytic and third party nodal development	Various	9 000.0	585.9	590.4	607.0	624.0	663.4	701.9	741.2
Total			9 000.0	585.9	590.4	607.0	624.0	663.4	701.9	741.2

Vote 8

Planning, Monitoring and Evaluation

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	168.3	151.8	–	16.5	184.5	197.8
National Planning Coordination	54.5	53.6	–	1.0	62.4	66.2
Sector Planning and Monitoring	52.2	52.1	–	0.1	57.9	61.0
Public Sector Monitoring and Capacity Development	40.1	39.2	–	0.9	46.0	49.0
Frontline and Citizen-Based Service Delivery Monitoring	57.0	56.9	–	0.1	60.9	65.5
Evidence and Knowledge Systems	109.4	109.1	–	0.3	61.2	60.6
National Youth Development	442.0	9.2	432.8	0.0	469.7	495.9
Total expenditure estimates	923.5	471.7	432.8	18.9	942.5	995.9

Executive authority: Minister in the Presidency: Planning, Monitoring and Evaluation as well as Administration
 Accounting officer: Director General of Planning, Monitoring and Evaluation
 Website address: www.dpme.gov.za

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

Vote purpose

Improve government service delivery through integrated planning, monitoring and evaluation.

Mandate

The Department of Planning, Monitoring and Evaluation is mandated to:

- facilitate the implementation of the National Development Plan (NDP) through the development of sector and outcome specific medium-term plans and delivery agreements, and monitor and evaluate the implementation of these plans
- ensure the alignment of departmental strategic and annual plans and budget allocations to the medium-term strategic framework
- facilitate socioeconomic impact assessments of legislation and regulations
- monitor the performance of individual national and provincial government departments and municipalities, and related improvement plans, and facilitate targeted intervention programmes
- monitor frontline service delivery and manage the presidential hotline
- develop and implement the annual national evaluations plan and support the national evaluations system
- promote good planning, monitoring and evaluation practices in government
- facilitate the integration of youth development priorities into key government programmes.

Selected performance indicators

Table 8.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of research projects commissioned or undertaken as requested by National Planning Commission per year	National Planning Coordination	Outcome 12: An efficient, effective and development-oriented public service	3	1	6	3	3	3	3
Number of progress reports submitted to Cabinet per outcome per year	Sector Planning and Monitoring		4	1	3	3	3	3	3

Table 8.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of local government management improvement model scorecards completed per year	Public Sector Monitoring and Capacity Development	Outcome 12: An efficient, effective and development-oriented public service	9	29	30	25	25	25	25
Number of consolidated management performance assessment tool reports submitted to Cabinet per year	Public Sector Monitoring and Capacity Development		1	1	1	1	1	1	1
Number of new service delivery facilities monitored resulting in a site monitoring report per year	Frontline and Citizen-Based Service Delivery Monitoring		196	123	97	63	63	63	63
Number of revisited service delivery facilities for which improvement monitoring was conducted per year	Frontline and Citizen-Based Service Delivery Monitoring		81	123	120	100	100	100	100
Number of evaluation reports approved by evaluation steering committees by the end of the financial year	Evidence and Knowledge Systems		7	9	4	8	8	8	8

Expenditure analysis

The Department of Planning, Monitoring and Evaluation oversees and facilitates the implementation of the NDP and the medium-term strategic framework. The department performs evidence-based policy research and evaluation, monitors implementation across all spheres of government, and ensures coherence in policy and alignment with the NDP. In addition, the department is responsible for improving management practices in the public service, coordinating the rapid resolution of blockages in service delivery and reporting to Cabinet on service delivery. This work contributes to outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework.

In 2016/17, the department concluded an extensive strategic review process to ensure that its strategy, structure, budget allocations and operating model are aligned to its planning, monitoring and evaluation mandate and functions. This review resulted in significant changes to the organisational structure of the department and a subsequent reconfiguration of the budget programme structure, which has increased the department's programmes from five to seven. The new programme structure also increased capacity in policy analysis, specialised sector-specific research skills and general administration. The department is at an advanced stage of consultation with the Department of Public Service and Administration and National Treasury on the revised organisational structure to be implemented in 2017/18.

Overall expenditure is projected to increase from R797.7 million in 2016/17 to R995.9 million by 2019/20. The number of permanent posts is set to increase from 350 in 2016/17 to 468 in 2019/20, with the budget for compensation of employees expected to increase from R216.5 million in 2016/17 to R331.6 million in 2019/20, at an average annual rate of 17.7 per cent.

Improving government planning and coordination

The department supports and guides the implementation of the NDP through evidence-based research on economic and social issues that affect development. The department is also tasked with developing and implementing planning frameworks to align strategic plans and annual performance plans to the frameworks, and ensure the prioritisation of resources. This is expected to inform where resources are to be prioritised. These activities are budgeted for in the *Planning Coordination* subprogramme in the *National Planning Coordination* programme. Allocations to the subprogramme are mainly for the remuneration of commissioners of the National Planning Commission and for the research required to support the work of the Commission. Expenditure in the subprogramme is expected to decrease from R75.4 million in 2016/17 to R47.2 million in 2019/20, due to a function shift between programmes in the department.

The department also conducts socioeconomic impact assessments of new and existing policy, legislation and regulations, to ensure alignment of government policies with the NDP and to mitigate unintended consequences. Over the medium term, the department will focus on institutionalising socioeconomic impact assessments in government, including by guiding and supporting departments and training officials. Spending on these assessments in the *Socioeconomic Impact Assessment System* subprogramme in the *National Planning Coordination* programme is expected to increase from R3 million in 2016/17 to R8.7 million in 2019/20.

The department has commissioned the Southern African Labour and Development Research Unit at the University of Cape Town to undertake the national income dynamics survey, a longitudinal study of the income and living conditions of a representative sample of respondents. The survey contributes towards improved evaluation and monitoring of the efficacy of social policies and programmes by fostering the use of empirical evidence in policymaking. Information gathered through the survey provides government with enhanced understanding of socioeconomic factors affecting respondents and provides valuable insights that can be generalised to the broader populace. The survey is currently in its fifth wave of implementation since it was first conducted in 2008. The department has allocated R114.7 million to the *Evaluation, Research, Knowledge and Data Systems* subprogramme in the *Evidence and Knowledge Systems* programme for the survey.

Enhancing sector policy and planning

The department plans to review, monitor and support the implementation of the medium-term strategic framework across the social, economic and security clusters, and apply strategic interventions to support the implementation of the NDP. The department also plans to increase departmental capacity in policy analysis and industry-specific expertise, while actively building development-related coalitions between governmental and non-governmental agencies in the planning and monitoring processes. These activities are budgeted for in the *Sector Planning and Monitoring* programme. Spending in the programme is expected to increase from R38.2 million in 2016/17 to R61 million in 2019/20.

In addition, the department will be scaling up and overseeing the implementation of Operation Phakisa. Funding for Operation Phakisa in the *Sector Planning and Monitoring* programme, is set to increase from R5.6 million in 2016/17 to R7.1 million in 2019/20.

Developing evidence and knowledge management systems in government

The department is also responsible for establishing and supporting the national evaluation system through the use of evidence-based research in monitoring and evaluation. Over the medium term, the department plans to conduct 24 evaluations on policy areas such as the entrepreneurship strategy, detective services and crime investigation, the integrated social crime prevention strategy, community-based worker models of service delivery, and scholar transport. Funding for evaluations, research and knowledge management is provided through the *Evidence and Knowledge Systems* programme and is set to increase from R33.8 million in 2016/17 to R57.8 million in 2019/20.

Improving public sector management practices and supporting capacity development

The quality of management practices in the public service is critical to improving performance, productivity and service delivery. The department provides annual assessments of current management practices in all national and provincial government departments and in 25 municipalities. It also facilitates the development and implementation of improvement plans. The department fulfils this function by using a performance assessment tool for national and provincial management in government, and a management improvement model for municipalities. Spending on this function is in the *Public Sector Monitoring and Capacity Development* programme, and is expected to increase from R23.2 million in 2016/17 to R27.2 million in 2019/20.

Monitoring and supporting frontline service delivery

The frontline service delivery monitoring programme assesses the efficiency and quality of services delivered at frontline facilities throughout the country. To monitor frontline service delivery, the department will conduct 63 unannounced visits and 100 return visits to service delivery facilities every year over the medium term. Improvement plans are developed by the department and are subsequently used by the offices of premiers in managing the service delivery facilities. The department is also responsible for managing the presidential hotline on behalf of the Presidency and supporting citizen and community-based monitoring. Spending on these activities is provided for in the *Frontline and Citizen-Based Service Delivery Monitoring* programme and is expected to increase from R51.3 million in 2016/17 to R62.7 million in 2019/20.

Supporting youth development

The department has allocated R432.8 million from the *National Youth Development* programme in 2017/18 to the National Youth Development Agency, which is responsible for the implementation of the national youth policy and youth development.

Expenditure trends

Table 8.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. National Planning Coordination														
3. Sector Planning and Monitoring														
4. Public Sector Monitoring and Capacity Development														
5. Frontline and Citizen-Based Service Delivery Monitoring														
6. Evidence and Knowledge Systems														
7. National Youth Development														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	86.4	86.4	87.1	95.2	104.3	112.3	69.8	104.2	112.9	134.3	136.5	134.4	115.8%	103.6%
Programme 2	61.2	71.6	54.6	78.2	89.7	82.7	85.6	92.3	83.6	112.4	90.1	89.0	91.8%	90.1%
Programme 3	74.6	63.1	34.5	66.2	66.1	33.9	59.6	60.4	32.9	42.1	43.1	38.3	57.6%	60.0%
Programme 4	77.7	77.3	26.5	113.4	92.9	29.6	88.2	82.2	26.1	31.7	29.6	29.6	35.9%	39.6%
Programme 5	396.4	397.4	39.2	412.3	412.3	39.8	414.5	415.1	47.1	50.2	54.3	53.1	14.1%	14.0%
Programme 6	-	-	31.3	-	-	28.9	-	-	30.7	43.5	33.8	33.8	286.9%	368.7%
Programme 7	-	-	397.1	-	-	413.3	-	-	415.4	413.4	410.3	410.3	395.7%	398.8%
Total	696.2	695.9	670.3	765.3	765.3	740.6	717.7	754.2	748.8	827.7	797.7	788.5	98.0%	97.8%
Change to 2016 Budget estimate											(30.0)			
Economic classification														
Current payments	294.0	293.1	263.2	346.2	346.1	300.6	305.0	340.9	325.0	406.6	382.9	373.7	93.4%	92.6%
Compensation of employees	148.7	151.6	138.9	178.0	174.1	161.1	173.6	192.3	176.9	246.6	216.5	207.3	91.6%	93.2%
Goods and services	145.3	141.5	124.3	168.2	172.0	139.4	131.4	148.6	148.1	160.0	166.4	166.4	95.6%	92.0%
Transfers and subsidies	392.7	392.8	393.0	410.0	410.2	420.6	409.8	409.9	410.1	405.8	405.9	405.9	100.7%	100.7%
Provinces and municipalities	0.0	0.0	-	-	-	0.0	-	0.0	0.0	-	0.0	0.0	100.0%	36.4%
Departmental agencies and accounts	392.7	392.7	392.7	408.2	408.2	408.4	409.8	409.8	409.8	405.8	405.8	405.8	-	-
Non-profit institutions	-	-	-	-	-	10.0	-	-	-	-	0.1	0.1	-	-
Households	-	0.1	0.3	1.8	2.0	2.1	-	0.1	0.3	-	0.1	0.1	153.4%	121.6%
Payments for capital assets	9.5	10.0	14.1	9.0	9.0	19.3	2.9	3.4	13.8	15.3	8.8	8.8	152.0%	178.9%
Buildings and other fixed structures	-	-	-	-	-	8.7	-	-	0.4	8.1	0.1	0.1	113.7%	7 887.2%
Machinery and equipment	6.7	8.2	12.2	7.5	7.5	9.5	2.4	2.9	11.9	6.4	7.3	7.3	178.1%	157.9%
Software and other intangible assets	2.9	1.8	1.9	1.6	1.6	1.1	0.5	0.5	1.4	0.9	1.4	1.4	101.6%	110.9%
Payments for financial assets	-	-	0.1	-	-	0.1	-	-	-	-	-	-	-	-
Total	696.2	695.9	670.3	765.3	765.3	740.6	717.7	754.2	748.8	827.7	797.7	788.5	98.0%	97.8%

Expenditure estimates

Table 8.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. National Planning Coordination									
3. Sector Planning and Monitoring									
4. Public Sector Monitoring and Capacity Development									
5. Frontline and Citizen-Based Service Delivery Monitoring									
6. Evidence and Knowledge Systems									
7. National Youth Development									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	134.4	15.9%	15.2%	168.3	184.5	197.8	13.8%	18.8%	
Programme 2	89.0	7.5%	10.5%	54.5	62.4	66.2	-9.4%	7.5%	
Programme 3	38.3	-15.3%	4.7%	52.2	57.9	61.0	16.8%	5.7%	
Programme 4	29.6	-27.4%	3.8%	40.1	46.0	49.0	18.2%	4.5%	
Programme 5	53.1	-48.9%	6.1%	57.0	60.9	65.5	7.3%	6.5%	
Programme 6	33.8	-	4.2%	109.4	61.2	60.6	21.4%	7.3%	
Programme 7	410.3	-	55.5%	442.0	469.7	495.9	6.5%	49.8%	
Total	788.5	4.3%	100.0%	923.5	942.5	995.9	8.1%	100.0%	
Change to 2016 Budget estimate				15.7	(51.7)	(18.2)			
Economic classification									
Current payments	373.7	8.4%	42.8%	471.7	472.0	498.2	10.1%	49.7%	
Compensation of employees	207.3	11.0%	23.2%	268.9	312.8	331.6	16.9%	30.7%	
Goods and services	166.4	5.6%	19.6%	202.8	159.2	166.6	0.0%	19.0%	
Transfers and subsidies	405.9	1.1%	55.3%	432.8	457.9	483.6	6.0%	48.8%	
Provinces and municipalities	0.0	-37.0%	0.0%	-	-	-	-100.0%	0.0%	
Departmental agencies and accounts	405.8	1.1%	54.8%	432.8	457.9	483.6	6.0%	48.8%	
Non-profit institutions	0.1	-	0.3%	-	-	-	-100.0%	0.0%	
Households	0.1	-18.3%	0.1%	-	-	-	-100.0%	0.0%	
Payments for capital assets	8.8	-4.0%	1.9%	18.9	12.6	14.1	17.0%	1.5%	
Buildings and other fixed structures	0.1	-	0.3%	4.0	0.4	0.4	44.1%	0.1%	
Machinery and equipment	7.3	-3.6%	1.4%	13.3	10.6	11.8	17.3%	1.2%	
Software and other intangible assets	1.4	-8.4%	0.2%	1.7	1.7	2.0	12.1%	0.2%	
Total	788.5	4.3%	100.0%	923.5	942.5	995.9	8.1%	100.0%	

Goods and services expenditure trends and estimates

Table 8.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand					2013/14 - 2016/17						
Administrative fees	838	1 603	1 271	874	1.4%	0.8%	1 281	1 326	1 390	16.7%	0.7%
Advertising	1 697	1 625	1 598	5 305	46.2%	1.8%	4 022	5 374	6 395	6.4%	3.0%
Minor assets	545	2 457	752	1 008	22.7%	0.8%	2 500	800	1 000	-0.3%	0.8%
Audit costs: External	2 492	2 969	2 168	2 800	4.0%	1.8%	2 600	2 700	2 800	-	1.6%
Bursaries: Employees	514	337	464	500	-0.9%	0.3%	800	900	1 100	30.1%	0.5%
Catering: Departmental activities	984	2 815	2 607	1 617	18.0%	1.4%	2 159	2 405	2 484	15.4%	1.2%
Communication	4 484	4 303	5 585	5 075	4.2%	3.4%	5 688	5 641	5 890	5.1%	3.2%
Computer services	19 863	21 101	23 485	25 188	8.2%	15.5%	24 365	26 785	28 506	4.2%	15.1%
Consultants: Business and advisory services	49 850	52 545	51 168	66 870	10.3%	38.1%	88 897	36 040	34 315	-19.9%	32.5%
Contractors	489	2 066	1 561	1 836	55.4%	1.0%	610	610	641	-29.6%	0.5%
Agency and support/outourced services	1 094	1 120	879	1 128	1.0%	0.7%	501	351	351	-32.2%	0.3%
Entertainment	197	71	39	155	-7.7%	0.1%	108	108	110	-10.8%	0.1%
Fleet services (including government motor transport)	437	489	879	712	17.7%	0.4%	932	959	998	11.9%	0.5%
Consumable supplies	272	188	360	208	-8.6%	0.2%	361	379	396	23.9%	0.2%
Consumables: Stationery, printing and office supplies	910	1 335	1 535	1 727	23.8%	1.0%	1 171	1 206	1 249	-10.2%	0.8%
Operating leases	902	2 852	6 655	7 061	98.6%	3.0%	15 840	19 186	20 268	42.1%	9.0%
Rental and hiring	65	440	160	-	-100.0%	0.1%	315	315	333	-	0.1%
Property payments	142	360	2 225	2 332	154.2%	0.9%	4 000	4 500	5 000	28.9%	2.3%
Travel and subsistence	30 134	28 408	33 163	30 714	0.6%	21.2%	33 973	35 529	38 222	7.6%	19.9%
Training and development	932	1 544	894	2 300	35.1%	1.0%	2 700	3 160	3 370	13.6%	1.7%
Operating payments	5 875	5 553	6 264	5 613	-1.5%	4.0%	6 393	6 756	7 067	8.0%	3.7%
Venues and facilities	1 609	5 259	4 342	3 398	28.3%	2.5%	3 595	4 150	4 750	11.8%	2.3%
Total	124 325	139 440	148 054	166 421	10.2%	100.0%	202 811	159 180	166 635	-	100.0%

Transfers and subsidies expenditure trends and estimates

Table 8.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Provinces and municipalities											
Municipal bank accounts											
Current	-	1	2	1	-	-	-	-	-	-100.0%	-
Vehicle licences	-	1	2	-	-	-	-	-	-	-	-
Municipal services	-	-	-	1	-	-	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	392 710	408 437	409 789	405 766	1.1%	99.2%	432 806	457 909	483 552	6.0%	100.0%
Public Service Sector Education and Training Authority	-	200	-	-	-	-	-	-	-	-	-
National Youth Development Agency	392 710	408 237	409 789	405 766	1.1%	99.2%	432 806	457 909	483 552	6.0%	100.0%
Non-profit institutions											
Current	-	10 000	-	100	-	0.6%	-	-	-	-100.0%	-
Trade and Industrial Policy Strategies	-	10 000	-	-	-	0.6%	-	-	-	-	-
South African Planning Institute	-	-	-	100	-	-	-	-	-	-100.0%	-
Households											
Social benefits											
Current	269	2 139	241	55	-41.1%	0.2%	-	-	-	-100.0%	-
Employee social benefits	269	2 139	241	55	-41.1%	0.2%	-	-	-	-100.0%	-
Households											
Other transfers to households											
Current	-	-	30	-	-	-	-	-	-	-	-
Arbitration award	-	-	30	-	-	-	-	-	-	-	-
Total	392 979	420 577	410 062	405 922	1.1%	100.0%	432 806	457 909	483 552	6.0%	100.0%

Personnel information

Table 8.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Planning, Monitoring and Evaluation																			
Salary level	350	-	301	176.9	0.6	332	207.3	0.6	434	268.9	0.6	468	312.8	0.7	468	331.6	0.7	12.1%	100.0%
1 – 6	53	-	46	8.6	0.2	52	10.5	0.2	79	17.7	0.2	80	19.2	0.2	80	20.5	0.3	15.4%	17.1%
7 – 10	121	-	110	43.2	0.4	118	49.7	0.4	163	70.6	0.4	168	77.7	0.5	168	82.9	0.5	12.5%	36.3%
11 – 12	85	-	73	49.5	0.7	81	59.1	0.7	90	70.2	0.8	107	88.8	0.8	107	94.8	0.9	9.7%	22.6%
13 – 16	89	-	70	71.4	1.0	79	83.9	1.1	100	106.1	1.1	111	122.6	1.1	111	128.8	1.2	12.0%	23.6%
Other	2	-	2	4.1	2.1	2	4.2	2.1	2	4.3	2.1	2	4.4	2.2	2	4.6	2.3	-	0.5%
Programme	350	-	301	176.9	0.6	332	207.3	0.6	434	268.9	0.6	468	312.8	0.7	468	331.6	0.7	12.1%	100.0%
Programme 1	147	-	129	53.8	0.4	145	65.6	0.5	175	82.0	0.5	189	97.2	0.5	189	103.2	0.5	9.2%	41.0%
Programme 2	50	-	40	30.1	0.8	34	28.3	0.8	46	35.0	0.8	51	41.4	0.8	51	43.9	0.9	14.5%	10.7%
Programme 3	35	-	31	27.6	0.9	35	33.0	0.9	64	47.2	0.7	68	52.8	0.8	68	55.7	0.8	24.8%	13.8%
Programme 4	32	-	27	20.2	0.7	32	25.3	0.8	43	34.1	0.8	47	39.6	0.8	47	42.0	0.9	13.7%	9.9%
Programme 5	55	-	47	28.1	0.6	55	34.6	0.6	55	36.7	0.7	56	39.8	0.7	56	42.3	0.8	0.6%	13.0%
Programme 6	28	-	24	15.6	0.7	28	19.0	0.7	44	28.3	0.6	49	35.0	0.7	49	37.2	0.8	20.5%	10.0%
Programme 7	3	-	3	1.5	0.5	3	1.6	0.5	7	5.6	0.8	8	6.9	0.9	8	7.4	0.9	38.7%	1.5%

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

2. Rand million.

Departmental receipts

Table 8.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	69	88	417	602	1 063	148.8%	100.0%	244	259	275	-36.3%	100.0%
Sales of goods and services produced by department	46	54	88	88	88	24.1%	16.9%	94	100	106	6.4%	21.1%
Sales by market establishments	13	12	26	30	30	32.1%	4.9%	32	34	36	6.3%	7.2%
of which:												
Parking	13	12	26	30	30	32.1%	4.9%	32	34	36	6.3%	7.2%
Other sales	33	42	62	58	58	20.7%	11.9%	62	66	70	6.5%	13.9%
of which:												
Commission	33	25	31	40	40	6.6%	7.9%	42	44	46	4.8%	9.3%
Transport	-	17	31	18	18	-	4.0%	20	22	24	10.1%	4.6%
Interest, dividends and rent on land	1	8	42	40	40	242.0%	5.6%	40	41	42	1.6%	8.9%
Interest	1	8	42	40	40	242.0%	5.6%	40	41	42	1.6%	8.9%
Sales of capital assets	1	-	16	30	30	210.7%	2.9%	-	-	-	-100.0%	1.6%
Transactions in financial assets and liabilities	21	26	271	444	905	250.6%	74.7%	110	118	127	-48.0%	68.4%
Total	69	88	417	602	1 063	148.8%	100.0%	244	259	275	-36.3%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 8.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	23.7	31.4	36.0	37.1	16.2%	28.6%	35.3	36.5	38.5	1.2%	21.5%
Departmental Management	9.2	8.9	5.0	4.4	-21.9%	6.1%	5.6	5.9	6.2	12.1%	3.2%
Corporate Services and Financial Administration	54.3	72.1	71.8	95.0	20.5%	65.3%	127.3	142.1	153.1	17.3%	75.3%
Total	87.1	112.3	112.9	136.5	16.1%	100.0%	168.3	184.5	197.8	13.2%	100.0%
Change to 2016 Budget estimate				(8.7)			(6.2)	(2.5)	0.3		
Economic classification											
Current payments	75.3	94.0	104.6	129.5	19.8%	89.9%	151.8	174.4	186.5	12.9%	93.5%
Compensation of employees	44.0	53.8	53.8	67.7	15.4%	48.9%	82.0	97.2	103.2	15.1%	50.9%
Goods and services ¹	31.3	40.2	50.8	61.8	25.5%	41.0%	69.8	77.2	83.3	10.5%	42.5%
of which:											
Advertising	1.6	1.4	1.1	5.2	49.0%	2.0%	4.0	5.4	6.4	7.4%	3.0%
Computer services	8.4	8.0	10.6	13.9	18.1%	9.1%	11.3	13.3	14.3	1.0%	7.7%
Operating leases	0.7	2.8	6.6	7.1	116.4%	3.8%	15.8	19.2	20.3	42.1%	9.1%
Property payments	0.1	0.4	2.2	2.3	154.2%	1.1%	4.0	4.5	5.0	28.9%	2.3%
Travel and subsistence	9.6	10.5	15.3	14.6	15.0%	11.1%	15.6	16.1	17.0	5.1%	9.2%
Training and development	0.5	1.0	0.8	1.6	47.2%	0.9%	2.7	3.2	3.4	28.2%	1.6%
Transfers and subsidies ¹	0.1	0.4	0.1	0.0	-38.1%	0.1%	-	-	-	-100.0%	-
Departmental agencies and accounts	-	0.2	-	-	-	-	-	-	-	-	-
Households	0.1	0.2	0.1	0.0	-38.8%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	11.7	17.8	8.2	7.0	-15.7%	10.0%	16.5	10.1	11.3	17.5%	6.5%
Buildings and other fixed structures	-	8.7	0.4	0.1	-	2.1%	4.0	0.4	0.4	44.1%	0.7%
Machinery and equipment	11.3	8.8	7.8	6.9	-15.4%	7.8%	12.5	9.8	11.0	16.9%	5.8%
Software and other intangible assets	0.3	0.3	-	-	-100.0%	0.1%	-	-	-	-	-
Payments for financial assets	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-
Total	87.1	112.3	112.9	136.5	16.1%	100.0%	168.3	184.5	197.8	13.2%	100.0%
Proportion of total programme expenditure to vote expenditure	13.0%	15.2%	15.1%	17.1%	-	-	18.2%	19.6%	19.9%	-	-

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

Programme 2: National Planning Coordination

Programme purpose

Facilitate and coordinate macro and transversal planning functions across government, and coordinate planning functions in the department.

Objective

- Facilitate planning and coordination of functions in government by:
 - developing and implementing planning frameworks and ensuring the alignment of strategic plans, annual performance plans and budget allocations, to achieve coherence to the priorities of the 2014-2019 medium-term strategic framework on an annual basis over the medium term
 - conducting annual socioeconomic impact assessments of new and existing legislation and regulations, and mitigating unintended consequences, to ensure alignment with the NDP over the medium term.

Subprogrammes

- Management: National Planning Coordination* provides management and support services to the programme and the National Planning Commission.
- Planning Coordination* develops and implements planning frameworks and facilitates the alignment of planning and budgeting functions across government and in the department.
- Socioeconomic Impact Assessment System* conducts socioeconomic impact assessments.

Expenditure trends and estimates

Table 8.9 National Planning Coordination expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17 - 2019/20	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20
R million											
Management: National Planning Coordination	10.5	6.5	5.1	6.1	-16.5%	9.0%	2.9	3.1	3.2	-19.1%	5.6%
Planning Coordination	44.1	62.2	66.6	75.4	19.5%	79.9%	38.1	44.3	47.2	-14.5%	75.0%
Socioeconomic Impact Assessment System	-	14.1	11.9	8.6	-	11.1%	13.5	15.0	15.8	22.5%	19.4%
Total	54.6	82.7	83.6	90.1	18.2%	100.0%	54.5	62.4	66.2	-9.7%	100.0%
Change to 2016 Budget estimate				43.9			(4.4)	(8.1)	(8.2)		
Economic classification											
Current payments	54.1	70.6	79.2	89.9	18.4%	94.5%	53.6	61.5	65.3	-10.1%	98.9%
Compensation of employees	17.2	17.8	30.1	29.4	19.5%	30.4%	35.0	41.4	43.9	14.3%	54.8%
Goods and services ¹	36.9	52.8	49.1	60.5	18.0%	64.1%	18.6	20.1	21.4	-29.3%	44.1%
of which:											
Communication	0.4	0.3	0.4	0.5	9.0%	0.5%	0.4	0.4	0.5	-4.5%	0.7%
Computer services	-	0.7	1.3	-	-	0.6%	0.5	0.5	0.5	-	0.5%
Consultants: Business and advisory services	25.6	40.2	38.3	52.7	27.3%	50.4%	10.8	12.0	13.0	-37.3%	32.4%
Travel and subsistence	9.4	6.7	4.6	5.1	-18.2%	8.3%	4.4	4.5	4.7	-3.1%	6.8%
Operating payments	0.6	0.1	1.7	0.6	-2.5%	1.0%	1.2	1.3	1.4	34.5%	1.6%
Venues and facilities	0.1	2.7	1.5	0.9	96.1%	1.7%	0.9	0.9	0.9	0.6%	1.3%
Transfers and subsidies¹	0.0	11.8	0.0	0.1	52.9%	3.8%	-	-	-	-100.0%	-
Non-profit institutions	-	10.0	-	0.1	-	3.2%	-	-	-	-100.0%	-
Households	0.0	1.8	0.0	-	-100.0%	0.6%	-	-	-	-	-
Payments for capital assets	0.5	0.3	4.4	0.1	-39.8%	1.7%	1.0	1.0	1.0	111.8%	1.1%
Machinery and equipment	0.5	0.3	3.8	0.1	-39.8%	1.5%	0.3	0.3	0.3	35.7%	0.3%
Software and other intangible assets	-	-	0.5	-	-	0.2%	0.7	0.7	0.7	-	0.8%
Total	54.6	82.7	83.6	90.1	18.2%	100.0%	54.5	62.4	66.2	-9.7%	100.0%
Proportion of total programme expenditure to vote expenditure	8.1%	11.2%	11.2%	11.3%	-	-	5.9%	6.6%	6.6%	-	-
Details of selected transfers and subsidies											
Non-profit institutions											
Current	-	10.0	-	-	-	3.2%	-	-	-	-	-
Trade and Industrial Policy Strategies	-	10.0	-	-	-	3.2%	-	-	-	-	-

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

Programme 3: Sector Planning and Monitoring

Programme purpose

Enhance sector planning and strengthen policy coherence to short-, medium- and long-term goals; monitor sector implementation and develop intervention programmes to support delivery.

Objective

- Enhance sector policy and planning to support the implementation of the NDP over the medium term by:
 - reviewing monitoring and supporting the implementation of government's 2014-2019 medium-term strategic framework across the social, economic and security clusters
 - designing and implementing strategic interventions to support and remove barriers to the implementation of Operation Phakisa.

Subprogrammes

- *Management: Sector Planning and Monitoring* provides programme management and support services to the programme.
- *Sector Planning, Monitoring and Intervention Support* supports sector planning functions, ensures government policy alignment in its goals; and facilitates, supports and monitors the implementation of sector plans and intervention strategies in priority areas.

Expenditure trends and estimates

Table 8.10 Sector Planning and Monitoring expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
R million											
Management: Sector Planning and Monitoring	6.6	3.2	2.4	1.2	-43.0%	9.3%	2.6	2.7	2.8	31.6%	4.3%
Sector Planning, Monitoring and Intervention Support	27.9	30.8	30.5	41.9	14.4%	90.7%	49.6	55.3	58.2	11.6%	95.7%
Total	34.5	33.9	32.9	43.1	7.7%	100.0%	52.2	57.9	61.0	12.3%	100.0%
Change to 2016 Budget estimate				(7.2)			(3.7)	(6.3)	(6.9)		
Economic classification											
Current payments	34.4	33.8	32.9	43.0	7.8%	99.8%	52.1	57.8	60.9	12.2%	99.8%
Compensation of employees	25.3	28.9	27.6	37.8	14.3%	82.8%	47.2	52.8	55.7	13.8%	90.4%
Goods and services ¹	9.1	4.9	5.3	5.2	-16.7%	16.9%	4.9	5.0	5.1	-0.8%	9.4%
of which:											
Administrative fees	0.2	0.1	0.1	0.1	-16.4%	0.4%	0.1	0.1	0.1	6.5%	0.2%
Catering: Departmental activities	0.2	0.1	0.2	0.0	-50.0%	0.3%	0.1	0.1	0.1	47.1%	0.1%
Communication	0.4	0.4	0.5	0.4	-0.7%	1.2%	0.5	0.5	0.5	5.5%	0.8%
Consumable supplies	0.0	0.0	0.0	0.0	-	-	0.0	0.0	0.0	84.6%	0.1%
Travel and subsistence	3.9	3.6	4.1	3.7	-1.2%	10.6%	3.7	3.8	3.9	2.0%	7.1%
Operating payments	0.8	0.5	0.2	0.0	-71.2%	1.1%	0.4	0.4	0.4	175.9%	0.6%
Transfers and subsidies¹	0.0	0.1	-	-	-100.0%	0.1%	-	-	-	-	-
Households	0.0	0.1	-	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	0.1	0.0	0.0	0.0	-10.9%	0.1%	0.1	0.1	0.1	29.5%	0.2%
Machinery and equipment	0.1	0.0	0.0	0.0	-10.9%	0.1%	0.1	0.1	0.1	29.5%	0.2%
Total	34.5	33.9	32.9	43.1	7.7%	100.0%	52.2	57.9	61.0	12.3%	100.0%
Proportion of total programme expenditure to vote expenditure	5.1%	4.6%	4.4%	5.4%	-	-	5.6%	6.1%	6.1%	-	-

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

Programme 4: Public Sector Monitoring and Capacity Development

Programme purpose

Support the implementation of the medium-term strategic framework by monitoring and improving the capacity of state institutions to develop and implement plans, and provide services.

Objectives

- Improve public sector and local government monitoring and support implementation of government's 2014-2019 medium-term strategic framework by:
 - reviewing, monitoring and supporting the implementation of government's programmes, and implementing strategic interventions to support and remove barriers to implementation annually
 - developing and implementing management performance assessment tools and intervention strategies for national and provincial departments on an ongoing basis
 - developing and implementing management performance assessment tools and intervention strategies for all municipalities on an ongoing basis.
- Coordinate capacity development programmes to ensure the effective development and application of planning, monitoring and evaluation policies, tools, systems and guidelines in government annually.

Subprogrammes

- *Management: Public Sector Monitoring and Capacity Development* provides management and support services to the programme.
- *Public Sector Capacity Development* coordinates capacity development programmes to ensure the effective development and application of planning, monitoring and evaluation policies, tools, systems and guidelines.
- *Public Service and Local Government Monitoring and Support* reviews, monitors and supports the implementation of the medium-term strategic framework's outcome 9 and 12; and develops and implements intervention strategies and programmes as required.

Expenditure trends and estimates

Table 8.11 Public Sector Monitoring and Capacity Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17 - 2019/20	2017/18	2018/19	2019/20		
R million											
Management: Public Sector Monitoring and Capacity Development	-	-	-	-	-	-	1.2	2.7	2.8	-	4.1%
Public Sector Capacity Development	8.0	7.7	6.7	6.4	-7.2%	25.8%	15.2	17.9	19.0	43.6%	35.5%
Public Service and Local Government Monitoring and Support	18.5	21.9	19.4	23.2	7.9%	74.2%	23.8	25.4	27.2	5.4%	60.4%
Total	26.5	29.6	26.1	29.6	3.8%	100.0%	40.1	46.0	49.0	18.2%	100.0%
Change to 2016 Budget estimate				(6.0)			0.4	1.4	1.9		
Economic classification											
Current payments	25.9	28.7	25.1	28.4	3.1%	96.6%	39.2	45.0	47.7	18.9%	97.3%
Compensation of employees	18.0	22.5	20.2	25.3	11.9%	76.9%	34.1	39.6	42.0	18.4%	85.5%
Goods and services ¹	7.8	6.3	4.9	3.1	-26.7%	19.8%	5.1	5.4	5.8	23.1%	11.8%
of which:											
Catering: Departmental activities	0.1	0.5	0.3	0.2	24.6%	1.0%	0.3	0.3	0.3	22.6%	0.7%
Communication	0.3	0.3	0.4	0.3	-0.7%	1.1%	0.5	0.5	0.6	24.5%	1.1%
Consultants: Business and advisory services	3.3	0.9	0.2	-	-100.0%	3.9%	0.4	0.5	0.6	-	0.9%
Travel and subsistence	2.6	2.8	2.7	1.6	-14.9%	8.7%	2.7	2.8	3.0	21.9%	6.1%
Operating payments	0.2	0.4	0.3	0.4	21.6%	1.1%	0.3	0.3	0.3	-5.4%	0.8%
Venues and facilities	0.7	0.7	0.6	0.5	-12.3%	2.2%	0.7	0.7	0.7	15.6%	1.5%
Transfers and subsidies¹	0.1	0.0	0.1	-	-100.0%	0.1%	-	-	-	-	-
Households	0.1	0.0	0.1	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	0.6	0.8	1.0	1.3	29.0%	3.3%	0.9	0.9	1.3	-0.3%	2.7%
Machinery and equipment	0.0	0.0	0.1	0.1	11.4%	0.2%	0.2	0.2	0.2	41.7%	0.4%
Software and other intangible assets	0.5	0.8	0.9	1.2	30.3%	3.0%	0.8	0.8	1.1	-3.7%	2.3%
Total	26.5	29.6	26.1	29.6	3.8%	100.0%	40.1	46.0	49.0	18.2%	100.0%
Proportion of total programme expenditure to vote expenditure	4.0%	4.0%	3.5%	3.7%	-	-	4.3%	4.9%	4.9%	-	-

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

Programme 5: Frontline and Citizen-Based Service Delivery Monitoring

Programme purpose

Facilitate service delivery improvements through frontline and citizen-based monitoring and effective complaints-resolution systems.

Objective

- Contribute to improving the quality of frontline service delivery on an ongoing basis by:
 - expanding and maintaining frontline monitoring systems capable of verifying government performance, and implementing strategic interventions to improve performance
 - establishing, coordinating and enhancing citizen and community monitoring and complaints resolution systems.

Subprogrammes

- *Management: Frontline and Citizen-Based Service Delivery Monitoring* provides management and support services to the programme.
- *Frontline and Citizen-Based Service Delivery Monitoring and Complaints Resolution* expands frontline monitoring, citizen and community monitoring, complaints resolution systems capable of verifying government performance, and implements strategic interventions to improve performance.

Expenditure trends and estimates

Table 8.12 Frontline and Citizen-Based Service Delivery Monitoring expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20		
R million											
Management: Frontline and Citizen-Based Service Delivery Monitoring	2.0	2.0	2.1	3.0	14.8%	5.0%	2.6	2.7	2.8	-2.5%	4.6%
Frontline and Citizen-Based Service Delivery Monitoring and Complaints Resolution	37.2	37.9	45.0	51.3	11.3%	95.0%	54.4	58.2	62.7	6.9%	95.4%
Total	39.2	39.8	47.1	54.3	11.5%	100.0%	57.0	60.9	65.5	6.5%	100.0%
Change to 2016 Budget estimate				3.7			0.3	(0.3)	0.9		
Economic classification											
Current payments	39.1	39.7	46.9	54.2	11.5%	99.7%	56.9	60.8	65.4	6.5%	99.8%
Compensation of employees	20.5	22.3	28.1	35.8	20.4%	59.2%	36.7	39.8	42.3	5.7%	65.1%
Goods and services ¹	18.6	17.3	18.9	18.4	-0.4%	40.6%	20.2	21.0	23.1	7.9%	34.8%
of which:											
Administrative fees	0.2	0.1	0.2	0.1	-3.2%	0.3%	0.2	0.2	0.2	12.7%	0.3%
Communication	1.9	1.7	1.5	1.8	-1.5%	3.9%	1.6	1.6	1.7	-2.7%	2.8%
Computer services	11.4	12.2	11.5	11.3	-0.4%	25.7%	12.6	13.0	13.7	6.7%	21.3%
Consultants: Business and advisory services	1.8	-	0.4	1.3	-11.4%	1.9%	0.7	0.7	0.7	-16.0%	1.4%
Travel and subsistence	2.8	2.9	4.5	3.6	8.4%	7.7%	4.8	5.1	6.4	20.6%	8.4%
Operating payments	0.1	0.1	0.3	0.1	19.9%	0.3%	0.1	0.1	0.1	5.1%	0.2%
Transfers and subsidies¹	-	0.1	0.0	0.0	-	0.1%	-	-	-	-100.0%	-
Households	-	0.1	0.0	0.0	-	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.1	0.1	0.1	0.1	9.6%	0.2%	0.1	0.1	0.1	3.2%	0.2%
Machinery and equipment	0.1	0.1	0.1	0.1	9.6%	0.2%	0.1	0.1	0.1	3.2%	0.2%
Total	39.2	39.8	47.1	54.3	11.5%	100.0%	57.0	60.9	65.5	6.5%	100.0%
Proportion of total programme expenditure to vote expenditure	5.8%	5.4%	6.3%	6.8%	-	-	6.2%	6.5%	6.6%	-	-

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

Programme 6: Evidence and Knowledge Systems

Programme purpose

Coordinate and support the generation, collation, accessibility and timely use of quality evidence to support planning, monitoring and evaluation across government.

Objective

- Ensure effective policy and outcomes planning, monitoring and evaluation over the medium term by:
 - coordinating and supporting a national evaluation system that ensures the use of evidence from regular and quality evaluations of priority government policies, programmes and systems
 - providing centralised research and knowledge-management support to develop and maintain an evidence base to inform planning, policy development, implementation-monitoring and review
 - provide quality, timely and verified data, and the analysis thereof, to support planning, monitoring and evaluation.

Subprogrammes

- *Management: Evidence and Knowledge Systems* provides management and support services to the programme.
- *Evaluation, Research, Knowledge and Data Systems* provides evaluation, research, knowledge management and data integration and analysis services.

Expenditure trends and estimates

Table 8.13 Evidence and Knowledge Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Management: Evidence and Knowledge Systems	–	–	–	–	–	–	1.1	2.7	2.8	–	2.5%
Evaluation, Research, Knowledge and Data Systems	31.3	28.9	30.7	33.8	2.6%	100.0%	108.3	58.5	57.8	19.5%	97.5%
Total	31.3	28.9	30.7	33.8	2.6%	100.0%	109.4	61.2	60.6	21.4%	100.0%
Change to 2016				(53.9)			33.5	8.6	5.0		
Budget estimate											
Economic classification											
Current payments	30.2	28.7	30.7	33.5	3.6%	98.7%	109.1	60.8	60.2	21.6%	99.5%
Compensation of employees	12.1	14.5	15.6	19.0	16.3%	49.0%	28.3	35.0	37.2	25.1%	45.1%
Goods and services ¹	18.1	14.2	15.1	14.5	-7.1%	49.6%	80.8	25.8	23.1	16.6%	54.4%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.2	0.2	0.6	0.2	6.5%	1.0%	0.2	0.4	0.4	27.1%	0.5%
<i>Communication</i>	0.2	0.2	0.2	0.2	2.2%	0.7%	0.5	0.3	0.3	14.1%	0.5%
<i>Consultants: Business and advisory services</i>	15.2	10.6	10.9	11.1	-9.9%	38.4%	76.6	21.4	18.5	18.5%	48.1%
<i>Travel and subsistence</i>	0.9	1.1	1.4	0.9	-3.6%	3.4%	2.0	2.1	2.2	37.7%	2.7%
<i>Operating payments</i>	1.0	0.3	0.8	1.0	-0.6%	2.4%	0.8	0.8	0.9	-4.0%	1.3%
<i>Venues and facilities</i>	0.3	1.1	0.6	0.5	17.2%	2.0%	0.5	0.5	0.5	0.9%	0.8%
Payments for capital assets	1.1	0.1	0.1	0.3	-35.7%	1.3%	0.3	0.3	0.3	4.3%	0.5%
Machinery and equipment	0.1	0.1	0.1	0.1	-2.9%	0.3%	0.1	0.1	0.1	12.2%	0.2%
Software and other intangible assets	1.0	0.0	–	0.2	-41.7%	1.0%	0.2	0.2	0.2	–	0.3%
Total	31.3	28.9	30.7	33.8	2.6%	100.0%	109.4	61.2	60.6	21.4%	100.0%
Proportion of total programme expenditure to vote expenditure	4.7%	3.9%	4.1%	4.2%	–	–	11.8%	6.5%	6.1%	–	–

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

Programme 7: National Youth Development

Programme purpose

Oversee youth development policy implementation and review. Transfer funds to the National Youth Development Agency.

Objectives

- Oversee the development and implementation of youth development policy and ensure integrated strategic planning and effective prioritisation of youth programmes in government on an ongoing basis by:
 - ensuring progress on the implementation of legislation and policy, and tracking of the integrated youth development strategy
 - providing oversight to the National Youth Development Agency and institutions responsible for the implementation of youth development initiatives
 - facilitating the undertaking of cross-cutting research on youth development.
- Provide advisory and strategic support services to political principals in bilateral and multilateral youth development affairs.

Subprogrammes

- *Management: National Youth Development* provides management and support services to the programme.
- *Youth Development Programmes* facilitates the development and implementation of national youth strategies and policies.
- *National Youth Development Agency* oversees and transfers funds to the National Youth Development Agency.

Expenditure trends and estimates

Table 8.14 National Youth Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Management: National Youth Development	–	–	–	–	–	–	0.2	0.4	0.4	–	0.1%
Youth Development Programmes	4.4	5.1	5.6	4.5	0.8%	1.2%	9.0	11.4	11.9	38.4%	2.0%
National Youth Development Agency	392.7	408.2	409.8	405.8	1.1%	98.8%	432.8	457.9	483.6	6.0%	97.9%
Total	397.1	413.3	415.4	410.3	1.1%	100.0%	442.0	469.7	495.9	6.5%	100.0%
Change to 2016 Budget estimate				(1.8)			(4.1)	(4.4)	(4.8)		
Economic classification											
Current payments	4.3	5.0	5.6	4.5	1.1%	1.2%	9.2	11.7	12.3	40.1%	2.1%
Compensation of employees	1.7	1.4	1.5	1.6	-2.3%	0.4%	5.6	6.9	7.4	66.5%	1.2%
Goods and services ¹	2.6	3.7	4.1	2.9	3.3%	0.8%	3.5	4.8	4.9	19.6%	0.9%
of which:											
Catering: Departmental activities	0.1	0.3	0.2	0.1	-12.3%	–	0.1	0.1	0.1	6.3%	–
Communication	0.0	0.0	0.0	0.0	11.3%	–	0.1	0.1	0.1	28.6%	–
Consultants: Business and advisory services	–	–	–	–	–	–	–	1.0	1.0	–	0.1%
Travel and subsistence	0.8	0.8	0.5	1.1	11.2%	0.2%	0.9	1.1	1.1	-1.3%	0.2%
Operating payments	1.7	2.0	2.2	1.6	-1.2%	0.5%	2.4	2.5	2.6	17.6%	0.5%
Transfers and subsidies¹	392.7	408.2	409.8	405.8	1.1%	98.8%	432.8	457.9	483.6	6.0%	97.9%
Departmental agencies and accounts	392.7	408.2	409.8	405.8	1.1%	98.8%	432.8	457.9	483.6	6.0%	97.9%
Payments for capital assets	0.1	0.0	0.0	0.0	-26.0%	–	0.0	0.0	0.0	10.1%	–
Machinery and equipment	0.1	0.0	0.0	0.0	-26.0%	–	0.0	0.0	0.0	10.1%	–
Total	397.1	413.3	415.4	410.3	1.1%	100.0%	442.0	469.7	495.9	6.5%	100.0%
Proportion of total programme expenditure to vote expenditure	59.2%	55.8%	55.5%	51.4%	–	–	47.9%	49.8%	49.8%	–	–

Table 8.14 National Youth Development expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	392.7	408.2	409.8	405.8	1.1%	98.8%	432.8	457.9	483.6	6.0%	97.9%
National Youth Development Agency	392.7	408.2	409.8	405.8	1.1%	98.8%	432.8	457.9	483.6	6.0%	97.9%

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

Entity

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

The **National Youth Development Agency** was established in 2009 through the merger of the National Youth Commission and the Umsobomvu Youth Fund. Its main role is to initiate, implement, facilitate and monitor youth development interventions aimed at reducing youth employment and promoting social cohesion. The agency's total budget for 2017/18 is R432.8 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
Additions and upgrades to office buildings	Extension and upgrade of office accommodation: 330 Grosvenor Street Hatfield	Complete	9.1	-	-	0.4	-	-	-	-
Additions and upgrades to office buildings	Extension and upgrade of office accommodation: New Building	Site identification	4.8	-	-	-	0.1	4.0	0.4	0.4
Total			13.9	-	-	0.4	0.1	4.0	0.4	0.4

Vote 9

Public Enterprises

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	155.5	152.6	–	2.9	162.5	173.6
Legal and Governance	25.2	25.2	–	–	26.4	28.3
Portfolio Management and Strategic Partnerships	86.0	86.0	–	–	88.3	94.6
Total expenditure estimates	266.7	263.8	–	2.9	277.2	296.5

Executive authority: Minister of Public Enterprises
 Accounting officer: Director General of Public Enterprises
 Website address: www.dpe.gov.za

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

Vote purpose

Drive investment, productivity and transformation in the department's portfolio of state-owned companies to unlock growth, drive industrialisation, create jobs and develop skills.

Mandate

The Department of Public Enterprises is the shareholder representative for government at the state-owned companies in its portfolio. The department's mandate is to fulfil oversight responsibilities at these state-owned companies to ensure that they contribute to the realisation of government's strategic objectives, as articulated in the National Development Plan (NDP), the medium-term strategic framework (MTSF), the new growth path and the industrial policy action plan. State-owned companies are crucial to driving the state's strategic objectives of creating jobs, and enhancing equity and transformation. The department does not directly execute programmes but seeks to use state ownership in the economy to support the achievement these objectives.

Selected performance indicators

Table 9.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of shareholder compacts ¹ signed per year	Portfolio Management and Strategic Partnerships	Outcome 6: An efficient competitive and responsive economic infrastructure network	7	7	6	6	6	6	6
Number of corporate plans ² reviewed per year	Portfolio Management and Strategic Partnerships		8	7	6	6	6	6	6
Number of quarterly financial reviews per year	Portfolio Management and Strategic Partnerships		32	28	24	24	24	24	24

1. Shareholder compacts: The South African Express Airways compact is not yet finalised due to the delayed process where the compact needs to be signed by both the Minister of Public Enterprises and the Minister of Finance. The compact regulates the relationship between the shareholders, in this case the state, and the board of directors of the state-owned companies.

2. Corporate plans: The South African Express Airways 2016/17 corporate plan is to be resubmitted subsequent to the finalisation of the 2016/17 shareholder compact, which is not yet finalised. The corporate plan sets out the company's long-term plans to meet certain objectives, such as business growth and sales volumes.

Expenditure analysis

The Department of Public Enterprises oversees six state-owned companies: Alexkor, Denel, the South African Forestry Company, Eskom, South African Express Airways and Transnet. These companies are key drivers of economic growth over the short and medium term. The department monitors state-owned companies to ensure

that the right investments are made to create jobs and sustain economic growth. In delivering on its mandate, the department contributes to the NDP objectives as expressed in outcome 4 (decent employment through inclusive growth) and outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. The department's focus over the medium term is on strengthening its oversight capacity and ensuring that state-owned companies under its authority are contributing to investment in key infrastructure.

Strengthening oversight capacity

In February 2015, the department developed a new strategy to improve the performance of state-owned companies in order to sustainably enhance their contribution to the implementation of the NDP. The strategy calls for the department to strengthen its ability to execute its oversight mandate and increase its capacity to perform the oversight function. Several initiatives are underway in this regard.

The department is developing a government shareholder policy, which is expected to standardise the shareholder function, improve the interface between the state and the private sector, and streamline and maximise the impact of the state's investments in the economy. A draft of the policy has been prepared and consultations with departments in the economic cluster are under way. Oversight activities such as the development of a government shareholder policy, involve significant travel and the technical research provided by consultants. Spending on travelling over the medium term is expected to reach R17.7 million in 2019/20, declining at an average annual rate of 6.5 per cent once the policy has been prepared, while spending on consultants is set to reach R36.8 million, growing at an average annual rate of 2.3 per cent. However, the department's overall spending on goods and services is expected to decrease over the medium term by R2.7 million, and payments for capital assets by R116 000, as the department cuts spending as part of curtailing overall aggregate spending.

The department is reorganising its internal operational model so that it is structurally equipped to support the new strategy. As such, over the medium term, the department expects to prioritise capacity in the *Portfolio Management and Strategic Partnerships* programme. The department has also implemented measures to ensure vacant positions are filled timeously, including introducing an electronic recruitment system. To ease the effects of the baseline reductions, the department is in the process of realigning its departmental organisational structure and is considering implementing reductions on non-core goods and services items. The department's approved personnel establishment is set to decrease from 218 in 2016/17 to 212 in 2019/20. Spending on compensation of employees is 57.4 per cent of the total budget in 2016/17 and is expected to grow to reach R184.5 million in 2019/20.

Increasing investments of state-owned companies

The capital expenditure programme in state-owned companies, under the oversight of the department, is an important policy instrument to accelerate economic growth. The programme is intended to enhance the capacity of infrastructure networks, such as rail and electricity, to improve the competitiveness of the economy in the medium to long term. The department as a shareholder determines key infrastructure projects to be pursued that contribute to national policy imperatives and it ensures that state-owned companies invest in such infrastructure.

Investments by state-owned companies have significantly increased from approximately R25 billion a year in 2005 to more than R160 billion in 2015. This has largely been driven by Eskom and Transnet, which invested more than R90 billion in 2015. The implementation of Eskom's build programme, a key example of investment in public-sector infrastructure, has played a pivotal role in addressing the energy challenges experienced in the past two financial years, with the company commissioning additional units to boost its base load and peak capacity. In 2015/16, Eskom's continued implementation of the electrification programme meant that the number of households connected to the grid had increased to 90 per cent. Transnet continues to spearhead the delivery of government's economic growth objectives with regard to the Operation Phakisa programmes, with particular focus on growing GDP and creating jobs through the oceans economy, and has allocated R2 billion towards improving port infrastructure. The implementation of the market demand strategy continues to be a key driver in improving the performance of ports. Despite economic challenges, spending on the capital and infrastructure investment programmes, which is designed to expand freight logistics infrastructure, remains stable. In 2016/17, state-owned companies are expected to spend R90 billion on replacing existing infrastructure and creating additional capacity.

The department continues to advocate for a supportive policy framework that will promote the sustainability of state-owned companies and ensure they deliver on their obligations to support long-term growth. It also approves and provides support on state-owned companies' proposals on funding options and ensures that they are implemented. In addition, the department evaluates financial and non-financial performance, monitors costs escalations, engages with other executive authorities to ensure payment of electricity debts, and monitors the implementation of turnaround plans. These activities are mainly funded through the *Legal and Governance*, and *Portfolio Management and Strategic Partnerships* programmes. The combined budget of these programmes is set to increase from R112.2 million in 2016/17 to R122.9 million in 2019/20.

Expenditure trends

Table 9.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Legal and Governance														
3. Portfolio Management and Strategic Partnerships														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	127.1	131.0	133.3	152.1	156.9	145.6	158.6	161.9	145.8	158.0	155.8	155.8	97.4%	95.8%
Programme 2	23.8	22.3	23.2	24.0	24.3	20.3	23.8	23.5	19.7	26.0	25.9	25.9	91.3%	92.8%
Programme 3	82.8	137.7	112.9	80.3	138.4	130.2	85.1	23 117.2	23 094.2	90.0	86.3	86.3	6 926.0%	99.8%
Total	233.8	291.1	269.4	256.4	319.5	296.1	267.5	23 302.6	23 259.7	274.0	268.0	268.0	2 335.3%	99.6%
Change to 2016 Budget estimate	(6.0)													
Economic classification														
Current payments	231.4	231.2	208.4	252.2	252.1	227.9	263.8	264.6	217.8	270.1	263.9	263.9	90.2%	90.7%
Compensation of employees	127.8	129.0	124.9	146.4	147.1	141.2	152.3	153.1	140.0	160.1	153.9	153.9	95.5%	96.0%
Goods and services	103.6	102.2	83.6	105.9	105.0	86.7	111.5	111.5	77.9	110.0	110.0	110.0	83.1%	83.5%
Transfers and subsidies	0.1	57.4	57.6	0.1	63.4	63.8	0.1	34.4	35.5	0.1	0.3	0.3	-	101.1%
Public corporations and private enterprises	-	57.3	57.3	-	63.1	63.1	-	33.1	33.1	-	-	-	-	100.0%
Households	0.1	0.2	0.4	0.1	0.3	0.7	0.1	1.3	2.4	0.1	0.3	0.3	903.6%	188.3%
Payments for capital assets	2.3	2.5	3.2	4.1	4.1	4.3	3.6	3.6	6.3	3.7	3.7	3.7	128.9%	127.2%
Machinery and equipment	2.3	2.3	2.8	4.1	4.1	4.2	3.5	3.5	5.7	3.6	3.6	3.6	121.3%	120.8%
Software and other intangible assets	-	0.2	0.5	-	-	0.1	0.1	0.1	0.6	0.1	0.1	0.1	624.8%	384.2%
Payments for financial assets	-	-	0.1	-	-	-	-	23 000.0	23 000.0	-	-	-	-	100.0%
Total	233.8	291.1	269.4	256.4	319.5	296.1	267.5	23 302.6	23 259.7	274.0	268.0	268.0	2 335.3%	99.6%

Expenditure estimates

Table 9.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Legal and Governance									
3. Portfolio Management and Strategic Partnerships									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	155.8	5.9%	2.4%	155.5	162.5	173.6	3.7%	58.4%	
Programme 2	25.9	5.1%	0.4%	25.2	26.4	28.3	3.0%	9.6%	
Programme 3	86.3	-14.4%	97.2%	86.0	88.3	94.6	3.1%	32.0%	
Total	268.0	-2.7%	100.0%	266.7	277.2	296.5	3.4%	100.0%	
Change to 2016 Budget estimate				(12.8)	(12.8)	(13.1)			

Table 9.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average	Average:	Medium-term expenditure estimate			Average	Average:
		growth rate (%)	Expenditure/Total (%)	2017/18	2018/19	2019/20	growth rate (%)	Expenditure/Total (%)
R million	2016/17	2013/14 - 2016/17					2016/17 - 2019/20	
Current payments	263.9	4.5%	3.8%	263.8	275.6	293.2	3.6%	98.9%
Compensation of employees	153.9	6.1%	2.3%	166.9	171.5	184.5	6.2%	61.1%
Goods and services	110.0	2.5%	1.5%	96.9	104.1	108.6	-0.4%	37.9%
Transfers and subsidies	0.3	-82.2%	0.7%	-	-	-	-67.6%	0.0%
Provinces and municipalities	-	-	-	-	-	-	122.4%	-
Households	0.3	27.6%	-	-	-	-	-100.0%	-
Payments for capital assets	3.7	14.9%	0.1%	2.9	1.6	3.3	-3.8%	1.0%
Machinery and equipment	3.6	16.4%	0.1%	2.8	1.5	3.2	-3.9%	1.0%
Software and other intangible assets	0.1	-12.3%	-	0.1	0.1	0.1	1.2%	-
Total	268.0	-2.7%	100.0%	266.7	277.2	296.5	3.4%	100.0%

Goods and services expenditure trends and estimates

Table 9.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average	Average:	Medium-term expenditure estimate			Average	Average:
	2013/14	2014/15	2015/16		growth rate (%)	Expenditure/Total (%)	2017/18	2018/19	2019/20	growth rate (%)	Expenditure/Total (%)
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17					2016/17 - 2019/20	
Administrative fees	870	2 155	2 334	1 472	19.2%	1.9%	2 298	2 457	2 624	21.3%	2.1%
Advertising	4 361	1 421	2 326	1 629	-28.0%	2.7%	1 567	1 656	1 749	2.4%	1.6%
Minor assets	357	73	224	200	-17.6%	0.2%	12	13	14	-58.8%	0.1%
Audit costs: External	2 087	2 822	3 559	3 650	20.5%	3.4%	3 400	3 593	2 795	-8.5%	3.2%
Bursaries: Employees	463	271	724	960	27.5%	0.7%	1 032	1 091	1 152	6.3%	1.0%
Catering: Departmental activities	1 622	763	698	1 320	-6.6%	1.2%	1 232	1 314	1 454	3.3%	1.3%
Communication	3 714	4 543	4 165	4 447	6.2%	4.7%	5 659	5 002	6 337	12.5%	5.1%
Computer services	4 125	6 129	3 958	5 705	11.4%	5.6%	2 570	2 459	2 182	-27.4%	3.1%
Consultants: Business and advisory services	12 910	25 081	14 800	34 446	38.7%	24.4%	32 142	34 865	36 839	2.3%	33.0%
Legal services	1 878	2 108	829	3 162	19.0%	2.2%	3 804	3 410	3 614	4.6%	3.3%
Contractors	909	2 627	2 039	9 514	118.7%	4.2%	5 784	6 554	6 784	-10.7%	6.8%
Agency and support/outourced services	2 625	985	1 659	1 080	-25.6%	1.8%	1 441	1 522	1 607	14.2%	1.3%
Entertainment	19	4	-	116	82.8%	-	75	68	74	-13.9%	0.1%
Fleet services (including government motor transport)	1 190	975	771	1 018	-5.1%	1.1%	997	1 062	1 121	3.3%	1.0%
Inventory: Clothing material and accessories	25	-	1	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	5	45	5	-	-100.0%	-	-	-	-	-	-
Inventory: Medical supplies	1	-	3	-	-100.0%	-	-	-	-	-	-
Inventory: Medicine	-	1	2	-	-	-	-	-	-	-	-
Consumable supplies	823	725	356	775	-2.0%	0.7%	732	774	817	1.8%	0.7%
Consumables: Stationery, printing and office supplies	2 376	1 526	1 566	1 339	-17.4%	1.9%	1 382	1 460	1 542	4.8%	1.4%
Operating leases	2 288	1 196	1 223	1 709	-9.3%	1.8%	1 248	571	864	-20.3%	1.0%
Rental and hiring	-	306	367	98	-	0.2%	15	16	17	-44.2%	-
Property payments	7 504	8 441	10 196	9 636	8.7%	10.0%	10 259	10 853	11 460	5.9%	10.1%
Transport provided: Departmental activity	-	69	3 619	71	-	1.0%	100	106	112	16.4%	0.1%
Travel and subsistence	22 879	17 645	15 620	21 606	-1.9%	21.7%	13 256	17 857	17 650	-6.5%	16.8%
Training and development	1 859	2 602	3 769	1 800	-1.1%	2.8%	1 650	1 744	1 841	0.8%	1.7%
Operating payments	1 505	1 983	710	3 038	26.4%	2.0%	4 008	3 235	3 472	4.6%	3.3%
Venues and facilities	7 177	2 218	2 338	1 218	-44.6%	3.6%	2 253	2 390	2 523	27.5%	2.0%
Total	83 572	86 714	77 861	110 009	9.6%	100.0%	96 916	104 072	108 644	-0.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 9.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average	Average:	Medium-term expenditure estimate			Average	Average:
	2013/14	2014/15	2015/16		growth rate (%)	Expenditure/Total (%)	2017/18	2018/19	2019/20	growth rate (%)	Expenditure/Total (%)
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17					2016/17 - 2019/20	
Provinces and municipalities											
Municipal bank accounts											
Current	2	-	-	1	-20.6%	-	10	11	11	122.4%	9.3%
Municipality bank account: Fines and penalties	2	-	-	1	-20.6%	-	-	-	-	-100.0%	0.3%
Vehicle licences	-	-	-	-	-	-	10	11	11	-	9.0%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	57 250	63 141	33 106	-	-100.0%	97.6%	-	-	-	-	-
Denel	57 250	63 141	33 106	-	-100.0%	97.6%	-	-	-	-	-

Table 9.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Households											
Social benefits											
Current	300	611	1 923	63	-40.6%	1.8%	-	-	-	-100.0%	17.7%
Employee social benefits	300	611	1 923	63	-40.6%	1.8%	-	-	-	-100.0%	17.7%
Households											
Other transfers to households											
Current	60	96	447	259	62.8%	0.5%	-	-	-	-100.0%	73.0%
Employee social benefits	13	-	61	148	125.0%	0.1%	-	-	-	-100.0%	41.7%
Gifts and donations	47	96	386	111	33.2%	0.4%	-	-	-	-100.0%	31.3%
Total	57 612	63 848	35 476	323	-82.2%	100.0%	10	11	11	-67.6%	100.0%

Personnel information

Table 9.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
1. Administration	2. Legal and Governance	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
				2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20						
				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Public Enterprises		219	26	200	140.0	0.7	218	153.9	0.7	220	166.9	0.8	211	171.5	0.8	212	184.5	0.9	-0.9%	100.0%
Salary level																				
1 – 6		15	20	13	7.2	0.6	18	5.2	0.3	18	5.7	0.3	18	6.2	0.3	18	6.7	0.4	-	8.4%
7 – 10		76	6	77	32.5	0.4	82	37.7	0.5	82	40.9	0.5	82	44.3	0.5	83	47.8	0.6	0.4%	38.2%
11 – 12		42	-	40	25.9	0.6	42	29.5	0.7	44	33.3	0.8	41	34.0	0.8	41	36.8	0.9	-0.8%	19.5%
13 – 16		86	-	70	71.3	1.0	76	81.5	1.1	76	87.1	1.1	70	86.9	1.2	70	93.3	1.3	-2.7%	33.9%
Other		-	-	-	3.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Programme		219	26	200	140.0	0.7	218	153.9	0.7	220	166.9	0.8	211	171.5	0.8	212	184.5	0.9	-0.9%	100.0%
Programme 1		117	26	113	73.5	0.7	124	80.9	0.7	124	87.6	0.8	124	94.6	0.8	124	102.1	0.8	-	57.6%
Programme 2		21	-	19	17.1	0.9	21	20.0	1.0	20	20.0	1.0	20	21.5	1.1	20	23.1	1.2	-1.6%	9.4%
Programme 3		81	-	68	49.4	0.7	73	53.0	0.7	76	59.4	0.8	67	55.4	0.8	68	59.4	0.9	-2.3%	33.0%

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

2. Rand million.

Departmental receipts

Table 9.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate	Average growth rate (%) 2013/14 - 2016/17	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Departmental receipts	373	203	3 377	1 083	41	-52.1%	100.0%	105	112	114	40.6%	100.0%
Sales of goods and services produced by department	57	68	72	288	37	-13.4%	5.9%	85	89	90	34.5%	80.9%
Sales by market establishments	-	41	45	234	23	-	2.7%	30	31	32	11.6%	31.2%
of which:												
Sales by market establishments	-	41	45	154	23	-	2.7%	30	31	32	11.6%	31.2%
Other sales	-	-	-	80	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	1	-	-	-	1	2	2	-	1.3%
of which:												
Licence agency fees	-	-	-	1	-	-	-	1	2	2	-	1.3%
Other sales	57	27	27	53	14	-37.4%	3.1%	54	56	56	58.7%	48.4%
of which:												
Garage rent	35	-	-	38	-	-100.0%	0.9%	38	39	39	-	31.2%
Commission insurance	13	25	25	15	14	2.5%	1.9%	16	17	17	6.7%	17.2%
Replacement of security cards	9	2	2	-	-	-100.0%	0.3%	-	-	-	-	-

Table 9.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Receipt item/ Total (%) 2016/17	Medium-term receipts estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Receipt item/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Sales of scrap, waste, arms and other used current goods	3	-	-	-	-	-100.0%	0.1%	6	6	6	-	4.8%
of which:												
Sales of scrap paper	3	-	-	-	-	-100.0%	0.1%	6	6	6	-	4.8%
Transfers received	-	-	-	244	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	31	3	7	11	1	-68.2%	1.1%	5	6	6	81.7%	4.8%
Interest	31	3	7	11	1	-68.2%	1.1%	5	6	6	81.7%	4.8%
Sales of capital assets	-	130	187	300	-	-	7.9%	-	-	-	-	-
Transactions in financial assets and liabilities	282	2	3 111	240	3	-78.0%	85.1%	9	11	12	58.7%	9.4%
Total	373	203	3 377	1 083	41	-52.1%	100.0%	105	112	114	40.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 9.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Ministry	31.3	28.4	28.9	27.8	-3.9%	20.1%	28.6	29.4	31.6	4.4%	18.1%
Management	9.3	15.2	12.8	11.3	6.9%	8.4%	9.8	10.5	11.4	0.3%	6.7%
Corporate Services	27.1	28.1	30.1	35.0	9.0%	20.7%	36.8	38.5	40.9	5.4%	23.4%
Chief Financial Officer	11.3	12.6	13.9	17.0	14.6%	9.4%	16.4	17.1	18.3	2.5%	10.6%
Human Resources	17.6	23.4	22.2	23.9	10.6%	15.0%	21.0	21.6	23.1	-1.1%	13.8%
Communications	14.2	16.1	12.0	16.0	4.0%	10.0%	15.0	15.9	16.8	1.6%	9.8%
Strategic Planning, Monitoring and Evaluation	4.8	4.4	4.8	4.7	-0.7%	3.2%	7.1	7.5	8.0	19.5%	4.2%
Intergovernmental Relations	6.7	5.8	5.7	5.1	-8.6%	4.0%	4.6	4.8	5.2	0.4%	3.0%
Internal Audit	3.7	3.6	5.3	6.1	17.4%	3.2%	6.7	7.2	7.7	8.2%	4.3%
Office Accommodation	7.2	8.1	10.0	9.0	7.4%	5.9%	9.4	10.0	10.5	5.5%	6.0%
Total	133.3	145.6	145.8	155.8	5.3%	100.0%	155.5	162.5	173.6	3.7%	100.0%
Change to 2016				(2.2)			(5.9)	(5.7)	(5.8)		
Budget estimate											
Economic classification											
Current payments	129.6	141.0	137.7	151.8	5.4%	96.5%	152.6	160.9	170.2	3.9%	98.2%
Compensation of employees	66.7	73.8	73.5	80.9	6.7%	50.8%	87.6	94.6	102.1	8.1%	56.4%
Goods and services ¹	63.0	67.2	64.2	70.9	4.0%	45.7%	65.0	66.3	68.1	-1.3%	41.8%
of which:											
Communication	3.2	4.1	3.7	3.6	4.3%	2.5%	4.7	4.0	5.3	13.1%	2.7%
Consultants: Business and advisory services	7.9	16.2	9.4	13.6	19.8%	8.1%	11.5	12.2	10.9	-7.0%	7.4%
Contractors	0.8	2.5	2.0	5.7	92.2%	1.9%	4.4	4.8	4.9	-5.1%	3.1%
Property payments	7.5	8.4	10.2	9.6	8.7%	6.2%	10.3	10.9	11.5	5.9%	6.5%
Travel and subsistence	15.0	11.7	9.2	10.9	-10.0%	8.1%	7.4	8.2	8.9	-6.5%	5.5%
Operating payments	1.1	2.0	0.6	3.0	41.3%	1.2%	4.0	3.2	3.5	4.6%	2.1%
Transfers and subsidies¹	0.3	0.3	1.7	0.2	-9.7%	0.4%	0.0	0.0	0.0	-63.9%	-
Households	0.3	0.3	1.7	0.2	-9.7%	0.4%	-	-	-	-100.0%	-
Payments for capital assets	3.2	4.3	6.3	3.7	4.6%	3.0%	2.9	1.6	3.3	-3.8%	1.8%
Machinery and equipment	2.8	4.2	5.7	3.6	9.2%	2.8%	2.8	1.5	3.2	-3.9%	1.7%
Software and other intangible assets	0.5	0.1	0.6	0.1	-38.1%	0.2%	0.1	0.1	0.1	1.2%	0.1%
Payments for financial assets	0.1	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	133.3	145.6	145.8	155.8	5.3%	100.0%	155.5	162.5	173.6	3.7%	100.0%
Proportion of total programme expenditure to vote expenditure	49.5%	49.2%	0.6%	58.1%	-	-	58.3%	58.6%	58.5%	-	-

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

Programme 2: Legal and Governance

Programme purpose

Provide legal services and corporate governance systems, and facilitate the implementation of all legal aspects of transactions that are strategically important to the department and state-owned companies. Ensure alignment with government's strategic intent by, among others, monitoring the performance indicators of state-owned companies.

Objective

- Ensure effective shareholder oversight of state-owned companies by:
 - providing legal services and coordinated governance systems on an ongoing basis
 - facilitating the implementation of all legal aspects of transactions that are strategically important to the department and state-owned companies on an ongoing basis
 - ensuring that financial and operational risk-management processes are embedded throughout the department as and when required over the medium term
 - addressing constraints on state-owned companies' contract negotiations and management to improve commercial competence and contribute to economic growth and development on an ongoing basis
 - providing assistance for developing and negotiating shareholder compact frameworks annually in terms of the Public Finance Management Act (1999)
 - providing guidance on appropriate delegation frameworks between the boards of state-owned companies and executive management on an ongoing basis
 - advising the Minister of Public Enterprises on an ongoing basis on the appointments of boards of directors including remuneration; preparations for annual general meetings; and conducting annual reviews of ownership policies, governance, appointments and the performance of the boards and executive management.

Subprogrammes

- *Management* comprises of the office of the deputy director general, which provides strategic leadership and management of the programme personnel.
- *Legal* provides internal and external legal services and support to sector teams. This entails providing legal services, including transaction and contract management support, as well as work specifically related to the commercial activities of the state-owned companies within their portfolios.
- *Governance* develops, monitors and advises on legislative, corporate governance and shareholder management systems for the department and its portfolio of state-owned companies. Risk and compliance management is a unit within this subprogramme and is responsible for developing and implementing risk and compliance management guidelines and systems. The risk management unit also identifies both operational and shareholder risk.

Expenditure trends and estimates

Table 9.9 Legal and Governance 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 (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million												
Management	3.0	2.9	2.8	3.2	1.6%	13.3%	3.0	3.2	3.4	2.8%	12.1%	
Legal	12.7	11.7	10.7	13.1	1.0%	54.0%	13.4	14.0	15.0	4.7%	52.4%	
Governance	7.4	5.7	6.3	9.6	9.1%	32.7%	8.8	9.2	9.9	0.7%	35.5%	
Total	23.2	20.3	19.7	25.9	3.8%	100.0%	25.2	26.4	28.3	3.0%	100.0%	
Change to 2016				(0.1)			(1.5)	(1.5)	(1.5)			
Budget estimate												

Table 9.9 Legal and Governance expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	23.1	20.3	19.7	25.8	3.7%	99.9%	25.2	26.4	28.3	3.1%	99.9%
Compensation of employees	15.2	16.8	17.1	20.0	9.6%	77.5%	20.0	21.5	23.1	4.9%	79.8%
Goods and services ¹	8.0	3.5	2.6	5.8	-9.8%	22.4%	5.3	4.9	5.3	-3.5%	20.1%
<i>of which:</i>											
Communication	0.1	0.1	0.1	0.2	6.7%	0.6%	0.2	0.2	0.2	11.5%	0.8%
Consultants: Business and advisory services	2.5	0.4	0.6	1.9	-9.0%	6.0%	1.5	1.6	1.8	-1.3%	6.4%
Legal services	1.9	1.4	0.7	2.2	4.8%	6.9%	2.6	2.1	2.2	1.0%	8.5%
Travel and subsistence	1.7	1.4	1.2	1.5	-4.9%	6.5%	0.9	0.9	0.9	-15.0%	3.9%
Venues and facilities	0.2	0.1	0.0	0.1	-14.0%	0.5%	0.1	0.1	0.1	-22.7%	0.3%
Transfers and subsidies¹	0.0	-	-	0.1	68.3%	0.1%	-	-	-	-100.0%	0.1%
Households	0.0	-	-	0.1	68.3%	0.1%	-	-	-	-100.0%	0.1%
Total	23.2	20.3	19.7	25.9	3.8%	100.0%	25.2	26.4	28.3	3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	8.6%	6.9%	0.1%	9.7%	-	-	9.5%	9.5%	9.6%	-	-

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

Programme 3: Portfolio Management and Strategic Partnerships

Programme purpose

Align the strategies of the state-owned companies with government policy and strategy, and monitor and benchmark their financial and operational performance and capital investment plans. Align shareholder oversight with overarching government economic, social and environmental policies, and build focused strategic partnerships between the state-owned companies, strategic customers, suppliers and financial institutions.

Objectives

- Contribute to enhancing the performance of state-owned companies by:
 - approving and evaluating corporate plans to determine whether the performance of state-owned companies aligns with agreed key performance indicators, and provide advice and guidance to their boards, on an ongoing basis
 - monitoring the implementation of corporate plans and shareholder compact targets quarterly
 - assessing shareholder and enterprise risks and advising boards on areas of concern quarterly.

Energy enterprises

- Provide shareholder management and oversight of the Eskom business, including the generation, transmission and distribution of electricity, with particular emphasis on ensuring the security of supply, over the medium term.
- Ensure the legal regulatory compliance of Eskom by engaging on an ongoing basis with relevant stakeholders such as the Department of Energy, the Department of Environmental Affairs, the Department of Water and Sanitation, and the National Energy Regulator of South Africa regarding policies and regulations affecting Eskom.
- Reduce Eskom's dependence on funding from the fiscus by monitoring cost escalations for its capital investment programme and operations in order to roll out the build programme in a cost effective manner, on a quarterly basis.
- Exercise oversight to ensure that Eskom's capital investments support local suppliers by monitoring the implementation of the competitive supplier development programme and assessing progress in the company's quarterly report.
- Support Eskom on an ongoing basis to address municipal debt challenges to ensure financial sustainability.

Eskom

- Support the security of electricity supply by:
 - examining Eskom’s maintenance plans, operational practices, electricity generation and distribution efficiency, and its reserve margin, on an ongoing basis
 - ensuring that Eskom supplies electricity by monitoring, evaluating and engaging with the company on system security and the new build programme to alleviate constraints on an ongoing basis
 - facilitating engagement between Eskom and other spheres of government to address municipal debt on an ongoing basis
 - monitoring the rollout of the capital investment programme to ensure that it is delivered on time, is of appropriate quality and is within budget on an ongoing basis.

Manufacturing enterprises

- Ensure continuous alignment between shareholder strategic intent and the objectives of state-owned companies in the defence, mining and forestry sector by annually reviewing their enterprise strategies and mandates in the context of industry and sectoral policy shifts, and alert their boards and enterprises to material deviations, if any.
- Support state-owned companies in delivering on their objectives, as set out in shareholder compacts and corporate plans, by benchmarking key performance measures annually and analysing quarterly and annual reports in order to assess the extent of progress made.
- Promote collaboration among state-owned companies in order to contribute towards achieving national economic development objectives.

Denel

- Oversee the development of a long-term growth strategy to achieve financial stability and the growth of manufacturing export products on an ongoing basis.
- Leverage off the company’s advances in manufacturing capability through securing work packages in support of the industrialisation drive aligned with the industrial policy action plan over the medium term.
- Ensure Denel’s ongoing sustainability by monitoring the implementation of the multi-year turnaround plan over the medium term.
- Ensure a balance between the need to develop indigenous capabilities in response to national defence equipment requirements and the need to cooperate and collaborate with international armaments companies in the context of high development costs and the importance of having access to selected markets on an ongoing basis.

Alexkor

- Ensure increased diamond production and promote the financial stability of the Alexkor and Richtersveld Mining Company’s Pooling and Sharing Joint Venture by monitoring the implementation of Alexkor’s strategy to promote financial sustainability and monitoring the joint venture’s turnaround strategy on a quarterly basis.
- Ensure collaboration and alignment between Alexkor and the African Exploration Mining and Finance Corporation through the development of a collaborative model over the medium term.
- Contribute to developing non-mining sustainable economic activities through the support and coordinated joint efforts of the Department of Public Enterprises, the Department of Mineral Resources and the Department of Rural Development and Land Reform over the medium term.

South African Forestry Company

- Oversee the implementation of the land restitution strategy for claims over the Komatiland Forests land claims settlement model to ensure meaningful benefits to the successful land claimants over the medium term.
- Oversee the implementation of the South African Forestry Company’s corporate strategy over the medium term.

- Engage with the Department of Rural Development and Land Reform; the Department of Agriculture, Forestry and Fisheries; and the Department of Trade and Industry to ensure the warehousing of the shares held by the South African Forestry Company in the four privatised forestry companies.

Transport enterprises

- Align the corporate strategies of Transnet and South African Express Airways with government's strategic intent, and monitor and benchmark their financial and operational performance by:
 - ensuring the alignment of the corporate strategies of Transnet and South African Express Airways with government's strategic intent and ensuring that these companies remain competitive, financially sustainable and deliver an optimal service to the economy on an ongoing basis
 - supporting Transnet and South African Express Airways in delivering on their objectives by identifying appropriate benchmarks and key performance measures for their respective shareholder compacts and corporate plans on an ongoing basis
 - creating an enabling environment for transport enterprises and ensuring an appropriate balance between the enterprises' interests, stability and developmental objectives by engaging with policy departments and relevant regulators on an ongoing basis
 - ensuring the effective use of existing logistics infrastructure, planning for the creation of new infrastructure and the provision of optimal services on an ongoing basis.

Transnet

- Provide oversight on Transnet's implementation of the market demand strategy to optimise the economic impact of infrastructure investment on the economy by monitoring the rollout of Transnet's capital expenditure programme, quarterly and annually, to assess any significant deviations from corporate plans, and potential cost overruns and time delays on major capital projects.
- Contribute to the national freight logistics strategy by informing the freight sector on developments and attributes to guide policy such as government's commitment investment or rail and modal optimisation over the medium term.
- Develop a strategic position with the rail economic regulator to prioritise government objectives over the medium term.

South African Express Airways

- Monitor and assist with the implementation of South African Express Airways' 20/20 vision and austerity measures on an ongoing basis.
- Engage with policy departments on the strategic direction of policy and regulation in the aviation sector to ensure that new policies take into consideration the mandate and objectives of the airline as determined by government over the medium term.
- Develop a strategic proposal regarding the optimal group structure of state-owned airlines to assist in rationalising the structure and unifying their operations over the medium term.
- Facilitate the review of commercial arrangements, as and when required, in order to support the financial position of the company and ensure its long-term financial and commercial sustainability over the medium term.

Economic impact and policy alignment

- Oversee and supervise processes to conduct macroeconomic modelling, research and impact evaluation to ensure that state-owned companies contribute to economic growth on an ongoing basis.
- Enhance the alignment of state-owned companies' investments and operational activities with national industrial policy, macroeconomic policy and the role of state-owned companies, as well as monitor implementation, in 2017/18.
- Oversee processes to ensure that state-owned companies comply with environmental laws, and optimise the impact of state-owned companies on the reduction of carbon emissions and the development of a green economy, while supporting the business needs of state-owned companies, on an ongoing basis.

- Oversee the implementation of state-owned companies' economic and social transformation agendas in support of national policies and economic growth, with specific focus on skills development, job creation, procurement/broad based black economic empowerment and corporate social investments targeted at designated groups on an ongoing basis.

Strategic partnerships

- Oversee catalytic project implementation from pre-feasibility to completion, including the design of relevant compacts, on an ongoing basis.
- Implement innovative funding structures and design associated compacts with relevant partners over the medium term.
- Oversee Eskom and Transnet's implementation of the competitive supplier development programme, and oversee Transnet's locomotive fleet procurement design and implementation, and the development and implementation of its executive leadership programme on an ongoing basis.

Subprogrammes

- *Energy Enterprises* exercises shareholder oversight over Eskom.
- *Manufacturing Enterprises* exercises shareholder oversight over Denel, Alexkor and South African Forestry Company.
- *Transport Enterprises* exercises shareholder oversight over Transnet and South African Express Airways.
- *Economic Impact and Policy Alignment* aligns state-owned companies with overarching government economic, social and environmental policies.
- *Strategic Partnerships* ensures that state-owned companies maintain commercial sustainability and attain desired strategic outcomes and objectives.

Expenditure trends and estimates

Table 9.10 Portfolio Management and Strategic Partnerships expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Energy Enterprises	12.9	13.1	23 012.2	17.0	9.6%	98.4%	17.6	16.9	18.1	2.1%	19.6%
Manufacturing Enterprises	68.1	77.5	47.2	19.7	-33.9%	0.9%	19.9	20.5	22.0	3.7%	23.1%
Transport Enterprises	15.0	20.6	18.3	23.0	15.4%	0.3%	19.6	20.2	21.7	-1.9%	23.8%
Economic Impact and Policy Alignment	9.7	10.7	11.0	13.6	11.9%	0.2%	16.8	17.9	19.1	12.1%	19.0%
Strategic Partnerships	7.3	8.3	5.5	13.0	21.4%	0.1%	12.1	12.8	13.7	1.9%	14.5%
Total	112.9	130.2	23 094.2	86.3	-8.6%	100.0%	86.0	88.3	94.6	3.1%	100.0%
Change to 2016				(3.7)			(5.4)	(5.6)	(5.8)		
Budget estimate											
Economic classification											
Current payments	55.7	66.7	60.4	86.3	15.7%	1.1%	86.0	88.3	94.6	3.1%	100.0%
Compensation of employees	43.0	50.6	49.4	53.0	7.2%	0.8%	59.4	55.4	59.4	3.9%	64.0%
Goods and services ¹	12.6	16.1	11.0	33.3	38.1%	0.3%	26.6	32.9	35.2	2.0%	36.0%
of which:											
Catering: Departmental activities	0.3	0.0	0.0	0.1	-27.9%	-	0.1	0.1	0.1	12.1%	0.1%
Communication	0.4	0.4	0.3	0.6	21.0%	-	0.7	0.8	0.8	9.4%	0.8%
Consultants: Business and advisory services	2.6	8.4	4.8	19.0	95.0%	0.1%	19.2	21.1	24.2	8.3%	23.5%
Contractors	0.0	0.2	0.1	3.8	1135.2%	-	1.4	1.7	1.9	-20.8%	2.5%
Travel and subsistence	6.2	4.6	5.2	9.2	14.1%	0.1%	4.9	8.8	7.8	-5.3%	8.7%
Venues and facilities	0.9	0.4	0.3	0.5	-18.4%	-	0.3	0.4	0.4	-6.5%	0.4%
Transfers and subsidies¹	57.3	63.5	33.8	0.0	-92.2%	0.7%	-	-	-	-100.0%	-
Public corporations and private enterprises	57.3	63.1	33.1	-	-100.0%	0.7%	-	-	-	-	-
Households	0.0	0.4	0.7	0.0	-4.5%	-	-	-	-	-100.0%	-
Payments for financial assets	-	-	23 000.0	-	-	98.2%	-	-	-	-	-
Total	112.9	130.2	23 094.2	86.3	-8.6%	100.0%	86.0	88.3	94.6	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	41.9%	44.0%	99.3%	32.2%	-	-	32.2%	31.8%	31.9%	-	-

Table 9.10 Portfolio Management and Strategic Partnerships expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	57.3	63.1	33.1	-	-100.0%	0.7%	-	-	-	-	-
Denel	57.3	63.1	33.1	-	-100.0%	0.7%	-	-	-	-	-

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

Entities¹

Alexkor

Alexkor was established in terms of the Alexkor Limited Act (1992) to mine marine and land diamonds in Alexander Bay. As part of the 2007 deed of settlement for the restoration of land and mineral rights between government and the Richtersveld community, Alexkor is the owner of the sea mining rights and 51 per cent of the mining operations in Richtersveld. The land mining rights and the balance of the mining operations are owned by the Richtersveld community. The mining operations are managed through an unincorporated entity, the Alexkor Pooling and Sharing Joint Venture. Alexkor is also exploring opportunities to mine coal and limestone to supply to Eskom's power stations to support the energy security objectives in outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework.

Alexkor experienced operational challenges during 2015/16 that led to poor carat production and a 7 per cent decrease in revenue. As a result, the company reported a loss of R35 million in the period and has implemented turnaround strategies to improve carat production at the Alexander Bay operations. A mining vessel commissioned to explore deep-sea diamond resources is expected to complement current carat production and improve Alexkor's financial position.

In 2014, the company commissioned a study into non-mining activities in Northern Cape that the Richtersveld community could possibly pursue from the proceeds of the pooling and sharing joint venture. The focus areas of the study include agricultural and mariculture opportunities. The study has begun and feedback will be given once it is completed.

Denel

Denel was incorporated as a private company in 1992 in terms of the South African Companies Act (1973), with its sole shareholder being the South African government. In terms of the 2014 Defence Review, Denel is deemed a strategic national asset in support of national security. The Department of Defence and the South African National Defence Force are its primary customers. Denel operates in the military and civil aerospace, land, maritime, and defence electronic environments. Denel's advanced industrial capabilities support outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework and the industrial policy action plan. The defence and aerospace sector has strong upstream and downstream linkages with other key sectors in the economy, and has high export potential.

Denel has made strides in achieving sustainability and has been ranked among the top 100 global defence manufacturers for the past two consecutive years. In 2015/16, the company grew its revenue by 41 per cent, or R8.2 billion, from the previous financial year. Export revenue in that year constituted 58 per cent of total revenue and net profit was R395 million, an increase of R125 million from the previous financial year. However, this rapid growth has placed significant strain on the company's cash resources. Denel remains highly

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

geared, with debt of R3.7 billion, up from R2.2 billion in 2014/15, of which about 45 per cent is due within the next 12 months. The department is working with the company to ensure this cash position is managed responsibly.

A model of the South African regional aircraft, a 24-passenger regional airliner, was released to the public at the 2016 Africa Aerospace and Defence Expo. A pre-feasibility study has been concluded that confirms the viability of the design and the existence of a market for this kind of aircraft. A team from Denel and the department made a presentation in July 2016 to solicit support to complete the next phase of the project.

Over the medium term, Denel is preparing to take over the management and operation of the naval dockyards in both Simon's Town and Durban through the Denel Maritime and Integrated Systems division.

South African Forestry Company

The South African Forestry Company was established in 1992 to ensure the sustainable management of the state's forestry plantation assets. The company was established in terms of the Management of State Forests Act (1992). The company's mandate is to ensure the sustainable management of plantation forests, increase downstream timber processing and play a catalytic role in rural economic development and transformation. The company's work includes research and development, plantation management and timber processing. Revenue is generated from the sale of forest products, sawn timber and value-added products. The company operates in the rural areas of Mpumalanga, Limpopo and KwaZulu-Natal and provides opportunities for economic development and rural economic transformation through providing social infrastructure for basic services such as health and education. This is aligned with outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework. Over the medium term, the company plans to invest in its processing business to ensure the availability of material to build social infrastructure.

The company's financial performance remains under pressure because of slow growth in revenue and a continual increase in costs. Cash generation from operations has been under strain because of increasing logistical and labour costs, and a rigid pricing environment. This performance has constrained the business in investing in downstream operations, which is critical to sustaining forestry operations and reducing dependence on sawlog customers.

Eskom

Eskom is governed by the Conversion Act (2001), with a mandate to generate, transmit and distribute electricity to industrial, mining, commercial, agricultural and residential customers and redistributors. In doing this, it contributes to the realisation of outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework.

Eskom generates 95 per cent of the electricity used in South Africa and 45 per cent of the electricity used in Africa. The company's reserve margin has been steadily declining since 1999 because of a lack of significant investment in generation capacity and an increase in economic growth, which, in turn, has led to an increase in electricity demand. During the years of economic growth, Eskom had to rely on shifting the maintenance of power plants to meet demand and address the constrained power system in an attempt to avoid load shedding. The consequence of this was an increase in maintenance backlogs and a decline in power plant performance. This necessitated urgent government intervention to assist the company to remain financially and operationally stable. As part of the rescue package from government, Eskom had to develop a turnaround plan incorporating four key areas: financial sustainability, operational sustainability, revenue and customer sustainability, and sustainable asset creation.

Eskom's revenue grew by 10.6 per cent between 2014/15 and 2015/16, from R147.7 billion to R163.4 billion. The improvement was driven largely by additional revenue of R7.8 billion awarded by the National Energy Regulator of South Africa through the regulator clearing account. The company's liquidity position increased significantly from R17.4 billion in March 2015 to R38.7 billion in March 2016, largely due to the receipt of the R23 billion equity injection through the government support package. Eskom has already secured 77 per cent of the R69 billion funding requirement for 2016/17. The sources of funding are domestic bond private placement, development finance institutions, export credit agencies, domestic bonds, commercial paper and swap restructuring.

Eskom developed a generation turnaround strategy that aims to address the country's electricity demand while allowing the company to remain financially viable. The strategy has started to yield positive results, with Eskom's power generation plant availability significantly improving from 73 per cent in March 2015 to 78.6 per cent in March 2016. This shows a positive trend towards the achievement of the 80:10:10 strategy by 2020, which will ensure 80 per cent energy availability from the current fleet, and 10 per cent for unplanned load shedding and 10 per cent for planned load shedding. As at March 2016, there had been no load shedding for almost 11 months, which was achieved through reducing unplanned plant breakdowns from 15.2 per cent in March 2015 to 14.9 per cent in March 2016.

Since 2004, Eskom has been executing a build programme to increase capacity and ensure that the supply of electricity is secure and reliable. The company successfully commissioned Ingula's units 4, 2 and 1 in 2016/17. These have strengthened the financial position of the company and the security of electricity supply. The commissioning of Ingula added 999 megawatts (MW) of peaking capacity, further reducing the use of the more expensive open-cycle gas turbines. Medupi unit 5 (500 MW) and Ingula unit 3 (333 MW) were synchronised to the grid in September and October 2016, adding an additional 833 MW. In 2015/16, Eskom installed 345.8 kilometres of transmission lines and 2 435 megavolt amperes of transmission capacity. Once completed, the build programme will bring 11 002 MW of new capacity online by 2022.

Eskom has significantly improved its implementation of the integrated national electrification programme, which is managed by the Department of Energy. The company electrified 159 853 additional households in 2014/15, and 158 016 additional households in 2015/16. Since the inception of the universal access programme, the number of electrified households has increased to about 5 million.

Eskom acknowledges the role independent power producers play in the South African electricity market. As such, Eskom has connected 58 projects to the grid, enabling access to a further 4 375 MW. As its sole shareholder, Eskom has hosted the Pebble Bed Modular Reactor Company since April 2012 to minimise costs and ensure the implementation of its care and maintenance to protect its intellectual property and assets.

South African Express Airways

South African Express Airways is a regional carrier with a mandate to provide transportation services for passengers, cargo and mail, air charters, and other related aviation services on low-density domestic routes and African regional routes. It was established in 1994, and operates from OR Tambo International Airport (Johannesburg), King Shaka International Airport (Durban) and Cape Town International Airport, serving secondary routes in South Africa and regional routes to Botswana, Namibia, Democratic Republic of the Congo, Zimbabwe and Zambia. It also provides feeder air services that connect with the South African Airways network.

Over the MTEF period, the department and National Treasury will review the relationship between state-owned airlines with the objective of developing an optimal structure. This will assist in better coordination between the state airlines, and ensure financial stability over the medium term. Once the airline has attained financial stability, it will commence with expanding its operations into Africa and partnering with South African Airways to establish other hubs on the continent.

The airline has experienced challenges with regards to its operational and financial performance, as well as the maintenance of proper systems of internal control. As a result of not maintaining proper internal controls, the airline was issued with a qualified audit opinion on its 2014/15 annual financial statements as a result of being unable to provide sufficient appropriate audit evidence due to a lack of adequate accounting records. It was the fourth consecutive year the airline was issued with a qualified audit opinion on its annual financial statements. The finalisation of the audit for 2015/16 has also been delayed as the airline has been unable to satisfactorily demonstrate to the Auditor-General its ability to continue operating on a going concern basis for a period of at least 12 months after the signing off of the annual financial statements as required by section 4 of the Companies Act (2008). The department is working with the airline to ensure the matter is resolved.

South African Express Airways has also been implementing a long-term strategy called 20/20 vision, which was developed in 2013 to address its poor performance and reliance on government for financial support. The main focus of the strategy is to assess, review and define a new business model to improve the sustainability of the organisation for the next 20 years. The vision is aligned with South African Airway's long-term turnaround

strategy, and aims to ensure alignment between the airlines' strategies to derive the maximum shareholder value through greater collaboration, cooperation and coordination.

However, South African Express Airways did not implement the strategy as envisaged, which resulted in the airline developing short-term austerity measures in September 2014. Some of the initiatives include renegotiating contracts and agreements, optimising the network schedule and reducing the labour costs with the intention of making the airline sustainable. The austerity measures were initially expected to result in savings of R579 million over the three years up leading to 2016/17. By the end of 2015/16, the airline had saved R379 million. The airline continues to identify new initiatives to augment those already implemented. However, its achievements have been eroded by its inability to operate an optimal network as a number of aircrafts were grounded because of delays in raising funds to acquire the required spares and rotables.

Through the SA Express shareholder compact, the department is working together with National Treasury to ensure that there is alignment between the targets set for South African Airways and South African Express Airways, and that the initiatives outlined in the 20/20 vision are agreed on. The performance against these targets is monitored monthly and quarterly.

Transnet

Transnet's mandate is to assist in lowering the cost of doing business in South Africa, enabling economic growth and ensuring security of supply through providing appropriate port, rail and pipeline infrastructure in a cost-effective and efficient manner, within acceptable benchmarks. The Legal Succession to the South African Transport Services Act (1989) brought about the establishment of this state-owned company. Transnet remains the largest freight logistics company in South Africa, enabling competitiveness, growth and the development of the South African economy by delivering reliable freight transport and handling services that satisfy customer demand.

Over the medium term, the company will focus on growing domestic volumes to assist government in moving rail-friendly cargo from road to rail. This will be done by improving the performance of freight corridors so that they are cost effective, reliable and efficient. Regional integration remains integral to ensure South Africa remains competitive in growing the freight logistics networks in Africa and create economic growth to yield the required skills, jobs and investments in critical economic sectors such as containers, automotives, petroleum and gas.

The objectives and strategy of Transnet are agreed on between the Minister of the Department of Public Enterprises and the board of directors through a shareholder compact. This shareholder compact is informed by the medium-term strategic framework and other national policy guidelines such the industrial policy action plan and the new growth path, with the intention to facilitate strategic interventions of government programmes to support economic growth.

Although lacklustre economic performance has exerted pressure on Transnet, its financial position remains sound. However, the poor performance of the economy put pressure on Transnet's drive to grow volumes in the general freight business. In response, the company provided price reprieves in moving commodities, particularly to the mining industry, to preserve jobs. This resulted in Transnet postponing some of its infrastructure projects, particularly where demand is low, while also aggressively growing general freight markets to increase volumes through the road to rail migration strategy.

Vote 10

Public Service and Administration

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	230.7	228.5	0.5	1.6	243.0	260.3
Policy Development, Research and Analysis	34.4	34.2	–	0.2	36.9	39.4
Labour Relations and Human Resource Management	70.1	69.6	–	0.5	62.4	66.5
Government Chief Information Officer	21.5	21.4	–	0.1	23.1	24.2
Service Delivery Support	247.9	51.6	196.1	0.3	266.5	283.1
Governance of Public Administration	292.5	46.3	245.9	0.3	312.8	334.9
Total expenditure estimates	897.1	451.6	442.5	3.0	944.6	1 008.5

Executive authority Minister of Public Service and Administration
 Accounting officer Director General of Public Service and Administration
 Website address www.dpsa.gov.za

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

Vote purpose

Lead the modernisation of the public service, through a generally applicable framework of norms and standards, to improve service delivery.

Mandate

The Department of Public Service and Administration draws its mandate from section 195(1) of the Constitution, which sets out basic values and principles the public service should adhere to, and the Public Service Act (1994).

In terms of the act, the Minister of Public Service and Administration is responsible for establishing norms and standards relating to:

- the functions of the public service
- organisational structures and establishments of departments, and other organisational and governance arrangements in the public service
- labour relations, conditions of service and other employment practices for employees
- the health and wellness of employees
- information management
- electronic government in the public service
- integrity, ethics, conduct and anti-corruption
- transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.

Selected performance indicators

Table 10.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of selected departments in which the implementation of the productivity management framework is monitored per year	Policy Development, Research and Analysis	Outcome 12: An efficient, effective and development-oriented public service	–1	–1	2	2	2	2	2

Table 10.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of reports on the monitoring of vacancy rate trends and turnaround times for filling vacant positions in the public service submitted to the Minister of Public Service and Administration per year	Labour Relations and Human Resource Management	Outcome 12: An efficient, effective and development-oriented public service	-1	-1	2	2	2	2	2
Number of human resources development forum meetings held per year by the department to provide support to national and provincial departments with the appointment of youth into learnership, internship and artisan programmes in the public service	Labour Relations and Human Resource Management		9	10	10	10	10	10	10
Number of departments supported with the implementation of the e-enablement security guidelines per year	Government Chief Information Officer		-1	-1	-1	-1	2	2	2
Number of service delivery improvement plans received per year from provincial and national departments with quality assessments rated as meeting minimum standards	Service Delivery Support		-1	-1	123	78	78	78	78
Number of national workshops per year to support departments in preparing for the implementation of the directive on compulsory capacity development, mandatory training days and minimum entry requirements for senior management members in the public service	Governance of Public Administration		-1	-1	-1	4	4	4	4

1. No historical data available.

Expenditure analysis

The National Development Plan (NDP) emphasises the need for well-run and effectively coordinated state institutions and an anti-corruption system that will encourage accountability among public servants. These long-term objectives guide the department's strategic plan and activities over the medium term, as does outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework. In the period ahead, the department plans to promote working in the public service as a career of choice, improve management and operations systems, strengthen accountability to citizens at the point of service delivery, and cultivate integrity within the public service.

An average of 48.2 per cent of the department's total budget over the medium term is allocated to transfers and subsidies for the operations of the National School of Government, the Public Service Commission and the Centre for Public Service Innovation. These departments provide public servants access to knowledge and skills, promote the principles of public administration, and foster innovation in the public service. Compensation of employees, the department's second-largest area of spending, accounts for 31.5 per cent of the total budget over the medium term. The department has a staff complement of approximately 444, who work with personnel across government to strengthen the public service's contribution to national development.

Making public service a career of choice

The department plans to hold annual human resources development forums to assist national and provincial departments in appointing youth into public-service learnerships, internships and artisan programmes to strengthen government's role in the development of technical skills and specialist professionals. The forums provide human resources managers access to learning networks to share information and best practice models, and information on current developments in human resources that affect service delivery. This activity is funded through the *Human Resource Development* subprogramme, which accounts for R14.6 million, or 6.8 per cent, of the total budget in the *Labour Relations and Human Resource Management* programme over the medium term. The 2014-2019 medium-term strategic framework envisages the appointment of 20 000 young people per year into these skills programmes across government departments over the medium term.

Funds allocated to this subprogramme over the medium term will also be spent on establishing a formal graduate recruitment scheme to attract graduates into the public service. A feasibility study of the scheme was conducted in 2014/15, and consultations on its findings and recommendations took place in 2015/16. The department aims to pilot the scheme in 2017/18, and monitor and evaluate it in 2018/19 for a planned rollout in 2019/20.

The NDP further highlights the need to make adequate experience a prerequisite for senior posts, and suggests that the extensive use of consultant services across government is a result of premature promotions. The plan recognises that, although many skills can only be developed on the job, public-service employees are often promoted before they have acquired the experience needed for senior positions. To strengthen the recruitment and development of senior managers, in early 2015/16 the department issued a directive on compulsory capacity development, mandatory training days and minimum entry requirements for senior management services. Accordingly, over the medium term, the department plans to host four national workshops each year that aim to assist departments in implementing the directive. The workshops will be conducted by five of the seven employees in the *Leadership Management* subprogramme, which accounts for 13.2 per cent, or R19.8 million, of the operational budget of the *Governance of Public Administration* programme.

The department will continue to make transfers to the National School of Government and oversee its operations. Over the medium term, a projected R517.7 million, or 61.7 per cent of the *Service Delivery Support* programme's budget, will be transferred to the school. The transfers were reduced by R91.3 million in 2016/17 because of the surplus the school had accumulated over the years. However, they are expected to increase overall by 37.3 per cent over the medium term, from R71.1 million in 2016/17 to R183.9 million in 2019/20.

Improving management and operations systems

To improve the efficiency and effectiveness of frontline service delivery, the operations management framework was developed and approved in 2015 with the aim of addressing service delivery challenges. The department aims to deepen the institutionalisation of the framework and toolkits over the medium term, focusing on three selected departments. These activities are funded through the *Service Delivery Improvement Initiatives* subprogramme, which accounts for 28.6 per cent of the operational budget in the *Service Delivery Support* programme over the medium term. The total budget in the subprogramme is expected to grow at an average annual rate of 8 per cent, from R13.7 million in 2016/17 to R17.3 million in 2019/20.

Strengthening accountability to citizens

Over the medium term, the department will aim to strengthen accountability to citizens at the point of service delivery by implementing strategies to monitor the quality of services and effecting the required improvements. These strategies include rolling out the complaints and compliments framework, which allows citizens to provide feedback on the quality of services they receive. The department will also follow up on complaints and compliments, prioritising support to departments such as the Department of Labour, the Department of Police, the Department of Health, and the Department of Justice and Constitutional Development. These departments are prioritised because they are among those that deliver essential services directly to citizens. The department will also continue to assess the service delivery improvement plans of 78 national and provincial departments each year, and make recommendations on the necessary improvements.

In addition, the department will monitor and support national and provincial departments in the implementation of the Public Service Charter, which was launched in 2013 to improve performance, and enhance and fast-track service delivery. These activities will be carried out in the *Service Delivery Improvement Initiatives* subprogramme, which accounts for R48.9 million, or 6.6 per cent, of the total budget in the *Service Delivery Support* programme over the medium term.

Furthermore, the department plans to strengthen citizen participation through public participation mechanisms and social dialogue initiatives such as the Open Government Partnership and the African Peer Review Mechanism. These initiatives aim to enhance active civil society partnerships through active citizenry and ownership to influence processes that improve service delivery, accountability, transparency, openness and trust in the public service. In this regard, six public participation consultations with other government departments and civil society organisations are planned per year over the medium term, which will be funded through the *Public Participation and Social Dialogue* subprogramme. The department has budgeted R1.5 million per year

for membership fees to the Open Government Partnership and R2 million per year for activities relating to the African Peer Review Mechanism.

Cultivating integrity in the public service

Over the medium term, the department plans to provide support to all national and provincial departments on the implementation of the 2013 public-service integrity management framework, which aims to strengthen standards and measures for managing integrity and promoting ethical conduct in the public service. The framework helps departments discourage and respond to unethical conduct that can arise as a result of financial interests, gifts, hospitality and other benefits related to public-service work and remunerated work outside the public service while still in its employ. This support is budgeted for in the *Ethics and Integrity Management* subprogramme, which accounts for R44.4 million, or 4.7 per cent, of the total budget in the *Governance of Public Administration* programme over the medium term. As part of the implementation of the Public Administration Management Act (2014), the department will also be responsible for coordinating the management of disciplinary matters across government. This function was assigned to the department in 2015/16 and accounts for the increase in expenditure in the *Ethics and Integrity Management* subprogramme over the medium term, from R10.7 million in 2015/16 to R15.9 million in 2019/20.

The department will continue to facilitate the transfer payment to the Public Service Commission, which is responsible for overseeing and evaluating the functioning of the public service with a view to establish good governance and principles of best practice. Transfer payments to the commission account for 83.8 per cent of the total budget in the *Governance of Public Administration* programme over the medium term.

Expenditure trends

Table 10.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration 2. Policy Development, Research and Analysis 3. Labour Relations and Human Resource Management 4. Government Chief Information Officer 5. Service Delivery Support 6. Governance of Public Administration														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	202.4	197.7	212.6	217.8	222.6	200.3	219.7	221.4	215.8	215.7	223.0	223.0	99.5%	98.5%
Programme 2	33.4	30.7	25.4	28.2	33.2	31.7	37.5	38.6	32.3	32.1	28.3	28.3	89.8%	90.0%
Programme 3	52.1	78.2	54.8	76.1	82.8	62.8	68.6	73.6	67.6	81.4	77.5	74.9	93.5%	83.3%
Programme 4	26.4	23.3	21.1	25.3	25.3	17.2	21.5	21.5	20.2	20.9	18.9	19.3	82.7%	87.4%
Programme 5	216.0	215.4	219.0	221.6	217.1	209.8	220.7	219.6	231.2	138.1	156.5	156.5	102.5%	101.0%
Programme 6	262.9	261.1	252.8	281.4	269.4	266.0	269.0	272.9	273.9	282.3	275.7	275.7	97.5%	99.0%
Total	793.1	806.4	785.8	850.4	850.4	787.8	837.0	847.6	840.9	770.4	779.8	777.7	98.2%	97.2%
Change to 2016 Budget estimate											9.5			
Economic classification														
Current payments	456.0	467.4	421.4	478.6	475.3	390.6	443.2	444.1	429.9	443.8	434.1	431.9	91.9%	91.9%
Compensation of employees	259.3	267.2	230.7	265.8	259.2	229.1	277.8	276.0	242.5	272.8	270.5	269.0	90.3%	90.5%
Goods and services	196.3	200.3	190.7	212.7	216.1	161.5	165.4	168.1	187.4	171.0	163.6	162.9	94.2%	93.9%
Interest and rent on land	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	334.1	334.6	356.5	365.5	367.2	389.6	391.5	400.2	404.3	323.6	335.5	335.5	105.0%	103.4%
Departmental agencies and accounts	333.2	333.2	354.6	364.6	364.6	386.6	390.7	395.9	399.2	321.6	332.4	332.4	-	-
Foreign governments and international organisations	0.9	0.9	1.0	0.8	0.8	0.6	0.8	2.1	1.9	2.1	2.2	2.2	125.0%	94.7%
Households	-	0.6	0.8	-	1.7	2.4	-	2.2	3.2	-	0.8	0.8	-	135.8%
Payments for capital assets	3.0	4.3	7.7	6.3	7.9	7.1	2.3	3.3	6.7	3.0	10.3	10.3	217.8%	124.2%
Buildings and other fixed structures	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	2.6	4.3	7.3	5.9	7.4	7.1	2.1	3.1	6.7	3.0	10.3	10.3	231.3%	125.6%
Software and other intangible assets	-	-	0.5	0.5	0.5	-	0.2	0.2	-	-	-	-	73.3%	73.3%
Payments for financial assets	-	0.1	0.2	-	-	0.4	-	-	0.1	-	-	-	-	704.3%
Total	793.1	806.4	785.8	850.4	850.4	787.8	837.0	847.6	840.9	770.4	779.8	777.7	98.2%	97.2%

Expenditure estimates

Table 10.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Policy Development, Research and Analysis									
3. Labour Relations and Human Resource Management									
4. Government Chief Information Officer									
5. Service Delivery Support									
6. Governance of Public Administration									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	223.0	4.1%	26.7%	230.7	243.0	260.3	5.3%	26.4%	
Programme 2	28.3	-2.7%	3.7%	34.4	36.9	39.4	11.7%	3.8%	
Programme 3	74.9	-1.4%	8.1%	70.1	62.4	66.5	-3.9%	7.5%	
Programme 4	19.3	-6.2%	2.4%	21.5	23.1	24.2	7.9%	2.4%	
Programme 5	156.5	-10.1%	25.6%	247.9	266.5	283.1	21.8%	26.3%	
Programme 6	275.7	1.8%	33.5%	292.5	312.8	334.9	6.7%	33.5%	
Total	777.7	-1.2%	100.0%	897.1	944.6	1 008.5	9.1%	100.0%	
Change to 2016 Budget estimate				(3.7)	(4.1)	(4.9)			
Economic classification									
Current payments	431.9	-2.6%	52.4%	451.6	466.9	498.6	4.9%	51.0%	
Compensation of employees	269.0	0.2%	30.4%	275.7	288.5	310.5	4.9%	31.5%	
Goods and services	162.9	-6.7%	22.0%	175.9	178.5	188.2	4.9%	19.4%	
Transfers and subsidies	335.5	0.1%	46.5%	442.5	474.6	506.6	14.7%	48.5%	
Provinces and municipalities	-	44.2%	-	-	-	-	-	-	
Departmental agencies and accounts	332.4	-0.1%	46.1%	440.4	472.3	504.2	14.9%	48.2%	
Foreign governments and international organisations	2.2	34.2%	0.2%	2.1	2.3	2.4	2.9%	0.2%	
Households	0.8	14.4%	0.2%	-	-	-	-100.0%	-	
Payments for capital assets	10.3	34.3%	1.0%	3.0	3.2	3.3	-31.4%	0.5%	
Machinery and equipment	10.3	34.3%	1.0%	3.0	3.2	3.3	-31.4%	0.5%	
Payments for financial assets	-	-63.5%	-	-	-	-	-100.0%	-	
Total	777.7	-1.2%	100.0%	897.1	944.6	1 008.5	9.1%	100.0%	

Goods and services expenditure trends and estimates

Table 10.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R thousand											
Administrative fees	3 604	2 268	1 620	2 486	-11.6%	1.4%	2 995	3 139	3 318	10.1%	1.7%
Advertising	12 971	6 860	4 835	3 889	-33.1%	4.1%	4 013	3 567	3 763	-1.1%	2.2%
Minor assets	904	773	357	423	-22.4%	0.3%	2 044	2 267	2 393	78.2%	1.0%
Audit costs: External	3 877	5 003	4 116	3 626	-2.2%	2.4%	4 496	4 772	5 035	11.6%	2.5%
Bursaries: Employees	467	584	446	325	-11.4%	0.3%	380	398	420	8.9%	0.2%
Catering: Departmental activities	4 951	5 349	4 212	1 746	-29.3%	2.3%	2 353	2 445	2 620	14.5%	1.3%
Communication	6 038	5 325	8 516	6 253	1.2%	3.7%	6 770	6 967	7 350	5.5%	3.9%
Computer services	19 424	17 910	18 817	19 309	-0.2%	10.7%	20 708	21 102	22 184	4.7%	11.8%
Consultants: Business and advisory services	12 604	6 915	11 729	6 054	-21.7%	5.3%	7 216	7 229	7 685	8.3%	4.0%
Legal services	1 823	1 532	-	1 152	-14.2%	0.6%	768	822	867	-9.0%	0.5%
Science and technological services	-	671	2 069	-	-	0.4%	-	-	-	-	-
Contractors	6 380	3 916	6 513	4 391	-11.7%	3.0%	3 609	3 626	3 841	-4.4%	2.2%
Agency and support/outsourced services	549	1 351	1 019	1 284	32.7%	0.6%	2 524	2 168	2 306	21.6%	1.2%
Entertainment	172	52	51	104	-15.4%	0.1%	121	147	155	14.2%	0.1%
Fleet services (including government motor transport)	1 648	2 195	1 786	2 411	13.5%	1.1%	3 015	3 821	4 042	18.8%	1.9%
Consumable supplies	2 629	2 149	1 946	2 017	-8.5%	1.2%	1 134	1 039	1 092	-18.5%	0.7%
Consumables: Stationery, printing and office supplies	3 984	3 128	3 849	3 883	-0.9%	2.1%	4 542	5 126	6 434	18.3%	2.8%
Operating leases	23 155	27 567	38 235	49 466	28.8%	19.7%	43 850	44 548	26 151	-19.1%	23.2%
Rental and hiring	1 072	1 906	5 642	319	-33.2%	1.3%	2 000	2 190	2 257	92.0%	1.0%
Property payments	7 289	7 751	7 744	7 604	1.4%	4.3%	15 968	18 262	39 219	72.8%	11.5%
Transport provided: Departmental activity	30	1 599	136	294	114.0%	0.3%	436	469	495	19.0%	0.2%
Travel and subsistence	57 102	40 220	45 654	32 788	-16.9%	25.0%	30 674	29 660	30 998	-1.9%	17.6%
Training and development	3 340	2 964	3 468	3 054	-2.9%	1.8%	3 219	3 256	3 495	4.6%	1.8%
Operating payments	7 412	8 572	5 429	9 012	6.7%	4.3%	8 440	6 936	7 334	-6.6%	4.5%
Venues and facilities	9 306	4 962	9 176	1 731	-42.9%	3.6%	4 613	4 529	4 741	39.9%	2.2%
Total	190 731	161 522	187 365	163 621	-5.0%	100.0%	175 888	178 485	188 195	4.8%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 10.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Provinces and municipalities											
Municipal bank accounts											
Current	4	5	4	6	14.5%	-	6	6	6	-	-
Vehicle licences	4	5	4	6	14.5%	-	6	6	6	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	354 634	386 587	399 194	332 418	-2.1%	99.1%	440 250	472 147	504 016	14.9%	99.4%
Communication	1	-	-	24	188.4%	-	25	26	27	4.0%	-
National School of Government	131 922	138 508	140 439	71 067	-18.6%	32.4%	160 506	173 291	183 890	37.3%	33.5%
Centre for Public Service Innovation	21 571	22 553	29 003	32 094	14.2%	7.1%	34 055	36 030	38 437	6.2%	8.0%
Public Service Commission	201 140	225 526	229 752	229 233	4.5%	59.6%	245 664	262 800	281 662	7.1%	58.0%
Foreign governments and international organisations											
Current	1 016	625	1 852	2 195	29.3%	0.4%	2 142	2 268	2 395	2.9%	0.5%
African Association for Public Administration and Management	160	-	245	300	23.3%	-	302	319	337	4.0%	0.1%
African Training and Research Centre in Administration for Development	429	342	-	380	-4.0%	0.1%	-	-	-	-100.0%	-
International Institute of Administration Services	-	34	33	50	-	-	60	70	74	14.0%	-
Open Government Partnership	-	-	1 270	1 245	-	0.2%	1 504	1 588	1 677	10.4%	0.3%
Organisation for Economic Cooperation and Development	427	249	244	220	-19.8%	0.1%	276	291	307	11.7%	0.1%
Commonwealth Association for Public Administration and Management	-	-	60	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	816	2 374	3 204	845	1.2%	0.5%	-	-	-	-100.0%	-
Employee social benefits	526	737	3 043	634	6.4%	0.3%	-	-	-	-100.0%	-
Employee social benefits	290	417	161	211	-10.1%	0.1%	-	-	-	-100.0%	-
Claims against the state	-	1 220	-	-	-	0.1%	-	-	-	-	-
Total	356 470	389 591	404 254	335 464	-2.0%	100.0%	442 398	474 421	506 417	14.7%	100.0%

Personnel information

Table 10.6 Vote personnel numbers and cost by salary level and programme¹

Programmes												Number							
1. Administration												Average growth rate (%)	Average: Salary level/Total (%)						
2. Policy Development, Research and Analysis																			
3. Labour Relations and Human Resource Management																			
4. Government Chief Information Officer																			
5. Service Delivery Support																			
6. Governance of Public Administration																			
Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment									Number								
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2016/17 - 2019/20					
		2015/16	2016/17	2017/18	2018/19	2019/20													
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20					
Public Service and Administration																			
Salary level	485	55	469	242.5	0.5	476	269.0	0.6	445	275.7	0.6	444	288.5	0.6	442	310.5	0.7	-2.4%	100.0%
1 - 6	136	26	151	29.5	0.2	151	31.3	0.2	140	31.3	0.2	139	33.3	0.2	137	36.8	0.3	-3.2%	31.4%
7 - 10	129	3	123	48.1	0.4	127	55.4	0.4	121	59.1	0.5	121	62.1	0.5	121	67.7	0.6	-1.6%	27.1%
11 - 12	102	-	93	65.3	0.7	94	73.6	0.8	89	74.6	0.8	89	76.5	0.9	89	82.0	0.9	-1.8%	20.0%
13 - 16	116	26	100	95.6	1.0	102	104.5	1.0	93	106.3	1.1	93	111.9	1.2	93	119.0	1.3	-3.0%	21.1%
Other	2	-	2	4.1	2.0	2	4.2	2.1	2	4.5	2.2	2	4.6	2.3	2	4.9	2.4	-	0.4%
Programme	485	55	469	242.5	0.5	476	269.0	0.6	445	275.7	0.6	444	288.5	0.6	442	310.5	0.7	-2.4%	100.0%
Programme 1	244	50	240	100.8	0.4	250	111.2	0.4	240	117.2	0.5	239	121.1	0.5	237	131.6	0.6	-1.8%	53.5%
Programme 2	35	-	33	23.2	0.7	33	22.5	0.7	33	27.0	0.8	33	29.0	0.9	33	31.1	0.9	-	7.3%
Programme 3	89	-	83	46.4	0.6	79	55.0	0.7	63	49.8	0.8	63	50.1	0.8	63	53.6	0.9	-7.3%	14.8%
Programme 4	22	-	21	13.9	0.7	23	15.1	0.7	22	16.0	0.7	22	17.6	0.8	22	18.6	0.8	-1.5%	4.9%
Programme 5	48	4	45	26.0	0.6	48	30.0	0.6	44	31.6	0.7	44	33.8	0.8	44	36.2	0.8	-2.9%	10.0%
Programme 6	47	1	47	32.1	0.7	43	35.2	0.8	43	34.2	0.8	43	36.8	0.9	43	39.3	0.9	-	9.5%

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

2. Rand million.

Departmental receipts

Table 10.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	1 293	979	1 441	653	653	-20.4%	100.0%	687	721	731	3.8%	100.0%
Sales of goods and services produced by department	261	489	490	411	411	16.3%	37.8%	433	457	457	3.6%	63.0%
Sales by market establishments of which:												
<i>Parking</i>	188	206	199	130	130	-11.6%	16.6%	150	170	170	9.4%	22.2%
Administrative fees of which:												
<i>Commission</i>	71	78	78	80	80	4.1%	7.0%	81	85	85	2.0%	11.9%
<i>Replacement of access cards</i>	2	-	-	1	1	-20.6%	0.1%	2	2	2	26.0%	0.3%
Other sales of which:												
<i>Sale of capital assets</i>	-	205	213	200	200	-	14.2%	200	200	200	-	28.7%
Transfers received	675	-	-	-	-	-100.0%	15.5%	-	-	-	-	-
Interest, dividends and rent on land	2	11	4	2	2	-	0.4%	4	4	4	26.0%	0.5%
Interest	2	11	4	2	2	-	0.4%	4	4	4	26.0%	0.5%
Transactions in financial assets and liabilities	355	479	947	240	240	-12.2%	46.3%	250	260	270	4.0%	36.5%
Total	1 293	979	1 441	653	653	-20.4%	100.0%	687	721	731	3.8%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department, and coordinate the department's international relations.

Expenditure trends and estimates

Table 10.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	76.9	47.4	39.3	41.9	-18.3%	24.1%	42.6	44.4	49.2	5.5%	18.6%
Departmental Management	2.3	2.8	3.1	3.2	11.3%	1.3%	3.3	3.5	3.7	5.5%	1.4%
Corporate Services	67.0	77.1	82.2	80.4	6.3%	36.0%	80.9	83.7	90.1	3.9%	35.0%
Finance Administration	20.6	23.5	26.5	25.6	7.6%	11.3%	26.7	28.6	30.4	5.9%	11.6%
Internal Audit	5.1	4.0	5.9	5.0	-0.6%	2.4%	6.1	6.5	6.9	11.3%	2.6%
Legal Services	4.7	5.2	5.6	5.2	3.8%	2.4%	6.4	6.8	7.3	11.6%	2.7%
International Relations	11.7	9.0	9.4	10.1	-4.9%	4.7%	10.7	11.5	12.3	6.8%	4.7%
Office Accommodation	24.3	31.2	43.8	51.5	28.4%	17.7%	54.0	58.1	60.4	5.4%	23.4%
Total	212.6	200.3	215.8	223.0	1.6%	100.0%	230.7	243.0	260.3	5.3%	100.0%
Change to 2016 Budget estimate				7.3			4.7	4.5	6.1		
Economic classification											
Current payments	204.5	193.3	206.8	213.8	1.5%	96.1%	228.5	240.6	257.8	6.4%	98.3%
Compensation of employees	103.4	94.6	100.8	110.5	2.2%	48.1%	117.2	121.1	131.6	6.0%	50.2%
Goods and services ¹ of which:											
<i>Audit costs: External</i>	3.9	5.0	4.1	3.6	-2.2%	2.0%	4.5	4.8	5.0	11.6%	1.9%
<i>Communication</i>	3.4	3.1	3.8	3.0	-4.2%	1.6%	3.5	3.6	3.8	7.7%	1.4%
<i>Computer services</i>	11.0	12.6	12.7	11.3	1.0%	5.6%	12.7	13.2	13.9	7.1%	5.3%
<i>Operating leases</i>	19.8	25.9	38.1	46.0	32.4%	15.3%	40.5	42.3	23.8	-19.7%	16.0%
<i>Property payments</i>	6.5	7.0	6.2	6.0	-2.6%	3.0%	15.1	17.2	38.1	85.5%	8.0%
<i>Travel and subsistence</i>	30.4	19.3	17.0	11.8	-27.0%	9.2%	13.2	13.5	14.2	6.4%	5.5%

Table 10.8 Administration expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	0.9	2.0	3.3	0.9	-0.5%	0.8%	0.5	0.6	0.6	-14.5%	0.3%
Provinces and municipalities	–	–	–	–	14.5%	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	0.2	0.2	0.2	90.9%	0.1%
Foreign governments and international organisations	0.6	0.4	0.3	0.7	7.4%	0.2%	0.4	0.4	0.4	-17.4%	0.2%
Households	0.4	1.7	2.9	0.2	-21.1%	0.6%	–	–	–	-100.0%	–
Payments for capital assets	7.1	4.7	5.7	8.3	5.2%	3.0%	1.6	1.8	1.9	-38.6%	1.4%
Machinery and equipment	6.6	4.7	5.7	8.3	7.7%	3.0%	1.6	1.8	1.9	-38.6%	1.4%
Software and other intangible assets	0.5	–	–	–	-100.0%	0.1%	–	–	–	–	–
Payments for financial assets	–	0.2	0.1	–	-100.0%	–	–	–	–	–	–
Total	212.6	200.3	215.8	223.0	1.6%	100.0%	230.7	243.0	260.3	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	27.1%	25.4%	25.7%	28.6%	–	–	25.7%	25.7%	25.8%	–	–

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

Programme 2: Policy Development, Research and Analysis

Programme purpose

Manage and oversee the formulation, development and review of policies, policy reform and transformation programmes. Manage research and analysis of public-service capacity and reform by conducting productivity, accessibility and continuity studies.

Objectives

- Manage the impact of government reforms on an ongoing basis by:
 - implementing the Public Administration Management Act (2014) in collaboration with the local government sphere
 - advising on public-service reforms that align with public access reforms.
- Promote aligned reforms and good governance practices in the public service on an ongoing basis by:
 - recommending appropriate legislative instruments and tools
 - reviewing policies that support reforms structurally and institutionally.
- Improve public administration reforms and ensure a seamless, integrated government by collaborating with all spheres of government through appropriate reform initiatives on an ongoing basis.
- Ensure the improvement of efficient and effective measures on an ongoing basis through the use of productivity measurement instruments by:
 - providing a framework to link productivity measures to performance measures
 - institutionalising the productivity measurement instrument and reporting on implementation progress
 - maintaining a database for citizen segmentation per ward level.

Subprogrammes

- *Management: Policy Development, Research and Analysis* provides for the administrative support and management of the programme.
- *Policy Oversight, Development and Knowledge Management* oversees, develops, formulates, manages, coordinates and reviews policies within the public service; manages learning networks; and promotes knowledge management.
- *Macro Policy Modelling and Costing* provides for the transversal modelling and forecasting of the department's public-service policies.
- *Integrated Public Sector Reform* manages public sector reforms through the development and monitoring of a public-service reform strategy, which informs policy reviews and advice on the development of the integrated public-service reforms across all spheres of government.

- *Transformation Policies and Programmes* manages the development and supports the implementation of transformation and diversity management policies, practices and frameworks.
- *Research and Analysis* researches and reports on national and international trends and best practices related to public administration, and analyses performance in sector departments.
- *Productivity and Efficiency Studies* designs and implements productivity and efficiency frameworks and instruments, as well as capacity assessment frameworks and instruments for the public service.
- *Public Service Access Norms and Mechanisms* manages and facilitates integrated access and geographic information systems and norms based on population segmentation.

Expenditure trends and estimates

Table 10.9 Policy Development, Research and Analysis 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Management: Policy Development, Research and Analysis	3.2	4.5	3.0	2.6	-6.3%	11.3%	3.3	3.6	3.8	13.2%	9.6%
Policy Oversight, Development and Knowledge Management	3.1	4.5	6.8	4.3	11.7%	15.9%	5.9	6.3	6.7	15.9%	16.7%
Macro Policy Modelling and Costing	–	–	1.1	1.4	–	2.1%	2.7	2.9	3.1	31.8%	7.3%
Integrated Public Sector Reform	6.8	4.9	2.7	1.9	-34.7%	13.8%	2.5	2.6	2.9	15.1%	7.2%
Transformation Policies and Programmes	5.6	5.0	4.9	4.3	-8.2%	16.9%	4.9	5.2	5.6	9.1%	14.4%
Research and Analysis	1.8	1.8	1.8	3.8	28.6%	7.8%	4.2	4.5	4.8	8.1%	12.4%
Productivity and Efficiency Studies	1.9	5.7	7.6	5.8	44.8%	17.8%	6.2	6.7	7.2	7.5%	18.6%
Public Service Access Norms and Mechanisms	3.1	5.4	4.4	4.2	10.7%	14.5%	4.7	5.0	5.3	8.3%	13.8%
Total	25.4	31.7	32.3	28.3	3.6%	100.0%	34.4	36.9	39.4	11.7%	100.0%
Change to 2016 Budget estimate				(3.8)				0.1	0.2		
Economic classification											
Current payments	25.4	31.3	32.1	28.1	3.4%	99.2%	34.2	36.6	39.2	11.8%	99.3%
Compensation of employees	19.0	21.9	23.2	22.5	5.8%	73.6%	27.0	29.0	31.1	11.4%	78.8%
Goods and services ¹	6.4	9.4	8.9	5.6	-4.5%	25.6%	7.2	7.6	8.1	13.4%	20.5%
of which:											
Communication	0.3	0.3	0.3	0.5	24.4%	1.2%	0.5	0.5	0.6	4.3%	1.5%
Computer services	0.5	1.9	0.2	0.5	-0.9%	2.6%	0.7	0.7	0.7	10.3%	1.8%
Consultants: Business and advisory services	0.2	2.7	1.5	0.4	35.7%	4.0%	0.2	0.8	0.9	33.0%	1.6%
Travel and subsistence	2.6	2.4	2.4	2.3	-4.6%	8.2%	2.8	2.9	3.0	10.4%	7.9%
Operating payments	0.1	0.7	2.3	0.7	84.6%	3.2%	0.5	0.5	0.6	-5.3%	1.7%
Venues and facilities	0.8	0.2	0.7	0.1	-49.9%	1.4%	1.1	0.9	0.9	112.4%	2.1%
Transfers and subsidies¹	–	0.1	0.1	–	-66.7%	0.2%	–	–	–	-100.0%	–
Households	–	0.1	0.1	–	-66.7%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	–	0.3	0.1	0.2	99.7%	0.6%	0.2	0.2	0.2	1.5%	0.7%
Machinery and equipment	–	0.3	0.1	0.2	99.7%	0.6%	0.2	0.2	0.2	1.5%	0.7%
Total	25.4	31.7	32.3	28.3	3.6%	100.0%	34.4	36.9	39.4	11.7%	100.0%
Proportion of total programme expenditure to vote expenditure	3.2%	4.0%	3.8%	3.6%	–	–	3.8%	3.9%	3.9%	–	–

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

Programme 3: Labour Relations and Human Resource Management

Programme purpose

Implement and monitor labour relations, human resource management and remuneration policies.

Objectives

- Contribute to the improvement in conditions of service for public servants by monitoring and reporting on the implementation of the resolutions of the Public Service Coordinating Bargaining Council from 2015/16 to 2017/18.
- Evaluate employee turnover in the public service by monitoring trends in vacancy rates and the turnaround times for the filling of vacant posts in the public service, and reporting biannually to the Minister of Public Service and Administration.

- Contribute to the health and safety, and positive morale of public servants by providing support to national and provincial departments on the implementation of the employee health and wellness strategic framework for the public service and the Public Service Charter annually.
- Improve the competency levels of public servants and contribute to the professionalisation of the public service by:
 - piloting a formal graduate recruitment scheme to support departments in attracting and developing youth talent from 2017/18, in accordance with government's 2014-2019 medium-term strategic framework
 - supporting the appointment of 20 000 youth into learnerships, internships and artisan programmes per year over the medium term
 - strengthening the role of the state in the production of technical skills and specialist professionals who are essential to the state's ability to deliver and manage infrastructure programmes and other catalyst projects on an ongoing basis.
- Promote uniformity and consistency in the rewarding of pay and benefits for public servants by drafting a remuneration policy for the public service for stakeholder consultation by March 2018.
- Contribute to improving the management of appropriate conduct within the public service by monitoring and reporting quarterly on the management of disciplinary cases.

Subprogrammes

- *Management: Labour Relations and Human Resource Management* provides administrative support and management to the programme.
- *Labour Relations, Negotiations and Discipline Management* implements and maintains policies and systems on labour relations issues for the public service, coordinates and facilitates discipline management, and ensures coordinated collective bargaining in the Public Service Coordinating Bargaining Council and the General Public Sector Bargaining Council.
- *Workplace Environment Management* develops and supports the implementation of employee health and wellness frameworks and policies within the public service, and ensures the institutionalisation of the Public Service Charter among public-service employees.
- *Human Resource Development* aims to improve the competency level of public servants through targeted capacity development activities. These include internships, learnerships, compulsory courses and skills programmes designed to ensure a constant pool of productive employees through appropriate policies, prescripts, advice and support.
- *Remuneration and Job Grading* develops, implements and maintains policies, practices and systems on remuneration and job grading.
- *Employee Benefits* focuses on the development, implementation and maintenance of policies and practices on general and macro benefits. These include pension benefits, medical assistance, housing allowances, working hours, leave, foreign-service dispensation and remunerative allowances.
- *Human Resource Planning, Employment Practices and Performance Management* manages and supports the implementation of human resources planning and employment policies, frameworks, systems and practices.

Expenditure trends and estimates

Table 10.10 Labour Relations and Human Resource Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20			
R million											
Management: Labour Relations and Human Resource Management	3.0	3.1	3.9	3.4	5.0%	5.1%	3.8	4.0	4.3	7.8%	5.6%
Labour Relations, Negotiations and Discipline Management	10.7	8.0	8.2	8.7	-6.6%	13.5%	7.8	8.0	8.5	-0.6%	11.9%
Workplace Environment Management	6.5	5.5	6.4	5.4	-6.3%	9.0%	4.7	4.8	5.1	-1.5%	7.2%
Human Resource Development	7.3	6.0	4.4	4.2	-16.8%	8.4%	5.1	4.6	4.9	5.4%	6.8%
Remuneration and Job Grading	10.3	18.6	19.9	26.0	36.2%	28.5%	20.2	11.3	12.0	-22.8%	25.1%
Employee Benefits	8.0	11.3	13.9	17.9	31.0%	19.4%	15.5	16.0	17.0	-1.7%	24.0%
Human Resource Planning, Employment Practices and Performance Management	9.2	10.2	10.9	11.9	9.0%	16.1%	13.0	13.7	14.7	7.4%	19.2%
Total	54.8	62.8	67.6	77.5	12.2%	100.0%	70.1	62.4	66.5	-5.0%	100.0%
Change to 2016 Budget estimate				(3.9)			(4.5)	(4.8)	(5.5)		
Economic classification											
Current payments	54.4	61.4	67.0	76.3	12.0%	98.6%	69.6	62.0	66.1	-4.7%	99.1%
Compensation of employees	38.8	45.3	46.4	57.6	14.1%	71.6%	49.8	50.1	53.6	-2.3%	76.4%
Goods and services ¹	15.6	16.0	20.6	18.8	6.4%	27.0%	19.9	11.8	12.5	-12.7%	22.8%
of which:											
Communication	0.7	0.7	0.8	1.0	11.9%	1.2%	0.9	0.8	0.9	-4.1%	1.3%
Computer services	0.2	1.7	1.7	2.2	114.0%	2.2%	2.2	1.8	1.9	-5.7%	3.0%
Consultants: Business and advisory services	1.8	2.0	5.6	2.1	5.3%	4.4%	2.2	0.9	1.0	-22.7%	2.2%
Travel and subsistence	5.5	5.9	6.6	5.8	1.3%	9.1%	6.1	4.1	4.3	-9.2%	7.3%
Operating payments	0.4	0.5	0.3	1.6	58.5%	1.1%	2.7	0.6	0.6	-28.8%	2.0%
Venues and facilities	1.5	1.4	1.6	0.4	-33.7%	1.9%	1.3	1.4	1.5	50.2%	1.7%
Transfers and subsidies¹	0.3	0.5	0.1	0.5	20.7%	0.5%	-	-	-	-100.0%	0.2%
Households	0.3	0.5	0.1	0.5	20.7%	0.5%	-	-	-	-100.0%	0.2%
Payments for capital assets	0.1	0.9	0.5	0.6	75.1%	0.8%	0.5	0.4	0.4	-11.4%	0.7%
Machinery and equipment	0.1	0.9	0.5	0.6	75.1%	0.8%	0.5	0.4	0.4	-11.4%	0.7%
Total	54.8	62.8	67.6	77.5	12.2%	100.0%	70.1	62.4	66.5	-5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	7.0%	8.0%	8.0%	9.9%	-	-	7.8%	6.6%	6.6%	-	-

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

Programme 4: Government Chief Information Officer

Programme purpose

Create an environment for the deployment of IT as a strategic tool of public administration. Minimise and control IT-related risks and costs in the public service.

Objectives

- Improve ICT security across the public service by:
 - supporting departments with the implementation of the e-enablement security guidelines on an ongoing basis
 - monitoring the implementation of the e-enablement security guidelines throughout the public service on an ongoing basis.
- Contribute to making ICT an enabler for improved service delivery in the public service by monitoring and mitigating mechanisms to improve e-enablement and reporting on the management of obsolete technology on an ongoing basis.
- Reduce IT costs in the public service by devising mechanisms that enable government to leverage economies of scale and support the uptake of ICT in the public service by March 2019.

Subprogrammes

- *Management: Government Chief Information Officer* provides for administrative support and management to the programme.
- *Public Service ICT E-Enablement* develops a common public-service vision and approach to ICT service delivery through the development and support of an ICT strategy.
- *Public Service ICT Stakeholder Management* coordinates and consolidates public-service efforts in ICT to deploy ICT as a tool for service delivery, and manages the development of and supports the implementation of ICT governance and oversight policies and frameworks.
- *Public Service ICT Risk Management* reduces and controls public-service ICT risks through the continuous improvement of ICT corporate governance in the public service based on identified risks in the fast-changing ICT environment.
- *Public Service ICT Service Management* minimises ICT costs in the public service by aligning ICT service provision with the ICT strategy, and developing and implementing related policies.

Expenditure trends and estimates

Table 10.11 Government Chief Information Officer 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Management: Government Chief Information Officer	2.7	3.1	3.2	2.2	-5.8%	14.5%	3.0	3.2	3.3	14.2%	13.4%
Public Service ICT E-Enablement	4.4	4.0	6.1	5.2	5.6%	25.6%	6.1	6.1	6.5	7.6%	27.3%
Public Service ICT Stakeholder Management	9.0	5.6	6.7	6.1	-12.3%	35.4%	6.7	7.6	8.1	10.2%	32.5%
Public Service ICT Risk Management	3.3	3.4	3.2	4.0	6.6%	18.2%	4.4	4.8	4.7	5.0%	20.4%
Public Service ICT Service Management	1.6	1.1	0.9	1.3	-8.1%	6.3%	1.3	1.4	1.5	6.2%	6.3%
Total	21.1	17.2	20.2	18.9	-3.7%	100.0%	21.5	23.1	24.2	8.6%	100.0%
Change to 2016 Budget estimate				(2.0)			(0.7)	(0.4)	(1.0)		
Economic classification											
Current payments	21.0	16.5	19.9	18.6	-3.9%	98.1%	21.4	23.0	24.0	8.9%	99.2%
Compensation of employees	11.4	13.0	13.9	14.7	9.0%	68.5%	16.0	17.6	18.6	8.2%	76.3%
Goods and services ¹	9.6	3.5	5.9	3.9	-26.0%	29.7%	5.3	5.4	5.4	11.5%	22.9%
of which:											
Minor assets	–	–	–	–	16.6%	0.1%	0.5	0.2	0.2	79.0%	1.1%
Communication	0.2	0.2	2.1	0.3	12.9%	3.7%	0.3	0.4	0.4	5.4%	1.6%
Computer services	0.4	0.8	0.2	1.2	44.3%	3.4%	1.2	1.3	1.4	5.2%	5.9%
Travel and subsistence	2.4	1.4	1.1	1.1	-23.9%	7.8%	1.3	1.5	1.2	4.8%	5.8%
Training and development	0.3	0.4	0.4	0.1	-28.7%	1.6%	0.3	0.4	0.4	53.8%	1.3%
Venues and facilities	1.6	0.1	0.5	0.2	-52.2%	3.2%	0.5	0.4	0.3	24.0%	1.5%
Transfers and subsidies¹	0.1	–	0.1	0.1	11.5%	0.4%	–	–	–	-100.0%	0.1%
Households	0.1	–	0.1	0.1	11.5%	0.4%	–	–	–	-100.0%	0.1%
Payments for capital assets	–	0.5	0.2	0.2	59.8%	1.3%	0.1	0.1	0.1	-2.5%	0.7%
Machinery and equipment	–	0.5	0.2	0.2	59.8%	1.3%	0.1	0.1	0.1	-2.5%	0.7%
Payments for financial assets	–	0.1	–	–	-100.0%	0.2%	–	–	–	–	–
Total	21.1	17.2	20.2	18.9	-3.7%	100.0%	21.5	23.1	24.2	8.6%	100.0%
Proportion of total programme expenditure to vote expenditure	2.7%	2.2%	2.4%	2.4%	–	–	2.4%	2.5%	2.4%	–	–

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

Programme 5: Service Delivery Support

Programme purpose

Manage and facilitate the improvement of service delivery in government.

Objectives

- Contribute to the improvement of service delivery in the public service by:
 - providing technical support through workshops on the mapping of business processes and the development of standard operating procedures to at least three priority departments per year over the medium term
 - supporting selected departments to institutionalise the public service productivity management framework, and monitoring and reporting on the improvements in turnaround times on the services that the Department of Public Service and Administration renders to the public on an ongoing basis
 - assisting departments in improving the quality of their service delivery improvement plans by annually assessing and providing feedback on the quality of the plans submitted
 - managing and administering the urban Thusong service centre at Maponya Mall (Gauteng) on an ongoing basis
 - facilitating and coordinating the implementation of the community development programme on an ongoing basis
 - managing citizen relations and engagement through service delivery improvement forums on an ongoing basis.
- Ensure South Africa's compliance with the African Peer Review Mechanism by monitoring progress on the implementation of the African Peer Review Mechanism's national programme of action on an ongoing basis.
- Enhance the implementation of Batho Pele principles by:
 - monitoring and reporting on the implementation of Batho Pele principles by prioritised departments annually
 - conducting an impact assessment of the implementation of service standards in 2018/19.

Subprogrammes

- *Management: Service Delivery Support* provides administrative support and management to the programme.
- *Service Delivery Planning and Operations Management* manages public-service delivery planning and operations management through service standards, delivery models and standard operating procedures; and designs toolkits and instruments that support improved service delivery.
- *Service Delivery Improvement Initiatives* manages and supports continuous service delivery improvement mechanisms, programmes and initiatives across the public service.
- *Community Development and Citizen Relations* facilitates and coordinates the implementation of community development programmes, and manages citizen relations through service delivery improvement forums.
- *Public Participation and Social Dialogue* manages, coordinates and promotes the implementation of the African Peer Review Mechanism and public participation programmes, including the open government partnership project.
- *Batho Pele Support Initiatives* manages service delivery complaints and assists departments in designing service delivery charters with citizens and communities, and also promotes the professionalisation of public servants through change management programmes that institutionalise Batho Pele principles.
- *Centre for Public Service Innovation* facilitates transfer payments to the Centre for Public Service Innovation, which unlocks innovation in the public sector and creates an enabling environment for improved and innovative service delivery through capacity development activities.
- *National School of Government* facilitates transfer payments to the National School of Government to fund the school's management and administrative support; and the augmentation of the training trading entity, which aims to enhance the quality, extent and influence of public sector management and leadership

development. It does this through collaboration with other training service providers, compulsory training programmes, and the facilitation of training for all spheres of government.

Expenditure trends and estimates

Table 10.12 Service Delivery Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Management: Service Delivery Support	3.2	4.5	4.6	3.9	7.2%	2.0%	3.6	3.8	4.0	0.7%	1.6%
Service Delivery Planning and Operations Management	3.8	3.0	3.7	3.4	-3.7%	1.7%	3.4	3.7	3.9	5.3%	1.5%
Service Delivery Improvement Initiatives	14.5	17.3	15.9	13.7	-1.9%	7.5%	15.4	16.3	17.3	8.0%	6.6%
Community Development and Citizen Relations	5.5	5.1	7.5	8.4	15.1%	3.2%	8.0	8.5	9.1	3.0%	3.6%
Public Participation and Social Dialogue	20.3	8.2	19.4	15.2	-9.2%	7.7%	14.1	15.3	16.2	2.3%	6.4%
Batho Pele Support Initiatives	18.3	10.7	10.6	8.8	-21.6%	5.9%	8.9	9.5	10.2	5.0%	3.9%
Centre for Public Service Innovation	21.6	22.6	29.0	32.1	14.2%	12.9%	34.1	36.0	38.4	6.2%	14.7%
National School of Government	131.9	138.5	140.4	71.1	-18.6%	59.0%	160.5	173.3	183.9	37.3%	61.7%
Total	219.0	209.8	231.2	156.5	-10.6%	100.0%	247.9	266.5	283.1	21.8%	100.0%
Change to 2016 Budget estimate				18.5			3.9	4.0	5.3		
Economic classification											
Current payments	65.1	48.2	60.3	51.4	-7.6%	27.6%	51.6	55.3	58.8	4.6%	22.7%
Compensation of employees	22.5	22.8	26.0	30.0	10.1%	12.4%	31.6	33.8	36.2	6.4%	13.8%
Goods and service ¹	42.6	25.4	34.3	21.4	-20.5%	15.1%	20.0	21.4	22.6	1.9%	9.0%
of which:											
Advertising	6.8	2.0	1.5	1.2	-43.1%	1.4%	1.7	1.2	1.3	1.3%	0.6%
Contractors	2.7	1.7	1.4	2.2	-6.9%	1.0%	2.9	3.3	3.5	18.0%	1.3%
Operating leases	3.3	1.6	0.1	1.1	-29.8%	0.8%	2.4	2.2	2.3	27.2%	0.8%
Rental and hiring	0.7	1.8	3.7	0.3	-25.2%	0.8%	1.7	1.9	1.9	86.9%	0.6%
Travel and subsistence	9.1	7.1	13.9	9.0	-0.5%	4.8%	3.6	3.9	4.1	-23.0%	2.2%
Operating payments	2.4	3.0	0.5	0.6	-36.8%	0.8%	1.6	1.7	1.8	43.2%	0.6%
Transfers and subsidies¹	153.5	161.1	170.7	104.4	-12.0%	72.2%	196.1	210.9	224.0	29.0%	77.1%
Departmental agencies and accounts	153.5	161.1	169.4	103.2	-12.4%	71.9%	194.6	209.3	222.3	29.2%	76.5%
Foreign governments and international organisations	-	-	1.3	1.2	-	0.3%	1.5	1.6	1.7	10.4%	0.6%
Households	-	0.1	-	-	58.7%	-	-	-	-	-100.0%	-
Payments for capital assets	0.4	0.4	0.1	0.7	26.5%	0.2%	0.3	0.3	0.3	-24.2%	0.2%
Machinery and equipment	0.4	0.4	0.1	0.7	26.5%	0.2%	0.3	0.3	0.3	-24.2%	0.2%
Payments for financial assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	219.0	209.8	231.2	156.5	-10.6%	100.0%	247.9	266.5	283.1	21.8%	100.0%
Proportion of total programme expenditure to vote expenditure	27.9%	26.6%	27.5%	20.1%	-	-	27.6%	28.2%	28.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	153.5	161.1	169.4	103.2	-12.4%	71.9%	194.6	209.3	222.3	29.2%	76.5%
National School of Government	131.9	138.5	140.4	71.1	-18.6%	59.0%	160.5	173.3	183.9	37.3%	61.7%
Centre for Public Service Innovation	21.6	22.6	29.0	32.1	14.2%	12.9%	34.1	36.0	38.4	6.2%	14.7%
Foreign governments and international organisations											
Current	-	-	1.3	1.2	-	0.3%	1.5	1.6	1.7	10.4%	0.6%
Open Government Partnership	-	-	1.3	1.2	-	0.3%	1.5	1.6	1.7	10.4%	0.6%

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

Programme 6: Governance of Public Administration

Programme purpose

Manage and oversee the implementation of policies, strategies and programmes on public-service integrity, intergovernmental relations, the macro organisation of the state, organisational design and senior leadership management. Manage government intervention programmes.

Objectives

- Manage the risk of corruption in the public service on an ongoing basis by:

- monitoring and reporting on the implementation of the financial disclosure framework by departments
- monitoring and reporting on the implementation of the determination on other remunerative work by public-service employees to ensure that public-service employees, as individuals or through companies, do not conduct business with the state.
- Enhance and promote the quality of organisational structures in the public service by providing ongoing support to national and provincial departments on organisational design through the implementation of organisational design tools and frameworks, training and support for implementation.
- Improve transparency, responsibility and accountability in the public service on an annual basis by:
 - supporting selected national and provincial departments in the implementation of the standardised delegation principles and templates
 - monitoring and reporting on departments' compliance to these principles and templates.
- Monitor the implementation of outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework throughout the public service by:
 - coordinating quarterly reporting to the governance and administration cluster, and Cabinet
 - evaluating compliance with legislation and determinations pertaining to public-service administration through the establishment of an office of standards and compliance with set standards over the medium term.
- Strengthen the recruitment and development practices of senior managers on an ongoing basis by:
 - supporting the implementation of and monitoring compliance with the directive on compulsory capacity development
 - providing training days and minimum entry requirements for senior management members in the public service.

Subprogrammes

- *Management: Governance of Public Administration* provides administrative support and management to the programme.
- *Ethics and Integrity Management* develops and manages policies, strategies and programmes on ethics and integrity in the public service.
- *Organisational Design and Macro Organisation of the Public Service* develops, manages and supports the implementation of organisational design and macro organisational policies and frameworks for the public service and the state.
- *Office of Standards, Compliance and Monitoring* sets standards and manages and coordinates transversal systems for the monitoring and evaluation of standards, public-service regulations and related policies in the public service.
- *Intergovernmental Relations and Government Interventions* manages intergovernmental relations between Parliament, Cabinet, donor coordination and coordinating structures for governance and administration; and manages public administration government interventions.
- *Leadership Management* provides a leadership and management framework for the senior management service to ensure good governance of the public service through a professional management echelon.
- *Human Resource Management Information Systems* manages the development, implementation and maintenance of the human resources management module of the integrated financial management system, and provides data and statistics from the PERSAL system.
- *Public Service Commission* facilitates a transfer payment to the Public Service Commission, which oversees and evaluates the functioning of the public service with a view to establishing good governance and best practice principles.

Expenditure trends and estimates

Table 10.13 Governance of Public Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average Expenditure/Total (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20	
R million											
Management: Governance of Public Administration	4.1	3.7	4.2	3.8	-2.2%	1.5%	3.9	4.2	4.5	5.8%	1.4%
Ethics and Integrity Management	10.7	9.1	10.7	12.4	5.1%	4.0%	13.5	15.0	15.9	8.8%	4.7%
Organisational Design and Macro Organisation of the Public Service	12.0	7.4	7.9	7.4	-14.9%	3.3%	7.1	7.6	8.1	2.9%	2.5%
Office of Standards, Compliance and Monitoring	12.6	6.9	6.5	5.4	-24.7%	2.9%	5.6	6.0	6.4	6.1%	1.9%
Intergovernmental Relations and Government Interventions	4.0	3.5	3.6	5.2	9.0%	1.5%	4.5	4.8	5.0	-1.2%	1.6%
Leadership Management	4.6	4.8	5.8	6.1	10.2%	2.0%	6.6	6.4	6.8	3.5%	2.1%
Human Resource Management	3.7	5.0	5.4	6.1	18.7%	1.9%	5.7	6.0	6.4	1.7%	2.0%
Information Systems											
Public Service Commission	201.1	225.5	229.8	229.2	4.5%	82.9%	245.7	262.8	281.7	7.1%	83.8%
Total	252.8	266.0	273.9	275.7	2.9%	100.0%	292.5	312.8	334.9	6.7%	100.0%
Change to 2016 Budget estimate				(6.6)			(7.3)	(7.5)	(4.1)		
Economic classification											
Current payments	51.1	39.9	43.8	46.0	-3.5%	16.9%	46.3	49.4	52.7	4.7%	16.0%
Compensation of employees	35.6	31.4	32.1	35.2	-0.4%	12.6%	34.2	36.8	39.3	3.7%	12.0%
Goods and services ¹	15.5	8.5	11.7	10.8	-11.4%	4.4%	12.1	12.6	13.4	7.6%	4.0%
of which:											
Communication	0.7	0.4	0.5	0.6	-5.7%	0.2%	0.6	0.6	0.7	5.6%	0.2%
Computer services	0.1	0.7	3.8	3.2	192.9%	0.7%	3.4	3.6	3.8	5.7%	1.2%
Consultants: Business and advisory services	4.2	-	0.3	1.6	-27.3%	0.6%	1.8	1.9	2.0	7.5%	0.6%
Travel and subsistence	7.0	4.1	4.7	2.9	-25.2%	1.8%	3.6	3.9	4.1	11.8%	1.2%
Training and development	0.5	0.6	0.1	0.3	-11.0%	0.1%	0.4	0.4	0.4	5.1%	0.1%
Venues and facilities	0.8	1.3	1.0	0.3	-27.4%	0.3%	0.8	0.7	0.7	32.6%	0.2%
Transfers and subsidies¹	201.6	225.8	230.0	229.5	4.4%	83.0%	245.9	263.1	282.0	7.1%	83.9%
Departmental agencies and accounts	201.1	225.5	229.8	229.2	4.5%	82.9%	245.7	262.8	281.7	7.1%	83.8%
Foreign governments and international organisations	0.4	0.2	0.2	0.2	-19.8%	0.1%	0.3	0.3	0.3	11.7%	0.1%
Payments for capital assets	0.1	0.2	0.1	0.3	54.0%	0.1%	0.3	0.3	0.3	-0.1%	0.1%
Machinery and equipment	0.1	0.2	0.1	0.3	54.0%	0.1%	0.3	0.3	0.3	-0.1%	0.1%
Total	252.8	266.0	273.9	275.7	2.9%	100.0%	292.5	312.8	334.9	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	32.2%	33.8%	32.6%	35.4%	-	-	32.6%	33.1%	33.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	201.1	225.5	229.8	229.2	4.5%	82.9%	245.7	262.8	281.7	7.1%	83.8%
Public Service Commission	201.1	225.5	229.8	229.2	4.5%	82.9%	245.7	262.8	281.7	7.1%	83.8%

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

Other departments within the vote

National School of Government

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	95.9	92.9	-	3.0	105.2	112.3
Public Sector Organisational and Staff Development	64.6	-	64.6	-	68.1	71.6
Total expenditure estimates	160.5	92.9	64.6	3.0	173.3	183.9
Executive authority	Minister of Public Service and Administration					
Accounting officer	Principal of the National School of Government					
Website address	www.nsg.gov.za					

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

Department purpose

Provide or coordinate the provision of learning interventions that lead to improved performance and service delivery in the public sector.

Mandate

The National School of Government derives its mandate from the Public Service Amendment Act (2007). In terms of the act, the institution is mandated to provide training or effect the provision of training. This is to ensure that public servants are given capacity in the relevant competencies that are central to creating a developmental state. The operational activities of the school are located within the National School of Government training trading account. The National School of Government was established in terms of a presidential proclamation in 2013 to replace the Public Administration Leadership and Management Academy. The proclamation was followed by the Public Administration Management Act (2014). The National School of Government uses its trading account as a delivery vehicle for its core outputs.

Expenditure analysis

Over the medium term, the National School of Government will continue to equip itself to meet the educational, training and developmental needs of the public service towards the realisation of outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework, and the capable developmental state described in chapter 13 of the NDP.

The *Administration* programme oversees the implementation of the Rutanang MaAfrica strategy, which aims to use current and retired public servants as facilitators for some of the programmes developed by the school. This strategy will improve the quality of services government provides to the public by providing mentoring and coaching to impart experience, expertise, skills and knowledge to less experienced public servants. The school allocates 65.3 per cent, or R313.4 million, of its total medium-term budget allocation to the *Administration* programme, and the remaining 34.7 per cent, or R204.3 million, to transfers and subsidies to its training trading account. The school plans to recruit staff to fill essential vacant posts. This is expected to increase the department's staff complement from 82 in 2015/16 to 89 over the medium term. Consequently, spending on compensation of employees is set to increase from R44.1 million in 2015/16 to R58.4 million in 2019/20.

The school expects to receive an additional R5 million per year over the medium term to establish the sales unit in its training trading account in 2017/18 to improve the school's financial and non-financial performance after it did not fully achieve its targets for a number of years. The additional allocation has been allocated as part of transfers to the school's training trading account in the *Public Sector Organisational and Staff Development* programme.

Expenditure trends

Table 10.14 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Public Sector Organisational and Staff Development														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	77.3	77.3	85.6	82.9	82.9	78.3	84.3	84.6	89.8	55.1	71.1	71.1	108.4%	102.8%
Programme 2	54.7	54.7	49.0	55.6	55.6	55.6	55.2	55.8	47.8	-	-	-	92.1%	91.8%
Total	131.9	131.9	134.6	138.5	138.5	133.9	139.5	140.4	137.6	55.1	71.1	71.1	102.6%	99.0%
Change to 2016 Budget estimate												16.0		

Table 10.14 Departmental expenditure trends by programme and economic classification

Economic classification	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	75.0	75.0	84.4	80.6	80.6	73.6	81.9	82.3	85.0	55.1	71.1	71.1	107.3%	101.7%
Current payments	75.0	75.0	84.4	80.6	80.6	73.6	81.9	82.3	85.0	55.1	71.1	71.1	107.3%	101.7%
Compensation of employees	41.1	41.1	36.3	45.7	45.7	37.0	47.8	48.1	44.1	50.0	50.0	49.0	90.1%	89.9%
Goods and services	33.9	33.9	48.1	34.9	34.9	36.6	34.1	34.1	41.0	5.1	21.1	22.1	136.8%	119.2%
Transfers and subsidies	54.7	54.7	49.0	55.6	55.6	55.8	55.2	55.8	47.9	-	-	-	92.2%	91.9%
Departmental agencies and accounts	54.7	54.7	49.0	55.6	55.6	55.6	55.2	55.8	47.8	-	-	-	-	-
Households	-	-	-	-	-	0.2	-	-	0.1	-	-	-	-	-
Payments for capital assets	2.2	2.2	1.2	2.4	2.4	4.2	2.4	2.4	4.7	-	-	-	145.2%	145.2%
Machinery and equipment	2.2	2.2	1.2	2.4	2.4	4.1	2.4	2.4	4.3	-	-	-	138.6%	138.6%
Software and other intangible assets	-	-	-	-	-	0.1	-	-	0.4	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	0.3	-	-	0.1	-	-	-	-	-
Total	131.9	131.9	134.6	138.5	138.5	133.9	139.5	140.4	137.6	55.1	71.1	71.1	102.6%	99.0%

Expenditure estimates

Table 10.15 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Public Sector Organisational and Staff Development									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
R million	71.1	-2.7%	68.1%	95.9	105.2	112.3	16.5%	65.3%	
Programme 1	71.1	-2.7%	68.1%	95.9	105.2	112.3	16.5%	65.3%	
Programme 2	-	-100.0%	31.9%	64.6	68.1	71.6	-	34.7%	
Total	71.1	-18.6%	100.0%	160.5	173.3	183.9	37.3%	100.0%	
Change to 2016 Budget estimate				3.9	3.8	3.8			
Economic classification									
Current payments	71.1	-1.8%	65.8%	92.9	102.1	109.0	15.3%	63.7%	
Compensation of employees	49.0	6.0%	34.8%	51.9	54.9	58.4	6.0%	36.4%	
Goods and services	22.1	-13.3%	31.0%	41.0	47.2	50.6	31.9%	27.3%	
Transfers and subsidies	-	-100.0%	32.0%	64.6	68.1	71.6	-	34.7%	
Departmental agencies and accounts	-	-100.0%	31.9%	64.6	68.1	71.6	-	34.7%	
Payments for capital assets	-	-100.0%	2.1%	3.0	3.1	3.3	-	1.6%	
Machinery and equipment	-	-100.0%	2.0%	3.0	3.1	3.3	-	1.6%	
Total	71.1	-18.6%	100.0%	160.5	173.3	183.9	37.3%	100.0%	

Goods and services expenditure trends and estimates

Table 10.16 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administrative fees	593	339	391	104	-44.0%	1.0%	54	56	60	-16.8%	0.2%
Advertising	560	802	787	627	3.8%	1.9%	671	710	750	6.2%	1.7%
Minor assets	482	341	331	-	-100.0%	0.8%	454	480	506	-	0.9%
Audit costs: External	3 621	3 788	4 285	-	-100.0%	8.0%	3 487	3 690	3 897	-	6.9%
Bursaries: Employees	513	597	697	-	-100.0%	1.2%	469	497	525	-	0.9%
Catering: Departmental activities	250	135	411	-	-100.0%	0.5%	253	268	283	-	0.5%
Communication	1 074	904	1 236	1 934	21.7%	3.5%	1 984	1 570	1 658	-5.0%	4.5%
Computer services	3 978	3 842	4 145	2 052	-19.8%	9.5%	2 687	2 813	2 971	13.1%	6.6%
Consultants: Business and advisory services	8 014	1 176	279	12 102	14.7%	14.7%	1 152	1 190	1 256	-53.0%	9.8%
Legal services	350	356	177	-	-100.0%	0.6%	639	677	715	-	1.3%
Contractors	368	383	754	-	-100.0%	1.0%	727	769	812	-	1.4%
Agency and support/outourced services	11 362	9 830	8 415	1 081	-54.3%	20.9%	14 236	16 040	17 375	152.4%	30.5%
Entertainment	-	-	-	-	-	-	110	116	122	-	0.2%
Fleet services (including government motor transport)	519	392	294	-	-100.0%	0.8%	512	541	571	-	1.0%
Inventory: Food and food supplies	-	-	-	-	-	-	30	32	33	-	0.1%
Inventory: Learner and teacher support material	-	-	-	-	-	-	340	360	380	-	0.7%
Inventory: Materials and supplies	180	115	79	-	-100.0%	0.3%	25	27	29	-	0.1%

Table 10.16 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Inventory: Medical supplies	2	-	-	-	-100.0%	-	10	10	11	-	-
Inventory: Other supplies	-	-	-	-	-	-	84	89	94	-	0.2%
Consumable supplies	868	471	397	-	-100.0%	1.2%	-	-	-	-	-
Consumables: Stationery, printing and office supplies	1 191	956	1 014	-	-100.0%	2.2%	1 360	1 438	1 518	-	2.7%
Operating leases	5 501	5 999	9 554	-	-100.0%	14.3%	6 409	9 118	9 223	-	15.5%
Rental and hiring	97	-	4	-	-100.0%	0.1%	-	-	-	-	-
Property payments	3 393	2 758	4 151	567	-44.9%	7.4%	591	626	661	5.2%	1.5%
Travel and subsistence	2 903	1 600	2 056	2 611	-3.5%	6.2%	2 911	3 081	3 754	12.9%	7.7%
Training and development	1 288	863	667	-	-100.0%	1.9%	1 146	2 213	2 592	-	3.7%
Operating payments	290	860	742	-	-100.0%	1.3%	457	484	510	-	0.9%
Venues and facilities	725	123	91	-	-100.0%	0.6%	248	262	277	-	0.5%
Total	48 122	36 630	40 957	21 078	-24.1%	100.0%	41 046	47 157	50 583	33.9%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 10.17 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	49 000	55 597	47 795	-	-100.0%	99.8%	64 612	68 082	71 638	-	100.0%
Augmentation of training trading account	49 000	55 597	47 795	-	-100.0%	99.8%	64 612	68 082	71 638	-	100.0%
Households											
Other transfers to households											
Current	-	174	66	-	-	0.2%	-	-	-	-	-
Employee social benefits	-	174	66	-	-	0.2%	-	-	-	-	-
Total	49 000	55 771	47 861	-	-100.0%	100.0%	64 612	68 082	71 638	-	100.0%

Personnel information

Table 10.18 Departmental personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2016/17 - 2019/20	Average: Salary level/Total (%)			
		2015/16		2016/17		2017/18		2018/19		2019/20								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
National School of Government		89	44.1	0.5	89	49.0	0.6	88	51.9	0.6	89	54.9	0.6	89	58.4	0.7	-	100.0%
Salary level		89	44.1	0.5	89	49.0	0.6	88	51.9	0.6	89	54.9	0.6	89	58.4	0.7	-	100.0%
1 – 6		26	4.1	0.2	26	4.8	0.2	25	4.9	0.2	26	5.4	0.2	26	5.8	0.2	-	29.0%
7 – 10		27	10.2	0.4	28	12.5	0.4	28	13.4	0.5	28	13.8	0.5	28	14.8	0.5	-	31.5%
11 – 12		18	11.0	0.7	17	12.6	0.7	17	13.5	0.8	17	14.4	0.8	17	15.3	0.9	-	19.2%
13 – 16		18	18.7	1.0	18	19.2	1.1	18	20.1	1.1	18	21.3	1.2	18	22.5	1.3	-	20.3%
Programme		89	44.1	0.5	89	49.0	0.6	88	51.9	0.6	89	54.9	0.6	89	58.4	0.7	-	100.0%
Programme 1		89	44.1	0.5	89	49.0	0.6	88	51.9	0.6	89	54.9	0.6	89	58.4	0.7	-	100.0%

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

2. Rand million.

Departmental receipts

Table 10.19 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
R thousand												
Departmental receipts	98	111	102	25	25	-36.6%	100.0%	26	27	28	3.8%	100.0%
Sales of goods and services produced by department	27	28	33	25	25	-2.5%	33.6%	26	27	28	3.8%	100.0%
Other sales	27	28	33	25	25	-2.5%	33.6%	26	27	28	3.8%	100.0%
of which:												
Parking fees	2	1	1	-	-	-100.0%	1.2%	-	-	-	-	-
Commission	25	27	32	25	25	-	32.4%	26	27	28	3.8%	100.0%
Sales of scrap, waste, arms and other used current goods	-	2	-	-	-	-	0.6%	-	-	-	-	-
of which:												
Sales of scrap, waste, arms and other used current goods (excl capital assets)	-	2	-	-	-	-	0.6%	-	-	-	-	-
Interest, dividends and rent on land	36	50	50	-	-	-100.0%	40.5%	-	-	-	-	-
Interest	36	50	50	-	-	-100.0%	40.5%	-	-	-	-	-
Sales of capital assets	-	31	14	-	-	-	13.4%	-	-	-	-	-
Transactions in financial assets and liabilities	35	-	5	-	-	-100.0%	11.9%	-	-	-	-	-
Total	98	111	102	25	25	-36.6%	100.0%	26	27	28	3.8%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the National School of Government.

Expenditure trends and estimates

Table 10.20 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Management	17.1	6.0	12.4	5.6	-31.1%	12.6%	13.7	16.0	17.0	44.9%	13.6%
Corporate Services	59.7	63.5	63.7	64.9	2.8%	77.5%	81.6	88.6	94.6	13.4%	85.8%
Property Management	8.9	8.8	13.7	0.6	-60.0%	9.8%	0.6	0.6	0.7	5.2%	0.6%
Total	85.6	78.3	89.8	71.1	-6.0%	100.0%	95.9	105.2	112.3	16.5%	100.0%
Change to 2016				16.0			(0.1)	(0.2)	(0.3)		
Budget estimate											
Economic classification											
Current payments	84.4	73.6	85.0	71.1	-5.6%	96.7%	92.9	102.1	109.0	15.3%	97.6%
Compensation of employees	36.3	37.0	44.1	50.0	11.3%	51.5%	51.9	54.9	58.4	5.3%	56.0%
Goods and services ¹	48.1	36.6	41.0	21.1	-24.1%	45.2%	41.0	47.2	50.6	33.9%	41.6%
of which:											
Audit costs: External	3.6	3.8	4.3	-	-100.0%	3.6%	3.5	3.7	3.9	-	2.9%
Computer services	4.0	3.8	4.1	2.1	-19.8%	4.3%	2.7	2.8	3.0	13.1%	2.7%
Agency and support/outourced services	11.4	9.8	8.4	1.1	-54.3%	9.4%	14.2	16.0	17.4	152.4%	12.7%
Operating leases	5.5	6.0	9.6	-	-100.0%	6.5%	6.4	9.1	9.2	-	6.4%
Travel and subsistence	2.9	1.6	2.1	2.6	-3.5%	2.8%	2.9	3.1	3.8	12.9%	3.2%
Training and development	1.3	0.9	0.7	-	-100.0%	0.9%	1.1	2.2	2.6	-	1.5%
Transfers and subsidies¹	-	0.2	0.1	-	-	0.1%	-	-	-	-	-
Households	-	0.2	0.1	-	-	0.1%	-	-	-	-	-
Payments for capital assets	1.2	4.2	4.7	-	-100.0%	3.1%	3.0	3.1	3.3	-	2.4%
Machinery and equipment	1.2	4.1	4.3	-	-100.0%	3.0%	3.0	3.1	3.3	-	2.4%
Software and other intangible assets	-	0.1	0.4	-	-100.0%	0.1%	-	-	-	-	-
Payments for financial assets	-	0.3	0.1	-	-	0.1%	-	-	-	-	-
Total	85.6	78.3	89.8	71.1	-6.0%	100.0%	95.9	105.2	112.3	16.5%	100.0%
Proportion of total programme expenditure to vote expenditure	63.6%	58.5%	65.3%	100.0%	-	-	59.7%	60.7%	61.0%	-	-

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

Programme 2: Public Sector Organisational and Staff Development

Programme purpose

Facilitate transfer payments to the training trading account, which provides education, development and training to public sector employees.

Objectives

- Inform learning and development needs and opportunities in the public service by implementing effective research, knowledge management and diagnostic strategies on an ongoing basis.
- Monitor the quality of learning and development interventions, and evaluate the effectiveness of interventions on performance, based on norms and standards, by implementing an effective monitoring and evaluation framework over the medium term.
- Respond to the needs of the public service, the career development needs of individuals within it and lifelong learning by designing and quality assuring accredited and non-accredited curriculums by the end of 2017/18.
- Provide learning and development opportunities by managing an integrated and collaborative network of local and international learning and development institutions and practitioners on an ongoing basis.

Expenditure trends and estimates

Table 10.21 Public Sector Organisational and Staff Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million											
Augmentation of training trading account	49.0	55.6	47.8	–	-100.0%	100.0%	64.6	68.1	71.6	–	100.0%
Total	49.0	55.6	47.8	–	-100.0%	100.0%	64.6	68.1	71.6	–	100.0%
Change to 2016 Budget estimate				–			4.1	4.1	4.0		
Economic classification											
Transfers and subsidies ¹	49.0	55.6	47.8	–	-100.0%	100.0%	64.6	68.1	71.6	–	100.0%
Departmental agencies and accounts	49.0	55.6	47.8	–	-100.0%	100.0%	64.6	68.1	71.6	–	100.0%
Total	49.0	55.6	47.8	–	-100.0%	100.0%	64.6	68.1	71.6	–	100.0%
Proportion of total programme expenditure to vote expenditure	36.4%	41.5%	34.7%		–	–	40.3%	39.3%	39.0%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	49.0	55.6	47.8	–	-100.0%	100.0%	64.6	68.1	71.6	–	100.0%
Augmentation of Training Trading Account	49.0	55.6	47.8	–	-100.0%	100.0%	64.6	68.1	71.6	–	100.0%

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

Public Service Commission

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	115.0	114.3	0.1	0.6	123.0	132.3
Leadership and Management Practices	43.1	42.9	0.2	0.1	46.5	50.2
Monitoring and Evaluation	36.8	36.8	–	–	39.2	41.7
Integrity and Anti-Corruption	50.8	50.8	–	–	54.1	57.5
Total expenditure estimates	245.7	244.7	0.3	0.7	262.8	281.7

Executive authority: Minister of Public Service and Administration
Accounting officer: Director General of the Public Service Commission
Website address: www.psc.gov.za

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

Department purpose

Promote constitutional values and principles of public administration in the public service.

Mandate

The Public Service Commission is an independent institution established in terms of chapter 10 of the Constitution. The commission derives its mandate from sections 195 and 196 of the Constitution and is tasked and empowered, either of its own accord or if it receives any complaint, to investigate, monitor and evaluate the organisation and administration of the public service. The mandate also requires the commission to: evaluate the performance of government programmes and promote measures throughout the public service, which ensure effective and efficient performance within the public service; and promote the values and principles of public administration as set out in the Constitution.

Selected performance indicators

Table 10.22 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of grievances received, investigated and concluded per year	Leadership and Management Practices	Outcome 12: An efficient, effective and development-oriented public service	63% (498/ 790)	90% (711/ 790)	89% (605/ 680)	70%	75%	80%	85%
Number of reports on the management of grievances in the public service produced per year	Leadership and Management Practices		1	1	1	1	1	1	1
Number of research reports on labour relations produced per year	Leadership and Management Practices		1	1	2	2	2	2	2
Number of research reports on strategic human resources and leadership produced per year	Leadership and Management Practices		1	4	7	4	4	4	5
Number of participative evaluation reports on key service delivery issues produced per year	Monitoring and Evaluation		7	6	7	7	12	12	12
Percentage of public administration investigations successfully concluded per year ¹ : - Concluded within 90 days - Early resolution (concluded within 30 days)	Integrity and Anti-Corruption		64% (265/414)	57% (312/547)	73% (371/508)	55% 65%	55% 65%	55% 65%	55% 65%
Percentage of national anti-corruption hotline cases per year referred to the relevant departments within 30 days of receipt of case report ¹	Integrity and Anti-Corruption		100% (2 600)	100% (1 612)	100% (1 374)	90%	80%	80%	80%
Percentage of e-disclosure forms received and scrutinised per year	Integrity and Anti-Corruption		73% (9 433/ 12 922)	100% (8 699)	100% (8 686)	100%	100%	100%	100%
Percentage of departments that provide the commission with feedback on scrutinised financial disclosure forms	Integrity and Anti-Corruption		- ²	- ²	- ²	- ²	60%	80%	80%
Number of advisory workshops provided per year on professional and ethical conduct in the public service	Integrity and Anti-Corruption		- ²	17	15	15	15	15	15
Number of investigations finalised through early resolution per year	Integrity and Anti-Corruption		- ²	94% (224/238)	100% (154)	100%	100%	100%	100%

1. Measurement of this indicator was amended in accordance with recommendations by the auditor general.

2. No historical data available.

Expenditure analysis

Over the medium term, the Public Service Commission will focus on strengthening human resources practices and management, monitoring and evaluating service delivery performance, and fighting corruption. Focusing on these areas will contribute towards building a capable and developmental state and creating an anti-corruption system that makes public servants accountable, as emphasised in chapters 13 and 14 of the NDP. Outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework provides an implementation roadmap towards achieving these goals. As the commission relies on the knowledge and skills of its staff to carry out its work, 77.2 per cent, or R608.9 million of its total budget, is allocated to compensation of employees over the medium term.

Strengthening human resources practices and management

The commission was requested by the portfolio committee on public service and administration to conduct investigations on the root causes of the challenges experienced in human resources management in the public service. Common challenges identified include the non-implementation of performance management and development system policy, non-compliance with recruitment and selection processes, and payment of higher salaries without proper approval and lack of alignment between employee performance and departmental performance. Over the medium term, the commission plans to evaluate the effectiveness of the recruitment and selection system in the public service, and investigate the underlying reasons for the non-implementation of the performance management and development system policy. These activities will be undertaken in the *Leadership and Human Resource Reviews* subprogramme, which accounts for an estimated 22.9 per cent, or R31.7 million, of the total budget in the *Leadership and Management Practices* programme over the medium term. The commission will also investigate the possibility of awarding higher salaries to employees who specialise in specific core delivery areas in the Department of Basic Education and the Department of Home Affairs. These investigations will be carried out in the *Public Administration Investigations* subprogramme, which accounts for an estimated 25.5 per cent, or R40.7 million, of the total budget in the *Integrity and Anti-Corruption* programme.

Over the medium term, the commission plans to maximise its custodial oversight in monitoring, evaluating and investigating personnel and administration practices. There have been perceptions of poor and uneven performance by public servants and departments, despite the large number of fairly paid, permanent employees who are provided with capacity development initiatives, as well as benefits such as performance bonuses. In this regard, the commission will conduct an evaluation into the effectiveness of the public-service performance management and development system policy against its objectives, and make recommendations to decision makers. This will be done through the *Leadership and Human Resource Reviews* subprogramme, which has an allocation of R31.7 million over the medium term.

Monitoring and evaluating service delivery performance

A primary constitutional function of the commission is to monitor and evaluate the service delivery performance of the public service and advise government on measures to improve it. Through the application of monitoring and evaluation tools, the commission has noted that the performance of the public service is uneven, which influences the quality of service delivery. The commission has been able to identify some service delivery lapses, which include the supply of medicines, turnaround times at border posts, and the delivery of learner and teacher support material. Over time, the public service has collected a lot of performance-related data from which it can draw meaningful conclusions. The commission has therefore invested R1 million to set up a data warehouse in 2017/18 and plans to further develop its capabilities in this regard over the medium term. This data will enable the commission to respond to a variety of questions from stakeholders, which include citizens, legislatures and Parliament, on the performance of government departments. The commission will also use the data warehouse as a quantitative base for some of the commission's evaluations, including testing whether departments comply with their founding values and the principles governing public administration. These activities will be carried out in the *Governance Monitoring* subprogramme, which accounts for 23 per cent, or R27.4 million, of the total budget of the *Monitoring and Evaluation* programme over the medium term. Expenditure in this subprogramme is expected to increase from R7.2 million in 2016/17 to R9.5 million in 2019/20, driven by spending on compensation of employees as the subprogramme expects to fill all its vacant positions before the end of 2019/20.

Fighting corruption

In contributing to the fight against crime and corruption in the period ahead, the commission will continue to conduct investigations in respect of complaints lodged. Over the medium term, the commission plans to refer 80 per cent of all cases reported to the national anti-corruption hotline to the relevant departments within 30 days of receiving the case report. Managing the hotline is expected to cost the commission an estimated R1.6 million in 2017/18, R1.7 million in 2018/19 and R1.8 million in 2019/20.

The commission will also promote integrity in the public service and manage conflicts of interest existing between public servants' private interests and their public duties. Accordingly, the commission will, through the *Professional Ethics* subprogramme, scrutinise 100 per cent of disclosure forms received from members of senior

management services across the public service. Expenditure in this subprogramme accounts for 41.8 per cent, or R69.7 million, of the total budget in the *Integrity and Anti-Corruption* programme.

Expenditure trends

Table 10.23 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration 2. Leadership and Management Practices 3. Monitoring and Evaluation 4. Integrity and Anti-Corruption														
Programme	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	92.1	97.0	99.8	102.3	108.4	103.2	100.2	98.7	107.9	105.8	102.4	101.2	102.9%	101.4%
Programme 2	32.7	32.1	30.1	38.7	35.4	37.3	38.6	39.6	38.2	40.4	38.3	40.7	97.3%	100.7%
Programme 3	32.4	31.1	29.6	37.0	35.9	37.7	37.0	37.7	36.2	38.7	32.9	38.1	97.6%	102.8%
Programme 4	44.0	40.9	41.4	48.0	46.2	47.5	46.3	50.5	47.1	49.3	55.7	48.7	98.4%	95.5%
Total	201.1	201.1	200.9	226.0	226.0	225.8	222.1	226.5	229.3	234.2	229.2	228.6	100.1%	100.2%
Change to 2016 Budget estimate											(5.0)			
Economic classification														
Current payments	198.6	198.9	195.1	224.9	221.4	218.8	221.2	224.8	226.6	234.2	228.3	227.7	98.8%	99.4%
Compensation of employees	155.5	142.9	128.4	171.6	165.7	155.4	181.3	180.7	167.1	190.8	177.7	177.1	89.8%	94.2%
Goods and services	43.0	55.9	66.6	53.2	55.7	63.4	39.8	44.1	59.5	43.4	50.6	50.6	133.7%	116.3%
Transfers and subsidies	1.4	0.8	1.0	1.2	0.2	1.2	-	0.7	0.8	-	0.3	0.3	125.8%	169.1%
Departmental agencies and accounts	-	-	-	-	-	0.5	-	-	-	-	-	-	-	-
Foreign governments and international organisations	0.1	0.1	0.1	0.1	-	0.1	-	-	-	-	-	-	105.3%	145.3%
Households	1.4	0.7	1.0	1.1	0.2	0.6	-	0.7	0.8	-	0.2	0.2	106.5%	143.0%
Payments for capital assets	1.2	1.5	4.9	-	4.4	5.7	0.9	0.9	1.8	-	0.6	0.6	625.6%	174.5%
Machinery and equipment	1.2	1.5	3.2	-	3.2	4.4	0.9	0.9	1.8	-	0.6	0.6	483.0%	160.9%
Software and other intangible assets	-	-	1.7	-	1.2	1.3	-	-	-	-	-	-	-	244.0%
Payments for financial assets	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-
Total	201.1	201.1	200.9	226.0	226.0	225.8	222.1	226.5	229.3	234.2	229.2	228.6	100.1%	100.2%

Expenditure estimates

Table 10.24 Departmental expenditure estimates by programme and economic classification

Programmes								
1. Administration 2. Leadership and Management Practices 3. Monitoring and Evaluation 4. Integrity and Anti-Corruption								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	101.2	1.4%	46.6%	115.0	123.0	132.3	9.4%	46.3%
Programme 2	40.7	8.3%	16.5%	43.1	46.5	50.2	7.2%	17.7%
Programme 3	38.1	6.9%	16.0%	36.8	39.2	41.7	3.1%	15.3%
Programme 4	48.7	6.0%	20.9%	50.8	54.1	57.5	5.7%	20.7%
Total	228.6	4.4%	100.0%	245.7	262.8	281.7	7.2%	100.0%
Change to 2016 Budget estimate				(2.7)	(2.9)	(3.1)		
Economic classification								
Current payments	227.7	4.6%	98.1%	244.7	261.8	280.6	7.2%	99.6%
Compensation of employees	177.1	7.4%	71.0%	188.8	202.7	217.3	7.1%	77.2%
Goods and services	50.6	-3.3%	27.1%	55.9	59.0	63.3	7.7%	22.5%
Transfers and subsidies	0.3	-28.5%	0.4%	0.3	0.3	0.3	5.9%	0.1%
Foreign governments and international organisations	-	-16.6%	-	-	-	-	5.4%	-
Households	0.2	-29.5%	0.3%	0.3	0.3	0.3	5.9%	0.1%
Payments for capital assets	0.6	-25.5%	1.5%	0.7	0.7	0.7	5.4%	0.3%
Machinery and equipment	0.6	-25.5%	1.1%	0.7	0.7	0.7	5.4%	0.3%
Total	228.6	4.4%	100.0%	245.7	262.8	281.7	7.2%	100.0%

Goods and services expenditure trends and estimates

Table 10.25 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20			
Administrative fees	1 011	163	82	31	-68.7%	0.5%	33	35	37	6.1%	0.1%
Advertising	2 075	1 660	361	161	-57.3%	1.8%	171	181	191	5.9%	0.3%
Minor assets	1 503	403	142	98	-59.8%	0.9%	104	109	116	5.8%	0.2%
Audit costs: External	3 363	3 909	3 017	2 500	-9.4%	5.3%	2 650	2 806	2 966	5.9%	4.8%
Bursaries: Employees	756	1 431	559	300	-26.5%	1.3%	376	401	355	5.8%	0.6%
Catering: Departmental activities	663	797	526	389	-16.3%	1.0%	410	435	462	5.9%	0.7%
Communication	3 027	3 377	3 564	1 446	-21.8%	4.8%	1 534	1 624	1 715	5.9%	2.8%
Computer services	4 628	5 695	9 076	4 398	-1.7%	9.9%	2 683	1 888	1 953	-23.7%	4.8%
Consultants: Business and advisory services	12 386	7 245	6 116	6 875	-17.8%	13.6%	7 288	7 717	8 158	5.9%	13.1%
Legal services	45	167	28	-	-100.0%	0.1%	-	-	-	-	-
Contractors	291	442	295	88	-32.9%	0.5%	93	100	104	5.7%	0.2%
Agency and support/outourced services	40	33	67	17	-24.8%	0.1%	18	19	21	7.3%	-
Fleet services (including government motor transport)	1 227	1 440	1 388	1 346	3.1%	2.2%	1 572	1 664	1 760	9.4%	2.8%
Inventory: Clothing material and accessories	75	-	165	10	-48.9%	0.1%	11	11	12	6.3%	-
Consumable supplies	294	542	189	30	-53.3%	0.4%	30	33	35	5.3%	0.1%
Consumables: Stationery, printing and office supplies	1 625	1 604	1 425	502	-32.4%	2.1%	534	565	599	6.1%	1.0%
Operating leases	9 648	11 071	17 827	23 486	34.5%	25.8%	29 818	31 435	34 179	13.3%	52.0%
Rental and hiring	-	-	51	1	-	-	1	1	1	-	-
Property payments	2 785	2 420	4 496	3 961	12.5%	5.7%	4 088	4 444	4 697	5.8%	7.5%
Travel and subsistence	15 481	15 225	7 360	2 395	-46.3%	16.8%	2 125	2 700	2 851	6.0%	4.4%
Training and development	1 604	1 227	1 062	1 955	6.8%	2.4%	1 952	2 195	2 319	5.9%	3.7%
Operating payments	1 983	2 705	1 692	590	-33.2%	2.9%	425	662	699	5.8%	1.0%
Venues and facilities	2 123	1 837	15	22	-78.2%	1.7%	23	24	27	7.1%	-
Total	66 633	63 393	59 503	50 601	-8.8%	100.0%	55 939	59 049	63 257	7.7%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 10.26 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20			
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	505	-	-	-	15.4%	-	-	-	-	-
Public Service Sector Education and Training Authority	-	505	-	-	-	15.4%	-	-	-	-	-
Foreign governments and international organisations											
Current	52	57	-	29	-17.7%	4.2%	31	33	34	5.4%	10.6%
Association of African Public Services Commissions	52	57	-	29	-17.7%	4.2%	31	33	34	5.4%	10.6%
Households											
Other transfers to households											
Current	960	596	835	245	-36.6%	80.4%	260	277	291	5.9%	89.4%
Employee social benefits	960	596	835	245	-36.6%	80.4%	260	277	291	5.9%	89.4%
Total	1 012	1 158	835	274	-35.3%	100.0%	291	310	325	5.9%	100.0%

Personnel information

Table 10.27 Departmental personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment											Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)						
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Public Service Commission		299	-	294	167.1	0.6	285	177.1	0.6	278	188.8	0.7	278	202.7	0.7	278	217.3	0.8	-0.8%	100.0%
Salary level	299	-	294	167.1	0.6	285	177.1	0.6	278	188.8	0.7	278	202.7	0.7	278	217.3	0.8	-0.8%	100.0%	
1 – 6	69	-	77	14.3	0.2	69	12.3	0.2	66	12.8	0.2	66	13.8	0.2	66	14.8	0.2	-1.5%	23.9%	
7 – 10	88	-	82	34.9	0.4	74	30.1	0.4	73	32.1	0.4	73	34.6	0.5	73	37.3	0.5	-0.5%	26.2%	
11 – 12	80	-	78	59.8	0.8	80	65.0	0.8	76	66.6	0.9	76	71.7	0.9	76	77.0	1.0	-1.7%	27.5%	
13 – 16	62	-	57	58.1	1.0	62	69.7	1.1	63	77.3	1.2	63	82.7	1.3	63	88.2	1.4	0.5%	22.4%	
Programme	299	-	294	167.1	0.6	285	177.1	0.6	278	188.8	0.7	278	202.7	0.7	278	217.3	0.8	-0.8%	100.0%	
Programme 1	117	-	122	58.9	0.5	113	59.1	0.5	112	68.3	0.6	112	73.7	0.7	112	79.4	0.7	-0.3%	40.1%	
Programme 2	58	-	53	34.7	0.7	54	38.5	0.7	53	40.6	0.8	53	43.9	0.8	53	47.3	0.9	-0.6%	19.0%	
Programme 3	51	-	56	32.2	0.6	57	37.1	0.7	53	35.7	0.7	53	38.1	0.7	53	40.5	0.8	-2.4%	19.3%	
Programme 4	73	-	63	41.2	0.7	61	42.4	0.7	60	44.2	0.7	60	47.1	0.8	60	50.1	0.8	-0.5%	21.5%	

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

² Rand million.

Departmental receipts

Table 10.28 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	151	281	211	184	212	12.0%	100.0%	219	225	229	2.6%	100.0%
Sales of goods and services produced by department	49	57	87	50	78	16.8%	31.7%	80	81	82	1.7%	36.3%
Other sales	49	57	87	50	78	16.8%	31.7%	80	81	82	1.7%	36.3%
of which:												
Garage rent	7	10	36	23	25	52.9%	9.1%	26	26	26	1.3%	11.6%
Commission Insurance	42	47	51	27	53	8.1%	22.6%	54	55	56	1.9%	24.6%
Interest, dividends and rent on land	3	34	1	7	7	32.6%	5.3%	8	9	9	8.7%	3.7%
Interest	3	34	1	7	7	32.6%	5.3%	8	9	9	8.7%	3.7%
Transactions in financial assets and liabilities	99	190	123	127	127	8.7%	63.0%	131	135	138	2.8%	60.0%
Total	151	281	211	184	212	12.0%	100.0%	219	225	229	2.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 10.29 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Public Service Commission	22.4	19.6	19.3	18.9	-5.4%	19.4%	20.5	22.0	23.7	7.8%	18.0%
Management	13.2	8.3	5.8	11.4	-4.8%	9.4%	14.0	15.1	16.2	12.3%	12.0%
Corporate Services	52.5	62.5	61.3	45.6	-4.6%	53.7%	47.4	51.1	54.7	6.3%	42.1%
Property Management	11.8	12.8	21.5	26.5	30.9%	17.5%	33.0	34.8	37.7	12.5%	27.9%
Total	99.8	103.2	107.9	102.4	0.8%	100.0%	115.0	123.0	132.3	8.9%	100.0%
Change to 2016 Budget estimate				(3.4)			1.1	1.9	3.0		

Table 10.29 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Current payments	96.1	96.9	106.2	101.7	1.9%	97.0%	114.3	122.2	131.5	8.9%	99.4%
Compensation of employees	55.4	57.2	58.9	60.3	2.9%	56.1%	68.3	73.7	79.4	9.6%	59.6%
Goods and services ¹	40.7	39.7	47.3	41.4	0.5%	40.9%	46.0	48.5	52.1	8.0%	39.8%
of which:											
Audit costs: External	3.4	3.9	3.0	2.5	-9.4%	3.1%	2.7	2.8	3.0	5.9%	2.3%
Computer services	4.6	5.7	9.1	4.4	-1.7%	5.8%	2.7	1.9	2.0	-23.7%	2.3%
Consultants: Business and advisory services	3.0	1.9	2.6	1.9	-13.7%	2.3%	2.0	2.1	2.3	5.9%	1.8%
Operating leases	9.6	11.1	17.8	23.5	34.5%	15.0%	29.8	31.4	34.2	13.3%	25.2%
Property payments	2.3	1.8	3.7	3.1	10.5%	2.6%	3.2	3.5	3.7	5.9%	2.8%
Training and development	1.0	1.2	1.1	2.0	25.5%	1.3%	2.0	2.2	2.3	5.9%	1.8%
Transfers and subsidies¹	0.3	0.9	0.1	0.1	-20.8%	0.3%	0.1	0.1	0.2	5.8%	0.1%
Departmental agencies and accounts	-	0.5	-	-	-	0.1%	-	-	-	-	-
Foreign governments and international organisations	0.1	-	-	-	-17.7%	-	-	-	-	5.4%	-
Households	0.2	0.3	0.1	0.1	-21.7%	0.2%	0.1	0.1	0.1	5.9%	0.1%
Payments for capital assets	3.4	5.3	1.7	0.5	-46.6%	2.6%	0.6	0.6	0.6	5.8%	0.5%
Machinery and equipment	2.6	4.3	1.7	0.5	-41.2%	2.2%	0.6	0.6	0.6	5.8%	0.5%
Software and other intangible assets	0.9	1.0	-	-	-100.0%	0.5%	-	-	-	-	-
Payments for financial assets	-	0.2	-	-	-100.0%	0.1%	-	-	-	-	-
Total	99.8	103.2	107.9	102.4	0.8%	100.0%	115.0	123.0	132.3	8.9%	100.0%
Proportion of total programme expenditure to vote expenditure	49.7%	45.7%	47.1%	44.7%	-	-	46.8%	46.8%	47.0%	-	-

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

Programme 2: Leadership and Management Practices

Programme purpose

Promote sound public-service leadership, human resource management, labour relations and labour practices.

Objectives

- Enhance labour relations and practices in the public service by timeously investigating all properly referred grievances and providing best practices on an ongoing basis.
- Identify and promote sound human resources management and leadership practices in the public service through continued research and stakeholder engagements to identify weaknesses in current procedures and practices, and make recommendations thereon, on an ongoing basis.

Subprogrammes

- *Labour Relations Improvement* promotes labour relations and practices through the timeous investigation of all properly referred grievances and provision of best practices.
- *Leadership and Human Resource Reviews* identifies and promotes sound human resources management and leadership practices in public administration.
- *Programme Management: Leadership and Management Practices* provides administrative support and management to the programme.

Expenditure trends and estimates

Table 10.30 Leadership and Management Practices 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Labour Relations Improvement	18.2	22.4	23.5	10.4	-17.1%	51.7%	13.1	14.3	15.6	14.5%	30.0%
Leadership and Human Resource Reviews	11.2	13.3	13.0	9.2	-6.5%	32.5%	9.8	10.6	11.3	7.4%	22.9%
Programme Management: Leadership and Management Practices	0.7	1.6	1.7	18.8	197.7%	15.8%	20.2	21.6	23.2	7.3%	47.1%
Total	30.1	37.3	38.2	38.3	8.3%	100.0%	43.1	46.5	50.2	9.4%	100.0%
Change to 2016 Budget estimate				(2.1)			0.7	0.9	1.1		

Table 10.30 Leadership and Management Practices expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	28.8	37.3	38.1	38.1	9.8%	98.8%	42.9	46.3	49.9	9.4%	99.5%
Compensation of employees	22.0	31.5	34.7	36.1	18.0%	86.3%	40.6	43.9	47.3	9.5%	94.2%
Goods and services ¹	6.9	5.8	3.3	2.0	-33.3%	12.5%	2.3	2.4	2.6	8.2%	5.3%
of which:											
Communication	0.4	0.5	0.6	0.3	-7.0%	1.3%	0.4	0.4	0.4	5.8%	0.8%
Fleet services (including government motor transport)	0.3	0.3	0.3	0.3	7.9%	0.8%	0.5	0.5	0.6	18.6%	1.1%
Consumables: Stationery, printing and office supplies	0.2	0.2	0.2	0.2	-1.0%	0.6%	0.2	0.2	0.2	6.0%	0.5%
Property payments	0.2	0.3	0.4	0.2	10.2%	0.7%	0.2	0.2	0.3	5.8%	0.5%
Travel and subsistence	2.6	3.0	1.6	0.6	-36.8%	5.4%	0.7	0.7	0.8	5.9%	1.6%
Operating payments	0.2	0.7	-	0.1	-13.8%	0.7%	0.1	0.1	0.1	5.6%	0.3%
Transfers and subsidies¹	0.2	-	-	0.1	-14.4%	0.3%	0.2	0.2	0.2	5.8%	0.3%
Households	0.2	-	-	0.1	-14.4%	0.3%	0.2	0.2	0.2	5.8%	0.3%
Payments for capital assets	1.1	0.1	0.1	0.1	-61.3%	0.9%	0.1	0.1	0.1	5.5%	0.2%
Machinery and equipment	0.2	0.1	0.1	0.1	-36.7%	0.3%	0.1	0.1	0.1	5.5%	0.2%
Software and other intangible assets	0.8	-	-	-	-100.0%	0.6%	-	-	-	-	-
Total	30.1	37.3	38.2	38.3	8.3%	100.0%	43.1	46.5	50.2	9.4%	100.0%
Proportion of total programme expenditure to vote expenditure	15.0%	16.5%	16.6%	16.7%	-	-	17.5%	17.7%	17.8%	-	-

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

Programme 3: Monitoring and Evaluation

Programme purpose

Establish a high standard of service delivery, monitoring and good governance in the public service.

Objective

- Support policy development and decision making on an annual basis by:
 - producing four research reports on institutional assessments and programme evaluations
 - producing seven research reports on participative evaluation as well as evaluations of service delivery models and processes.

Subprogrammes

- *Governance Monitoring* provides institutional assessments and programme evaluations that support policy and management decisions.
- *Service Delivery and Compliance Evaluations* provides participative evaluations as well as evaluations of service delivery models and processes to support policy and management decisions.
- *Programme Management: Monitoring and Evaluation* provides administrative support and management to the programme.

Expenditure trends and estimates

Table 10.31 Monitoring and Evaluation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Governance Monitoring	14.3	20.8	17.4	7.2	-20.4%	43.8%	8.8	9.1	9.5	9.5%	23.0%
Service Delivery and Compliance Evaluations	14.9	16.5	18.0	6.9	-22.7%	41.3%	7.8	8.4	9.0	9.3%	21.3%
Programme Management: Monitoring and Evaluation	0.4	0.4	0.7	18.8	264.9%	14.9%	20.2	21.7	23.3	7.3%	55.7%
Total	29.6	37.7	36.2	32.9	3.6%	100.0%	36.8	39.2	41.7	8.2%	100.0%
Change to 2016				(5.8)			(3.9)	(4.5)	(5.3)		
Budget estimate											

Table 10.31 Monitoring and Evaluation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	29.0	37.4	35.5	32.9	4.3%	98.8%	36.8	39.2	41.7	8.2%	100.0%
Compensation of employees	23.0	29.0	32.2	31.9	11.5%	85.2%	35.7	38.1	40.5	8.3%	97.1%
Goods and services ¹	5.9	8.3	3.3	1.0	-45.0%	13.6%	1.1	1.1	1.2	6.1%	2.9%
of which:											
Communication	0.5	0.5	0.6	0.1	-44.1%	1.2%	0.1	0.1	0.1	5.4%	0.3%
Consultants: Business and advisory services	–	0.1	–	0.2	96.4%	0.2%	0.2	0.2	0.2	5.9%	0.5%
Fleet services (including government motor transport)	0.3	0.4	0.4	0.3	2.6%	1.1%	0.3	0.4	0.4	5.9%	1.0%
Consumables: Stationery, printing and office supplies	0.2	0.3	0.1	0.1	-36.3%	0.5%	0.1	0.1	0.1	6.2%	0.2%
Property payments	0.2	0.2	0.4	0.1	-18.7%	0.7%	0.1	0.1	0.1	5.6%	0.4%
Travel and subsistence	2.7	3.9	1.5	0.2	-59.8%	6.1%	0.2	0.2	0.2	7.3%	0.5%
Transfers and subsidies¹	0.5	–	0.5	–	-100.0%	0.8%	–	–	–	–	–
Households	0.5	–	0.5	–	-100.0%	0.8%	–	–	–	–	–
Payments for capital assets	0.2	0.3	0.1	–	-72.1%	0.4%	–	–	–	-100.0%	–
Machinery and equipment	0.2	0.1	0.1	–	-72.1%	0.3%	–	–	–	-100.0%	–
Software and other intangible assets	–	0.2	–	–	–	0.2%	–	–	–	–	–
Total	29.6	37.7	36.2	32.9	3.6%	100.0%	36.8	39.2	41.7	8.2%	100.0%
Proportion of total programme expenditure to vote expenditure	14.7%	16.7%	15.8%	14.4%	–	–	15.0%	14.9%	14.8%	–	–

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

Programme 4: Integrity and Anti-Corruption

Programme purpose

Undertake public administration investigations, analyse and refer cases of alleged corruption to respective departments for investigation, and scrutinise the financial disclosure forms of senior managers to ensure integrity-driven public service and administration.

Objectives

- Improve public administration practices by investigating and finalising complaints lodged on an ongoing basis.
- Promote ethical conduct among public servants by:
 - scrutinising 100 per cent of financial disclosure forms submitted to the Public Service Commission on an annual basis
 - referring 80 per cent of national anti-corruption hotline cases to the relevant national departments within 30 days of receipt of case reports per year over the medium term.
- Promote professional and ethical conduct among public-service employees by providing advice through hosting 15 workshops on professional and ethical conduct on an annual basis.

Subprogrammes

- *Public Administration Investigations* investigates and improves public administration practices, makes recommendations to departments on the promotion of good governance, and issues directions regarding compliance with the Public Service Act (1994).
- *Professional Ethics* promotes ethical conduct among public servants through the management of the financial disclosure framework and the national anti-corruption hotline, and provides advice on professional and ethical conduct in the public service.
- *Programme Management: Integrity and Anti-Corruption* provides administrative support and management to the programme.

Expenditure trends and estimates

Table 10.32 Integrity and Anti-Corruption 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Public Administration Investigations	16.1	19.0	19.5	14.9	-2.5%	36.3%	12.7	13.5	14.5	-1.0%	25.5%
Professional Ethics	23.4	26.6	25.5	21.3	-3.1%	50.6%	21.8	23.2	24.7	5.0%	41.8%
Programme Management: Integrity and Anti-Corruption	1.9	1.9	2.1	19.4	118.4%	13.1%	16.3	17.4	18.3	-1.9%	32.7%
Total	41.4	47.5	47.1	55.7	10.4%	100.0%	50.8	54.1	57.5	1.1%	100.0%
Change to 2016 Budget estimate				6.3			(0.7)	(1.2)	(2.0)		
Economic classification											
Current payments	41.1	47.2	46.8	55.6	10.6%	99.6%	50.8	54.1	57.4	1.1%	99.9%
Compensation of employees	28.0	37.7	41.2	49.4	20.8%	81.6%	44.2	47.1	50.1	0.5%	87.5%
Goods and services ¹	13.1	9.5	5.6	6.2	-22.0%	18.0%	6.6	7.0	7.4	5.9%	12.5%
of which:											
Communication	0.5	0.5	0.6	0.2	-29.0%	0.9%	0.2	0.2	0.2	5.9%	0.4%
Consultants: Business and advisory services	8.5	5.1	3.4	4.7	-17.9%	11.3%	5.0	5.3	5.6	5.9%	9.5%
Fleet services (including government motor transport)	0.2	0.2	0.2	0.3	18.4%	0.5%	0.3	0.3	0.4	5.9%	0.6%
Consumables: Stationery, printing and office supplies	0.4	0.4	0.3	0.2	-25.1%	0.7%	0.2	0.2	0.2	6.0%	0.3%
Property payments	0.1	0.1	0.0	0.5	75.2%	0.4%	0.6	0.6	0.6	5.8%	1.1%
Travel and subsistence	1.8	2.5	0.7	0.2	-54.7%	2.7%	0.2	0.2	0.2	6.2%	0.3%
Transfers and subsidies¹	0.1	0.2	0.2	-	-64.5%	0.3%	-	-	-	10.1%	-
Households	0.1	0.2	0.2	-	-64.5%	0.3%	-	-	-	10.1%	-
Payments for capital assets	0.2	-	-	-	-40.1%	0.2%	-	-	-	4.3%	0.1%
Machinery and equipment	0.2	-	-	-	-40.1%	0.2%	-	-	-	4.3%	0.1%
Total	41.4	47.5	47.1	55.7	10.4%	100.0%	50.8	54.1	57.5	1.1%	100.0%
Proportion of total programme expenditure to vote expenditure	20.6%	21.0%	20.5%	24.3%	-	-	20.7%	20.6%	20.4%	-	-

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

Centre for Public Service Innovation

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	18.7	18.4	-	0.2	19.9	21.4
Public Sector Innovation	15.4	15.4	-	-	16.2	17.0
Total expenditure estimates	34.1	33.8	-	0.2	36.0	38.4

Executive authority: Minister of Public Service and Administration
 Accounting officer: Chief Executive Officer of the Centre for Public Service Innovation
 Website address: www.cpsi.co.za

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

Department purpose

Facilitate the unearthing, development and practical implementation of innovative solutions within and throughout the public service.

Mandate

The responsibility for public sector innovation is vested in the Minister of Public Service and Administration, in terms of section 3(1)(i) of the Public Service Act (1994). The Centre for Public Service Innovation is tasked by the minister to fulfil this mandate, which includes establishing norms and standards relating to transformation, reform and innovation to improve the effectiveness and efficiency of the public service and its service delivery to the public.

Selected performance indicators

Table 10.33 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of specific service delivery challenges investigated to determine root causes and identify possible solutions per year	Public Sector Innovation	Outcome 12: An efficient, effective and development-oriented public service	- ¹	- ¹	3	3	3	3	3
Number of case studies developed for dissemination through the centre's knowledge platforms and products per year	Public Sector Innovation		5	2	5	5	5	5	5
Number of visits to the multimedia innovation centre by public sector officials and other partners per year	Public Sector Innovation		309	432	330	50 ²	330	330	330
Number of innovative projects facilitated for replication per year	Public Sector Innovation		1	1	2	2	2	2	2
Number of content items on innovation, public administration and finance uploaded per year on to the United Nations' online portal	Public Sector Innovation		1 570	1 403	1 497	1 200	1 300	1 300	1 300

1. No historical data available.

2. Decrease in 2016/17 due to the temporary closure of the centre for upgrades.

Expenditure analysis

The Centre for Public Service Innovation is tasked by the Minister of Public Service and Administration to contribute to the improvement, effectiveness and efficiency of the public service and its service delivery to the public. This is in line with the NDP's vision of building a capable and developmental state, as well as outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework. Over the medium term, the department will focus on promoting and unearthing innovation in the public service. The centre was established as a separate entity in April 2015, and is funded through transfer payments from the Department of Public Service and Administration.

The centre develops new solutions through innovation partnerships with other departments, non-governmental organisations, the private sector, academia and international entities. In seeking these solutions, the centre plans to investigate service delivery challenges to determine the root causes and possibly partner with experts in specific areas.

The centre plans to facilitate two training sessions for officials on innovation management in the public sector. The centre will also open up the use of the multimedia innovation centre to 300 public sector officials and other innovation partners per year over the medium term. These activities will be carried out in the *Public Sector Innovation* programme, which accounts for an estimated 44.8 per cent, or R48.6 million, of the centre's total budget over the medium term.

The centre uses its annual public sector innovation awards, which seek to encourage innovation for improved service delivery, to identify initiatives that can be replicated in government to promote efficiency and effectiveness in the delivery of services to the public. The centre plans to identify and replicate two solutions presented within the awards programme over the medium term. An estimated R1 million is allocated to the awards ceremony over the medium term.

Table 10.34 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Public Sector Innovation														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	7.6	7.6	7.6	11.6	11.6	10.3	14.0	14.0	13.3	16.5	17.7	17.7	98.3%	96.1%
Programme 2	13.9	13.9	13.9	13.7	13.7	12.2	15.0	15.0	14.7	15.6	14.4	14.4	95.1%	97.0%
Total	21.6	21.6	21.6	25.3	25.3	22.6	29.0	29.0	28.1	32.1	32.1	32.1	96.6%	96.6%
Change to 2016 Budget estimate														

Table 10.34 Departmental expenditure trends by programme and economic classification

Economic classification	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	20.8	20.8	20.8	24.5	24.5	22.1	28.9	28.9	27.3	32.0	32.0	32.0	96.3%	96.2%
Current payments	20.8	20.8	20.8	24.5	24.5	22.1	28.9	28.9	27.3	32.0	32.0	32.0	96.3%	96.2%
Compensation of employees	10.8	10.8	10.8	12.8	12.8	11.6	15.0	15.0	14.2	17.2	16.8	16.8	95.7%	96.5%
Goods and services	10.1	10.1	10.1	11.7	11.7	10.5	14.0	14.0	13.1	14.8	15.2	15.2	96.9%	96.0%
Payments for capital assets	0.7	0.7	0.7	0.8	0.8	0.4	0.1	0.1	0.8	0.1	0.1	0.1	120.9%	120.9%
Machinery and equipment	0.7	0.7	0.7	0.8	0.8	0.4	0.1	0.1	0.5	0.1	0.1	0.1	105.3%	105.3%
Software and other intangible assets	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-	-	111.1%	111.1%
Total	21.6	21.6	21.6	25.3	25.3	22.6	29.0	29.0	28.1	32.1	32.1	32.1	96.6%	96.6%

Expenditure estimates

Table 10.35 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Public Sector Innovation									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
R million									
Programme 1	17.7	32.2%	47.0%	18.7	19.9	21.4	6.7%	55.2%	
Programme 2	14.4	1.2%	53.0%	15.4	16.2	17.0	5.6%	44.8%	
Total	32.1	14.2%	100.0%	34.1	36.0	38.4	6.2%	100.0%	
Change to 2016 Budget estimate				(0.4)	(0.4)	(0.4)			
Economic classification									
Current payments	32.0	15.4%	98.1%	33.8	35.8	37.9	5.8%	99.2%	
Compensation of employees	16.8	15.9%	51.1%	18.4	19.4	20.9	7.6%	53.7%	
Goods and services	15.2	14.8%	47.0%	15.4	16.4	17.0	3.7%	45.5%	
Payments for capital assets	0.1	-53.9%	1.9%	0.2	0.3	0.6	100.4%	0.8%	
Machinery and equipment	0.1	-53.9%	1.6%	0.2	0.3	0.6	100.4%	0.8%	
Total	32.1	14.2%	100.0%	34.1	36.0	38.4	6.2%	100.0%	

Goods and services expenditure trends and estimates

Table 10.36 Departmental goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R thousand											
Administrative fees	178	87	96	133	-9.3%	1.0%	197	204	215	17.4%	1.2%
Advertising	917	191	1 053	113	-50.2%	4.6%	176	181	192	19.3%	1.0%
Minor assets	25	36	140	330	136.3%	1.1%	87	172	92	-34.7%	1.1%
Audit costs: External	-	-	740	2 137	-	5.9%	2 162	2 262	2 367	3.5%	13.9%
Catering: Departmental activities	333	85	76	91	-35.1%	1.2%	109	118	126	11.5%	0.7%
Communication	291	305	327	323	3.5%	2.5%	390	409	431	10.1%	2.4%
Computer services	197	678	670	1 020	73.0%	5.2%	886	928	972	-1.6%	5.9%
Consultants: Business and advisory services	58	210	142	360	83.8%	1.6%	462	412	496	11.3%	2.7%
Legal services	222	-	-	-	-100.0%	0.5%	-	-	-	-	-
Contractors	918	1 098	1 200	1 255	11.0%	9.1%	1 107	1 103	923	-9.7%	6.9%
Agency and support/outsourced services	9	-	-	-	-100.0%	-	-	-	-	-	-
Entertainment	38	29	-	-	-100.0%	0.1%	-	-	-	-	-
Consumable supplies	192	164	301	428	30.6%	2.2%	352	364	367	-5.0%	2.4%
Consumables: Stationery, printing and office supplies	151	69	243	246	17.7%	1.4%	341	366	352	12.7%	2.0%
Operating leases	1 616	2 366	2 277	2 948	22.2%	18.8%	3 683	4 000	4 332	13.7%	23.4%
Rental and hiring	-	73	-	-	-	0.1%	-	-	-	-	-
Property payments	303	-	269	1 095	53.5%	3.4%	290	307	323	-33.4%	3.1%
Transport provided: Departmental activity	-	1 089	-	-	-	2.2%	-	-	-	-	-
Travel and subsistence	2 887	2 253	2 516	2 685	-2.4%	21.1%	2 704	2 886	3 037	4.2%	17.7%
Training and development	70	200	85	271	57.0%	1.3%	219	231	248	-2.9%	1.5%
Operating payments	520	258	973	652	7.8%	4.9%	834	891	904	11.5%	5.1%
Venues and facilities	1 132	1 346	2 023	1 146	0.4%	11.5%	1 449	1 517	1 602	11.8%	8.9%
Total	10 057	10 537	13 131	15 233	14.8%	100.0%	15 448	16 351	16 979	3.7%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 10.37 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
Households											
Other transfers to households											
Current	19	-	-	-	-100.0%	47.5%	-	-	-	-	-
Employee social benefits	19	-	-	-	-100.0%	47.5%	-	-	-	-	-
Foreign governments and international organisations											
Current											
Commonwealth Association for Public Administration and Management	-	21	-	-	-	52.5%	-	-	-	-	-
Total	19	21	-	-	-100.0%	100.0%	-	-	-	-	-

Personnel information

Table 10.38 Departmental personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Centre for Public Service Innovation																			
Salary level	26	2	29	14.2	0.5	31	16.8	0.5	33	18.4	0.6	33	19.4	0.6	33	20.9	0.6	2.1%	100.0%
1 – 6	10	2	13	2.2	0.2	13	2.1	0.2	15	2.8	0.2	15	2.9	0.2	15	3.2	0.2	4.9%	44.6%
7 – 10	3	-	3	0.6	0.2	3	0.7	0.2	3	0.9	0.3	3	1.0	0.3	3	1.0	0.3	-	9.2%
11 – 12	7	-	7	4.3	0.6	9	6.4	0.7	9	6.8	0.8	9	7.2	0.8	9	7.8	0.9	-	27.7%
13 – 16	6	-	6	7.1	1.2	6	7.6	1.3	6	7.9	1.3	6	8.3	1.4	6	8.9	1.5	-	18.5%
Programme	26	2	29	14.2	0.5	31	16.8	0.5	33	18.4	0.6	33	19.4	0.6	33	20.9	0.6	2.1%	100.0%
Programme 1	15	2	17	6.2	0.4	19	8.1	0.4	21	9.4	0.4	21	9.9	0.5	21	10.7	0.5	3.4%	63.1%
Programme 2	11	-	12	8.0	0.7	12	8.7	0.7	12	9.0	0.7	12	9.5	0.8	12	10.2	0.9	-	36.9%

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

2. Rand million.

Departmental receipts

Table 10.39 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate	Average growth rate (%)		Medium-term receipts estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16			2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
Departmental receipts	-	-	2	2	2	-	100.0%	2	2	2	-	100.0%
Sales of goods and services produced by department	-	-	2	2	2	-	100.0%	2	2	2	-	100.0%
Other sales	-	-	2	2	2	-	100.0%	2	2	2	-	100.0%
of which:												
Insurance collections	-	-	2	2	2	-	100.0%	2	2	2	-	100.0%
Total	-	-	2	2	2	-	100.0%	2	2	2	-	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 10.40 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Strategic Management	1.8	2.1	4.3	3.7	28.0%	24.2%	3.8	4.1	4.4	5.5%	20.5%
Corporate Resource Management	5.0	7.3	5.9	7.7	15.5%	53.0%	8.3	9.0	9.8	8.6%	44.8%
Office of the Chief Financial Officer	0.9	0.9	3.1	6.3	91.0%	22.8%	6.5	6.8	7.3	4.9%	34.7%
Total	7.6	10.3	13.3	17.7	32.2%	100.0%	18.7	19.9	21.4	6.7%	100.0%
Change to 2016				1.2			0.8	0.8	1.1		
Budget estimate											
Economic classification											
Current payments	7.5	9.9	12.6	17.6	32.9%	97.2%	18.4	19.6	20.9	5.9%	98.5%
Compensation of employees	3.9	5.3	6.2	8.1	27.2%	47.9%	9.4	9.9	10.7	9.8%	49.0%
Goods and services ¹	3.6	4.5	6.5	9.6	38.7%	49.3%	9.0	9.7	10.2	2.3%	49.6%
of which:											
Audit costs: External	–	–	0.7	2.1	–	5.9%	2.2	2.3	2.4	3.5%	11.5%
Computer services	0.1	0.3	0.6	0.8	124.0%	3.7%	0.6	0.7	0.7	-5.0%	3.5%
Consultants: Business and advisory services	–	–	0.1	0.4	–	1.0%	0.4	0.3	0.4	3.5%	1.9%
Operating leases	1.6	2.4	2.3	2.9	22.2%	18.8%	3.7	4.0	4.3	13.7%	19.3%
Property payments	0.3	–	0.1	1.1	53.5%	3.0%	0.3	0.3	0.3	-33.4%	2.6%
Travel and subsistence	0.4	–	0.8	0.8	26.4%	4.2%	0.8	0.8	0.8	0.9%	4.1%
Payments for capital assets	0.1	0.4	0.7	0.1	-20.4%	2.7%	0.2	0.3	0.6	100.4%	1.4%
Machinery and equipment	0.1	0.4	0.5	0.1	-20.4%	2.2%	0.2	0.3	0.6	100.4%	1.4%
Software and other intangible assets	–	–	0.2	–	–	0.5%	–	–	–	–	–
Total	7.6	10.3	13.3	17.7	32.2%	100.0%	18.7	19.9	21.4	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	35.4%	45.7%	47.6%	55.1%	–	–	54.8%	55.1%	55.8%	–	–

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

Programme 2: Public Sector Innovation

Programme purpose

Drive service delivery innovation in the public sector in line with government priorities.

Objective

- Contribute to the improvement of service delivery in the public service by:
 - investigating challenges in service delivery to identify solutions for possible development, adaptation, piloting and/or replication, in partnership with the relevant stakeholders, on an ongoing basis
 - developing case studies of selected service delivery innovations for dissemination through the centre's knowledge platforms and products on an ongoing basis
 - piloting with service owners, demonstrating to public servants and facilitating the replication in identified sectors of innovative models and solutions that improve service delivery on an ongoing basis.

Subprogrammes

- *Research and Development* investigates service delivery challenges to identify solutions for possible development, adaptation, piloting and replication in partnership with the relevant stakeholders.
- *Solution Support and Incubation* runs pilots with service owners and demonstrates them to public servants, and facilitates the replication in identified sectors of innovative models and solutions that improve service delivery.
- *Enabling Environment* promotes a culture of innovation in the public sector to enhance service delivery through sustaining and managing knowledge programmes, products and platforms.

Expenditure trends and estimates

Table 10.41 Public Sector Innovation 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Research and Development	2.6	1.9	2.6	3.0	5.9%	18.3%	3.7	3.9	4.1	11.0%	23.4%
Solution Support and Incubation	3.5	2.2	3.8	3.9	4.1%	24.2%	3.3	3.5	3.7	-1.7%	23.0%
Enabling Environment	7.9	8.1	8.3	7.5	-1.9%	57.4%	8.4	8.8	9.1	6.9%	53.6%
Total	13.9	12.2	14.7	14.4	1.2%	100.0%	15.4	16.2	17.0	5.6%	100.0%
Change to 2016 Budget estimate				(1.2)			(1.2)	(1.2)	(1.5)		
Economic classification											
Current payments	13.4	12.2	14.7	14.4	2.6%	98.9%	15.4	16.2	17.0	5.6%	100.0%
Compensation of employees	6.9	6.3	8.0	8.7	8.3%	54.0%	9.0	9.5	10.2	5.4%	59.5%
Goods and services ¹	6.5	6.0	6.7	5.7	-4.3%	44.9%	6.4	6.7	6.8	5.9%	40.5%
of which:											
Computer services	0.1	0.3	0.1	0.2	20.8%	1.4%	0.3	0.3	0.3	8.9%	1.7%
Contractors	0.9	1.0	1.2	1.2	8.9%	7.8%	1.1	1.1	0.9	-8.0%	6.9%
Consumable supplies	0.1	0.2	0.2	0.3	26.7%	1.4%	0.2	0.2	0.2	-0.9%	1.6%
Travel and subsistence	2.5	2.2	1.7	1.9	-9.0%	15.0%	1.9	2.1	2.2	5.5%	12.9%
Operating payments	0.3	0.1	0.6	0.5	10.9%	2.7%	0.6	0.6	0.6	12.5%	3.7%
Venues and facilities	0.7	1.3	1.9	1.0	12.2%	8.9%	1.3	1.4	1.5	12.9%	8.3%
Payments for capital assets	0.6	-	-	-	-100.0%	1.1%	-	-	-	-	-
Machinery and equipment	0.6	-	-	-	-100.0%	1.1%	-	-	-	-	-
Total	13.9	12.2	14.7	14.4	1.2%	100.0%	15.4	16.2	17.0	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	64.6%	54.3%	52.4%	44.9%	-	-	45.2%	44.9%	44.2%	-	-

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

Entity

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

- The **National School of Government** training trading account functions within the National School of Government as a mechanism for the partial recovery of the costs of training programmes. The branches of the trading account directly facilitate and monitor the provision of leadership development and management training at all levels of government, in collaboration with provincial academies and local government training entities. The account's total budget for 2017/18 is R225.8 million.

Vote 11

Public Works

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	493.8	480.2	5.3	8.4	512.3	540.5
Intergovernmental Coordination	60.2	54.4	5.2	0.7	65.0	69.3
Expanded Public Works Programme	2 414.6	315.3	2 096.7	2.6	2 533.2	2 703.6
Property and Construction Industry Policy and Research	3 969.9	31.2	3 938.4	0.3	4 287.7	4 516.2
Prestige Policy	99.6	79.4	10.3	10.0	95.9	108.3
Total expenditure estimates	7 038.1	960.4	6 055.7	22.0	7 494.3	7 937.8

Executive authority: Minister of Public Works
 Accounting officer: Director General of Public Works
 Website address: www.publicworks.gov.za

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

Vote purpose

Provide policy formulation for, as well as coordination, regulation and oversight of, the public works sector in relation to the accommodation, housing, land and infrastructure needs of national departments. Enhance intergovernmental relations by coordinating concurrent public works functions. Lead and direct the implementation of the national expanded public works programme. Promote growth, job creation and transformation in the construction and property industries.

Mandate

As set out in the Government Immovable Asset Management Act (2007), the Department of Public Works is mandated to be the custodian and portfolio manager of government's immovable assets. Following the creation of the Property Management Trading Entity in 2015/16, the department's role now consists of policy formulation, coordination, regulation and oversight relating to the provision of accommodation and expert built environment services to client departments at the national level; and, through the Property Management Trading Entity, the planning, acquiring, managing and disposing of immovable assets in the department's custody. The Department is further mandated to coordinate and provide strategic leadership in job creation initiatives through the implementation of the expanded public works programme. Public works is constitutionally designated as a concurrent function exercised by the national and provincial spheres of government.

Selected performance indicators

Table 11.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of cooperation and protocol agreements for joint service delivery signed with provinces and municipalities per year	Intergovernmental Coordination	Outcome 12: An efficient, effective and development-oriented public service	-1	-1	2	10	20	20	20
Number of policy frameworks developed for the public works sector per year	Intergovernmental Coordination		-1	-1	-1	-1	2	1	1

Table 11.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of work opportunities reported on the expanded public works programme reporting system per year	Expanded Public Works Programme	Outcome 4: Decent employment through inclusive growth	1 012 664	1 103 983	741 540	1 343 154	1 406 736	1 455 840	1 455 000
Number of municipalities reporting on expanded public works programme targets provided with technical support per year	Expanded Public Works Programme	Outcome 12: An efficient, effective and development-oriented public service	271	274	278	290	290	290	290
Number of prestige policies approved	Prestige Policy		-1	-1	-1	4	4	3	-2

1. No historical data available.

2. No target set for 2019/20 as the department will review the inclusion of this indicator.

Expenditure analysis

Over the medium term, the Department of Public Works will continue to focus on creating jobs; building a capable and developmental state by strengthening its governance, risk and compliance functions; fighting corruption by strengthening oversight of the public works sector; and strengthening the department's research and policy development capacity. This supports the realisation of outcome 4 (decent employment through inclusive growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 12 (an efficient, effective and development-orientated public service) of government's 2014-2019 medium-term strategic framework.

An average of 86.2 per cent of the total budget over the medium term is allocated to transfers and subsidies for the operations of the department's entities. They include the Property Management Trading Entity, which performs all immovable asset management functions on behalf of the Department of Public Works; the Construction Industry Development Board, which provides strategic leadership to the construction industry; and the Council for the Built Environment, which promotes and protects the interests of the public in the built environment. The department also makes transfer payments in the form of conditional grants to provinces and municipalities for the implementation of the expanded public works programme.

Creating employment and investing in people

The department leads and coordinates the expanded public works programme. Since 2013/14, the expanded public works programme has created 4.2 million work opportunities, and aims to create another 4.3 million by the end of 2019/20. The department will provide support to public bodies to ensure that projects within the expanded public works programme are implemented using labour-intensive methods, and that data is accurately captured, verified, monitored and evaluated.

Spending on transfers and subsidies for the *Expanded Public Works Programme* is projected to increase from R2 billion in 2016/17 to R2.4 billion in 2019/20. The department anticipates spending R980 million over the medium term on managing the *Expanded Public Works Programme*, with R495.2 million allocated to spending on compensation of employees for the administration of the programme and R477.1 million allocated to spending on goods and services. The department has also budgeted R306.6 million over the MTEF period for additional specialised skills required to provide technical support to 290 municipalities per year for implementing projects related to the *Expanded Public Works Programme*.

A professional services branch within the department will be established to focus on consolidating, developing and managing the built environment skills pipeline with state and non-state stakeholders, and increasing institutional state capacity. Over the medium term, the branch will aim to respond to identified professional gaps within the public works sector, taking into account factors such as professional sustainability, relevance in the service delivery value chain, and potential to achieve developmental capacity outcomes. To achieve these objectives, R77 million (R35 million for compensation of employees, R27 million for goods and services and R15.3 million for transfers to households for non-employees' bursaries) over the medium term has been budgeted for the professional services branch. The department expects that 3 235 beneficiaries participating in the skills development programme will complete the programme over the medium term.

Strengthening governance, risk and compliance functions

The integration of the department's governance, risk and compliance functions into a single unit is essential to improving service delivery. The department is in the process of developing a new service delivery model to

drive organisational turnaround as it focuses on policy formulation, coordination, regulation and oversight. The implementation of the turnaround strategy in 2017/18 is expected to allow the department to be more responsive to external stakeholders, enhance efficiency, and reduce opportunities for corruption and wasteful and fruitless expenditure through establishing clear lines of responsibility and accountability. The department intends to intensify the implementation of its anti-fraud and corruption strategy over the medium term, and place greater emphasis on preventative internal controls within the context of a holistic anti-corruption strategy and ethics framework. An amount of R114 million has been set aside over the medium term to implement the strategy. These functions will be funded through the *Administration* programme, which has an allocation of R1.5 billion over the medium term.

Strengthening oversight and cooperation

The department has established an intergovernmental coordination branch to promote and facilitate collaboration and cooperative decision-making within the public works sector. The branch aims to ensure that policies and priorities across all three spheres of government are appropriate to encourage service delivery that effectively meets the needs of the citizenry. The branch will oversee the development of appropriate tools for guiding integrated development planning and reporting to enable better governmental coordination. Over the medium term, the department intends to sign 60 agreements for joint service delivery with provinces and municipalities in an effort to foster better coordination for more effective service delivery.

Over the MTEF period, the department will continue to provide support and guidance to the public works sector on planning and performance management processes, and establish monitoring mechanisms to address negative audit outcomes and improve performance. Expenditure in relation to the intergovernmental coordination branch is expected to be R113 million over the period, with spending on compensation of employees accounting for 83 per cent.

Strengthening the department's research and policy development capacity

The department is playing a leading role in the transformation of the built environment in consultation with its entities, built environment professional councils, charter councils and other stakeholders. The reviews of the Construction Industry Development Board Act (2000) and Council for the Built Environment Act (2000) aim to ensure the acts align with current policy trajectories such as the National Development Plan and the Broad-Based Black Economic Empowerment Act (2003), and address governance challenges and the slow pace of transformation in the construction industry and built environment. The Council for the Built Environment Bill is expected to be submitted to Parliament in 2017/18, and the implementation of the act is planned for 2018/19. The Construction Industry Development Board Bill is expected to be ready for gazetting in 2017/18.

The development of a property management empowerment policy will serve as the overarching framework for the department's empowerment initiatives and programmes in an effort to promote the transformation of the property industry. The department will also review relevant policies, such as the 1997 and 1999 white papers on public works, and consult with the wider public works community in working towards a solid foundation for the proposed public works act, which will focus on the concurrent nature of the public works function, that is, functions that are carried out at both the national and provincial spheres of government, including providing accommodation to national and provincial departments.

Once the act is promulgated, the department will be empowered to perform oversight and performance management functions in relation to the activities and programmes of provincial public works departments. To achieve these key objectives, the department's research and policy branch will be funded by the *Property and Construction Industry Policy and Research* programme. The branch will spend R102 million over the medium term on compensation of employees.

Improving service delivery to prestige clients

The department is developing and reviewing policies, guidelines, norms and standards for the management of its prestige portfolio, which deals with the provision of accommodation to parliamentarians, ministers, deputy ministers, the deputy president, the president, as well as judicial office bearers such as judges and justices. This entails working towards the approval of an expected seven prestige policies over the medium term, including a focused asset management and maintenance strategy, a portfolio management strategy, and infrastructure-

planning and programme management methodologies. Spending in this regard is expected to increase from R99.6 million in 2017/18 to R108.3 million in 2019/20.

Expenditure trends

Table 11.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Intergovernmental Coordination														
3. Expanded Public Works Programme														
4. Property and Construction Industry Policy and Research														
5. Prestige Policy														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	1 148.2	1 158.2	626.7	1 175.3	1 190.6	615.9	476.0	477.3	479.2	516.6	516.0	514.0	67.4%	66.9%
Programme 2	-	-	18.9	-	-	26.7	47.2	45.7	44.7	31.4	28.6	28.6	151.3%	160.0%
Programme 3	1 948.0	1 948.0	1 931.7	1 951.3	1 951.3	1 925.6	1 992.2	1 953.4	1 939.9	2 319.5	2 319.5	2 319.5	98.9%	99.3%
Programme 4	3 021.6	3 016.8	3 323.7	2 954.5	2 939.3	3 268.3	3 803.0	3 743.0	3 735.4	3 565.1	3 552.6	3 552.6	104.0%	104.7%
Programme 5	52.3	52.3	121.7	40.1	40.1	185.5	92.7	92.8	82.0	96.1	96.1	96.1	172.6%	172.5%
Total	6 170.0	6 175.3	6 022.7	6 121.3	6 121.3	6 022.0	6 411.1	6 312.2	6 281.1	6 528.8	6 512.8	6 510.8	98.4%	98.9%
Change to 2016 Budget estimate	(16.0)													
Economic classification														
Current payments	2 849.4	2 853.0	2 787.3	2 962.0	3 027.8	3 020.1	882.8	884.1	801.9	917.9	905.1	903.1	98.7%	97.9%
Compensation of employees	1 468.2	1 473.5	1 471.5	1 659.9	1 667.8	1 591.8	475.0	475.0	435.9	470.8	471.8	471.8	97.5%	97.1%
Goods and services	1 371.5	1 379.6	1 315.8	1 302.1	1 360.0	1 428.3	407.8	409.1	364.5	447.1	433.3	431.3	100.3%	98.8%
Interest and rent on land	9.6	-	-	-	-	-	-	-	1.6	-	-	-	16.4%	-
Transfers and subsidies	2 542.3	2 543.9	2 596.6	2 563.4	2 563.9	2 577.8	5 500.2	5 400.1	5 411.3	5 572.3	5 570.2	5 570.2	99.9%	100.5%
Provinces and municipalities	1 224.2	1 225.8	1 221.4	1 201.5	1 201.5	1 200.3	1 178.9	1 140.0	1 139.4	1 425.7	1 425.7	1 425.7	99.1%	99.9%
Departmental agencies and accounts	803.7	803.7	812.8	802.8	802.5	813.5	3 703.1	3 641.8	3 653.5	3 511.0	3 507.4	3 507.4	-	-
Foreign governments and international organisations	20.5	20.5	17.6	21.7	22.5	22.5	23.3	23.3	23.4	24.8	28.2	28.2	101.5%	97.0%
Public corporations and private enterprises	50.0	50.0	100.0	50.0	50.0	50.0	50.0	50.0	50.0	-	-	-	133.3%	133.3%
Non-profit institutions	438.3	438.3	438.3	477.5	477.5	477.5	534.8	534.8	535.1	600.4	600.4	600.4	100.0%	100.0%
Households	5.6	5.6	6.5	9.9	9.9	14.0	10.2	10.2	9.9	10.5	8.5	8.5	107.7%	113.8%
Payments for capital assets	778.4	778.4	631.1	595.9	529.6	420.7	28.1	28.1	23.5	38.5	37.5	37.5	77.2%	81.0%
Buildings and other fixed structures	676.2	676.2	567.4	510.4	416.1	315.9	-	-	-	-	-	-	74.4%	80.9%
Machinery and equipment	91.2	90.9	47.5	79.2	107.2	103.6	28.1	28.1	23.2	38.5	37.5	37.5	89.4%	80.3%
Software and other intangible assets	11.0	11.2	16.2	6.3	6.3	1.2	-	-	0.4	-	-	-	102.5%	101.1%
Payments for financial assets	-	-	7.8	-	-	3.4	-	-	44.4	-	-	-	-	-
Total	6 170.0	6 175.3	6 022.7	6 121.3	6 121.3	6 022.0	6 411.1	6 312.2	6 281.1	6 528.8	6 512.8	6 510.8	98.4%	98.9%

Expenditure estimates

Table 11.3 Vote expenditure estimates by programme and economic classification

Programmes														
1. Administration														
2. Intergovernmental Coordination														
3. Expanded Public Works Programme														
4. Property and Construction Industry Policy and Research														
5. Prestige Policy														
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)						
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20							
Programme 1	514.0	-23.7%	9.0%	493.8	512.3	540.5	1.7%	7.1%						
Programme 2	28.6	-	0.5%	60.2	65.0	69.3	34.2%	0.8%						
Programme 3	2 319.5	6.0%	32.7%	2 414.6	2 533.2	2 703.6	5.2%	34.4%						
Programme 4	3 552.6	5.6%	55.9%	3 969.9	4 287.7	4 516.2	8.3%	56.3%						
Programme 5	96.1	22.5%	2.0%	99.6	95.9	108.3	4.1%	1.4%						
Total	6 510.8	1.8%	100.0%	7 038.1	7 494.3	7 937.8	6.8%	100.0%						
Change to 2016 Budget estimate				(183.0)	(167.6)	(163.5)								

Table 11.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2018/19	2019/20		
R million	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
Current payments	903.1	-31.8%	30.2%	960.4	982.2	1 050.2	5.2%	13.4%
Compensation of employees	471.8	-31.6%	16.0%	486.4	518.3	557.8	5.7%	7.0%
Goods and services	431.3	-32.1%	14.3%	474.0	463.9	492.3	4.5%	6.4%
Transfers and subsidies	5 570.2	29.9%	65.0%	6 055.7	6 488.5	6 862.8	7.2%	86.2%
Provinces and municipalities	1 425.7	5.2%	20.1%	1 472.6	1 553.3	1 663.3	5.3%	21.1%
Departmental agencies and accounts	3 507.4	63.4%	35.4%	3 922.1	4 235.9	4 461.1	8.3%	55.6%
Foreign governments and international organisations	28.2	11.2%	0.4%	26.0	27.5	29.1	1.0%	0.4%
Non-profit institutions	600.4	11.1%	8.3%	624.0	660.2	697.1	5.1%	8.9%
Households	8.5	14.8%	0.2%	11.0	11.6	12.3	13.0%	0.1%
Payments for capital assets	37.5	-63.6%	4.5%	22.0	23.5	24.8	-12.9%	0.4%
Machinery and equipment	37.5	-25.6%	0.9%	22.0	23.5	24.8	-12.9%	0.4%
Total	6 510.8	1.8%	100.0%	7 038.1	7 494.3	7 937.8	6.8%	100.0%

Goods and services expenditure trends and estimates

Table 11.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
Administrative fees	692	474	1 163	1 282	22.8%	0.1%	444	470	496	-27.1%	0.1%
Advertising	11 903	12 208	7 389	7 812	-13.1%	1.1%	9 333	9 664	10 284	9.6%	2.0%
Minor assets	4 768	11 803	3 446	7 246	15.0%	0.8%	14 618	14 009	15 077	27.7%	2.7%
Audit costs: External	58 594	58 887	16 420	21 145	-28.8%	4.4%	14 337	14 379	15 643	-9.6%	3.5%
Bursaries: Employees	1 572	292	147	2 203	11.9%	0.1%	2 313	2 447	2 584	5.5%	0.5%
Catering: Departmental activities	3 536	2 246	1 866	1 618	-22.9%	0.3%	1 822	1 813	1 913	5.7%	0.4%
Communication	25 593	24 030	12 645	7 916	-32.4%	2.0%	9 714	9 687	10 207	8.8%	2.0%
Computer services	24 764	35 906	40 202	39 573	16.9%	4.0%	34 577	31 014	32 324	-6.5%	7.4%
Consultants: Business and advisory services	171 325	48 169	26 213	15 152	-55.4%	7.4%	28 763	29 862	31 900	28.2%	5.7%
Infrastructure and planning services	18 224	22 866	25 340	19 442	2.2%	2.4%	9 899	10 473	11 059	-17.1%	2.7%
Legal services	18 378	22 466	14 986	20 038	2.9%	2.1%	23 473	20 787	20 736	1.1%	4.6%
Contractors	100 737	118 580	43 600	38 337	-27.5%	8.5%	47 470	44 359	48 025	7.8%	9.6%
Agency and support/outsourced services	199 192	254 676	98 894	110 072	-17.9%	18.7%	127 775	120 736	129 437	5.6%	26.2%
Entertainment	720	301	177	449	-14.6%	-	484	398	423	-2.0%	0.1%
Fleet services (including government motor transport)	17 630	18 059	1 911	2 277	-49.5%	1.1%	3 009	3 148	3 189	11.9%	0.6%
Inventory: Clothing material and accessories	4 236	-	-	-	-100.0%	0.1%	-	-	-	-	-
Inventory: Fuel, oil and gas	7 571	-	-	-	-100.0%	0.2%	-	-	-	-	-
Inventory: Materials and supplies	901	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	94	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	12 001	17 073	2 072	7 515	-14.4%	1.1%	2 679	2 825	2 995	-26.4%	0.9%
Consumables: Stationery, printing and office supplies	10 944	11 502	5 481	6 504	-15.9%	1.0%	7 907	7 729	8 167	7.9%	1.6%
Operating leases	247 585	228 190	3 921	21 507	-55.7%	14.2%	23 990	26 058	27 611	8.7%	5.3%
Rental and hiring	609	837	244	1 292	28.5%	0.1%	1 354	1 425	1 505	5.2%	0.3%
Property payments	254 260	419 256	1 390	35 974	-47.9%	20.1%	35 417	38 291	40 139	3.7%	8.0%
Transport provided: Departmental activity	-	5 314	-	-	-	0.2%	-	-	-	-	-
Travel and subsistence	95 021	85 909	43 542	49 192	-19.7%	7.7%	52 276	50 405	53 229	2.7%	11.0%
Training and development	7 130	14 747	5 084	6 036	-5.4%	0.9%	10 437	11 240	11 887	25.3%	2.1%
Operating payments	9 091	10 326	5 294	5 205	-17.0%	0.8%	5 624	6 026	6 525	7.8%	1.3%
Venues and facilities	8 684	4 210	3 035	5 471	-14.3%	0.6%	6 238	6 649	6 989	8.5%	1.4%
Total	1 315 755	1 428 327	364 462	433 258	-30.9%	100.0%	473 953	463 894	492 344	4.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 11.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Provinces and municipalities											
Provincial revenue funds											
Current	610 167	605 676	551 710	761 671	7.7%	15.7%	781 162	823 984	882 298	5.0%	13.0%
Expanded public works programme integrated grant for provinces	354 214	347 704	325 607	402 009	4.3%	8.8%	395 579	416 036	451 505	3.9%	6.7%
Social sector expanded public works programme incentive grant for provinces	255 953	257 972	226 103	359 662	12.0%	6.8%	385 583	407 948	430 793	6.2%	6.3%
Provinces and municipalities											
Municipal bank accounts											
Current	611 278	594 580	587 689	663 997	2.8%	15.2%	691 453	729 351	780 971	5.6%	11.5%
Vehicle licences	2	3	4	6	44.2%	–	6	6	6	–	–
Expanded public works programme integrated grant for municipalities	611 274	594 575	587 685	663 991	2.8%	15.2%	691 447	729 345	780 965	5.6%	11.5%
Municipal bank account	2	2	–	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	812 810	813 497	3 653 519	3 507 375	62.8%	54.4%	3 922 086	4 235 897	4 461 110	8.3%	64.6%
Agreement South Africa	10 398	11 021	11 682	12 383	6.0%	0.3%	29 045	30 757	32 480	37.9%	0.4%
Construction Industry Development Board	72 361	77 212	65 626	52 059	-10.4%	1.7%	74 984	75 203	79 414	15.1%	1.1%
Council for the Built Environment	37 959	41 572	41 994	43 413	4.6%	1.0%	48 568	51 385	54 263	7.7%	0.8%
Construction Education and Training Authority	1 468	1 630	475	500	-30.2%	–	516	546	577	4.9%	–
Property Management Trading Entity	682 426	673 372	3 524 652	3 389 448	70.6%	51.2%	3 758 922	4 067 372	4 283 146	8.1%	62.1%
Parliamentary Villages Management Board	8 198	8 690	9 090	9 572	5.3%	0.2%	10 051	10 634	11 230	5.5%	0.2%
Foreign governments and international organisations											
Current	17 555	22 548	23 363	28 234	17.2%	0.6%	26 031	27 523	29 064	1.0%	0.4%
Commonwealth War Graves Commission	17 555	22 548	23 363	28 234	17.2%	0.6%	26 031	27 523	29 064	1.0%	0.4%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	100 000	50 000	50 000	–	-100.0%	1.2%	–	–	–	–	–
Independent Development Trust	100 000	50 000	50 000	–	-100.0%	1.2%	–	–	–	–	–
Non-profit institutions											
Current	438 281	477 481	535 147	600 427	11.1%	12.7%	624 024	660 158	697 126	5.1%	10.3%
Various institutions: Non-state sector programme	438 281	477 481	534 816	600 257	11.1%	12.7%	623 904	660 158	697 126	5.1%	10.3%
South African Council for the Landscape Architectural Profession	–	–	331	170	–	–	120	–	–	-100.0%	–
Households											
Social benefits											
Current	6 463	9 407	795	3 504	-18.5%	0.1%	5 986	6 626	6 996	25.9%	0.1%
Employee social benefits	6 463	9 407	795	3 504	-18.5%	0.1%	5 986	6 626	6 996	25.9%	0.1%
Households											
Other transfers to households											
Current	–	4 585	9 091	5 000	–	0.1%	5 000	5 000	5 280	1.8%	0.1%
Bursaries for non-employees	–	4 585	9 091	5 000	–	0.1%	5 000	5 000	5 280	1.8%	0.1%
Total	2 596 554	2 577 774	5 411 314	5 570 208	29.0%	100.0%	6 055 742	6 488 539	6 862 845	7.2%	100.0%

Personnel information

Table 11.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Public Works																			
Salary level	594	688	1 287	435.9	0.3	934	471.8	0.5	795	486.4	0.6	790	518.3	0.7	785	557.8	0.7	-5.6%	100.0%
1 – 6	51	169	221	34.6	0.2	268	44.2	0.2	136	27.6	0.2	135	29.7	0.2	130	30.9	0.2	-21.4%	20.2%
7 – 10	276	47	322	129.6	0.4	329	144.2	0.4	326	155.8	0.5	325	168.8	0.5	324	182.3	0.6	-0.5%	39.5%
11 – 12	185	28	218	157.9	0.7	217	171.2	0.8	212	182.1	0.9	204	189.8	0.9	204	205.4	1.0	-2.0%	25.3%
13 – 16	82	10	93	96.9	1.0	98	106.9	1.1	98	115.2	1.2	98	123.7	1.3	98	132.5	1.4	-	11.9%
Other	-	434	433	16.9	-	22	5.3	0.2	23	5.7	0.2	28	6.3	0.2	29	6.7	0.2	9.6%	3.1%
Programme	594	688	1 287	435.9	0.3	934	471.8	0.5	795	486.4	0.6	790	518.3	0.7	785	557.8	0.7	-5.6%	100.0%
Programme 1	320	621	945	251.7	0.3	524	254.2	0.5	426	250.0	0.6	425	269.8	0.6	422	290.3	0.7	-7.0%	54.4%
Programme 2	16	3	39	25.9	0.7	26	20.3	0.8	49	39.3	0.8	50	43.0	0.9	50	46.1	0.9	24.4%	5.3%
Programme 3	207	55	260	134.0	0.5	312	154.7	0.5	256	156.4	0.6	249	163.2	0.7	247	175.6	0.7	-7.5%	32.2%
Programme 4	12	4	13	8.7	0.7	26	16.3	0.6	23	15.5	0.7	27	17.0	0.6	27	18.3	0.7	1.3%	3.1%
Programme 5	39	5	30	15.6	0.5	46	26.3	0.6	41	25.2	0.6	39	25.3	0.6	39	27.5	0.7	-5.4%	5.0%

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

2. Rand million.

Departmental receipts

Table 11.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	55 470	16 132	7 106	2 764	2 764	-63.2%	100.0%	1 384	1 384	1 384	-20.6%	100.0%
Sales of goods and services produced by department	3 855	6 605	977	585	585	-46.7%	14.8%	55	55	55	-54.5%	10.8%
Sales by market establishments	490	496	977	40	40	-56.6%	2.5%	5	5	5	-50.0%	0.8%
of which:												
Market establishment: Rental parking: Covered and open	490	496	977	40	40	-56.6%	2.5%	5	5	5	-50.0%	0.8%
Other sales	3 365	6 109	-	545	545	-45.5%	12.3%	50	50	50	-54.9%	10.0%
of which:												
Tender documents	3 365	6 109	-	5	5	-88.6%	11.6%	-	-	-	-100.0%	0.1%
Services rendered: Commission on insurance and garnishees	-	-	-	540	540	-	0.7%	50	50	50	-54.8%	10.0%
Sales of scrap, waste, arms and other used current goods	4	62	8	10	10	35.7%	0.1%	-	-	-	-100.0%	0.1%
of which:												
Sales: Waste	4	62	8	10	10	35.7%	0.1%	-	-	-	-100.0%	0.1%
Fines, penalties and forfeits	4	7	-	-	-	-100.0%	-	-	-	-	-	-
Interest, dividends and rent on land	1 326	5 019	2 300	1 089	1 089	-6.4%	11.9%	300	300	300	-34.9%	28.8%
Interest	1 326	5 019	2 300	1 089	1 089	-6.4%	11.9%	300	300	300	-34.9%	28.8%
Sales of capital assets	77	-	9	-	-	-100.0%	0.1%	-	-	-	-	-
Transactions in financial assets and liabilities	50 204	4 439	3 812	1 080	1 080	-72.2%	73.1%	1 029	1 029	1 029	-1.6%	60.3%
Total	55 470	16 132	7 106	2 764	2 764	-63.2%	100.0%	1 384	1 384	1 384	-20.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 11.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Ministry	19.5	23.4	25.3	31.2	16.9%	4.4%	37.2	39.7	42.3	10.7%	7.3%
Management	88.8	103.8	114.7	90.5	0.6%	17.8%	102.6	106.5	113.9	8.0%	20.0%
Corporate Services	248.4	281.6	271.7	275.7	3.5%	48.1%	238.3	247.5	258.0	-2.2%	49.4%
Finance and Supply Chain Management	270.0	207.1	67.5	69.3	-36.5%	27.4%	62.6	64.2	69.0	-0.1%	12.9%
Office Accommodation	-	-	-	49.4	-	2.2%	53.1	54.5	57.3	5.0%	10.4%
Total	626.7	615.9	479.2	516.0	-6.3%	100.0%	493.8	512.3	540.5	1.6%	100.0%
Change to 2016 Budget estimate				(0.6)			(50.5)	(70.3)	(80.5)		
Economic classification											
Current payments	596.0	546.0	427.4	486.0	-6.6%	91.9%	480.2	494.9	526.7	2.7%	96.4%
Compensation of employees	217.7	204.3	251.7	254.2	5.3%	41.5%	250.0	269.8	290.3	4.5%	51.6%
Goods and services ¹	378.3	341.7	174.4	231.8	-15.1%	50.3%	230.1	225.1	236.3	0.7%	44.8%
of which:											
Computer services	23.9	35.3	39.9	39.1	17.8%	6.2%	34.0	30.5	31.7	-6.7%	6.6%
Legal services	18.3	22.5	15.0	20.0	3.1%	3.4%	23.5	20.8	20.7	1.1%	4.1%
Agency and support/outourced services	165.8	142.9	23.5	24.6	-47.0%	15.9%	16.3	14.8	15.4	-14.6%	3.4%
Operating leases	30.7	2.9	2.7	20.5	-12.5%	2.5%	23.2	25.1	26.5	8.8%	4.6%
Property payments	2.4	3.1	1.4	35.6	146.8%	1.9%	35.0	37.9	39.7	3.7%	7.2%
Travel and subsistence	16.6	18.1	20.9	27.4	18.1%	3.7%	27.2	26.1	27.5	0.2%	5.2%
Interest and rent on land	-	-	1.2	-	-	0.1%	-	-	-	-	-
Transfers and subsidies¹	0.9	5.2	9.6	7.7	107.5%	1.0%	5.3	5.9	6.2	-6.6%	1.2%
Households	0.9	5.2	9.6	7.6	107.6%	1.0%	5.3	5.9	6.2	-6.6%	1.2%
Payments for capital assets	22.0	64.7	10.0	22.3	0.4%	5.3%	8.4	11.6	7.6	-30.3%	2.4%
Machinery and equipment	6.0	63.5	9.7	22.3	55.2%	4.5%	8.4	11.6	7.6	-30.3%	2.4%
Software and other intangible assets	16.1	1.2	0.4	-	-100.0%	0.8%	-	-	-	-	-
Payments for financial assets	7.8	0.1	32.1	-	-100.0%	1.8%	-	-	-	-	-
Total	626.7	615.9	479.2	516.0	-6.3%	100.0%	493.8	512.3	540.5	1.6%	100.0%
Proportion of total programme expenditure to vote expenditure	10.4%	10.2%	7.6%	7.9%	-	-	7.0%	6.8%	6.8%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.9	0.6	0.5	2.6	45.7%	0.2%	5.3	5.9	6.2	33.0%	1.0%
Employee social benefits	0.9	0.6	0.5	2.6	45.7%	0.2%	5.3	5.9	6.2	33.0%	1.0%

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

Programme 2: Intergovernmental Coordination

Programme purpose

Promote sound sectoral intergovernmental relations and strategic partnerships. Coordinate with provinces on: immovable asset registers; construction and property management; the implementation of the Government Immovable Asset Management Act (2007); and the reporting on performance information within the public works sector.

Objectives

- Ensure the integrated planning and coordination of concurrent functions over the medium term by:
 - signing 60 agreements for joint service delivery with public bodies across all spheres of government
 - conducting five reviews on intergovernmental governance structures
 - identifying 27 state-owned properties for student accommodation through the public works sector.
- Restore the skills pipeline in the built environment by ensuring the participation of 3 235 beneficiaries in the department and the Property Management Trading Entity skills development programme over the medium term.

- Establish institutional capacity to manage the public infrastructure programmes over the medium term by approving five asset management service tools within the different phases of the Government Immovable Asset Management Act (2007).

Subprogrammes

- *Monitoring, Evaluation and Reporting* promotes good governance by supporting provinces in strengthening their governance and coordination capabilities.
- *Intergovernmental Relations and Coordination* improves the coordination and alignment of public works sector policies and programmes by providing oversight, intervention and support programme services to provinces.

Expenditure trends and estimates

Table 11.9 Intergovernmental Coordination 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Monitoring, Evaluation and Reporting	11.3	17.9	34.2	14.9	9.7%	65.8%	14.0	15.0	16.1	2.5%	26.9%
Intergovernmental Relations and Coordination	7.6	8.8	10.6	13.7	21.8%	34.2%	46.2	50.0	53.2	57.1%	73.1%
Total	18.9	26.7	44.7	28.6	14.9%	100.0%	60.2	65.0	69.3	34.2%	100.0%
Change to 2016 Budget estimate				(2.8)			26.3	29.3	31.0		
Economic classification											
Current payments	18.8	26.3	31.9	26.3	11.9%	86.8%	54.4	59.2	63.1	33.8%	90.9%
Compensation of employees	14.8	21.7	25.9	20.3	11.0%	69.5%	39.3	43.0	46.1	31.5%	66.6%
Goods and services ¹	4.0	4.6	6.0	6.1	15.3%	17.3%	15.1	16.2	17.0	41.2%	24.3%
of which:											
Communication	0.2	0.2	0.2	0.5	35.7%	1.0%	0.6	0.7	0.8	14.7%	1.2%
Consultants: Business and advisory services	0.1	0.6	1.4	0.4	37.3%	2.1%	0.5	0.5	0.6	15.1%	0.9%
Agency and support/outourced services	–	–	–	1.1	–	0.9%	6.5	6.7	6.9	87.1%	9.5%
Travel and subsistence	1.1	1.4	1.8	1.2	3.9%	4.6%	3.2	3.3	3.5	43.2%	5.1%
Training and development	–	–	0.4	–	–	0.4%	1.0	1.1	1.1	285.2%	1.4%
Operating payments	1.2	0.8	0.8	0.8	-14.8%	2.9%	0.9	1.1	1.2	18.5%	1.8%
Transfers and subsidies ¹	–	–	–	0.3	–	0.3%	5.2	5.2	5.4	162.6%	7.2%
Households	–	–	–	0.3	–	0.3%	5.2	5.2	5.4	162.6%	7.2%
Payments for capital assets	0.1	0.4	0.5	2.0	178.1%	2.5%	0.7	0.7	0.7	-28.7%	1.9%
Machinery and equipment	0.1	0.4	0.5	2.0	178.1%	2.5%	0.7	0.7	0.7	-28.7%	1.9%
Payments for financial assets	–	–	12.3	–	–	10.4%	–	–	–	–	–
Total	18.9	26.7	44.7	28.6	14.9%	100.0%	60.2	65.0	69.3	34.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.4%	0.7%	0.4%	–	–	0.9%	0.9%	0.9%	–	–

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

Programme 3: Expanded Public Works Programme

Programme purpose

Coordinate the implementation of the expanded public works programme, which aims to create work opportunities and provide training for unskilled, marginalised and unemployed people in South Africa.

Objectives

- Monitor and evaluate the implementation of public employment programmes within the expanded public works programme over the medium term by:
 - monitoring and reporting on 4.3 million work opportunities created by public bodies implementing the expanded public works programme
 - producing six data quality assessment reports.
- Support public bodies implementing public employment programmes in the non-state sector by contracting 400 non-profit organisations to implement non-state sector projects over the medium term.

- Support public bodies to implement public employment programmes within the expanded public works programme in the infrastructure, social and environment, and culture sectors by ensuring that 290 public bodies are provided with technical support over the medium term.
- Provide strategic guidance on sectoral convergence through the development of implementation frameworks by developing three frameworks on sectoral convergence over the medium term.

Subprogrammes

- *Expanded Public Works Programme: Monitoring and Evaluation* reports and monitors the outputs of the expanded public works programme, and evaluates the impact the work opportunities created and training provided have on unskilled, marginalised and unemployed people.
- *Expanded Public Works Programme: Infrastructure* aims to ensure that publicly funded construction and maintenance infrastructure projects are implemented using labour-intensive methods in order to create work opportunities.
- *Expanded Public Works Programme: Operations* facilitates the creation of work opportunities in the environmental, culture, non-state and social sectors.
- *Expanded Public Works Programme: Partnership Support* coordinates and supports national, provincial and municipal programmes of the expanded public works programme; and provides an enabling environment for training, enterprise development and communication across the four sectors of the expanded public works programme.
- *Expanded Public Works Programme: Public Employment Coordinating Commission* consolidates progress reports on the implementation of public employment programmes such as the expanded public works programme and produces strategic reports for the interministerial committee on public employment programmes.

Expenditure trends and estimates

Table 11.10 Expanded Public Works Programme expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Expanded Public Works Programme:											
Monitoring and Evaluation	63.8	66.6	63.5	81.1	8.3%	3.4%	70.1	65.1	70.8	-4.4%	2.9%
Expanded Public Works Programme:											
Infrastructure	1 039.4	1 035.0	1 016.1	1 166.2	3.9%	52.4%	1 191.3	1 242.8	1 337.7	4.7%	49.5%
Expanded Public Works Programme:	727.7	781.1	799.2	1 008.4	11.5%	40.9%	1 077.1	1 148.7	1 213.4	6.4%	44.6%
Operations											
Expanded Public Works Programme:	100.8	42.9	57.3	56.5	-17.6%	3.2%	68.5	69.2	73.6	9.2%	2.7%
Partnership Support											
Expanded Public Works Programme: Public Employment Coordinating Commission	-	-	3.8	7.3	-	0.1%	7.5	7.5	8.0	3.2%	0.3%
Total	1 931.7	1 925.6	1 939.9	2 319.5	6.3%	100.0%	2 414.6	2 533.2	2 703.6	5.2%	100.0%
Change to 2016 Budget estimate							(61.3)	(94.7)	(74.8)		
Economic classification											
Current payments	270.3	245.8	263.3	290.9	2.5%	13.2%	315.3	316.8	340.2	5.4%	12.7%
Compensation of employees	108.3	112.4	134.0	154.7	12.6%	6.3%	156.4	163.2	175.6	4.3%	6.5%
Goods and services ¹	161.9	133.4	129.4	136.2	-5.6%	6.9%	158.9	153.6	164.6	6.5%	6.2%
of which:											
Advertising	7.1	4.5	3.2	4.8	-12.2%	0.2%	5.0	5.3	5.6	5.5%	0.2%
Consultants: Business and advisory services	75.7	7.8	0.8	2.1	-69.5%	1.1%	12.7	13.5	14.2	87.9%	0.4%
Infrastructure and planning services	9.4	16.0	25.3	19.4	27.3%	0.9%	9.9	10.5	11.1	-17.1%	0.5%
Agency and support/outsourced services	33.0	77.0	74.0	83.8	36.4%	3.3%	103.3	97.7	105.6	8.0%	3.9%
Consumables: Stationery, printing and office supplies	1.3	1.6	1.7	1.9	13.7%	0.1%	2.0	2.2	2.3	5.8%	0.1%
Travel and subsistence	24.9	13.6	18.2	17.0	-11.9%	0.9%	17.5	16.4	17.3	0.7%	0.7%
Transfers and subsidies¹	1 659.9	1 677.9	1 674.4	2 026.1	6.9%	86.7%	2 096.7	2 213.7	2 360.6	5.2%	87.2%
Provinces and municipalities	1 221.4	1 200.3	1 139.4	1 425.7	5.3%	61.4%	1 472.6	1 553.3	1 663.3	5.3%	61.3%
Non-profit institutions	438.3	477.5	534.8	600.3	11.1%	25.3%	623.9	660.2	697.1	5.1%	25.9%
Households	0.2	0.2	0.2	0.2	-2.6%	-	0.2	0.2	0.2	5.5%	-
Payments for capital assets	1.5	1.8	2.2	2.5	17.4%	0.1%	2.6	2.8	2.8	3.6%	0.1%
Machinery and equipment	1.5	1.8	2.2	2.5	17.4%	0.1%	2.6	2.8	2.8	3.6%	0.1%
Payments for financial assets	-	0.1	-	-	-	-	-	-	-	-	-
Total	1 931.7	1 925.6	1 939.9	2 319.5	6.3%	100.0%	2 414.6	2 533.2	2 703.6	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	32.1%	32.0%	30.9%	35.6%	-	-	34.3%	33.8%	34.1%	-	-

Table 11.10 Expanded Public Works Programme expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Non-profit institutions											
Current	438.3	477.5	534.8	600.3	11.1%	25.3%	623.9	660.2	697.1	5.1%	25.9%
Various institutions: Non-state sector programme	438.3	477.5	534.8	600.3	11.1%	25.3%	623.9	660.2	697.1	5.1%	25.9%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	611.3	594.6	587.7	664.0	2.8%	30.3%	691.4	729.3	781.0	5.6%	28.7%
Expanded public works programme integrated grant for municipalities	611.3	594.6	587.7	664.0	2.8%	30.3%	691.4	729.3	781.0	5.6%	28.7%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	610.2	605.7	551.7	761.7	7.7%	31.2%	781.2	824.0	882.3	5.0%	32.6%
Expanded public works programme integrated grant for provinces	354.2	347.7	325.6	402.0	4.3%	17.6%	395.6	416.0	451.5	3.9%	16.7%
Social sector expanded public works programme incentive grant for provinces	256.0	258.0	226.1	359.7	12.0%	13.5%	385.6	407.9	430.8	6.2%	15.9%

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

Programme 4: Property and Construction Industry Policy and Research

Programme purpose

Promote the growth and transformation of the construction and property industries. Promote a standardised approach and best practice in construction and immovable asset management in the public sector.

Objective

- Research and develop policies and legislative prescripts for the construction and property sector over the medium term by developing three legislative prescripts for the Public Works Bill, the Construction Industry Development Board Act (2000) and Council for the Built Environment Act (2000).

Subprogrammes

- *Construction Policy Development Programme* creates an enabling environment for transforming the construction industry by developing appropriate legislation and implementing monitoring mechanisms for the sector. This subprogramme aims to facilitate the transformation and regulation of the construction industry for economic growth and development.
- *Property Policy Development Programme* provides leadership and guidance on the transformation of the property industry. It also promotes uniformity and best practice on immovable asset management in the public sector through policy development, sets the best practice standards for compiling and maintaining immovable asset registers, and provides administration of rights over state and private land through guidelines. This subprogramme aims to ensure effective and efficient strategic leadership in immovable asset management and in the delivery of infrastructure programmes through the development of guidelines on immovable asset performance assessments and immovable asset condition assessments.
- *Construction Industry Development Board* transfers funds annually to the Construction Industry Development Board.
- *Council for the Built Environment* transfers funds annually to the Council for the Built Environment.
- *Independent Development Trust* transfers funds annually to the Independent Development Trust. The last transfer of funds was in 2015/16.
- *Construction Education and Training Authority* aims to influence training and skills development across the construction industry.
- *Property Management Trading Entity* transfers funds annually to the Property Management Trading Entity.

- *Assistance to Organisations for the Preservation of National Memorials* provides funding to the Commonwealth War Graves Commission and to the United Nations for maintaining national memorials.

Expenditure trends and estimates

Table 11.11 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Construction Policy Development Programme	19.1	18.7	20.9	26.2	11.2%	0.6%	45.9	49.2	52.1	25.7%	1.1%
Property Policy Development Programme	13.7	12.6	8.4	12.7	-2.5%	0.3%	15.0	16.5	17.6	11.5%	0.4%
Construction Industry Development Board	72.4	77.2	65.6	52.1	-10.4%	1.9%	75.0	75.2	79.4	15.1%	1.7%
Council for the Built Environment	38.0	41.6	42.0	43.4	4.6%	1.2%	48.6	51.4	54.3	7.7%	1.2%
Independent Development Trust	100.0	50.0	50.0	-	-100.0%	1.4%	-	-	-	-	-
Construction Education and Training Authority	1.5	1.6	0.5	0.5	-30.2%	-	0.5	0.5	0.6	4.9%	-
Property Management Trading Entity	3 061.6	3 044.0	3 524.7	3 389.4	3.4%	93.8%	3 758.9	4 067.4	4 283.1	8.1%	94.9%
Assistance to Organisations for the Preservation of National Memorials	17.6	22.5	23.4	28.2	17.2%	0.7%	26.0	27.5	29.1	1.0%	0.7%
Total	3 323.7	3 268.3	3 735.4	3 552.6	2.2%	100.0%	3 969.9	4 287.7	4 516.2	8.3%	100.0%
Change to 2016 Budget estimate				(12.5)			(94.3)	(19.5)	(32.6)		
Economic classification											
Current payments	1 798.4	2 049.0	17.1	26.0	-75.6%	28.0%	31.2	34.4	36.7	12.1%	0.8%
Compensation of employees	1 109.9	1 230.2	8.7	16.3	-75.5%	17.0%	15.5	17.0	18.3	4.0%	0.4%
Goods and services ¹	688.5	818.9	8.4	9.8	-75.8%	11.0%	15.6	17.4	18.4	23.5%	0.4%
<i>of which:</i>											
Advertising	2.5	5.3	-	0.4	-47.5%	0.1%	0.8	0.9	0.9	36.5%	-
Consultants: Business and advisory services	47.0	15.7	4.8	4.6	-53.9%	0.5%	8.1	9.0	9.5	27.6%	0.2%
Contractors	-	1.1	-	3.6	-	-	4.3	4.6	4.9	10.6%	0.1%
Agency and support/outsourced services	-	34.3	0.7	-	-	0.3%	0.7	0.9	0.9	-	-
Consumables: Stationery, printing and office supplies	4.8	5.5	0.1	0.1	-76.6%	0.1%	0.4	0.5	0.5	103.4%	-
Travel and subsistence	51.3	49.3	0.9	0.4	-79.7%	0.7%	0.5	0.5	0.5	5.3%	-
Transfers and subsidies¹	927.6	885.9	3 718.2	3 526.4	56.1%	65.3%	3 938.4	4 253.0	4 479.2	8.3%	99.2%
Departmental agencies and accounts	804.6	804.8	3 644.4	3 497.8	63.2%	63.1%	3 912.0	4 225.3	4 449.9	8.4%	98.5%
Foreign governments and international organisations	17.6	22.5	23.4	28.2	17.2%	0.7%	26.0	27.5	29.1	1.0%	0.7%
Public corporations and private enterprises	100.0	50.0	50.0	-	-100.0%	1.4%	-	-	-	-	-
Non-profit institutions	-	-	0.3	0.2	-	-	0.1	-	-	-100.0%	-
Households	5.4	8.6	-	0.2	-66.6%	0.1%	0.2	0.2	0.2	5.4%	-
Payments for capital assets	597.8	330.1	0.1	0.1	-94.2%	6.7%	0.3	0.3	0.3	36.1%	-
Buildings and other fixed structures	567.4	315.9	-	-	-100.0%	6.4%	-	-	-	-	-
Machinery and equipment	30.3	14.2	0.1	0.1	-84.2%	0.3%	0.3	0.3	0.3	36.1%	-
Software and other intangible assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	-	3.2	-	-	-	-	-	-	-	-	-
Total	3 323.7	3 268.3	3 735.4	3 552.6	2.2%	100.0%	3 969.9	4 287.7	4 516.2	8.3%	100.0%
Proportion of total programme expenditure to vote expenditure	55.2%	54.3%	59.5%	54.5%	-	-	56.4%	57.2%	56.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	804.6	804.8	3 644.4	3 497.8	63.2%	63.1%	3 912.0	4 225.3	4 449.9	8.4%	98.5%
Agrément South Africa	10.4	11.0	11.7	12.4	6.0%	0.3%	29.0	30.8	32.5	37.9%	0.6%
Construction Industry Development Board	72.4	77.2	65.6	52.1	-10.4%	1.9%	75.0	75.2	79.4	15.1%	1.7%
Council for the Built Environment	38.0	41.6	42.0	43.4	4.6%	1.2%	48.6	51.4	54.3	7.7%	1.2%
Construction Education and Training Authority	1.5	1.6	0.5	0.5	-30.2%	-	0.5	0.5	0.6	4.9%	-
Property Management Trading Entity	682.4	673.4	3 524.7	3 389.4	70.6%	59.6%	3 758.9	4 067.4	4 283.1	8.1%	94.9%
Foreign governments and international organisations											
Current	17.6	22.5	23.4	28.2	17.2%	0.7%	26.0	27.5	29.1	1.0%	0.7%
Commonwealth War Graves Commission	17.6	22.5	23.4	28.2	17.2%	0.7%	26.0	27.5	29.1	1.0%	0.7%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	100.0	50.0	50.0	-	-100.0%	1.4%	-	-	-	-	-
Independent Development Trust	100.0	50.0	50.0	-	-100.0%	1.4%	-	-	-	-	-

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

Programme 5: Prestige Policy

Programme purpose

Provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities for state functions.

Objective

- Improve the delivery of services to prestige clients over the medium term by developing and monitoring the implementation of seven prestige policies over the medium term.

Subprogrammes

- *Prestige Accommodation and State Functions* funds allocations for activities relating to the residences of parliamentarians, ministers, deputy ministers, the deputy president and the president.
- *Parliamentary Villages Management Board* provides for the transportation and related costs of parliamentarians and related officials. The purpose of this subprogramme is to ensure the efficient and effective provision of transport to officials residing in parliamentary villages.

Expenditure trends and estimates

Table 11.12 Prestige Policy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Prestige Accommodation and State Functions	113.5	176.8	72.9	86.5	-8.6%	92.7%	89.6	85.3	97.1	3.9%	89.6%
Parliamentary Villages Management Board	8.2	8.7	9.1	9.6	5.3%	7.3%	10.1	10.6	11.2	5.5%	10.4%
Total	121.7	185.5	82.0	96.1	-7.6%	100.0%	99.6	95.9	108.3	4.1%	100.0%
Change to 2016 Budget estimate							(3.2)	(12.4)	(6.6)		
Economic classification											
Current payments	103.8	153.0	62.2	75.7	-10.0%	81.4%	79.4	77.0	83.5	3.3%	78.9%
Compensation of employees	20.8	23.2	15.6	26.3	8.0%	17.7%	25.2	25.3	27.5	1.5%	26.1%
Goods and services ¹	83.0	129.8	46.3	49.5	-15.8%	63.6%	54.2	51.6	56.0	4.2%	52.8%
of which:											
Minor assets	1.2	9.9	2.5	6.3	74.7%	4.1%	13.5	12.8	13.8	29.9%	11.6%
Contractors	79.3	111.9	38.6	30.5	-27.3%	53.6%	31.5	30.3	33.2	2.8%	31.4%
Agency and support/outourced services	0.4	0.5	0.8	0.6	10.9%	0.5%	1.0	0.6	0.7	5.2%	0.7%
Consumables: Stationery, printing and office supplies	0.2	0.3	0.1	0.4	28.2%	0.2%	1.1	0.4	0.5	5.2%	0.6%
Travel and subsistence	1.1	3.5	1.7	3.2	43.3%	1.9%	3.9	4.1	4.3	10.7%	3.9%
Operating payments	0.5	0.7	0.7	0.7	14.3%	0.5%	0.7	0.8	0.8	5.2%	0.8%
Interest and rent on land	-	-	0.3	-	-	0.1%	-	-	-	-	-
Transfers and subsidies¹	8.3	8.7	9.1	9.8	5.8%	7.4%	10.3	10.8	11.4	5.4%	10.6%
Departmental agencies and accounts	8.2	8.7	9.1	9.6	5.3%	7.3%	10.1	10.6	11.2	5.5%	10.4%
Households	0.1	-	-	0.2	53.8%	0.1%	0.2	0.2	0.2	-	0.2%
Payments for capital assets	9.6	23.8	10.7	10.6	3.3%	11.2%	10.0	8.1	13.4	8.2%	10.5%
Machinery and equipment	9.6	23.8	10.7	10.6	3.3%	11.2%	10.0	8.1	13.4	8.2%	10.5%
Total	121.7	185.5	82.0	96.1	-7.6%	100.0%	99.6	95.9	108.3	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	2.0%	3.1%	1.3%	1.5%	-	-	1.4%	1.3%	1.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8.2	8.7	9.1	9.6	5.3%	7.3%	10.1	10.6	11.2	5.5%	10.4%
Parliamentary Villages Management Board	8.2	8.7	9.1	9.6	5.3%	7.3%	10.1	10.6	11.2	5.5%	10.4%

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

Entity¹

Property Management Trading Entity

Mandate

The Property Management Trading Entity was established following a decision in 2006 that accommodation-related costs be devolved from the Department of Public Works to client departments. The entity performs immovable asset management functions on behalf of the Department of Public Works. These functions include the provision of residential and office accommodation for client departments at the national government level; as well as the acquisition, management, operation, maintenance and disposal of immovable assets in the department's custody. On a cost recovery basis, the entity finances the purchase, construction, refurbishment and maintenance of nationally owned government properties; and manages the leases of privately owned properties accommodating national departments. The entity also pays for municipal services on behalf of national departments on a management fee basis.

Selected performance indicators

Table 11.13 Property Management Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of valuations completed within scheduled timeframes	Real estate investment services	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- ¹	- ¹	- ¹	80%	85%	90%	90%
Number of sites established for precinct development per year	Real estate investment services	Outcome 7: Comprehensive rural development and land reform	- ¹	- ¹	- ¹	3	3	4	4
Percentage of buildings performance assessed in terms of identified performance areas per year	Real estate investment services	Outcome 6: An efficient, competitive and responsive infrastructure network	- ¹	- ¹	- ¹	100%	100%	100%	100%
Percentage of infrastructure projects completed within agreed construction period	Construction management services	Outcome 12: An efficient, effective and development-oriented public service	- ¹	- ¹	65% (125 /192)	60%	60%	60%	60%
Percentage of infrastructure projects completed within budget	Construction management services		- ¹	- ¹	57% (109/192)	60%	60%	60%	60%
Percentage reduction of infrastructure projects backlogs	Construction management services		- ¹	- ¹	47% (128/271)	15% (180)	20% (188)	35%	50%
Number of expanded public works programme work opportunities created through construction projects per year	Construction management services		5 309	1 482	11 126	11 200	11 250	11 300	11 300
Percentage of leases signed within prescribed timeframes	Real estate management services		- ¹	- ¹	- ¹	55%	60%	70%	80%
Percentage of revenue increased through letting out state-owned properties (excluding harbour-related properties)	Real estate management services	- ¹	- ¹	- ¹	10%	20%	30%	10%	
Number of provincial immovable asset registers assessed for compliance per year	Real estate registry services	Outcome 9: Responsive, accountable, effective and efficient developmental local government	- ¹	- ¹	- ¹	9	9	9	9
Number of prioritised facilities with facilities management contracts in place per year	Facilities management services	Outcome 10: Protect and enhance our environmental assets and natural resources	- ¹	- ¹	300	350	450	500	550

1. No historical data available.

Expenditure analysis

Over the medium term, the Property Management Trading Entity will focus on improving its management of the immovable asset portfolio, ensuring cost-effective service delivery, and providing accommodation solutions to clients more effectively and efficiently. This entails improving the quality of the asset register, enhancing the entity's management capacity, implementing the revised organisational structure, refurbishing properties,

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

constructing new buildings, and extending the lifecycles of existing state-owned properties. These activities support the realisation of outcome 12 (an efficient and development-orientated public service), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework.

Over the medium term, R35.6 billion will be spent on operating leases, property rates and municipal services in the real estate management services programme. This will assist the entity in providing quality leased accommodation to user departments and improving the provision of municipal services. The bulk of this expenditure is recovered from departments. The entity aims to find an appropriate balance between providing accommodation using the state-owned portfolio and reliance on leased-in accommodation.

The entity's comprehensive maintenance strategy aims to improve the condition of approximately 300 facilities in the property portfolio. Part of the strategy involves assessing the extent and nature of unscheduled and scheduled maintenance, and reducing the number of unscheduled maintenance incidents to reduce spending. An amount of R6.9 billion has been allocated over the medium term for the repair and maintenance of government-owned buildings.

Over the medium term, the entity expects to complete 382 capital projects at a cost of R2.4 billion, and 474 repair and refurbishment projects at a cost of R5.5 billion. A further R235.9 million will be spent on developing infrastructure to ensure that the entity's infrastructure plans support integrated services across all spheres of government. The entity will also invest R190 million over the MTEF period for critical capital and maintenance programmes.

A new organisational structure will be implemented in 2017/18, with R5.3 billion allocated over the MTEF period for spending on compensation of employees in line with the more streamlined structure. To offset the increase in spending on compensation of employees, R40.3 million has been reprioritised from administrative goods and services and R325.7 million from the refurbishment programme. However, spending on goods and services is projected to make up 75 per cent of the entity's spending over the MTEF period, growing from R7.7 billion in 2016/17 to R14.4 billion in 2019/20, at an average annual rate of 23.2 per cent.

Over the MTEF period, the entity will implement turnaround strategies and efficiency enhancement initiatives to identify and verify nationally owned government properties and update the immovable asset register. An amount of R79 million has been allocated for this purpose. In addition, R68.6 million has been allocated over the medium term to establish and run a project management office. The office will work on reducing backlogs in infrastructure projects over the medium term. These initiatives will also contribute towards extending the lifecycles of existing state-owned properties.

The entity generates revenue mainly through management fees, rentals charged to client departments, and transfers from the Department of Public Works. Revenue over the medium term is expected to increase at an average annual rate of 15.9 per cent, from R14.7 billion in 2016/17 to R23 billion in 2019/20, with accommodation and lease charges accounting for most of the revenue collected.

Programmes/objectives/activities

Table 11.14 Property Management Trading Entity 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	1 016.7	848.4	1 475.6	1 079.0	2.0%	9.6%	712.0	1 113.7	1 121.7	1.3%	6.5%
Real estate investment services	–	100.6	103.9	110.3	–	0.6%	117.8	122.3	132.1	6.2%	0.8%
Construction management services	–	282.4	291.5	256.7	–	1.6%	274.9	214.7	231.5	-3.4%	1.6%
Real estate management services	4 431.4	5 184.0	5 638.3	5 850.8	9.7%	45.8%	10 874.7	11 842.9	12 924.8	30.2%	65.0%
Real estate registry services	56.3	2 628.0	2 796.9	2 836.2	269.4%	16.2%	72.2	54.7	57.1	-72.8%	5.7%
Facilities management services	2 780.4	2 712.5	3 513.5	2 929.5	1.8%	26.1%	3 202.5	3 207.6	3 400.8	5.1%	20.5%
Total	8 284.9	11 755.9	13 819.7	13 062.5	16.4%	100.0%	15 254.1	16 555.9	17 868.0	11.0%	100.0%

Statements of historical financial performance and position

Table 11.15 Property Management Trading Entity statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	6 582.3	8 984.1	11 209.7	12 241.1	10 576.5	9 372.0	11 341.6	11 341.6	105.6%
Sale of goods and services other than capital assets	6 563.6	8 199.3	11 187.4	9 392.1	10 529.4	8 814.2	11 297.5	11 297.5	95.3%
<i>of which:</i>									
<i>Sales by market establishment</i>	3 548.8	3 570.0	7 180.8	4 066.2	6 644.1	4 401.7	7 147.2	7 147.2	78.2%
<i>Other sales</i>	3 014.8	4 629.2	4 006.6	5 325.9	3 885.3	4 412.5	4 150.3	4 150.3	123.0%
Other non-tax revenue	18.7	784.8	22.3	2 849.1	47.0	557.8	44.0	44.0	3 206.0%
Transfers received	682.4	682.4	673.4	673.4	3 524.7	3 524.7	3 405.4	3 389.4	99.8%
Total revenue	7 264.8	9 666.5	11 883.1	12 914.5	14 101.1	12 896.6	14 747.0	14 731.0	104.6%
Expenses									
Current expenses	6 476.2	6 791.6	6 375.2	10 936.1	8 902.1	12 810.9	9 560.3	11 920.7	135.6%
Compensation of employees	-	-	-	1 268.4	1 288.8	1 309.5	1 469.8	1 469.8	146.7%
Goods and services	6 456.3	6 733.8	6 358.6	7 049.3	7 474.5	8 618.5	7 830.2	7 677.8	107.0%
Depreciation	-	56.3	-	2 617.6	120.0	2 786.2	240.0	2 750.0	2 280.6%
Interest, dividends and rent on land	19.9	1.5	16.6	0.7	18.8	96.6	20.2	23.1	161.5%
Transfers and subsidies	788.6	1 493.3	975.0	819.8	981.2	1 008.9	1 161.8	1 141.8	114.3%
Total expenses	7 264.8	8 284.9	7 350.2	11 755.9	9 883.3	13 819.7	10 722.0	13 062.5	133.2%
Surplus/(Deficit)	-	1 382.0	4 533.0	1 159.0	4 218.0	(923.0)	4 025.0	1 669.0	
Statement of financial position									
Carrying value of assets	-	74 956.5	6 050.0	110 962.8	87 674.2	112 355.0	95 016.0	95 016.0	208.4%
<i>of which:</i>									
<i>Acquisition of assets</i>	(4 218.5)	(2 600.8)	(4 532.9)	(3 513.9)	(4 507.7)	(4 360.8)	(4 424.2)	(4 408.3)	84.2%
Investments	-	928.2	1 096.2	1 008.1	1 214.0	942.4	1 214.5	1 214.5	116.1%
Receivables and prepayments	-	1 806.5	1 978.6	2 351.6	2 700.0	3 414.5	2 700.0	2 700.0	139.2%
Cash and cash equivalents	-	0.4	1.0	6.2	7.0	4.0	7.0	7.0	116.9%
Total assets	-	77 691.6	9 125.8	114 328.7	91 595.2	116 715.9	98 937.5	98 937.5	204.2%
Accumulated surplus/(deficit)	-	72 660.3	5 788.2	105 458.1	83 256.2	104 535.0	90 598.5	90 598.5	207.8%
Borrowings	-	433.1	1 000.0	667.6	650.0	1 477.6	650.0	650.0	140.4%
Finance lease	-	-	936.2	5.9	4.0	11.6	4.0	4.0	2.3%
Deferred income	-	-	-	4 364.8	-	6 549.1	-	-	-
Trade and other payables	-	3 370.4	1 000.0	2 472.3	6 000.0	2 634.4	6 000.0	6 000.0	111.4%
Provisions	-	37.6	23.6	15.6	150.0	190.6	150.0	150.0	121.7%
Derivatives financial instruments	-	1 190.1	377.8	1 344.5	1 535.0	1 317.6	1 535.0	1 535.0	156.3%
Total equity and liabilities	-	77 691.6	9 125.8	114 328.7	91 595.2	116 715.9	98 937.5	98 937.5	204.2%

Statements of estimates of financial performance and position

Table 11.16 Property Management Trading Entity statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue									
Non-tax revenue	11 341.6	8.1%	84.3%	12 118.3	12 983.8	18 679.0	18.1%	77.5%	
Sale of goods and services other than capital assets	11 297.5	11.3%	75.6%	12 072.2	12 935.4	13 372.4	5.8%	71.5%	
<i>of which:</i>									
<i>Sales by market establishment</i>	7 147.2	26.0%	37.8%	7 663.9	8 219.0	8 263.1	5.0%	45.1%	
<i>Other sales</i>	4 150.3	-3.6%	37.9%	4 408.2	4 716.5	5 109.3	7.2%	26.4%	
Other non-tax revenue	44.0	-61.7%	8.7%	46.1	48.4	5 306.6	393.9%	6.0%	
Transfers received	3 389.4	70.6%	15.7%	3 872.6	4 108.5	4 283.1	8.1%	22.5%	
Total revenue	14 731.0	15.1%	100.0%	15 990.9	17 092.3	22 962.2	15.9%	100.0%	
Expenses									
Current expenses	11 920.7	20.6%	89.7%	13 912.3	15 080.0	16 244.5	10.9%	138.1%	
Compensation of employees	1 469.8	-	7.9%	1 674.3	1 736.2	1 876.8	8.5%	10.8%	
Goods and services	7 677.8	4.5%	65.6%	12 237.0	13 342.8	14 366.7	23.2%	75.0%	
Depreciation	2 750.0	265.6%	16.0%	-	-	-	-100.0%	5.3%	
Interest, dividends and rent on land	23.1	151.2%	0.2%	1.0	1.0	1.0	-64.9%	0.0%	
Transfers and subsidies	1 141.8	-8.6%	10.3%	1 341.8	1 475.9	1 623.5	12.4%	8.9%	
Total expenses	13 062.5	16.4%	100.0%	15 254.1	16 555.9	17 868.0	11.0%	100.0%	
Surplus/(Deficit)	1 669.0			737.0	536.0	5 094.0	45.1%		

Table 11.16 Property Management Trading Entity statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Carrying value of assets of which:	95 016.0	8.2%	96.5%	112 862.5	112 862.5	112 862.5	5.9%	96.1%
Acquisition of assets	(4 408.3)	19.2%	-3.7%	(4 543.7)	(4 824.0)	(5 094.2)	4.9%	-4.2%
Investments	1 214.5	9.4%	1.0%	1 000.0	1 000.0	1 000.0	-6.3%	0.9%
Receivables and prepayments	2 700.0	14.3%	2.5%	3 501.5	3 501.5	3 501.5	9.1%	2.9%
Cash and cash equivalents	7.0	170.7%	-	4.0	4.0	4.0	-17.0%	-
Total assets	98 937.5	8.4%	100.0%	117 368.0	117 368.0	117 368.0	5.9%	100.0%
Accumulated surplus/(deficit)	90 598.5	7.6%	91.7%	104 581.0	104 581.0	104 581.0	4.9%	89.7%
Borrowings	650.0	14.5%	0.8%	1 500.0	1 500.0	1 500.0	32.1%	1.1%
Finance lease	4.0	-	-	12.0	12.0	12.0	44.2%	-
Deferred income	-	-	2.4%	7 000.0	7 000.0	7 000.0	-	4.5%
Trade and other payables	6 000.0	21.2%	3.7%	2 700.0	2 700.0	2 700.0	-23.4%	3.2%
Provisions	150.0	58.6%	0.1%	250.0	250.0	250.0	18.6%	0.2%
Derivatives financial instruments	1 535.0	8.9%	1.3%	1 325.0	1 325.0	1 325.0	-4.8%	1.2%
Total equity and liabilities	98 937.5	8.4%	100.0%	117 368.0	117 368.0	117 368.0	5.9%	100.0%

Personnel information

Table 11.17 Property Management Trading Entity personnel numbers and cost by salary level

Property Management Trading Entity	Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
			2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost
Salary level	5 762	5 027	4 529	1 309.5	0.3	4 672	1 469.8	0.3	5 010	1 674.3	0.3	5 368	1 736.2	0.3	5 748	1 876.8	0.3	8.5%	100.0%
1 - 6	3 338	2 863	3 204	580.8	0.2	2 781	493.4	0.2	2 982	562.1	0.2	3 196	582.1	0.2	3 423	630.0	0.2	8.5%	59.5%
7 - 10	1 696	1 545	931	411.9	0.4	1 327	507.1	0.4	1 421	577.8	0.4	1 521	598.4	0.4	1 629	647.6	0.4	8.5%	28.4%
11 - 12	603	525	366	285.7	0.8	459	350.3	0.8	493	399.0	0.8	528	415.4	0.8	565	447.2	0.8	8.5%	9.8%
13 - 16	125	94	28	31.0	1.1	105	118.9	1.1	114	135.5	1.2	123	140.3	1.1	131	151.9	1.2	8.5%	2.3%

1. Rand million.

Other entities

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

- The **Construction Industry Development Board** provides leadership to stakeholders; stimulates the growth, reform and improvement of the construction sector; and enhances the industry's role in the South African economy. The board's total budget for 2017/18 is R168.5 million.
- The **Council for the Built Environment** oversees and regulates the six professional councils responsible for regulating built environment professionals such as architects, engineers, quantity surveyors, landscape architects, property valuers, and project and construction managers. The council's total budget for 2017/18 is R51.4 million.
- The **Independent Development Trust** has evolved from being a grant making organisation to being a responsive development agency with a well-established footprint across South Africa. The trust's total budget for 2017/18 is R450.4 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
Departmental: Various centres	Upgrading and construction of departmental accommodation sites (77 projects)	Various	2 972.8	250.0	139.8	–	–	–	–	–
Dolomite: Various centres	Management of dolomite risk areas (30 projects)	Various	1 038.3	24.7	85.0	–	–	–	–	–
Accessibility: Various centres	Upgrading of disabled facilities (157 projects)	Various	113.1	7.1	10.2	–	–	–	–	–
Border control operational coordination committee: Various centres	Redevelopment of border post centres (81 projects)	Various	2 136.3	191.7	137.2	–	–	–	–	–
Prestige: Various centres	Upgrading and construction of prestige accommodation sites (56 projects)	Various	1 663.1	57.6	46.5	–	–	–	–	–
Inner city regeneration: Various centres	Development of national government precincts (7 projects)	Various	457.3	36.2	3.7	–	–	–	–	–
Small projects (total project cost of less than R250 million over the project life cycle)										
Transfer of Infrastructure projects to the Property Management Trading Entity	Upgrading, development and management of various projects	On-going	–	–	–	–	702.4	748.2	804.6	849.7
Total			8 380.8	567.4	422.4	–	702.4	748.2	804.6	849.7

Vote 12

Statistics South Africa

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	687.5	439.4	10.6	237.5	709.5	752.8
Economic Statistics	228.8	227.8	–	1.0	236.9	254.4
Population and Social Statistics	128.2	126.2	0.2	1.8	202.3	141.8
Methodology, Standards and Research	66.8	66.2	0.1	0.5	67.4	72.4
Statistical Support and Informatics	258.4	242.4	–	16.0	267.1	284.8
Statistical Collection and Outreach	585.1	570.3	–	14.8	608.0	651.9
Survey Operations	191.4	185.9	2.3	3.2	157.6	151.2
Total expenditure estimates	2 146.3	1 858.3	13.2	274.8	2 248.8	2 309.1

Executive authority: Minister in the Presidency: Planning, Monitoring and Evaluation
 Accounting officer: Statistician General of Statistics South Africa
 Website address: www.statssa.gov.za

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

Vote purpose

Lead and partner in the production of statistics in line with internationally recognised principles and standards, to inform users about socioeconomic dynamics for evidence-based decisions.

Mandate

Statistics South Africa is a national government department accountable to the Minister in the Presidency: Planning, Monitoring and Evaluation. The department's activities are regulated by the Statistics Act (1999), which mandates the department to advance the production, dissemination, use and coordination of official and other statistics to assist organs of state, businesses, other organisations and the public in planning, monitoring, and decision making. The act also requires that the department coordinates statistical production among organs of state in line with the purpose of official statistics and statistical principles.

Selected performance indicators

Table 12.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of GDP estimates releases per year	Economic Statistics	Outcome 4: Decent employment through inclusive growth	4	4	4	4	4	4	4
Number of releases on industry and trade statistics per year	Economic Statistics		150	150	150	150	150	150	150
Number of releases on financial statistics per year	Economic Statistics		17	17	17	17	17	17	17
Number of price index releases per year	Economic Statistics		24	24	24	48	48	48	48
Number of releases on labour market dynamics per year	Population and Social Statistics	Outcome 8: Sustainable human settlements and improved quality of household life	8	8	8	8	8	8	8
Number of releases on living circumstances, service delivery and poverty per year	Population and Social Statistics		2	7	4	4	4	4	4
Number of releases on the changing profile of the population per year	Population and Social Statistics		17	17	17	17	17	17	17

Expenditure analysis

Statistics South Africa is responsible for the production and coordination of official and other statistics, which inform users on changing dynamics in the economy, society and environment. The statistics enhance policy responsiveness and effectiveness, and promote evidence-based decision making. The department publishes more than 200 statistical releases annually, and compiles various thematic research reports to measure progress and development against the National Development Plan and government's 2014-2019 medium-term strategic framework.

The department will lead a transformative agenda for official statistics, which includes the review of statistical methodology and the use of alternative or supplementary data sources. To be responsive to policy agendas for sustainable development over the medium term, the department will focus on sustaining the supply of statistical data; implementing statistical reform, particularly in statistical coordination; and building a capable, modern organisation.

Increasing the supply of statistical data

The department is now responsible for all GDP calculations, since the expenditure component of GDP was transferred to the department from the South African Reserve Bank in 2016/17. Over the medium term, it plans to raise the standard of South African economic statistics through improving and expanding the coverage of income, expenditure and production data accounts, with specific emphasis on the growing services industry. This will require the implementation of the latest version of the international standard industrial classification used in official statistics. The department will focus particularly on the production of statistics on international trade in goods. A joint venture undertaken with the South African Reserve Bank and the South African Revenue Service will assess and develop a framework for trade statistics in South Africa.

In 2018/19, the department will be conducting an income and expenditure survey to gain a better understanding of wealth inequality in South Africa. The survey will be funded by a Cabinet-approved budget increase of R70 million in 2018/19 in the *Household Survey Operations* subprogramme in the *Survey Operations* programme. In 2016/17, the department released the official results of the community survey at the municipal level. In 2017/18, R38.5 million is allocated for disseminating this data throughout the country.

The advent of the United Nations (UN) sustainable development goals has brought a new and more forceful impetus to the system of environmental economic accounts, which assess the impact of activities that affect the environment and the economy. South Africa has been selected by the UN environment programme to pilot a project over the medium term that will advance knowledge on environmental and ecosystem accounting, and provide information for national policy planning and implementation. The project will be jointly funded by the UN and the Organisation for Economic Cooperation and Development. Funding requirements for the project will be known once negotiations between the parties have been completed.

Implementing statistical reform

Over the medium term, the department will continue to focus on the revision of statistics legislation to drive statistical reform, particularly in statistical coordination. Coordination between statistical agencies is essential for consistency and efficiency. The department's proposed legislative reform will focus on: strengthening coordination between organs of state; improving the capabilities of information collection, analysis, use, retrieval, storage and archiving; creating a state-wide statistics service; and establishing a professional and sustainable national statistics system. An amount of R88 million has been provided for legislative reform in the *National Statistics System* subprogramme in the *Administration* programme. This allocation mainly includes R50.1 million for spending on compensation of employees and R11.2 million for travel and subsistence.

Building a capable and modern organisation

The department's 2015-2020 strategic plan outlines the department's modernisation programme, which aims to use technology and new statistical methodologies as strategic enablers of innovation in the statistics value chain. Digital data collection is a critical part of the modernisation strategy, and was used to create time and cost efficiencies when conducting the 2016 community survey. The strategy will be rolled out over the medium term across the department in both business and household surveys to increase accuracy, reduce costs and bring about faster turnaround times for releasing statistics to the public.

The strategic plan also details management initiatives to transform the department's human resource and procurement strategies. These initiatives will drive organisational reform in core functional and operational areas to achieve better efficiency while not compromising on quality or governance. This innovation is likely to lead to business re-engineering, reorganisation and restructuring. In instances where innovations lead to excess personnel, the department will reskill, upskill and reallocate affected staff members. The financial implication of the organisational reform will be known once the process has been finalised.

Expenditure trends

Table 12.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Economic Statistics														
3. Population and Social Statistics														
4. Methodology, Standards and Research														
5. Statistical Support and Informatics														
6. Statistical Collection and Outreach														
7. Survey Operations														
Programme														
R million	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2013/14	Adjusted appropriation	Audited outcome	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Audited outcome	2016/17	Adjusted appropriation	Revised estimate		
2013/14 - 2016/17														
Programme 1	487.1	530.8	554.2	934.7	914.4	840.8	791.3	853.8	800.1	709.2	744.7	744.7	100.6%	96.6%
Programme 2	199.2	196.7	187.2	210.5	202.8	197.5	214.4	215.9	218.7	224.7	228.8	229.4	98.1%	98.6%
Programme 3	111.8	109.6	102.1	117.9	150.0	154.7	133.7	144.9	161.2	127.0	129.5	124.4	110.6%	101.6%
Programme 4	68.7	62.9	51.2	65.5	60.2	56.5	66.3	64.6	58.1	69.6	73.4	71.1	87.7%	90.7%
Programme 5	223.8	218.7	210.7	245.1	235.6	218.6	250.0	246.1	220.2	255.4	257.0	250.3	92.4%	94.0%
Programme 6	471.3	474.9	473.5	524.5	524.7	530.2	553.6	556.8	575.8	569.9	571.4	590.3	102.4%	102.0%
Programme 7	175.9	148.0	149.6	144.3	154.9	158.2	236.0	241.2	239.5	533.3	533.3	528.0	98.7%	99.8%
Total	1 737.7	1 741.6	1 728.4	2 242.5	2 242.5	2 156.4	2 245.2	2 323.3	2 273.5	2 489.1	2 538.1	2 538.1	99.8%	98.3%
Change to 2016 Budget estimate											49.0			
Economic classification														
Current payments	1 697.1	1 692.0	1 676.1	1 767.7	1 763.8	1 772.1	1 960.4	1 946.1	1 943.9	2 241.3	2 235.7	2 277.6	100.0%	100.4%
Compensation of employees	1 159.5	1 103.3	1 080.1	1 231.7	1 216.8	1 184.6	1 286.6	1 288.8	1 288.4	1 470.7	1 408.4	1 408.4	96.4%	98.9%
Goods and services	536.1	588.7	596.0	536.1	547.0	587.5	673.8	657.3	655.5	770.7	827.3	869.2	107.6%	103.4%
Interest and rent on land	1.5	-	-	-	-	-	-	-	-	-	-	-	3.8%	-
Transfers and subsidies	14.7	17.7	8.2	15.1	17.3	14.5	15.5	15.9	15.0	16.6	16.7	16.5	87.6%	80.2%
Departmental agencies and accounts	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-
Higher education institutions	8.8	8.8	1.5	8.8	8.8	7.5	8.2	8.3	7.6	8.2	8.2	8.2	72.7%	72.5%
Public corporations and private enterprises	-	-	-	-	2.2	2.2	-	-	0.1	-	-	-	-	103.6%
Non-profit institutions	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3	110.2%	99.6%
Households	5.5	8.6	6.5	6.0	6.0	4.5	7.0	7.2	6.9	8.1	8.1	8.0	97.3%	86.5%
Payments for capital assets	25.9	32.0	41.9	459.7	461.4	366.5	269.3	361.2	313.4	231.1	285.7	244.1	98.0%	84.7%
Buildings and other fixed structures	-	-	-	421.2	421.2	318.0	234.9	304.3	255.3	181.4	230.4	175.5	89.4%	78.3%
Machinery and equipment	24.4	28.5	41.9	33.9	35.6	47.4	34.3	49.8	54.6	47.1	52.3	65.5	149.8%	126.0%
Software and other intangible assets	1.5	3.5	0.0	4.6	4.6	1.1	0.1	7.2	3.5	2.7	3.0	3.0	86.5%	41.8%
Payments for financial assets	-	-	2.2	-	-	3.3	-	-	1.2	-	-	-	-	-
Total	1 737.7	1 741.6	1 728.4	2 242.5	2 242.5	2 156.4	2 245.2	2 323.3	2 273.5	2 489.1	2 538.1	2 538.1	99.8%	98.3%

Expenditure estimates

Table 12.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Economic Statistics									
3. Population and Social Statistics									
4. Methodology, Standards and Research									
5. Statistical Support and Informatics									
6. Statistical Collection and Outreach									
7. Survey Operations									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17		2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	744.7	11.9%	33.8%	687.5	709.5	752.8	0.4%	31.3%	
Programme 2	229.4	5.3%	9.6%	228.8	236.9	254.4	3.5%	10.3%	
Programme 3	124.4	4.3%	6.2%	128.2	202.3	141.8	4.5%	6.5%	
Programme 4	71.1	4.2%	2.7%	66.8	67.4	72.4	0.6%	3.0%	
Programme 5	250.3	4.6%	10.3%	258.4	267.1	284.8	4.4%	11.5%	
Programme 6	590.3	7.5%	24.9%	585.1	608.0	651.9	3.4%	26.3%	
Programme 7	528.0	52.8%	12.4%	191.4	157.6	151.2	-34.1%	11.1%	
Total	2 538.1	13.4%	100.0%	2 146.3	2 248.8	2 309.1	-3.1%	100.0%	
Change to 2016				(22.0)	48.3	(24.0)			
Budget estimate									
Economic classification									
Current payments	2 277.6	10.4%	88.2%	1 858.3	1 947.3	1 992.5	-4.4%	87.4%	
Compensation of employees	1 408.4	8.5%	57.1%	1 352.2	1 428.5	1 444.9	0.9%	61.0%	
Goods and services	869.2	13.9%	31.1%	506.1	518.9	547.5	-14.3%	26.4%	
Transfers and subsidies	16.5	-2.3%	0.6%	13.2	11.6	11.8	-10.5%	0.6%	
Higher education institutions	8.2	-2.5%	0.3%	7.5	7.5	7.5	-2.9%	0.3%	
Non-profit institutions	0.3	16.4%	-	0.3	0.3	0.4	3.3%	-	
Households	8.0	-2.4%	0.3%	5.4	3.7	4.0	-20.8%	0.2%	
Payments for capital assets	244.1	96.8%	11.1%	274.8	289.9	304.8	7.7%	12.0%	
Buildings and other fixed structures	175.5	-	8.6%	229.6	242.2	255.8	13.4%	9.8%	
Machinery and equipment	65.5	32.0%	2.4%	44.6	46.9	48.3	-9.6%	2.2%	
Software and other intangible assets	3.0	-5.1%	0.1%	0.6	0.7	0.7	-37.9%	0.1%	
Total	2 538.1	13.4%	100.0%	2 146.3	2 248.8	2 309.1	-3.1%	100.0%	

Goods and services expenditure trends and estimates

Table 12.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand					2013/14 - 2016/17					2016/17 - 2019/20	
Administrative fees	594	1 260	589	1 100	22.8%	0.1%	840	879	928	-5.5%	0.2%
Advertising	4 494	3 695	6 870	9 513	28.4%	0.9%	6 130	3 662	3 871	-25.9%	1.0%
Minor assets	1 161	1 178	2 178	43 217	233.9%	1.8%	2 982	3 201	3 380	-57.2%	2.2%
Audit costs: External	6 294	5 895	7 168	6 626	1.7%	1.0%	7 290	7 812	8 249	7.6%	1.2%
Bursaries: Employees	2 313	2 958	2 109	5 874	36.4%	0.5%	6 281	6 627	6 991	6.0%	1.1%
Catering: Departmental activities	2 929	4 046	13 344	7 358	35.9%	1.0%	4 333	4 311	4 554	-14.8%	0.9%
Communication	34 971	34 307	25 831	36 376	1.3%	4.9%	31 594	31 694	33 507	-2.7%	5.5%
Computer services	86 672	69 216	72 869	88 839	0.8%	11.9%	89 681	93 122	98 337	3.4%	15.4%
Consultants: Business and advisory services	21 009	12 282	18 673	30 902	13.7%	3.1%	23 255	22 999	24 286	-7.7%	4.2%
Infrastructure and planning services	-	17 367	-	889	-	0.7%	1 164	1 230	1 298	13.4%	0.2%
Legal services	2 215	1 761	2 818	2 805	8.2%	0.4%	2 751	2 922	3 086	3.2%	0.5%
Contractors	5 468	10 480	8 424	11 881	29.5%	1.4%	13 758	13 537	14 293	6.4%	2.2%
Agency and support/outsourced services	836	458	9 707	100 998	394.4%	4.2%	969	1 021	1 078	-78.0%	4.3%
Entertainment	63	33	62	96	15.1%	-	110	114	119	7.4%	-
Fleet services (including government motor transport)	20 668	28 447	30 007	26 891	9.2%	4.0%	21 380	21 841	23 120	-4.9%	3.9%
Consumable supplies	1 453	2 644	3 604	4 232	42.8%	0.4%	3 157	3 269	3 456	-6.5%	0.6%
Consumables: Stationery, printing and office supplies	7 890	9 549	10 134	12 573	16.8%	1.5%	11 964	12 468	13 166	1.5%	2.1%
Operating leases	246 539	204 772	211 229	146 294	-16.0%	30.3%	130 101	141 751	149 270	0.7%	23.6%
Rental and hiring	-	23	875	503	-	0.1%	28	28	30	-60.9%	-
Property payments	70 696	66 409	69 443	49 103	-11.4%	9.6%	40 805	43 091	45 504	-2.5%	7.4%
Travel and subsistence	53 252	78 949	131 783	194 541	54.0%	17.2%	75 238	70 647	74 410	-27.4%	17.3%
Training and development	4 264	7 434	2 795	11 277	38.3%	1.0%	13 277	13 977	14 755	9.4%	2.2%
Operating payments	17 934	18 217	16 693	25 551	12.5%	2.9%	15 189	15 044	15 878	-14.7%	3.0%
Venues and facilities	4 260	6 081	8 330	9 875	32.3%	1.1%	3 781	3 608	3 966	-26.2%	0.9%
Total	595 975	587 461	655 535	827 314	11.6%	100.0%	506 058	518 855	547 532	-12.9%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 12.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4	12	15	15	55.4%	0.1%	15	16	17	4.3%	0.1%
Communication	4	12	14	15	55.4%	0.1%	15	16	17	4.3%	0.1%
Departmental agency and accounts	-	-	1	-	-	-	-	-	-	-	-
Higher education institutions											
Current	1 500	7 500	7 600	8 191	76.1%	45.6%	7 500	7 500	7 500	-2.9%	57.6%
Gifts and donations: University of KwaZulu-Natal	500	-	-	-	-100.0%	0.9%	-	-	-	-	-
Gifts and donations: Stellenbosch University	-	6 000	6 000	6 691	-	34.4%	6 000	6 000	6 000	-3.6%	46.3%
Gifts and donations: University of the Witwatersrand	-	500	500	500	-	2.8%	500	500	500	-	3.8%
Gifts and donations: University of Cape Town	1 000	1 000	1 000	1 000	-	7.4%	1 000	1 000	1 000	-	7.5%
University of Pretoria	-	-	100	-	-	0.2%	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	-	2 150	77	-	-	4.1%	-	-	-	-	-
Claims against the state	-	-	54	-	-	0.1%	-	-	-	-	-
Motion Boikanyo	-	2 150	-	-	-	4.0%	-	-	-	-	-
Other transfers	-	-	23	-	-	-	-	-	-	-	-
Non-profit institutions											
Current	200	310	438	323	17.3%	2.3%	330	337	356	3.3%	2.5%
South African Statistical Association	200	110	238	123	-15.0%	1.2%	130	137	145	5.6%	1.0%
Population Association of Southern Africa	-	200	200	200	-	1.1%	200	200	211	1.8%	1.5%
Households											
Social benefits											
Current	3 310	1 848	4 416	5 367	17.5%	27.5%	2 420	635	668	-50.1%	17.1%
Employee social benefits	3 310	1 848	4 414	5 367	17.5%	27.5%	2 420	635	668	-50.1%	17.1%
Claims against the state	-	-	2	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	3 224	2 686	2 449	2 777	-4.9%	20.5%	2 940	3 110	3 284	5.7%	22.7%
Employee social benefits	1 102	96	48	-	-100.0%	2.3%	-	-	-	-	-
Bursaries for non-employees	2 111	2 466	2 291	2 777	9.6%	17.7%	2 940	3 110	3 284	5.7%	22.7%
Claims against the state	11	-	95	-	-100.0%	0.2%	-	-	-	-	-
Employees: Ex-gratia payment	-	-	15	-	-	-	-	-	-	-	-
Other transfers	-	124	-	-	-	0.2%	-	-	-	-	-
Total	8 238	14 506	14 995	16 673	26.5%	100.0%	13 205	11 598	11 825	-10.8%	100.0%

Personnel information

Table 12.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment														
Number of posts estimated for 31 March 2017		Medium-term expenditure estimate									Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			2017/18			2018/19			2019/20		
		2015/16	Unit cost	Cost	2016/17	Unit cost	Cost	2017/18	Unit cost	Cost	2018/19	Unit cost	Cost	2019/20	Unit cost	Cost
Statistics South Africa		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost
Programme																
Programme 1	-	-	1 288.4	-	1 408.4	-	-	1 352.2	-	-	1 428.5	-	-	1 444.9	-	-
Programme 2	-	-	224.7	-	252.5	-	-	225.9	-	-	218.8	-	-	236.0	-	-
Programme 3	-	-	194.5	-	209.1	-	-	201.7	-	-	208.4	-	-	224.3	-	-
Programme 4	-	-	114.2	-	103.8	-	-	103.3	-	-	176.2	-	-	114.3	-	-
Programme 5	-	-	54.9	-	67.9	-	-	62.5	-	-	62.9	-	-	67.6	-	-
Programme 6	-	-	115.3	-	131.3	-	-	132.1	-	-	133.7	-	-	143.8	-	-
Programme 7	-	-	447.7	-	472.4	-	-	473.4	-	-	490.6	-	-	527.8	-	-
Programme 8	-	-	137.0	-	171.4	-	-	153.4	-	-	137.9	-	-	131.1	-	-

1. The department did not provide the relevant personnel data.

2. Rand million.

Departmental receipts

Table 12.7 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 (%)
	2013/14	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
R thousand													
Departmental receipts	1 414	5 003	10 055	3 207	5 189	54.2%	100.0%	1 219	1 259	1 259	-37.6%	100.0%	
Sales of goods and services produced by department	907	916	938	814	819	-3.3%	16.5%	764	804	804	-0.6%	35.7%	
Sales by market establishments	276	275	277	138	143	-19.7%	4.5%	48	48	48	-30.5%	3.2%	
of which:													
Parking	276	275	277	138	143	-19.7%	4.5%	48	48	48	-30.5%	3.2%	
Other sales	631	641	661	676	676	2.3%	12.0%	716	756	756	3.8%	32.5%	
of which:													
Replacement of security cards	8	7	6	1	1	-50.0%	0.1%	1	1	1	-	-	
Commission on insurance	525	576	619	650	650	7.4%	10.9%	690	730	730	3.9%	31.4%	
Departmental publications	98	58	36	25	25	-36.6%	1.0%	25	25	25	-	1.1%	
Sales of scrap, waste, arms and other used current goods	56	20	177	735	750	137.5%	4.6%	25	25	25	-67.8%	9.2%	
of which:													
Sale of waste paper	56	20	177	735	750	137.5%	4.6%	25	25	25	-67.8%	9.2%	
Interest, dividends and rent on land	76	94	124	48	-	-100.0%	1.4%	50	50	50	-	1.7%	
Interest	76	94	124	48	-	-100.0%	1.4%	50	50	50	-	1.7%	
Sales of capital assets	-	10	-	1 050	1 050	-	4.9%	-	-	-	-100.0%	11.8%	
Transactions in financial assets and liabilities	375	3 963	8 816	560	2 570	89.9%	72.6%	380	380	380	-47.1%	41.6%	
Total	1 414	5 003	10 055	3 207	5 189	54.2%	100.0%	1 219	1 259	1 259	-37.6%	100.0%	

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department. Drive statistical coordination among organs of state.

Objective

- Lead the development and coordination of the statistical production system among organs of state in line with the purpose of official statistics and statistical principles on an ongoing basis.

Subprogrammes

- *Departmental Management* provides strategic direction and leadership to the organisation.
- *Corporate Services* provides human resources, facilitates management and capacity building services, and promotes good governance.
- *Financial Administration* provides financial, asset and procurement support services to the department.
- *Internal Audit* provides an independent audit service to the department.
- *National Statistics System* coordinates the statistical production system among organs of state.
- *Office Accommodation* provides a secure and healthy working environment for employees and stakeholders.

Expenditure trends and estimates

Table 12.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Departmental Management	27.2	28.1	38.7	39.3	13.1%	4.5%	37.4	36.6	39.1	-0.2%	5.3%
Corporate Services	176.0	172.2	165.7	183.8	1.5%	23.7%	170.7	168.9	180.0	-0.7%	24.3%
Financial Administration	62.0	66.6	68.7	83.1	10.3%	9.5%	78.7	79.7	85.5	1.0%	11.3%
Internal Audit	9.7	9.6	11.1	13.2	10.9%	1.5%	12.5	12.5	13.4	0.6%	1.8%
National Statistics System	21.6	22.2	21.7	32.3	14.4%	3.3%	29.3	28.4	30.3	-2.0%	4.2%
Office Accommodation	257.8	542.2	494.3	393.0	15.1%	57.4%	359.0	383.4	404.4	1.0%	53.2%
Total	554.2	840.8	800.1	744.7	10.3%	100.0%	687.5	709.5	752.8	0.4%	100.0%
Change to 2016 Budget estimate				35.5			(22.0)	(21.7)	(24.0)		
Economic classification											
Current payments	543.3	505.3	525.7	491.6	-3.3%	70.3%	439.4	448.0	477.6	-1.0%	64.1%
Compensation of employees	197.8	211.6	224.7	252.5	8.5%	30.2%	225.9	218.8	236.0	-2.2%	32.2%
Goods and services ¹	345.6	293.7	301.0	239.1	-11.6%	40.1%	213.5	229.2	241.6	0.3%	31.9%
of which:											
Audit costs: External	6.3	5.9	7.2	6.6	1.5%	0.9%	7.2	7.8	8.2	7.6%	1.0%
Consultants: Business and advisory services	10.6	1.4	7.4	12.0	4.3%	1.1%	11.0	11.6	12.3	0.7%	1.6%
Operating leases	203.3	158.1	167.0	113.1	-17.7%	21.8%	93.3	103.0	108.3	-1.4%	14.4%
Property payments	70.3	66.3	69.3	48.7	-11.5%	8.7%	40.7	43.0	45.4	-2.3%	6.1%
Travel and subsistence	20.8	22.9	25.0	20.6	-0.2%	3.0%	22.6	23.3	24.5	5.9%	3.1%
Training and development	4.1	6.6	1.2	4.5	2.6%	0.6%	5.6	5.9	6.2	11.5%	0.8%
Transfers and subsidies¹	4.5	10.5	11.4	11.1	35.2%	1.3%	10.6	10.8	10.9	-0.5%	1.5%
Higher education institutions	1.5	7.5	7.5	8.2	76.1%	0.8%	7.5	7.5	7.5	-2.9%	1.1%
Non-profit institutions	0.1	0.1	0.2	0.1	7.1%	-	0.1	0.1	0.1	5.6%	-
Households	2.9	2.9	3.7	2.8	-1.3%	0.4%	2.9	3.1	3.3	5.7%	0.4%
Payments for capital assets	6.3	325.0	263.0	242.0	236.7%	28.4%	237.5	250.7	264.3	3.0%	34.4%
Buildings and other fixed structures	-	318.0	255.3	230.4	-	27.3%	229.6	242.2	255.8	3.6%	33.1%
Machinery and equipment	6.3	7.0	7.6	11.4	21.7%	1.1%	7.9	8.5	8.5	-9.5%	1.3%
Software and other intangible assets	-	-	0.2	0.2	-	-	-	-	-	-100.0%	-
Total	554.2	840.8	800.1	744.7	10.3%	100.0%	687.5	709.5	752.8	0.4%	100.0%
Proportion of total programme expenditure to vote expenditure	32.1%	39.0%	35.2%	29.3%	-	-	32.0%	31.5%	32.6%	-	-
Details of selected transfers and subsidies											
Higher education institutions											
Current	1.0	7.5	7.5	8.2	101.6%	0.8%	7.5	7.5	7.5	-2.9%	1.1%
Gifts and donations: Stellenbosch University	-	6.0	6.0	6.7	-	0.6%	6.0	6.0	6.0	-3.6%	0.9%
Gifts and donations: University of the Witwatersrand	-	0.5	0.5	0.5	-	0.1%	0.5	0.5	0.5	-	0.1%
Gifts and donations: University of Cape Town	1.0	1.0	1.0	1.0	-	0.1%	1.0	1.0	1.0	-	0.1%

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

Programme 2: Economic Statistics

Programme purpose

Produce economic statistics to inform evidence-based economic development and transformation in line with internationally recognised practices.

Objective

- Expand the economic statistics information base by increasing the depth, breadth and geographic spread for evidence-based planning, monitoring and decision making for use by both the public and private sectors through:
 - publishing monthly, quarterly, annual and periodic statistical releases on industry, trade and financial statistics in the private and public sectors
 - publishing monthly statistical releases on the consumer price and producer price indexes
 - publishing quarterly and annual GDP estimates providing information on 10 industries
 - developing new and innovative products to respond to user demands over the medium term
 - improving the measurement of economic indicators through the application of internationally recognised standards and practices over the medium term.

Subprogrammes

- *Programme Management for Economic Statistics* provides strategic direction and leadership to the programme.
- *Short Term Indicators* provides information on turnover and volumes in various industries in the economy through the publication of monthly, quarterly and annual statistical releases.
- *Structural Industry Statistics* provides periodic information on the income and expenditure structure of industries by publishing periodic statistical information.
- *Price Statistics* provides information on the level of inflation by producing the consumer price index and various producer price indices.
- *Private Sector Finance Statistics* tracks the financial performance of private sector organisations.
- *Government Finance Statistics* tracks public sector spending.
- *National Accounts* produces GDP data and other integrative statistical products.
- *Economic Analysis* integrates and analyses information from various internal and external data sources.

Expenditure trends and estimates

Table 12.9 Economic Statistics 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Programme Management for Economic Statistics	2.6	2.8	3.9	5.8	30.9%	1.8%	6.3	6.6	7.1	6.7%	2.7%
Short Term Indicators	25.7	26.4	28.9	31.3	6.7%	13.5%	32.2	33.3	35.8	4.6%	14.0%
Structural Industry Statistics	34.3	33.1	39.4	41.6	6.7%	17.8%	42.2	43.7	46.9	4.0%	18.4%
Price Statistics	62.3	62.7	68.8	71.0	4.4%	31.8%	71.5	73.9	79.4	3.8%	31.2%
Private Sector Finance Statistics	24.7	27.7	29.6	31.6	8.5%	13.7%	31.0	32.2	34.6	3.1%	13.6%
Government Finance Statistics	15.8	15.9	17.3	17.9	4.4%	8.0%	17.3	18.0	19.3	2.5%	7.6%
National Accounts	9.7	10.2	10.8	20.8	29.0%	6.2%	20.4	21.1	22.5	2.6%	8.9%
Economic Analysis	12.1	18.7	19.9	8.8	-10.2%	7.1%	7.9	8.2	8.8	0.1%	3.6%
Total	187.2	197.5	218.7	228.8	6.9%	100.0%	228.8	236.9	254.4	3.6%	100.0%
Change to 2016 Budget estimate				4.0			(0.4)	(0.4)	(0.4)		
Economic classification											
Current payments	186.1	196.1	217.1	227.3	6.9%	99.3%	227.8	235.8	253.1	3.7%	99.5%
Compensation of employees	166.8	177.4	194.5	203.6	6.9%	89.2%	201.7	208.4	224.3	3.3%	88.3%
Goods and services ¹	19.3	18.7	22.5	23.7	7.1%	10.1%	26.1	27.3	28.9	6.8%	11.2%
of which:											
Bursaries: Employees	–	–	0.3	1.9	–	0.3%	2.0	2.1	2.2	5.7%	0.9%
Communication	4.1	3.2	2.9	3.7	-3.6%	1.7%	4.3	4.6	4.8	9.7%	1.8%
Consultants: Business and advisory services	6.6	8.3	8.5	8.1	6.7%	3.8%	6.5	6.9	7.3	-3.3%	3.0%
Consumables: Stationery, printing and office supplies	1.8	1.5	1.9	1.2	-13.4%	0.8%	1.7	1.8	1.9	17.1%	0.7%
Travel and subsistence	4.9	4.8	7.6	7.2	14.1%	2.9%	9.7	9.9	10.5	13.2%	3.9%
Operating payments	1.2	0.4	0.5	0.6	-20.0%	0.3%	0.7	0.8	0.8	10.4%	0.3%

Table 12.9 Economic Statistics expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	0.2	0.2	0.1	–	-44.3%	0.1%	–	–	–	-10.5%	–
Households	0.2	0.2	0.1	–	-44.8%	0.1%	–	–	–	-10.8%	–
Payments for capital assets	0.9	1.2	1.5	1.4	15.6%	0.6%	1.0	1.1	1.2	-6.4%	0.5%
Machinery and equipment	0.9	1.2	1.5	1.4	15.6%	0.6%	1.0	1.1	1.2	-6.4%	0.5%
Total	187.2	197.5	218.7	228.8	6.9%	100.0%	228.8	236.9	254.4	3.6%	100.0%
Proportion of total programme expenditure to vote expenditure	10.8%	9.2%	9.6%	9.0%	–	–	10.7%	10.5%	11.0%	–	–

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

Programme 3: Population and Social Statistics

Programme purpose

Produce population and social statistics to inform evidence-based socioeconomic development and transformation in line with internationally recognised practices.

Objective

- Expand the population and social statistics information base by increasing the depth, breadth and geographic spread for evidence-based planning, monitoring and decision making for use by both the public and private sectors by:
 - publishing quarterly and annual statistical information on the labour market, and on employment and earnings in the formal and informal sectors
 - publishing monthly and annual statistical information on vital registrations based on administrative sources
 - publishing annual and periodic statistical information on poverty levels, living conditions and service delivery, as well as population dynamics and demographic trends
 - developing new and innovative products to respond to user demands over the medium term
 - improving the measurement of social indicators through the application of internationally recognised standards and practices over the medium term.

Subprogrammes

- *Programme Management for Population and Social Statistics* provides strategic direction and leadership to the programme.
- *Population Statistics* publishes population statistics collected through population censuses and surveys.
- *Health and Vital Statistics* publishes statistics on births, deaths, marriages, divorces, tourism and migration based on administrative records.
- *Social Statistics* provides information on living conditions, domestic tourism and crime by means of household surveys.
- *Demographic Analysis* collates and analyses data from censuses and other surveys, including administrative data, to compile midyear population estimates and generate a knowledge base on social and population themes.
- *Labour Statistics* provides information on employment levels in the formal, non-agricultural sector, as well as labour market trends in South Africa.
- *Poverty and Inequality Statistics* provides information on poverty levels, and income and expenditure trends in South Africa.

Expenditure trends and estimates

Table 12.10 Population and Social Statistics 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 -	2016/17				2016/17 -	2019/20
Programme Management for Population and Social Statistics	5.6	4.0	4.8	4.4	-7.5%	3.4%	5.5	5.8	6.2	12.2%	3.7%
Population Statistics	8.9	6.1	7.1	11.9	9.9%	6.2%	8.3	8.4	9.0	-8.8%	6.2%
Health and Vital Statistics	9.2	10.8	10.8	12.1	9.8%	7.8%	13.0	13.6	14.6	6.3%	8.9%
Social Statistics	12.9	10.5	15.8	15.0	5.0%	9.9%	15.9	16.3	17.5	5.3%	10.7%
Demographic Analysis	6.0	11.6	13.7	16.0	38.3%	8.6%	16.5	17.3	18.6	5.2%	11.4%
Labour Statistics	33.3	35.9	36.6	42.1	8.1%	27.0%	42.5	44.0	47.3	4.0%	29.2%
Poverty and Inequality Statistics	26.2	75.8	72.5	28.1	2.4%	37.0%	26.5	96.8	28.7	0.7%	29.9%
Total	102.1	154.7	161.2	129.5	8.2%	100.0%	128.2	202.3	141.8	3.1%	100.0%
Change to 2016 Budget estimate				2.5			-	70.0	-		
Economic classification											
Current payments	99.4	153.3	158.0	127.7	8.7%	98.3%	126.2	200.2	139.6	3.0%	98.6%
Compensation of employees	76.9	106.3	114.2	105.9	11.2%	73.7%	103.3	176.2	114.3	2.6%	83.0%
Goods and services ¹	22.5	47.0	43.7	21.7	-1.1%	24.6%	22.9	24.0	25.3	5.2%	15.6%
<i>of which:</i>											
Minor assets	-	0.4	0.1	0.1	80.5%	0.1%	1.4	1.5	1.6	119.6%	0.8%
Consultants: Business and advisory services	2.8	1.8	2.0	2.3	-5.5%	1.6%	2.1	2.2	2.3	0.1%	1.5%
Fleet services (including government motor transport)	-	4.1	6.5	0.1	-	2.0%	1.2	1.3	1.3	162.4%	0.6%
Consumables: Stationery, printing and office supplies	0.9	1.6	1.7	1.1	7.2%	1.0%	1.2	1.2	1.3	6.3%	0.8%
Travel and subsistence	2.7	24.1	27.0	6.4	33.0%	11.0%	8.7	8.9	9.4	13.7%	5.6%
Operating payments	7.7	6.3	4.3	6.3	-6.2%	4.5%	4.3	4.5	4.8	-8.9%	3.3%
Transfers and subsidies¹	0.2	0.2	2.0	0.2	11.6%	0.5%	0.2	0.2	0.2	-2.1%	0.1%
Non-profit institutions	0.1	0.2	0.2	0.2	26.0%	0.1%	0.2	0.2	0.2	1.8%	0.1%
Households	0.1	-	1.8	-	-26.1%	0.3%	-	-	-	-100.0%	-
Payments for capital assets	0.7	1.2	1.2	1.6	34.9%	0.9%	1.8	1.9	2.0	7.7%	1.2%
Machinery and equipment	0.7	1.2	1.2	1.5	32.1%	0.8%	1.7	1.8	1.9	7.6%	1.1%
Software and other intangible assets	-	-	0.1	0.1	-	-	0.1	0.1	0.1	10.2%	0.1%
Payments for financial assets	1.9	-	-	-	-100.0%	0.3%	-	-	-	-	-
Total	102.1	154.7	161.2	129.5	8.2%	100.0%	128.2	202.3	141.8	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	5.9%	7.2%	7.1%	5.1%	-	-	6.0%	9.0%	6.1%	-	-

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

Programme 4: Methodology, Standards and Research

Programme purpose

Provide expertise on quality, methodology, statistical standards and practices for official statistics, in line with international best practice. Build and maintain a business sampling frame. Conduct policy research and analysis on emerging policy matters.

Objectives

- Improve the comparability and accuracy of statistical information by annually reviewing and evaluating methodological compliance in survey areas, and applying appropriate quality criteria, standards, classifications and procedures to the statistical value chain.
- Ensure a complete and accurate business sampling frame to enhance the quality of economic statistics by annually drawing samples for economic surveys.
- Provide statistical support and advice to policy makers by annually conducting policy research and analysis on emerging policy matters, and producing annual research papers on the economy and society.

Subprogrammes

- *Programme Management for Methodology, Standards and Research* provides strategic direction and leadership to the programme.
- *Policy Research and Analysis* provides integrated statistical advice and support for policy planners and development practitioners, and participates in knowledge research and innovation on key development themes.
- *Methodology and Evaluation* provides technical expertise on methodologies for producing official statistics and conducting reviews of surveys.
- *Survey Standards* develops standards, classifications and definitions for surveys undertaken by the department.
- *Business Register* maintains and improves the sampling frame for economic statistics.

Expenditure trends and estimates

Table 12.11 Methodology, Standards and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20		
R million											
Programme Management for Methodology, Standards and Research	3.1	1.0	2.2	4.7	14.7%	4.6%	4.1	4.2	4.5	-2.0%	6.3%
Policy Research and Analysis	4.6	5.1	5.5	7.1	15.6%	9.3%	6.4	6.7	7.2	0.6%	9.7%
Methodology and Evaluation	12.0	12.5	13.8	19.6	17.9%	24.3%	16.9	16.7	17.9	-3.0%	25.4%
Survey Standards	2.8	4.7	5.4	7.6	39.9%	8.6%	6.2	5.7	6.1	-7.1%	9.1%
Business Register	28.7	33.2	31.3	34.4	6.2%	53.3%	33.3	34.2	36.8	2.3%	49.5%
Total	51.2	56.5	58.1	73.4	12.8%	100.0%	66.8	67.4	72.4	-0.5%	100.0%
Change to 2016 Budget estimate				3.8			(0.1)	(0.1)	(0.2)		
Economic classification											
Current payments	50.9	52.7	56.4	72.5	12.5%	97.2%	66.2	66.9	71.9	-0.3%	99.1%
Compensation of employees	49.1	51.3	54.9	69.2	12.2%	93.8%	62.5	62.9	67.6	-0.8%	93.6%
Goods and services ¹	1.8	1.3	1.5	3.3	22.2%	3.4%	3.7	4.0	4.3	8.6%	5.5%
of which:											
Bursaries: Employees	–	–	0.1	0.2	–	0.1%	0.2	0.2	0.2	5.8%	0.3%
Communication	0.7	0.5	0.4	0.6	-4.4%	0.9%	0.7	0.9	1.0	17.7%	1.1%
Consultants: Business and advisory services	0.3	–	–	0.4	17.5%	0.3%	0.4	0.5	0.5	2.6%	0.6%
Consumables: Stationery, printing and office supplies	0.3	0.3	0.2	0.3	-1.3%	0.4%	0.4	0.4	0.4	16.0%	0.5%
Travel and subsistence	0.5	0.5	0.7	1.2	36.0%	1.2%	1.4	1.4	1.5	9.3%	2.0%
Training and development	–	–	0.1	0.3	–	0.2%	0.3	0.3	0.4	5.8%	0.5%
Transfers and subsidies¹	0.1	0.1	–	0.4	74.1%	0.2%	0.1	–	–	-58.3%	0.2%
Households	0.1	0.1	–	0.4	74.1%	0.2%	0.1	–	–	-58.3%	0.2%
Payments for capital assets	0.2	0.4	0.5	0.5	26.2%	0.7%	0.5	0.5	0.5	-0.6%	0.7%
Machinery and equipment	0.2	0.4	0.5	0.5	26.2%	0.7%	0.5	0.5	0.5	-0.6%	0.7%
Payments for financial assets	–	3.3	1.2	–	–	1.9%	–	–	–	–	–
Total	51.2	56.5	58.1	73.4	12.8%	100.0%	66.8	67.4	72.4	-0.5%	100.0%
Proportion of total programme expenditure to vote expenditure	3.0%	2.6%	2.6%	2.9%	–	–	3.1%	3.0%	3.1%	–	–

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

Programme 5: Statistical Support and Informatics

Programme purpose

Enable service delivery programmes by using technology in the production and use of official statistics. Inform policy through the use of statistical geography. Build and maintain a spatial information frame.

Objectives

- Ensure through a reliable sampling frame consisting of geo-referenced structures as the base reference for the efficient operation and dissemination of censuses and surveys by enhancing and updating the dynamic spatial information frame annually.
- Modernise business processes by applying emerging technologies in the data collection, processing and dissemination of statistics over the medium term.
- Enable the department's production of official statistics by providing a technology infrastructure that is reliable, sustainable and cost effective over the medium term.

Subprogrammes

- *Programme Management for Statistical Support and Informatics* provides strategic direction and leadership to the programme.
- *Geography Services* provides geo-spatial information, spatial tools and geo-spatial analysis.
- *Geography Frames* provides a sampling frame for household surveys and censuses.
- *Publication Services* provides editing, publishing and distribution services to survey areas.
- *Data Management and Technology* provides technology infrastructure to the department and supports data management across statistical series.
- *Business Modernisation* improves data and information management across the department by modernising the way business is conducted and supported by technology.

Expenditure trends and estimates

Table 12.12 Statistical Support and Informatics 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Programme Management for Statistical Support and Informatics	2.6	2.8	3.6	4.2	17.0%	1.5%	4.4	4.6	4.9	5.8%	1.7%
Geography Services	24.6	31.5	15.6	26.9	3.0%	10.9%	23.6	23.5	25.2	-2.1%	9.3%
Geography Frames	16.1	15.0	19.5	25.9	17.0%	8.4%	22.5	21.4	23.0	-3.9%	8.7%
Publication Services	20.7	24.8	22.2	26.0	7.9%	10.3%	26.4	27.1	29.0	3.7%	10.2%
Data Management and Technology	117.5	107.1	115.6	124.1	1.8%	51.2%	130.8	137.3	145.5	5.5%	50.4%
Business Modernisation	29.1	37.4	43.6	50.0	19.8%	17.7%	50.8	53.1	57.1	4.5%	19.8%
Total	210.7	218.6	220.2	257.0	6.9%	100.0%	258.4	267.1	284.8	3.5%	100.0%
Change to 2016 Budget estimate				1.7			-	-	-		
Economic classification											
Current payments	200.0	199.0	199.4	237.7	5.9%	92.2%	242.4	250.0	266.7	3.9%	93.4%
Compensation of employees	104.4	102.4	115.3	138.2	9.8%	50.8%	132.1	133.7	143.8	1.3%	51.3%
Goods and services ¹	95.6	96.6	84.0	99.5	1.3%	41.5%	110.3	116.4	122.9	7.3%	42.1%
of which:											
Communication	5.0	6.4	4.4	4.7	-1.8%	2.3%	6.3	6.7	7.0	14.2%	2.3%
Computer services	83.9	66.1	68.2	81.2	-1.1%	33.0%	84.8	89.5	94.6	5.2%	32.8%
Infrastructure and planning services	-	17.0	-	0.5	-	1.9%	1.2	1.2	1.3	37.2%	0.4%
Contractors	0.9	3.1	5.2	4.1	65.7%	1.5%	7.5	8.0	8.4	26.7%	2.6%
Travel and subsistence	1.1	1.0	1.3	3.7	51.3%	0.8%	4.3	4.4	4.7	7.9%	1.6%
Operating payments	3.2	1.4	3.1	1.8	-18.1%	1.0%	2.1	2.2	2.3	9.0%	0.8%
Transfers and subsidies¹	0.8	2.3	0.3	-	-67.6%	0.4%	-	-	-	-100.0%	-
Higher education institutions	-	-	0.1	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	2.2	-	-	-	0.2%	-	-	-	-	-
Households	0.8	0.1	0.2	-	-67.6%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	9.5	17.3	20.4	19.3	26.9%	7.3%	16.0	17.1	18.0	-2.3%	6.6%
Machinery and equipment	9.4	16.2	17.2	17.1	21.9%	6.6%	15.5	16.5	17.4	0.7%	6.2%
Software and other intangible assets	-	1.1	3.2	2.3	391.3%	0.7%	0.5	0.6	0.6	-36.0%	0.4%
Payments for financial assets	0.4	-	-	-	-100.0%	-	-	-	-	-	-
Total	210.7	218.6	220.2	257.0	6.9%	100.0%	258.4	267.1	284.8	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	12.2%	10.1%	9.7%	10.1%	-	-	12.0%	11.9%	12.3%	-	-

Table 12.12 Statistical Support and Informatics expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
		2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million												
Public corporations and private enterprises												
Private enterprises												
Other transfers to private enterprises												
Current		-	2.2	-	-	-	0.2%	-	-	-	-	-
Motion Boikanyo		-	2.2	-	-	-	0.2%	-	-	-	-	-

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

Programme 6: Statistical Collection and Outreach

Programme purpose

Provide data collection and dissemination services to inform policy processes and decision making. Engage stakeholders and provide effective communication services. Promote statistical development and cooperation in South Africa, Africa and the world.

Objectives

- Increase awareness and the use of official statistics by government and the public on an ongoing basis by:
 - reaching out to stakeholders and responding to user inquiries
 - educating users
 - improving the accessibility and ease of use of statistical information
 - conducting publicity campaigns.
- Manage external and internal communications on statistical matters by issuing daily, weekly and monthly information updates through the media on an ongoing basis.
- Provide integrated data collection services and disseminate quality statistics to provincial and local stakeholders and the public by ensuring an average annual response rate of 85 per cent.
- Ensure alignment with international standards, best practice and statistical skills development by increasing participation, sharing and learning in international statistical initiatives on an ongoing basis.

Subprogrammes

- *Programme Management for Statistical Collection and Outreach* provides strategic direction and leadership to the programme.
- *International Statistical Development and Cooperation* manages relations with international statistical agencies, promotes statistical development in Africa and builds partnerships.
- *Provincial and District Offices* provides integrated data collection and dissemination services, and promotes the use and coordination of official statistics to provincial and local stakeholders.
- *Stakeholder Relations and Marketing* maintains relations with stakeholders across the country and increases use through dissemination of official statistics.
- *Corporate Communications* manages external and internal communications in the department.

Expenditure trends and estimates

Table 12.13 Statistical Collection and Outreach expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million											
Programme Management for Statistical Collection and Outreach	5.7	6.1	8.3	8.2	12.8%	1.3%	8.7	9.1	9.8	6.1%	1.5%
International Statistical Development and Cooperation	7.8	8.1	8.6	11.0	12.1%	1.7%	11.2	11.4	12.2	3.3%	1.9%
Provincial and District Offices	433.6	485.4	525.4	515.2	5.9%	91.1%	529.0	550.7	590.4	4.6%	90.4%
Stakeholder Relations and Marketing	16.9	17.1	19.2	20.1	6.1%	3.4%	20.4	21.2	22.8	4.2%	3.5%
Corporate Communications	9.5	13.4	14.4	16.8	21.1%	2.5%	15.7	15.6	16.7	-0.2%	2.7%
Total	473.5	530.2	575.8	571.4	6.5%	100.0%	585.1	608.0	651.9	4.5%	100.0%
Change to 2016				1.5			0.7	0.8	0.8		
Budget estimate											
Economic classification											
Current payments	450.0	509.7	555.6	557.1	7.4%	96.4%	570.3	592.5	635.5	4.5%	97.5%
Compensation of employees	355.7	403.8	447.7	467.6	9.5%	77.9%	473.4	490.6	527.8	4.1%	81.1%
Goods and services ¹	94.3	105.9	107.9	89.6	-1.7%	18.5%	96.9	101.9	107.6	6.3%	16.4%
of which:											
Communication	14.5	16.7	13.1	9.8	-12.4%	2.5%	11.7	12.3	13.0	10.1%	1.9%
Fleet services (including government motor transport)	18.0	19.8	19.5	15.5	-4.8%	3.4%	16.2	17.0	18.0	5.1%	2.8%
Operating leases	36.9	46.7	44.3	33.2	-3.5%	7.5%	36.8	38.8	40.9	7.3%	6.2%
Travel and subsistence	15.8	13.9	21.4	15.1	-1.6%	3.1%	16.3	17.1	18.0	6.1%	2.7%
Training and development	-	0.1	0.2	2.9	-	0.1%	3.5	3.7	3.9	10.3%	0.6%
Operating payments	2.0	1.8	1.6	3.2	17.5%	0.4%	2.3	2.4	2.6	-6.9%	0.4%
Transfers and subsidies¹	1.0	0.5	0.8	0.2	-46.5%	0.1%	-	-	-	-100.0%	-
Households	1.0	0.5	0.7	0.2	-46.5%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	22.6	20.0	19.4	14.1	-14.5%	3.5%	14.8	15.6	16.4	5.2%	2.5%
Machinery and equipment	22.6	20.0	19.4	14.1	-14.5%	3.5%	14.8	15.6	16.4	5.2%	2.5%
Total	473.5	530.2	575.8	571.4	6.5%	100.0%	585.1	608.0	651.9	4.5%	100.0%
Proportion of total programme expenditure to vote expenditure	27.4%	24.6%	25.3%	22.5%	-	-	27.3%	27.0%	28.2%	-	-

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

Programme 7: Survey Operations

Programme purpose

Coordinate survey operations for household surveys and provide processing services to produce official statistics. Conduct independent household survey monitoring and evaluation activities.

Objectives

- Expand the statistical information base for use by government, the private sector and the general public by conducting a population census every 10 years, and large-scale population surveys between censuses.
- Ensure the efficiency and effectiveness of survey operations conducted by the department by coordinating household survey operations with an average response rate of 85 per cent, on an annual basis.
- Improve the quality and timeliness of the editing and processing of statistical data by administering a common data processing platform for censuses, household-based surveys, administrative records and ad hoc survey data over the medium term.

Subprogrammes

- *Programme Management for Survey Operations* provides strategic direction and leadership to the programme.
- *Census and Community Survey Operations* conducts periodic population censuses or large scale population surveys.
- *Household Survey Operations* coordinates and integrates collection activities across surveys.

- *Corporate Data Processing* manages the editing and processing of data.
- *Survey Coordination, Monitoring and Evaluation* monitors the quality of field operations of household surveys and censuses, and conducts independent evaluations.

Expenditure trends and estimates

Table 12.14 Survey Operations 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 -	2016/17	2017/18	2018/19	2019/20	2016/17 -	2019/20
Programme Management for Survey Operations	5.5	9.4	12.9	14.5	37.8%	3.9%	12.7	12.2	13.1	-3.4%	5.1%
Census and Community Survey Operations	50.0	21.6	111.1	407.9	101.3%	54.7%	65.0	27.4	11.4	-69.6%	49.5%
Household Survey Operations	24.7	41.8	28.6	22.8	-2.6%	10.9%	24.7	25.5	27.3	6.2%	9.7%
Corporate Data Processing	54.2	69.2	69.6	69.6	8.7%	24.3%	70.2	72.9	78.4	4.1%	28.2%
Survey Coordination, Monitoring and Evaluation	15.1	16.2	17.3	18.5	7.1%	6.2%	18.8	19.5	21.0	4.2%	7.5%
Total	149.6	158.2	239.5	533.3	52.8%	100.0%	191.4	157.6	151.2	-34.3%	100.0%
Change to 2016 Budget estimate							(0.2)	16.9	(0.2)		
Economic classification											
Current payments	146.4	156.0	231.7	521.8	52.8%	97.7%	185.9	154.0	148.1	-34.3%	97.7%
Compensation of employees	129.4	131.7	137.0	171.4	9.8%	52.7%	153.4	137.9	131.1	-8.6%	57.5%
Goods and services ¹	17.0	24.3	94.8	350.4	174.4%	45.0%	32.6	16.1	17.0	-63.6%	40.3%
<i>of which:</i>											
Advertising	0.5	–	2.4	6.2	134.3%	0.8%	2.9	0.3	0.3	-62.5%	0.9%
Communication	4.6	3.4	2.3	12.4	38.9%	2.1%	3.9	2.3	2.5	-41.5%	2.0%
Consumables: Stationery, printing and office supplies	0.5	0.7	1.5	4.2	99.2%	0.6%	1.6	1.6	1.7	-26.2%	0.9%
Travel and subsistence	7.6	11.7	48.7	140.3	164.9%	19.3%	12.3	5.5	5.8	-65.4%	15.9%
Training and development	–	–	0.1	1.3	–	0.1%	1.2	1.3	1.4	2.8%	0.5%
Operating payments	1.4	5.2	5.1	10.4	97.1%	2.0%	2.6	1.8	1.9	-42.8%	1.6%
Transfers and subsidies¹	1.5	0.7	0.4	4.7	47.8%	0.7%	2.3	0.6	0.6	-49.4%	0.8%
Public corporations and private enterprises	–	–	0.1	–	–	–	–	–	–	–	–
Households	1.5	0.7	0.3	4.7	47.8%	0.7%	2.3	0.6	0.6	-49.4%	0.8%
Payments for capital assets	1.7	1.4	7.4	6.8	58.4%	1.6%	3.2	3.0	2.5	-28.6%	1.5%
Machinery and equipment	1.7	1.4	7.4	6.3	54.5%	1.6%	3.2	3.0	2.5	-26.8%	1.4%
Software and other intangible assets	–	–	–	0.5	–	–	–	–	–	-100.0%	–
Total	149.6	158.2	239.5	533.3	52.8%	100.0%	191.4	157.6	151.2	-34.3%	100.0%
Proportion of total programme expenditure to vote expenditure	8.7%	7.3%	10.5%	21.0%	–	–	8.9%	7.0%	6.5%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	1.4	0.4	0.2	4.6	48.2%	0.6%	2.2	0.5	0.5	-52.3%	0.8%
Employee social benefits	1.4	0.4	0.2	4.6	48.2%	0.6%	2.2	0.5	0.5	-52.3%	0.8%

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

Vote 13

Women

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	83.0	80.3	0.0	2.7	86.3	92.2
Social Transformation and Economic Empowerment	94.9	16.3	78.3	0.4	107.7	114.0
Policy, Stakeholder Coordination and Knowledge Management	28.2	27.5	–	0.7	40.0	42.3
Total expenditure estimates	206.2	124.1	78.3	3.8	234.0	248.5
Executive authority	Minister of Women in the Presidency					
Accounting officer	Director General of Women					
Website address	www.women.gov.za					

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

Vote purpose

Lead, coordinate and oversee the transformation agenda on women's socioeconomic empowerment, rights and equality.

Mandate

The Department of Women derives its mandate from the Constitution and the presidential proclamation made in 2014 that mandates the department to champion gender equality, and the achievement of women's socioeconomic empowerment and rights.

Selected performance indicators

Table 13.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of reports produced per year on the implementation of the presidential directive on women's economic empowerment in the nine-point plan	Social Transformation and Economic Empowerment	Outcome 4: Decent employment through inclusive growth	– ¹	– ¹	– ¹	1	1	1	1
Policy framework for sanitary dignity developed	Social Transformation and Economic Empowerment	Outcome 14: A diverse, socially cohesive society with a common national identity	– ¹	– ¹	– ¹	Consultations with stakeholder departments conducted	Develop policy framework for sanitary dignity	– ²	– ²
Implementation of interventions to enhance prevention and elimination of violence against women and children	Social Transformation and Economic Empowerment	Outcome 3: All people in South African are and feel safe Outcome 13: An inclusive and responsive social protection system	– ¹	– ¹	– ¹	– ¹	Support stakeholders in the implementation of the integrated plan of action on violence against women and children	Support stakeholders in the implementation of the integrated plan of action on violence against women and children	Support stakeholders in the implementation of the integrated plan of action on violence against women and children
Number of reports on the implementation of government commitments on international instruments produced per year	Policy, Stakeholder Coordination and Knowledge Management	Outcome 14: A diverse, socially cohesive society with a common national identity	– ¹	– ¹	– ¹	2	4	4	4

Table 13.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of public participation and outreach initiatives on women's empowerment, including girls and young women, conducted per year	Policy, Stakeholder Coordination and Knowledge Management	Outcome 14: A diverse, socially cohesive society with a common national identity	-1	-1	-1	4	4	4	4
Number of campaigns rolled out on 365 Days for No Violence Against Women and Children campaign per year	Policy, Stakeholder Coordination and Knowledge Management	Outcome 13: An inclusive and responsive social protection system Outcome 14: A diverse, socially cohesive society with a common national identity	-1	-1	1	1	1	1	1
Number of reports produced on the implementation of women's empowerment and gender equality monitoring and evaluation framework per year	Policy, Stakeholder Coordination and Knowledge Management	Outcome 14: A diverse, socially cohesive society with a common national identity	-1	-1	-1	1	1	1	1

1. No historical data available.

2. The indicator will be reviewed after the policy has been developed.

Expenditure analysis

The inclusive and equitable growth path envisaged in the National Development Plan requires the economic participation, education and skills development of women, children and other vulnerable groups. Measures to facilitate this include strengthening campaigns for gender equality and against gender violence, removing educational barriers for women to enter job markets, and encouraging the participation of women in developmental planning. The Department of Women aligns its work with outcome 3 (all people in South African are and feel safe), outcome 4 (decent employment through inclusive growth), outcome 13 (an inclusive and responsive social protection system) and outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework. To give effect to these guiding policies over the medium term, the department will focus on analysing, evaluating and monitoring policy and programme implementation; mainstreaming the socioeconomic empowerment of women; raising awareness and conducting outreach programmes to further gender equality and women's rights; and continuing work towards eliminating violence against women and children.

An average of 36 per cent of the department's total budget over the medium term is allocated to transfers and subsidies for the Commission for Gender Equality. The commission is mandated to strengthen and deepen constitutional democracy, with a focus on attaining gender equality. Projected at 35.9 per cent over the medium term, the second-largest allocation of the department's budget is for spending on compensation of employees for a staff complement of approximately 119, while 26.3 per cent of the budget is allocated to goods and services for items such as travel and subsistence, and property payments for the department's office accommodation. Expenditure on these items supports the department's research, consultative work, and its involvement in advocacy and awareness campaigns.

Analysing, evaluating and monitoring policy and programme implementation

The newly developed women's empowerment and gender equality monitoring and evaluation framework will provide guidance to government departments to ensure their plans, programmes and projects consider the socioeconomic empowerment of women and gender equality. This process will entail collaboration with and the evaluation of quarterly performance reports submitted by departments to the Department of Planning, Monitoring and Evaluation. The Minister of the Department of Women will also report to Parliament on initiatives taken by departments in this regard. The *Monitoring and Evaluation* subprogramme in the *Policy, Stakeholder Coordination and Knowledge Management* programme is allocated Cabinet-approved budget increases of R2.6 million in 2018/19 and R2.7 million in 2019/20. This increase is for capacity building and related goods and services items, and the installation of a monitoring and evaluation system. Accordingly, spending in the subprogramme is expected to increase at an average annual rate of 18.9 per cent over the medium term, from R4.2 million in 2016/17 to R7.1 million in 2019/20.

The department expects to produce four reports per year over the medium term to monitor and evaluate progress on the socioeconomic empowerment of women. The department will also assess the contribution of government incentive schemes to the empowerment of women in terms of employment, socioeconomic empowerment and development. These activities are carried out in the *Research and Policy Analysis* subprogramme that accounts

for R17.8 million, or 14 per cent of the total budget, in the *Policy, Stakeholder Coordination and Knowledge Management* programme over the medium term. As this work is mainly knowledge-based, expenditure on compensation of employees is estimated at 67.6 per cent of the subprogramme's total budget over the period.

Mainstreaming women's socioeconomic empowerment

The department works with government clusters, particularly departments in the economic cluster, to assess and make recommendations for gender sensitive service delivery models. These activities are carried out in the *Economic Empowerment and Participation* subprogramme which accounts for R17.9 million or 4.5 per cent of the total budget of the *Social Transformation and Economic Empowerment* programme. Expenditure in the subprogramme is expected to grow at an annual rate of 15.2 per cent, from R3.6 million in 2016/17 to R5.6 million in 2019/20, due to the recruitment of two additional staff members.

The department plans to develop a gender-responsive planning and budgeting framework in 2017/18 to guide government on its priorities and allocation of resources. This is budgeted for in the *Governance Transformation, Justice and Security* subprogramme, which accounts for R20.1 million or 5 per cent of the total budget in the *Social Transformation and Economic Empowerment* programme over the medium term. Expenditure in the subprogramme is expected to grow at an average annual rate of 12.4 per cent, from R4.2 million in 2016/17 to R6 million in 2019/20 due to Cabinet-approved budget increases of R1.9 million in 2018/19 and R2 million in 2019/20 for the subprogramme to expand capacity. The department will use these funds to employ two additional staff members in the *Governance Transformation, Justice and Security* subprogramme, where spending on compensation of employees is projected to grow from R2 million in 2016/17 to R3.2 million in 2019/20.

The department is also leading a multi-departmental task team to develop a policy framework for the provision of free sanitary towels to indigent girls and women. The task team plans to develop the policy framework for sanitary dignity in 2017/18, and to implement it in 2018/19. The *Social Empowerment and Transformation* subprogramme is allocated R3.1 million in 2018/19 and R3.2 million in 2019/20 to allow for additional positions, which are required for the rollout of the framework and other responsibilities in the subprogramme. Accordingly, spending in the subprogramme is expected to grow at an annual rate of 35.7 per cent, from R3.2 million in 2016/17 to R8 million in 2019/20.

Raising awareness and public participation

The department conducts campaigns and outreach initiatives on women's economic empowerment, gender equality and women's rights, violence against women and children, and gender-based violence. Over the medium term, the department will conduct six public dialogues hosted by the minister, for the 365 Days of Activism for No Violence Against Women and Children campaign in six provinces. One report on the outcome of these dialogues will be produced each year over the medium term. These campaigns are allocated R2.8 million in 2017/18, R3 million in 2018/19 and R3.2 million in 2019/20 in the *Stakeholder Coordination and Outreach* subprogramme over the medium term. Raising awareness and outreach work is consultative in nature, and often requires travel and hired facilities. Over the medium term, estimated expenditure on goods and services is R43.4 million, which accounts for 69.8 per cent of the total budget allocation in the *Stakeholder Coordination and Outreach* subprogramme.

Expenditure trends

Table 13.2 Vote expenditure trends by programme and economic classification

Programmes																															
1. Administration																															
2. Social Transformation and Economic Empowerment																															
3. Policy, Stakeholder Coordination and Knowledge Management																															
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Revised estimate			Average: Outcome/Annual budget (%)		Average: Outcome/Adjusted appropriation (%)	
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17																		
Programme 1	78.3	75.3	67.1	78.6	78.6	73.6	80.5	78.9	84.9	89.4	88.3	87.7	95.9%	97.6%																	
Programme 2	76.6	75.4	76.0	83.8	83.8	85.3	87.2	86.9	83.2	84.4	84.4	83.6	98.8%	99.2%																	
Programme 3	12.3	17.3	18.6	18.4	18.4	18.7	19.3	23.3	20.3	23.1	24.2	23.4	110.7%	97.3%																	
Total	167.2	168.1	161.6	180.8	180.8	177.5	187.0	189.1	188.4	196.9	196.9	194.7	98.7%	98.3%																	
Change to 2016 Budget estimate																															
Economic classification																															
Current payments	101.2	101.6	95.9	108.1	108.1	104.9	115.8	117.9	117.4	123.3	123.3	121.1	98.0%	97.4%																	
Compensation of employees	60.8	59.6	48.9	61.0	61.0	57.7	66.5	65.1	63.6	72.6	72.6	68.2	91.3%	92.3%																	
Goods and services	40.4	42.0	47.0	47.1	47.1	47.3	49.3	52.8	53.8	50.7	50.7	52.9	107.2%	104.3%																	
Transfers and subsidies	63.1	63.5	63.6	69.5	69.5	70.0	67.7	67.8	68.2	69.9	69.9	69.9	100.6%	100.4%																	
Departmental agencies and accounts	63.1	63.1	63.1	67.2	67.2	67.4	67.7	67.7	67.7	69.9	69.9	69.9	-	-																	
Households	-	0.4	0.5	2.2	2.2	2.7	-	0.1	0.5	0.0	0.0	0.0	162.9%	134.7%																	
Payments for capital assets	3.0	3.0	2.2	3.2	3.2	2.6	3.5	3.5	2.8	3.7	3.7	3.7	84.2%	84.2%																	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	0.0	0.1	0.1	0.1	109.2%	109.2%																	
Machinery and equipment	3.0	3.0	2.2	3.2	3.2	2.6	3.5	3.5	2.8	3.6	3.6	3.6	84.0%	84.0%																	
Total	167.2	168.1	161.6	180.8	180.8	177.5	187.0	189.1	188.4	196.9	196.9	194.7	98.7%	98.3%																	

Expenditure estimates

Table 13.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Social Transformation and Economic Empowerment									
3. Policy, Stakeholder Coordination and Knowledge Management									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	87.7	5.2%	43.4%	83.0	86.3	92.2	1.7%	39.5%	
Programme 2	83.6	3.5%	45.4%	94.9	107.7	114.0	10.9%	45.3%	
Programme 3	23.4	10.6%	11.2%	28.2	40.0	42.3	21.7%	15.2%	
Total	194.7	5.0%	100.0%	206.2	234.0	248.5	8.5%	100.0%	
Change to 2016 Budget estimate				(1.3)	17.1	18.0			
Economic classification									
Current payments	121.1	6.0%	60.8%	124.1	147.2	156.8	9.0%	62.2%	
Compensation of employees	68.2	4.6%	33.0%	71.9	85.5	91.4	10.3%	35.9%	
Goods and services	52.9	8.0%	27.8%	52.2	61.7	65.4	7.3%	26.3%	
Transfers and subsidies	69.9	3.3%	37.6%	78.3	82.8	87.4	7.8%	36.0%	
Departmental agencies and accounts	69.9	3.5%	37.1%	78.3	82.8	87.4	7.8%	36.0%	
Payments for capital assets	3.7	8.1%	1.6%	3.8	4.0	4.3	4.5%	1.8%	
Buildings and other fixed structures	0.1	-	0.0%	-	-	-	-100.0%	0.0%	
Machinery and equipment	3.6	6.9%	1.5%	2.9	3.1	3.3	-2.8%	1.5%	
Software and other intangible assets	-	-	-	0.9	0.9	0.9	-	0.3%	
Total	194.7	5.0%	100.0%	206.2	234.0	248.5	8.5%	100.0%	

Goods and services expenditure trends and estimates

Table 13.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Administrative fees	1 653	1 878	394	1 928	5.3%	2.9%	719	740	783	-25.9%	1.8%
Advertising	1 142	8 114	4 477	1 603	12.0%	7.7%	999	1 348	1 425	-3.8%	2.3%
Minor assets	376	274	324	423	4.0%	0.7%	248	261	278	-13.1%	0.5%
Audit costs: External	2 202	3 612	4 127	4 297	25.0%	7.2%	3 556	3 649	3 853	-3.6%	6.7%
Bursaries: Employees	15	57	45	137	109.0%	0.1%	230	238	252	22.5%	0.4%
Catering: Departmental activities	1 232	1 888	3 907	2 629	28.7%	4.9%	822	1 670	1 764	-12.5%	3.0%
Communication	2 539	2 274	3 103	2 084	-6.4%	5.0%	2 681	2 704	2 974	12.6%	4.5%
Computer services	672	1 509	1 370	1 455	29.4%	2.5%	1 668	2 727	2 880	25.6%	3.8%
Consultants: Business and advisory services	1 123	1 461	1 424	2 163	24.4%	3.1%	1 368	1 428	1 508	-11.3%	2.8%
Legal services	534	1 312	203	78	-47.3%	1.1%	278	288	304	57.4%	0.4%
Contractors	777	1 068	480	455	-16.3%	1.4%	645	682	720	16.5%	1.1%
Agency and support/outourced services	-	29	840	-	-	0.4%	-	-	-	-	-
Entertainment	31	2	77	84	39.4%	0.1%	4	4	4	-63.8%	-
Fleet services (including government motor transport)	309	482	469	-	-100.0%	0.6%	147	152	161	-	0.2%
Consumable supplies	490	270	297	718	13.6%	0.9%	500	524	554	-8.3%	1.0%
Consumables: Stationery, printing and office supplies	616	498	767	1 780	42.4%	1.8%	1 314	1 375	1 273	-10.6%	2.5%
Operating leases	-	-	42	-	-	-	-	-	-	-	-
Rental and hiring	115	-	2 671	100	-4.6%	1.5%	18	597	630	84.7%	0.6%
Property payments	9 058	9 209	11 454	15 279	19.0%	22.6%	15 804	16 787	17 813	5.2%	28.6%
Transport provided: Departmental activity	-	-	-	-	-	-	270	286	302	-	0.4%
Travel and subsistence	21 159	11 172	13 952	11 053	-19.5%	28.9%	16 257	19 451	21 054	24.0%	29.5%
Training and development	439	513	147	726	18.3%	0.9%	840	873	921	8.3%	1.5%
Operating payments	1 011	1 093	1 404	2 201	29.6%	2.9%	1 191	1 247	1 316	-15.8%	2.6%
Venues and facilities	1 498	546	1 808	1 457	-0.9%	2.7%	2 621	4 673	4 600	46.7%	5.8%
Total	46 991	47 261	53 782	50 650	2.5%	100.0%	52 180	61 704	65 369	8.9%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 13.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Provinces and municipalities											
Municipal bank accounts											
Current	6	6	12	1	-45.0%	-	-	-	-	-100.0%	-
Vehicle licences	6	6	-	-	-100.0%	-	-	-	-	-	-
Municipal bank account	-	-	12	1	-	-	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	63 080	67 372	67 689	69 891	3.5%	98.7%	78 266	82 805	87 442	7.8%	100.0%
Public Service Sector Education and Training Authority	-	137	-	-	-	0.1%	-	-	-	-	-
Commission for Gender Equality	63 080	67 235	67 689	69 891	3.5%	98.6%	78 266	82 805	87 442	7.8%	100.0%
Households											
Social benefits											
Current	489	2 651	125	1	-87.3%	1.2%	1	1	1	-	-
Employee social benefits	489	2 651	125	1	-87.3%	1.2%	1	1	1	-	-
Households											
Other transfers to households											
Current	-	-	344	-	-	0.1%	-	-	-	-	-
Employee social benefits	-	-	344	-	-	0.1%	-	-	-	-	-
Total	63 575	70 029	68 170	69 893	3.2%	100.0%	78 267	82 806	87 443	7.8%	100.0%

Personnel information

Table 13.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number								
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)							
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost		Unit cost					
Women		106		2	110	63.6	0.6	107	68.2	0.6	105	71.9	0.7	119	85.5	0.7	119	91.4	0.8	3.6%	100.0%	
Salary level																						
1 – 6		27		–	26	5.4	0.2	26	5.8	0.2	26	6.3	0.2	26	6.8	0.3	26	7.3	0.3	–	23.1%	
7 – 10		30		–	35	12.4	0.4	32	12.5	0.4	31	13.2	0.4	32	14.7	0.5	32	15.8	0.5	–	28.2%	
11 – 12		14		–	15	8.4	0.6	12	8.3	0.7	12	8.9	0.7	19	14.6	0.8	19	15.7	0.8	16.6%	13.8%	
13 – 16		34		2	33	35.5	1.1	36	39.5	1.1	35	41.3	1.2	41	47.1	1.1	41	50.2	1.2	4.4%	34.0%	
Other		1		–	1	2.0	2.0	1	2.1	2.1	1	2.2	2.2	1	2.3	2.3	1	2.5	2.5	–	0.9%	
Programme		106		2	110	63.6	0.6	107	68.2	0.6	105	71.9	0.7	119	85.5	0.7	119	91.4	0.8	3.6%	100.0%	
Programme 1		73		2	80	48.5	0.6	76	49.7	0.7	72	50.2	0.7	71	52.5	0.7	71	56.5	0.8	-2.2%	64.4%	
Programme 2		12		–	9	4.7	0.5	11	6.4	0.6	12	8.0	0.7	20	13.2	0.7	20	14.0	0.7	22.1%	14.0%	
Programme 3		21		–	21	10.5	0.5	20	12.0	0.6	21	13.7	0.7	28	19.8	0.7	28	21.0	0.7	11.9%	21.6%	

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

2. Rand million.

Departmental receipts

Table 13.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2013/14 - 2016/17	2017/18		
Departmental receipts	17	24	42	306	306	162.1%	100.0%	36	38	40	-49.2%	100.0%
Sales of goods and services produced by department	17	18	42	34	34	26.0%	28.5%	36	38	40	5.6%	35.2%
Sales by market establishments	17	18	42	34	34	26.0%	28.5%	36	38	40	5.6%	35.2%
of which:												
Sales market establishments	17	18	42	34	34	26.0%	28.5%	36	38	40	5.6%	35.2%
Transactions in financial assets and liabilities	–	6	–	272	272	–	71.5%	–	–	–	-100.0%	64.8%
Total	17	24	42	306	306	162.1%	100.0%	36	38	40	-49.2%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 13.8 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 (%)	
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18			2018/19
R million												
Ministry	25.0	23.8	21.5	19.7	-7.6%	28.6%	17.8	18.8	20.1	0.7%	21.8%	
Departmental Management	4.9	7.8	14.0	20.2	60.3%	14.9%	17.3	17.5	18.4	-3.0%	21.0%	
Corporate Services	16.9	19.0	28.0	19.1	4.3%	26.5%	19.1	18.8	21.1	3.4%	22.4%	
Financial Management	11.4	13.9	10.0	14.0	7.3%	15.7%	13.1	14.4	15.0	2.3%	16.1%	
Office Accommodation	9.0	9.1	11.4	15.3	19.2%	14.3%	15.8	16.8	17.6	4.8%	18.7%	
Total	67.1	73.6	84.9	88.3	9.6%	100.0%	83.0	86.3	92.2	1.5%	100.0%	
Change to 2016 Budget estimate				(1.1)			(4.3)	(4.2)	(4.4)			

Table 13.8 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million											
Current payments	64.7	68.9	82.0	85.6	9.8%	96.0%	80.3	83.4	89.2	1.4%	96.8%
Compensation of employees	33.0	38.0	48.5	50.3	15.1%	54.1%	50.2	52.5	56.5	3.9%	59.9%
Goods and services ¹	31.7	30.9	33.5	35.4	3.7%	41.9%	30.1	30.9	32.7	-2.5%	36.9%
of which:											
Audit costs: External	2.2	3.6	4.1	4.3	25.0%	4.5%	3.6	3.6	3.9	-3.6%	4.4%
Communication	1.8	1.7	2.3	1.3	-10.5%	2.2%	1.6	1.5	1.7	11.4%	1.7%
Computer services	0.7	1.5	1.3	1.5	29.4%	1.6%	1.7	1.7	1.8	7.8%	1.9%
Consumables: Stationery, printing and office supplies	0.4	0.4	0.7	1.0	32.6%	0.8%	1.0	1.1	1.0	-2.3%	1.2%
Property payments	9.1	9.2	11.5	15.3	19.0%	14.3%	15.8	16.8	17.8	5.2%	18.8%
Travel and subsistence	11.1	6.7	9.2	6.2	-17.7%	10.6%	2.4	1.9	2.1	-30.5%	3.6%
Transfers and subsidies¹	0.5	2.7	0.5	0.0	-84.1%	1.2%	0.0	0.0	0.0	-20.6%	-
Departmental agencies and accounts	-	0.1	-	-	-	-	-	-	-	-	-
Households	0.5	2.6	0.4	0.0	-87.3%	1.1%	0.0	0.0	0.0	-	-
Payments for capital assets	1.9	2.0	2.5	2.6	11.9%	2.8%	2.7	2.9	3.0	4.9%	3.2%
Machinery and equipment	1.9	2.0	2.5	2.6	11.9%	2.8%	1.9	2.0	2.1	-7.3%	2.5%
Software and other intangible assets	-	-	-	-	-	-	0.9	0.9	0.9	-	0.8%
Total	67.1	73.6	84.9	88.3	9.6%	100.0%	83.0	86.3	92.2	1.5%	100.0%
Proportion of total programme expenditure to vote expenditure	41.5%	41.4%	45.1%	44.8%	-	-	40.3%	36.9%	37.1%	-	-

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

Programme 2: Social Transformation and Economic Empowerment

Programme purpose

Facilitate and promote the attainment of women's socioeconomic empowerment and gender equality.

Objective

- Advance women's socioeconomic empowerment by:
 - promoting women's social empowerment and participation through conducting national dialogues on violence against women and children, and social upliftment programmes for women on an ongoing basis
 - proposing and developing interventions for women's socioeconomic empowerment and participation on an ongoing basis
 - developing interventions to advance gender equality, and establish a just and safe society on an ongoing basis.

Subprogrammes

- *Management: Social Transformation and Economic Empowerment* provides overall strategic leadership and management to the programme.
- *Social Empowerment and Transformation* develops interventions to address gaps in the social empowerment of women and gender transformation.
- *Governance Transformation, Justice and Security* provides guidance for enhancing existing systems and procedures, addresses the barriers to equal participation of women in the private and public sectors, and contributes to the elimination of gender-based violence.
- *Economic Empowerment and Participation* develops interventions that allow women to have equal access to opportunities and participate in the mainstream economy.
- *Commission for Gender Equality* facilitates transfer payments to the Commission for Gender Equality, which promotes gender equality and respect for women's rights.

Expenditure trends and estimates

Table 13.9 Social Transformation and Economic Empowerment 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Management: Social Transformation and Economic Empowerment	8.9	10.2	3.3	3.5	-27.1%	7.9%	5.1	5.4	7.0	26.5%	5.2%
Social Empowerment and Transformation	4.0	7.8	11.9	3.2	-6.7%	8.2%	4.6	7.8	8.0	35.7%	5.9%
Governance Transformation, Justice and Security	-	-	0.2	4.2	-	1.3%	3.9	6.0	6.0	12.4%	5.0%
Economic Empowerment and Participation	-	-	-	3.6	-	1.1%	3.1	5.7	5.6	15.2%	4.5%
Commission for Gender Equality	63.1	67.2	67.7	69.9	3.5%	81.5%	78.3	82.8	87.4	7.8%	79.4%
Total	76.0	85.3	83.2	84.4	3.6%	100.0%	94.9	107.7	114.0	10.5%	100.0%
Change to 2016 Budget estimate				-			(3.9)	3.3	3.6		
Economic classification											
Current payments	12.6	17.9	15.4	14.1	3.7%	18.3%	16.3	24.5	26.2	22.9%	20.2%
Compensation of employees	3.9	5.9	4.7	7.3	23.4%	6.6%	8.0	13.2	14.0	24.4%	10.6%
Goods and services ¹	8.8	12.1	10.7	6.8	-8.1%	11.7%	8.3	11.3	12.2	21.2%	9.6%
<i>of which:</i>											
Advertising	0.4	6.0	2.6	0.3	-11.4%	2.8%	0.4	0.5	0.5	23.9%	0.4%
Catering: Departmental activities	1.1	1.8	3.4	0.7	-13.4%	2.2%	0.5	0.6	0.6	-6.6%	0.6%
Communication	0.3	0.3	0.3	0.4	10.8%	0.4%	0.7	0.8	0.8	30.0%	0.7%
Travel and subsistence	4.7	3.2	1.2	2.2	-22.3%	3.4%	3.4	5.8	6.6	44.4%	4.5%
Operating payments	0.1	0.4	0.0	0.8	130.8%	0.4%	0.5	0.5	0.6	-12.6%	0.6%
Venues and facilities	1.1	0.1	0.1	0.9	-4.8%	0.7%	1.6	2.1	1.9	26.3%	1.6%
Transfers and subsidies¹	63.1	67.2	67.7	69.9	3.5%	81.5%	78.3	82.8	87.4	7.8%	79.4%
Departmental agencies and accounts	63.1	67.2	67.7	69.9	3.5%	81.5%	78.3	82.8	87.4	7.8%	79.4%
Payments for capital assets	0.3	0.1	0.1	0.4	18.8%	0.3%	0.4	0.4	0.4	-0.2%	0.4%
Buildings and other fixed structures	-	-	-	0.1	-	-	-	-	-	-100.0%	-
Machinery and equipment	0.3	0.1	0.1	0.3	6.2%	0.2%	0.4	0.4	0.4	11.5%	0.4%
Total	76.0	85.3	83.2	84.4	3.6%	100.0%	94.9	107.7	114.0	10.5%	100.0%
Proportion of total programme expenditure to vote expenditure	47.0%	48.0%	44.1%	42.9%	-	-	46.0%	46.0%	45.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	63.1	67.2	67.7	69.9	3.5%	81.5%	78.3	82.8	87.4	7.8%	79.4%
Commission for Gender Equality	63.1	67.2	67.7	69.9	3.5%	81.5%	78.3	82.8	87.4	7.8%	79.4%

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

Programme 3: Policy, Stakeholder Coordination and Knowledge Management

Programme purpose

Conduct policy analysis, coordination and knowledge management in respect of the socioeconomic empowerment of women and gender equality.

Objectives

- Ensure South Africa's compliance to international commitments and inform decision making on the socioeconomic empowerment of women by reporting on the implementation of policy and international commitments, and using available knowledge, research and information databases on an annual basis.
- Position the department as an effective information and knowledge gateway on the socioeconomic empowerment of women and gender equality through developing a centralised national gender knowledge and information system that would enable stakeholders to deposit and retrieve knowledge and information over the medium term.

- Enhance public participation on the socioeconomic empowerment of women through outreach initiatives, social cohesion and nation building on an ongoing basis.
- Enable effective participation in international multilateral forums on women's empowerment and gender equality through convening pre- and post-national consultative workshops and meetings with respective stakeholders as and when required.
- Ensure that government departments are contributing to the socioeconomic empowerment of women by analysing the strategic planning documents and performance plans of departments annually, and performance reports quarterly.
- Improve the monitoring and evaluation of the socioeconomic empowerment of women by using the monitoring and evaluation framework and system for women empowerment and gender equality to assess the implementation of the nine-point plan and other government policies and programmes on an ongoing basis.

Subprogrammes

- *Management: Policy Coordination and Knowledge Management* provides overall strategic leadership and management to the programme.
- *Research and Policy Analysis* manages the knowledge needs of the department and conducts reviews on policy implementation. This subprogramme also ensures compliance with international treaty obligations.
- *Information and Knowledge Management* positions the department as the knowledge hub on issues or content relating to the socioeconomic empowerment of women and gender equality.
- *Stakeholder Coordination and Outreach* drives advocacy, public participation and outreach, and coordinates stakeholder participation on issues relevant to the empowerment and safety of women, and gender equality.
- *Monitoring and Evaluation* monitors and evaluates progress on the socioeconomic empowerment of women in line with national laws, government strategy, policy and programmes, and international treaties and commitments.

Expenditure trends and estimates

Table 13.10 Policy, Stakeholder Coordination and Knowledge 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 (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million											
Management: Policy Coordination and Knowledge Management	–	–	4.3	4.1	–	10.2%	2.6	2.8	3.0	-9.5%	9.3%
Research and Policy Analysis	3.8	7.7	3.5	4.5	5.6%	23.8%	4.4	4.8	5.1	4.6%	14.0%
Information and Knowledge Management	–	–	0.8	2.2	–	3.6%	1.1	3.2	3.4	15.7%	7.4%
Stakeholder Coordination and Outreach	6.3	7.3	8.6	9.2	13.7%	38.4%	16.2	22.4	23.6	36.8%	53.1%
Monitoring and Evaluation	8.5	3.7	3.2	4.2	-20.7%	23.9%	3.9	6.7	7.1	18.9%	16.3%
Total	18.6	18.7	20.3	24.2	9.3%	100.0%	28.2	40.0	42.3	20.4%	100.0%
Change to 2016 Budget estimate				1.1			7.0	18.1	18.8		
Economic classification											
Current payments	18.5	18.1	20.0	23.5	8.3%	98.1%	27.5	39.2	41.5	20.8%	97.8%
Compensation of employees	12.0	13.8	10.5	15.1	7.8%	62.9%	13.7	19.8	21.0	11.7%	51.6%
Goods and services ¹	6.5	4.3	9.6	8.5	9.3%	35.2%	13.8	19.5	20.5	34.2%	46.2%
of which:											
Catering: Departmental activities	0.0	0.0	0.3	1.8	338.4%	2.6%	0.2	1.0	1.1	-15.7%	3.0%
Computer services	–	–	0.0	–	–	–	–	1.0	1.1	–	1.5%
Consultants: Business and advisory services	0.1	–	0.1	0.8	140.2%	1.1%	0.6	0.6	0.6	-6.4%	1.9%
Contractors	0.0	0.0	0.0	0.2	98.4%	0.3%	0.5	0.5	0.5	35.3%	1.3%
Travel and subsistence	5.3	1.3	3.6	2.7	-20.8%	15.7%	10.4	11.8	12.3	67.0%	27.6%
Venues and facilities	0.1	0.2	1.6	0.5	55.9%	3.1%	0.9	2.5	2.6	71.8%	4.8%
Transfers and subsidies¹	–	0.1	0.0	–	–	0.1%	–	–	–	–	–
Households	–	0.1	0.0	–	–	0.1%	–	–	–	–	–
Payments for capital assets	0.0	0.5	0.2	0.7	170.1%	1.8%	0.7	0.8	0.8	5.9%	2.2%
Machinery and equipment	0.0	0.5	0.2	0.7	170.1%	1.8%	0.7	0.8	0.8	5.9%	2.2%
Total	18.6	18.7	20.3	24.2	9.3%	100.0%	28.2	40.0	42.3	20.4%	100.0%
Proportion of total programme expenditure to vote expenditure	11.5%	10.5%	10.8%	12.3%	–	–	13.7%	17.1%	17.0%	–	–

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

Entity

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

- The **Commission for Gender Equality** promotes respect for gender equality, and engages in advocacy and education initiatives to raise awareness and challenge patriarchal stereotypes. It seeks to protect and enforce gender rights by investigating complaints by members of the public and by sanctioning appropriate remedies in line with legislation. The commission's total budget for 2017/18 is R78.3 million.

Vote 14

Basic Education

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	416.3	404.7	0.4	11.2	444.8	476.9
Curriculum Policy, Support and Monitoring	1 802.0	1 355.7	437.3	8.9	1 955.5	2 112.2
Teachers, Education Human Resources and Institutional Development	1 215.1	94.0	1 120.3	0.8	1 290.8	1 366.6
Planning, Information and Assessment	13 248.3	537.2	10 273.2	2 437.9	13 982.7	14 714.2
Educational Enrichment Services	6 727.0	55.0	6 671.7	0.3	7 121.6	7 526.1
Total expenditure estimates	23 408.6	2 446.6	18 502.8	2 459.2	24 795.3	26 196.0

Executive authority: Minister of Basic Education
 Accounting officer: Director General of Basic Education
 Website address: www.education.gov.za

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

Vote purpose

Develop, maintain and support a South African school education system for the 21st century.

Mandate

The Department of Basic Education derives its mandate from the following legislation:

- the National Education Policy Act (1996), which inscribed into law the policies, the legislative and monitoring responsibilities of the Minister of Basic Education, and the formal relations between national and provincial authorities
- the South African Schools Act (1996), which promotes access, quality and democratic governance in the schooling system, and makes schooling compulsory for children aged 7 to 15, to ensure that all learners have right of access to quality education without discrimination
- the Employment of Educators Act (1998), which regulates the professional, moral and ethical responsibilities of educators, as well as the competency requirements for teachers.

Selected performance indicators

Table 14.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of learners obtaining subject passes towards a national senior certificate through the Second Chance programme per year	Curriculum Policy, Support and Monitoring	Outcome 1: Quality basic education	-1	-1	-1	10 000	20 000	25 000	30 000
Number of underperforming schools monitored on the implementation of the early grade reading assessment per year	Curriculum Policy, Support and Monitoring		-1	-1	-1	-1	50	75	100
Percentage of public schools with home language workbooks for learners in grades 1 to 6	Curriculum Policy, Support and Monitoring		99.7% (18 083/ 18 138)	98.6% (17 380/ 18 000)	100% (17 930)	99.89% (17 828)	100%	100%	100%
Percentage of public schools with mathematics workbooks for learners in grades 1 to 9	Curriculum Policy, Support and Monitoring		99.7% (23 640/ 23 711)	98.6% (17 380/ 18 000)	100% (23 680)	99.89% (23 592)	100%	100%	100%

Table 14.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of Funza Lushaka bursaries awarded to students enrolled for initial teacher education per year	Teachers, Education Human Resources and Institutional Development	Outcome 1: Quality basic education	8 000	13 000	13 980	14 343	13 500	13 500	13 500
Number of new schools built and completed through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment		32	57	51	136	115	- ²	- ²
Number of schools provided with sanitation facilities through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment		226	371	412	167	257	- ²	- ²
Number of schools provided with water through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment		232	381	605	344	344	- ²	- ²
Number of schools provided with electricity through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment		150	292	295	134	134	- ²	- ²
Number of schools provided with nutritious meals on each school day per year	Educational Enrichment Services		19 800	20 727	20 029	19 800	19 800	19 800	19 800

1. No historical data available.

2. Initiatives shifted to provinces from 2018/19.

Expenditure analysis

The Department of Basic Education is responsible for outcome 1 (quality basic education) of government's 2014-2019 medium-term strategic framework. Over the MTEF period, the department will focus on: improving school infrastructure; improving curriculum delivery; increasing the number of learners completing grade 12; providing educational opportunities to learners with severe to profound intellectual disabilities; ensuring the adequate supply of quality teachers; assessing the quality of teaching and learning; and continuing the national school nutrition programme.

Improving school infrastructure

Ensuring that all schools have access to water, sanitation, electricity and a safe structure, as per the minimum norms and standards for public school infrastructure, is a priority over the medium term. The department is revising the target date for this objective as the previous date, November 2016, was not met. Spending on infrastructure takes up most of the department's budget over the medium term. Most of the funds for infrastructure are provided through grants to provincial departments of education, which are responsible for the delivery of infrastructure.

The *education infrastructure grant* is allocated R37.6 billion over the MTEF period, or 51 per cent of the department's budget. The funds are to be used to build new schools, upgrade and maintain existing infrastructure, and provide school furniture. Allocations to the grant over the medium term have been reduced by R364 million, which provincial departments will absorb by ensuring that all infrastructure projects are planned and funded in line with cost-control measures introduced over the construction of new schools and additional buildings at existing schools. The *school infrastructure backlogs grant* will be shifted to the *education infrastructure grant* from 2018/19, accounting for the 80.9 per cent decrease in the department's budget for buildings and other fixed structures, as well as the 12.5 per cent growth in the *education infrastructure grant* over the medium term. By the time the *school infrastructure backlogs grant* is shifted, the department expects to have replaced 510 inappropriate and unsafe schools with newly built schools; and provided water to 1 120 schools, sanitation to 741 schools and electricity to 916 schools. A total of R2.6 billion is allocated to the *school infrastructure backlogs grant* in 2017/18 to complete the remaining projects.

Improving curriculum delivery

High-quality learning and teaching support materials, and their effective use, are crucial to improving curriculum delivery. The department's efforts to improve curriculum delivery over the medium term will therefore focus on providing well-designed printed and digital content to teachers and learners, expanding access to and improving the use of ICT at schools, and providing teachers the support and tools they need to be effective.

The department plans to print and distribute about 174 million workbooks to schools, at a projected cost of R3.3 billion over the MTEF period, through the *Curriculum and Quality Enhancement Programmes* subprogramme. Cabinet-approved reductions of R51.5 million have been effected on expenditure on workbooks over the medium term; nonetheless, the department expects to provide about 58 million workbooks focusing on languages and mathematics each year over the period to learners in grades R to 9. The workbooks contain activities that ensure learners work to the required standard, and assist teachers in planning their work so the curriculum can be completed on time.

To improve access to and the use of ICT in basic education, R42 million has been allocated in the *Curriculum and Quality Enhancement Programmes* subprogramme over the MTEF period. Incorporating ICT in the delivery of basic education can provide learners access to resources that will allow them to meet curriculum requirements successfully and acquire adequate skills for the 21st century. These technologies also promote inclusivity for learners with disabilities, and improve teaching through online programmes that enhance the skills and knowledge of teachers. Ensuring the effective use of ICT in education is part of Operation Phakisa, government's programme to accelerate service delivery. The programme will fast-track the development and distribution of education-related digital content, with a specific focus on 15 gateway subjects, including mathematics, science and accounting. The programme will initially focus on 200 under-resourced rural and township schools with strong management. The schools will be provided e-libraries, workshops and support programmes that will be specifically broadcast to them. The department will also train teachers on using ICT, and provide offline and online learner and teacher support material.

The department has developed a national reading diagnostics assessment tool to assist teachers in measuring the reading progress of learners at different intervals in grades 1 to 3. The tool will help track and monitor learners' reading ability, and seeks to improve learners' reading proficiency levels in the foundation phase in underperforming rural and township schools throughout the country. The rollout of the assessment tool is set to begin in 2017 at 1 000 selected primary schools and will benefit an estimated 120 000 learners in grade 1, and R30.1 million has been allocated to the *Curriculum Implementation and Monitoring* subprogramme over the MTEF period for this. The programme will then be introduced as a national programme in grades 1 to 3 at all 18 500 public primary schools over the medium term.

The department will also provide support and resources such as laboratories and workshop equipment, apparatus and consumables, computer hardware, software, and learner and teacher support materials to 200 schools to improve skills in mathematics, science and technology. This is projected to cost R1.2 billion over the medium term, and is funded through the *maths, science and technology grant* in the *Curriculum Implementation and Monitoring* subprogramme. As provinces have in the past experienced difficulties in procurement, resulting in underspending of these funds, Cabinet-approved baseline reductions of R63 million in the period ahead have been effected on the grant to align the allocation with the capacity of the sector to spend these funds.

Growing the number of learners completing matric

The Second Chance matric programme began as a pilot in 2016/17 to provide support to 10 000 registered learners preparing to rewrite the national senior certificate examination. The programme has been allocated R268.8 million over the MTEF period through the *Curriculum Implementation and Monitoring* subprogramme in the *Curriculum Policy, Support and Monitoring* programme. The department plans to use these funds to have the programme enrol, by 2019/20, between 10 000 and 30 000 of the estimated 125 000 learners who qualify each year to write the supplementary examination. The programme provides face-to-face classes at 50 venues throughout the country, focusing on 11 subjects with high failure rates, with two teachers per subject at each venue; as well as online support. Unemployed educators, including Funza Lushaka graduates and retired teachers, will be appointed to provide tuition on a temporary basis.

Supporting learners with intellectual disabilities

A new conditional grant will be introduced in 2017/18 to provide access to quality publicly funded education and support for 8 000 learners with severe to profound intellectual disabilities. The grant will fund training for teachers and officials in 155 identified schools, 31 special schools and 280 special care centres. These learners, their caregivers and teachers will be supported by various specialist educators and therapists to ensure that educationally stimulating programmes are delivered at care centres and schools catering for learners with these

disabilities. The grant is allocated R478.3 million over the medium term in the *Curriculum Policy, Support and Monitoring* programme.

Ensuring the adequate supply of quality teachers

The department aims to improve the supply of newly qualified teachers by providing 40 500 Funza Lushaka bursaries to prospective teachers in priority subject areas such as mathematics, science and technology. A total of R3.5 billion has been allocated over the medium term for this. As university fees for the 2016 academic year did not increase, the Funza Lushaka allocation could support a greater number of students in that year. However, due to the expected increase in university fees over the medium term, the number of students supported is expected to decline from 14 343 in 2016/17 to 13 500 in 2017/18, where it is set to remain over the medium term. These bursaries are provided through the National Student Financial Aid Scheme, funded by transfers from the department in the *Education Human Resources Development* subprogramme in the *Teachers, Education Human Resources and Institutional Development* programme.

Assessing the quality of teaching and learning

The department aims to ensure that the education sector assesses the quality of teaching and learning, and provides remedial action in identified areas to improve learning outcomes in numeracy and literacy. The annual national assessments, the department's diagnostic of teaching and learning in the foundation and intermediate phases of schooling, have been discontinued and will be replaced in 2017/18 by a national integrated assessment framework, which will be made up of three distinct yet complementary assessments. Firstly, diagnostic tests will help teachers identify and fill gaps in the knowledge of learners. A systematic evaluation will also be conducted every three years on a sample of learners in grades 3, 6 and 9 at 2 000 schools to report on learner achievement and link it to system-wide indicators. And, finally, a national summative assessment, which is to form part of the year-end examinations, will be conducted in all schools for learners in grades 6 and 9 each year. A total of R282 million has been allocated for these assessments over the medium term in the *National Assessments and Public Examinations* subprogramme in the *Planning, Information and Assessment* programme.

Providing meals to learners

The department expects to provide meals at 19 800 schools to feed about 9 million learners each year, in support of the vision of the National Development Plan (NDP) of eliminating poverty and supporting food security. An additional amount of R390 million over the medium term is allocated to the *national school nutrition programme grant* to reach these targets, despite the high rate of inflation for food prices. The total allocation to the grant over the medium term is R20.4 billion, funded through the *Educational Enrichment Services* programme.

Expenditure trends

Table 14.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Curriculum Policy, Support and Monitoring														
3. Teachers, Education Human Resources and Institutional Development														
4. Planning, Information and Assessment														
5. Educational Enrichment Services														
Programme	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	326.5	334.1	353.7	347.4	351.4	380.8	357.7	360.3	386.5	377.9	388.4	390.3	107.2%	105.4%
Programme 2	1 849.7	1 865.0	1 775.9	1 954.9	1 895.9	1 685.2	1 877.8	1 844.9	1 797.7	1 936.1	1 902.2	1 891.2	93.9%	95.2%
Programme 3	996.6	991.7	1 025.8	1 268.2	1 281.2	1 314.5	1 171.5	1 163.4	1 163.5	1 163.7	1 160.0	1 160.0	101.4%	101.5%
Programme 4	8 989.0	8 994.1	8 435.6	10 379.4	10 420.4	10 428.9	12 129.7	11 974.0	11 511.9	12 500.2	12 621.4	11 843.7	96.0%	95.9%
Programme 5	5 430.0	5 434.4	5 420.2	5 730.2	5 740.9	5 719.5	5 974.5	5 943.8	5 936.5	6 291.7	6 341.4	6 341.6	100.0%	99.8%
Total	17 591.9	17 619.3	17 011.1	19 680.1	19 689.9	19 528.9	21 511.1	21 286.4	20 796.1	22 269.6	22 413.5	21 626.8	97.4%	97.5%
Change to 2016 Budget estimate											143.9			

Table 14.2 Vote expenditure trends by programme and economic classification

Economic classification	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Current payments	2 269.7	2 277.8	2 272.1	2 480.2	2 440.3	2 410.7	2 431.9	2 528.7	2 589.3	2 548.5	2 580.7	2 572.1	101.2%	100.2%
Compensation of employees	389.4	388.4	371.7	414.7	414.4	412.7	440.9	439.9	439.5	472.1	471.2	471.2	98.7%	98.9%
Goods and services	1 819.7	1 828.7	1 850.1	2 016.5	1 976.9	1 949.0	1 943.4	2 041.2	2 102.3	2 030.0	2 063.2	2 054.5	101.9%	100.6%
Interest and rent on land	60.7	60.7	50.3	49.0	49.0	49.0	47.5	47.5	47.5	46.3	46.3	46.3	94.9%	94.9%
Transfers and subsidies	13 372.1	13 390.3	13 350.3	14 267.4	14 714.1	14 686.7	17 033.9	16 810.1	16 818.6	17 465.0	17 839.1	17 839.1	100.9%	99.9%
Provinces and municipalities	12 343.3	12 370.6	12 326.3	13 169.5	13 577.0	13 549.8	15 856.5	15 631.8	15 631.8	16 213.0	16 586.2	16 586.2	100.9%	99.9%
Departmental agencies and accounts	991.7	991.7	97.8	1 055.0	1 055.0	108.0	1 104.0	1 104.0	113.3	118.9	118.9	118.9	-	-
Foreign governments and international organisations	12.0	12.0	15.1	12.8	12.8	16.7	13.3	13.3	21.0	17.3	17.3	17.3	126.3%	126.3%
Non-profit institutions	25.1	15.1	15.1	30.1	69.1	63.1	60.1	60.1	60.1	72.2	72.2	72.2	112.3%	97.2%
Households	-	0.9	896.1	-	0.3	949.2	-	1.0	992.4	1 043.6	1 044.5	1 044.5	372.0%	370.9%
Payments for capital assets	1 950.1	1 951.1	1 388.5	2 932.5	2 535.4	2 426.5	2 045.4	1 947.6	1 387.7	2 256.1	1 993.6	1 215.6	69.9%	76.2%
Buildings and other fixed structures	1 943.7	1 943.7	1 381.6	2 924.1	2 526.4	2 421.4	2 038.5	1 940.5	1 382.5	2 249.4	1 987.0	1 209.0	69.8%	76.1%
Machinery and equipment	6.4	7.4	6.8	8.4	9.0	5.0	6.7	7.0	5.2	6.6	6.6	6.6	83.9%	79.0%
Software and other intangible assets	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	-	0.1	-	-	65.0%	101.5%
Payments for financial assets	-	-	0.1	-	-	5.0	-	-	0.5	-	-	-	-	-
Total	17 591.9	17 619.3	17 011.1	19 680.1	19 689.9	19 528.9	21 511.1	21 286.4	20 796.1	22 269.6	22 413.5	21 626.8	97.4%	97.5%

Expenditure estimates

Table 14.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Curriculum Policy, Support and Monitoring								
3. Teachers, Education Human Resources and Institutional Development								
4. Planning, Information and Assessment								
5. Educational Enrichment Services								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Programme 1	390.3	5.3%	1.9%	416.3	444.8	476.9	6.9%	1.8%
Programme 2	1 891.2	0.5%	9.1%	1 802.0	1 955.5	2 112.2	3.8%	8.1%
Programme 3	1 160.0	5.4%	5.9%	1 215.1	1 290.8	1 366.6	5.6%	5.2%
Programme 4	11 843.7	9.6%	53.5%	13 248.3	13 982.7	14 714.2	7.5%	56.0%
Programme 5	6 341.6	5.3%	29.7%	6 727.0	7 121.6	7 526.1	5.9%	28.9%
Total	21 626.8	7.1%	100.0%	23 408.6	24 795.3	26 196.0	6.6%	100.0%
Change to 2016 Budget estimate				(62.4)	(37.0)	(37.3)		
Current payments	2 572.1	4.1%	12.5%	2 398.0	2 253.6	2 342.7	-3.1%	10.0%
Compensation of employees	471.2	6.7%	2.1%	476.7	500.3	538.4	4.5%	2.1%
Goods and services	2 054.5	4.0%	10.1%	1 921.3	1 753.3	1 804.2	-4.2%	7.8%
Interest and rent on land	46.3	-8.6%	0.2%	-	-	-	-100.0%	0.0%
Transfers and subsidies	17 839.1	10.0%	79.4%	18 502.8	22 460.8	23 751.4	10.0%	86.0%
Provinces and municipalities	16 586.2	10.3%	73.6%	17 154.3	21 023.1	22 230.1	10.3%	80.2%
Departmental agencies and accounts	118.9	-50.7%	0.6%	134.8	148.3	159.7	10.3%	0.6%
Foreign governments and international organisations	17.3	12.9%	0.1%	18.5	19.1	20.1	5.1%	0.1%
Non-profit institutions	72.2	68.6%	0.3%	99.5	111.0	117.3	17.6%	0.4%
Households	1 044.5	942.8%	4.9%	1 095.8	1 159.3	1 224.3	5.4%	4.7%
Payments for capital assets	1 215.6	-14.6%	8.1%	2 459.2	29.4	47.6	-66.1%	3.9%
Buildings and other fixed structures	1 209.0	-14.6%	8.1%	2 444.0	8.0	8.5	-80.9%	3.8%
Machinery and equipment	6.6	-3.6%	-	12.9	18.1	33.8	72.4%	0.1%
Software and other intangible assets	-	-43.3%	-	2.3	3.3	5.3	709.3%	-
Total	21 626.8	7.1%	100.0%	23 360.0	24 743.9	26 141.6	6.5%	99.8%

Goods and services expenditure trends and estimates

Table 14.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administrative fees	3 120	12 737	33 525	22 686	93.7%	0.9%	14 689	6 270	6 289	-34.8%	0.7%
Advertising	12 464	18 547	2 032	14 477	5.1%	0.6%	6 184	4 638	7 701	-19.0%	0.4%
Minor assets	757	911	426	1 058	11.8%	-	2 558	4 038	4 388	60.7%	0.2%
Audit costs: External	13 588	16 802	17 062	18 815	11.5%	0.8%	20 957	18 186	19 296	0.8%	1.0%
Bursaries: Employees	220	287	392	324	13.8%	-	490	497	502	15.7%	-
Catering: Departmental activities	7 368	26 162	18 839	19 623	38.6%	0.9%	20 443	15 179	11 726	-15.8%	0.9%
Communication	5 529	5 909	4 755	7 962	12.9%	0.3%	9 039	8 055	9 740	6.9%	0.5%
Computer services	59 617	66 026	65 653	76 927	8.9%	3.4%	40 598	82 486	80 602	1.6%	3.7%
Consultants: Business and advisory services	3 217	97 615	123 576	111 590	226.1%	4.2%	131 835	2 844	1 880	-74.4%	3.3%
Infrastructure and planning services	22	-	-	-	-100.0%	-	-	-	-	-	-
Legal services	2 803	2 517	1 964	2 510	-3.6%	0.1%	2 028	1 433	1 842	-9.8%	0.1%
Contractors	6 468	6 941	348	2 098	-31.3%	0.2%	3 696	6 760	13 580	86.4%	0.3%
Agency and support/outourced services	65 288	54 697	60 478	35 049	-18.7%	2.7%	158 466	35 848	69 027	25.3%	4.0%
Entertainment	150	-	-	392	37.7%	-	214	227	240	-15.1%	-
Fleet services (including government motor transport)	1 362	1 688	1 778	982	-10.3%	0.1%	904	955	998	0.5%	0.1%
Inventory: Clothing material and accessories	21	-	-	-	-100.0%	-	40	43	45	-	-
Inventory: Farming supplies	35	167	-	40	4.6%	-	45	48	51	8.4%	-
Inventory: Food and food supplies	4	3	-	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	604 542	849 733	968 726	986 256	17.7%	42.8%	675 152	709 847	743 325	-9.0%	41.3%
Inventory: Materials and supplies	367	39	-	35	-54.3%	-	40	44	46	9.5%	-
Inventory: Medical supplies	6	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	-	36 870	107 260	54 067	-	2.5%	309	361	412	-80.3%	0.7%
Consumable supplies	7 102	4 115	1 953	1 471	-40.8%	0.2%	1 413	2 339	2 689	22.3%	0.1%
Consumables: Stationery, printing and office supplies	44 990	44 779	48 308	106 946	33.5%	3.1%	33 463	77 791	77 763	-10.1%	3.9%
Operating leases	1 462	6 533	11 950	2 317	16.6%	0.3%	3 304	3 471	3 591	15.7%	0.2%
Rental and hiring	3 702	9 456	3 485	2 419	-13.2%	0.2%	3 658	4 246	5 650	32.7%	0.2%
Property payments	84 874	93 115	102 277	119 133	12.0%	5.0%	125 067	132 309	139 718	5.5%	6.8%
Travel and subsistence	140 878	122 845	93 089	107 839	-8.5%	5.8%	151 951	156 783	130 211	6.5%	7.2%
Training and development	1 849	9 911	1 883	2 072	3.9%	0.2%	2 770	2 919	3 458	18.6%	0.1%
Operating payments	772 345	442 187	416 481	354 136	-22.9%	24.9%	499 132	459 106	450 985	8.4%	23.4%
Venues and facilities	5 933	18 405	16 076	11 940	26.3%	0.7%	12 843	16 619	18 488	15.7%	0.8%
Total	1 850 083	1 948 997	2 102 316	2 063 164	3.7%	100.0%	1 921 288	1 753 342	1 804 243	-4.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 14.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Provinces and municipalities											
Provincial revenue funds											
Current	5 376 861	5 887 053	5 960 386	6 290 504	5.4%	37.5%	6 743 621	7 247 086	7 680 570	6.9%	33.9%
Learners with profound intellectual disabilities grant	-	-	-	-	-	-	72 000	185 471	220 785	-	0.6%
Occupational specific dispensation for education sector therapists grant	-	213 000	66 275	-	-	0.4%	-	-	-	-	-
National school nutrition programme grant	5 173 081	5 461 915	5 685 381	6 059 655	5.4%	35.7%	6 426 313	6 802 079	7 185 715	5.8%	32.1%
HIV and AIDS (life skills education) grant	203 780	212 138	208 730	230 849	4.2%	1.4%	245 308	259 536	274 070	5.9%	1.2%
Capital	6 949 427	7 662 743	9 671 385	10 295 726	14.0%	55.2%	10 410 707	13 776 043	14 549 509	12.2%	59.4%
Maths, science and technology grant	306 160	336 159	316 942	362 444	5.8%	2.1%	365 145	386 483	408 302	4.1%	1.8%
Education infrastructure grant	6 643 267	7 326 584	9 354 443	9 933 282	14.4%	53.0%	10 045 562	13 389 560	14 141 207	12.5%	57.5%

Table 14.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2013/14	2014/15	2015/16		2016/17	2013/14	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	97 829	108 031	113 307	118 873	6.7%	0.7%	134 760	148 256	159 651	10.3%	0.7%	
Education, Training and Development Practices Sector Education and Training Authority	167	177	602	195	5.3%	-	405	417	429	30.1%	-	
South African Council for Educators	-	-	-	-	-	-	9 743	16 000	20 000	-	0.1%	
Umalusi Council for Quality Assurance in General and Further Education and Training	97 662	107 354	112 705	118 678	6.7%	0.7%	124 612	131 839	139 222	5.5%	0.6%	
Human Sciences Research Council	-	500	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations												
Current	15 063	16 654	20 998	17 314	4.8%	0.1%	18 472	19 052	20 111	5.1%	0.1%	
Guidance Counselling and Youth Development Centre for Africa	107	124	157	124	5.0%	-	170	178	186	14.5%	-	
United Nations Educational, Scientific and Cultural Organisation	14 929	13 815	17 553	13 890	-2.4%	0.1%	14 585	15 431	16 295	5.5%	0.1%	
Association for the Development of Education in Africa	27	115	153	35	9.0%	-	146	148	150	62.4%	-	
Southern and Eastern Africa Consortium for Monitoring Educational Quality	-	2 600	3 135	3 265	-	-	3 571	3 295	3 480	2.1%	-	
Non-profit institutions												
Current	15 050	63 053	60 055	72 178	68.6%	0.3%	99 474	111 049	117 279	17.6%	0.5%	
National Education Collaboration Trust	15 000	63 000	60 000	72 120	68.8%	0.3%	99 413	110 984	117 210	17.6%	0.5%	
Childline South Africa	50	53	55	58	5.1%	-	61	65	69	6.0%	-	
Households												
Social benefits												
Current	2 227	1 692	1 341	908	-25.8%	-	-	-	-	-100.0%	-	
Employee social benefits	2 227	1 692	1 341	908	-25.8%	-	-	-	-	-100.0%	-	
Households												
Other transfers to households												
Current	893 867	947 499	991 090	1 043 611	5.3%	6.2%	1 095 792	1 159 348	1 224 271	5.5%	5.5%	
Claims against the state	-	-	6	-	-	-	-	-	-	-	-	
National Student Financial Aid Scheme	893 867	947 499	991 084	1 043 611	5.3%	6.2%	1 095 792	1 159 348	1 224 271	5.5%	5.5%	
Total	13 350 324	14 686 725	16 818 562	17 839 114	10.1%	100.0%	18 502 826	22 460 834	23 751 391	10.0%	100.0%	

Personnel information

Table 14.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2017																	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						2016/17 - 2019/20					
		2015/16		Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Basic Education	798	4	756	439.5	0.6	752	471.2	0.6	701	476.7	0.7	687	500.3	0.7	685	538.4	0.8	-3.1%	100.0%
Salary level	798	4	756	439.5	0.6	752	471.2	0.6	701	476.7	0.7	687	500.3	0.7	685	538.4	0.8	-3.1%	100.0%
1 - 6	201	2	197	43.0	0.2	194	45.8	0.2	194	49.7	0.3	194	53.9	0.3	194	58.3	0.3	-	27.5%
7 - 10	293	-	265	110.3	0.4	263	116.1	0.4	233	111.9	0.5	232	121.1	0.5	229	129.3	0.6	-4.5%	33.9%
11 - 12	207	-	216	166.5	0.8	207	166.6	0.8	186	162.1	0.9	178	167.9	0.9	178	181.9	1.0	-4.9%	26.5%
13 - 16	95	2	76	81.3	1.1	86	96.0	1.1	86	103.2	1.2	81	104.5	1.3	82	113.3	1.4	-1.6%	11.9%
Other	2	-	2	38.3	19.2	2	46.8	23.4	2	49.7	24.9	2	52.9	26.5	2	55.6	27.8	-	0.3%
Programme	798	4	756	439.5	0.6	752	471.2	0.6	701	476.7	0.7	687	500.3	0.7	685	538.4	0.8	-3.1%	100.0%
Programme 1	301	4	294	143.8	0.5	294	147.5	0.5	294	159.6	0.5	290	168.2	0.6	290	181.5	0.6	-0.5%	41.3%
Programme 2	95	-	103	76.1	0.7	96	82.5	0.9	91	86.2	0.9	87	87.8	1.0	88	95.6	1.1	-2.9%	12.8%
Programme 3	152	-	135	69.0	0.5	138	77.2	0.6	108	68.4	0.6	106	72.5	0.7	102	75.6	0.7	-9.6%	16.1%
Programme 4	182	-	170	119.8	0.7	167	127.7	0.8	152	124.7	0.8	148	131.0	0.9	148	140.4	0.9	-3.9%	21.8%
Programme 5	68	-	54	30.8	0.6	57	36.3	0.6	56	37.8	0.7	56	40.8	0.7	57	45.4	0.8	-	8.0%

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

2. Rand million.

Departmental receipts

Table 14.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	27 227	57 572	18 254	16 001	16 001	-16.2%	100.0%	7 742	3 247	3 652	-38.9%	100.0%
Sales of goods and services produced by department	2 710	4 629	2 686	1 831	1 831	-12.3%	10.0%	2 732	3 234	3 637	25.7%	37.3%
Sales by market establishments of which:	110	105	107	129	129	5.5%	0.4%	130	132	135	1.5%	1.7%
Market establishment: Rental parking (covered and open)	110	105	107	129	129	5.5%	0.4%	130	132	135	1.5%	1.7%
Administrative fees of which:	-	4 423	-	1 600	1 600	-	5.1%	1 400	1 600	1 800	4.0%	20.9%
Services rendered: Exam certificates	-	1 874	-	1 400	1 400	-	2.8%	1 400	1 600	1 800	8.7%	20.2%
Academic services: Course material	-	1 782	-	-	-	-	1.5%	-	-	-	-	-
Sales: Tender documents	-	767	-	200	200	-	0.8%	-	-	-	-100.0%	0.7%
Other sales of which:	2 600	101	2 579	102	102	-66.0%	4.5%	1 202	1 502	1 702	155.5%	14.7%
Services rendered: Commission on insurance and gamishees	2 600	99	2 579	100	100	-66.2%	4.5%	1 200	1 500	1 700	157.1%	14.7%
Replacement of security cards	-	2	-	2	2	-	-	2	2	2	-	-
Sales of scrap, waste, arms and other used current goods	-	43	-	170	170	-	0.2%	-	-	-	-100.0%	0.6%
of which:	-	43	-	170	170	-	0.2%	-	-	-	-100.0%	0.6%
Waste paper	-	43	-	170	170	-	0.2%	-	-	-	-100.0%	0.6%
Transfers received	346	-	-	-	-	-100.0%	0.3%	-	-	-	-	-
Interest, dividends and rent on land	20 050	13 355	10 121	13 767	13 767	-11.8%	48.1%	5 000	-	-	-100.0%	61.2%
Interest	20 050	13 355	10 121	13 767	13 767	-11.8%	48.1%	5 000	-	-	-100.0%	61.2%
Sales of capital assets	1	301	22	-	-	-100.0%	0.3%	10	13	15	-	0.1%
Transactions in financial assets and liabilities	4 120	39 244	5 425	233	233	-61.6%	41.2%	-	-	-	-100.0%	0.8%
Total	27 227	57 572	18 254	16 001	16 001	-16.2%	100.0%	7 742	3 247	3 652	-38.9%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 14.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	29.7	27.4	28.2	28.2	-1.8%	7.5%	27.8	29.5	31.8	4.1%	6.8%
Department Management	71.9	81.2	65.1	65.6	-3.0%	18.8%	71.5	75.4	80.4	7.1%	17.0%
Corporate Services	50.0	54.1	55.7	57.7	4.9%	14.4%	64.4	68.3	76.5	9.8%	15.5%
Office of the Chief Financial Officer	47.7	55.8	64.2	56.9	6.1%	14.9%	62.7	70.5	75.4	9.8%	15.4%
Internal Audit	5.4	5.6	8.1	5.1	-2.0%	1.6%	6.3	6.7	7.4	13.5%	1.5%
Office Accommodation	148.9	156.7	165.2	174.9	5.5%	42.8%	183.7	194.3	205.3	5.5%	43.9%
Total	353.7	380.8	386.5	388.4	3.2%	100.0%	416.3	444.8	476.9	7.1%	100.0%
Change to 2016				10.5			19.7	26.2	31.9		
Budget estimate											
Economic classification											
Current payments	336.5	363.8	367.3	377.5	3.9%	95.8%	404.7	433.0	464.4	7.1%	97.3%
Compensation of employees	116.3	125.1	143.8	145.6	7.8%	35.2%	159.6	168.2	181.5	7.6%	37.9%
Goods and services ¹ of which:	169.9	189.8	176.1	185.6	3.0%	47.8%	196.4	213.3	228.6	7.2%	47.7%
Audit costs: External	13.6	16.8	17.1	13.3	-0.7%	4.0%	13.7	18.2	19.3	13.2%	3.7%
Communication	2.7	2.4	2.7	2.3	-4.9%	0.7%	2.4	2.6	2.8	7.2%	0.6%
Computer services	18.4	22.1	17.4	18.2	-0.3%	5.0%	19.3	20.9	24.4	10.3%	4.8%
Consumables: Stationery, printing and office supplies	3.7	2.7	2.3	2.7	-10.6%	0.8%	2.9	3.2	3.4	7.8%	0.7%
Property payments	84.9	93.1	102.2	119.0	11.9%	26.4%	125.1	132.3	139.7	5.5%	29.9%
Travel and subsistence	23.8	16.4	14.5	16.0	-12.4%	4.7%	17.4	19.1	20.2	8.1%	4.2%
Interest and rent on land	50.3	49.0	47.5	46.3	-2.7%	12.8%	48.6	51.5	54.3	5.5%	11.6%
Transfers and subsidies¹	0.4	0.6	1.0	0.4	-1.0%	0.2%	0.4	0.4	0.4	0.5%	0.1%
Departmental agencies and accounts	0.2	0.2	0.6	0.2	5.3%	0.1%	0.4	0.4	0.4	30.1%	0.1%
Households	0.3	0.5	0.4	0.2	-5.4%	0.1%	-	-	-	-100.0%	-

Table 14.8 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Payments for capital assets	16.7	16.3	18.0	10.5	-14.4%	4.1%	11.2	11.4	12.1	5.0%	2.6%
Buildings and other fixed structures	11.5	13.5	14.2	7.2	-14.3%	3.1%	7.6	8.0	8.5	5.5%	1.8%
Machinery and equipment	5.1	2.9	3.8	3.2	-13.8%	1.0%	3.4	3.1	3.3	1.0%	0.8%
Software and other intangible assets	0.2	-	-	-	-100.0%	-	0.3	0.3	0.3	-	-
Payments for financial assets	-	-	0.1	-	-100.0%	-	-	-	-	-	-
Total	353.7	380.8	386.5	388.4	3.2%	100.0%	416.3	444.8	476.9	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	2.1%	1.9%	1.9%	1.7%	-	-	1.8%	1.8%	1.8%	-	-

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

Programme 2: Curriculum Policy, Support and Monitoring

Programme purpose

Develop curriculum and assessment policies, and monitor and support their implementation.

Objectives

- Increase the number of learners who complete grade 12 by providing the Second Chance matric programme to learners who failed to meet the national senior certificate requirements annually.
- Improve the learning and teaching of critical foundational skills by developing, printing and distributing two volumes of grades 1 to 6 literacy/languages, grades 1 to 9 numeracy/mathematics, grades 1 to 6 English first additional language, and grade R workbooks to all learners in public schools each year.
- Improve learners' reading proficiency levels in the foundation phase in underperforming rural and township schools nationally using the early grade reading assessment tool to assess individual learner's reading levels. This will include learners' phonic knowledge, word recognition, fluency and comprehension skills in the early grades each year.
- Fast-track the rollout and implementation of ICT in schools by providing teacher training, ICT devices, digital content, software, connectivity, IT support to schools, and online learner and teacher support material annually.
- Increase learner participation and success rates in mathematics, science and technology by providing ICT equipment, machinery, subject-specific resources and teacher development to schools each year over the medium term by:
 - supporting 300 teachers in ICT integration training
 - providing 200 schools with funds for the maintenance of equipment and machinery
 - providing 1 000 schools with laboratory equipment, apparatus and consumables, including manipulatives for mathematics
 - supporting 50 000 learners in extracurricular services related to mathematics, science and technology
 - supporting 1 500 teachers and subject advisers in curriculum assessment policy statement training
 - supporting 1 000 teachers in structured teacher development programmes specific to mathematics, science and technology.

Subprogrammes

- *Programme Management: Curriculum Policy, Support and Monitoring* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.
- *Curriculum Implementation and Monitoring* supports and monitors the implementation of the national strategy for learner attainment framework, to monitor the quality of teaching and to improve the quality of mathematics, science, technology and languages in all public schools from grades R to 12. The national curriculum framework for children from birth to the age of four will be implemented in registered early childhood development centres.

- *Kha Ri Gude Literacy Project* caters for illiterate learners who are 15 years and older in all official languages, in all provinces. The programme also caters for the disabled.
- *Curriculum and Quality Enhancement Programmes* supports programmes that enhance curriculum outcomes in the basic education system and increase participation and success in mathematics, science and technology through structured programmes.

Expenditure trends and estimates

Table 14.9 Curriculum Policy, Support and Monitoring expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million											
Programme Management:											
Curriculum Policy, Support and Monitoring	2.6	3.0	2.4	3.2	6.9%	0.2%	3.3	3.5	3.7	5.4%	0.2%
Curriculum Implementation and Monitoring	35.0	72.6	40.4	91.4	37.6%	3.3%	221.0	361.0	429.4	67.5%	14.2%
Kha Ri Gude Literacy Project	598.8	387.0	467.2	415.5	-11.5%	26.1%	129.3	9.8	10.2	-70.9%	7.3%
Curriculum and Quality Enhancement Programmes	1 139.5	1 222.7	1 287.7	1 392.1	6.9%	70.4%	1 448.4	1 581.2	1 668.9	6.2%	78.4%
Total	1 775.9	1 685.2	1 797.7	1 902.2	2.3%	100.0%	1 802.0	1 955.5	2 112.2	3.6%	100.0%
Change to 2016 Budget estimate				(33.9)			(107.7)	(63.5)	(21.6)		
Economic classification											
Current payments	1 469.0	1 348.2	1 479.8	1 538.4	1.6%	81.5%	1 355.7	1 366.7	1 449.2	-2.0%	73.5%
Compensation of employees	75.5	73.2	76.1	84.9	4.0%	4.3%	86.2	87.8	95.6	4.0%	4.6%
Goods and services ¹	1 393.5	1 275.1	1 403.7	1 453.5	1.4%	77.2%	1 269.5	1 278.9	1 353.7	-2.3%	68.9%
of which:											
Contractors	0.2	1.2	–	0.6	37.2%	–	2.9	5.7	12.5	171.1%	0.3%
Agency and support/outourced services	34.0	4.7	5.5	5.5	-45.7%	0.7%	42.6	29.7	62.4	125.4%	1.8%
Inventory: Learner and teacher support material	576.1	849.2	968.7	986.3	19.6%	47.2%	674.9	709.5	743.0	-9.0%	40.1%
Consumables: Stationery, printing and office supplies	35.4	33.9	23.1	54.8	15.6%	2.1%	3.2	27.9	42.7	-8.0%	1.7%
Travel and subsistence	8.9	23.0	10.3	13.2	14.0%	0.8%	18.4	20.8	13.3	0.3%	0.8%
Operating payments	721.9	316.4	349.1	347.4	-21.6%	24.2%	495.7	455.8	448.5	8.9%	22.5%
Transfers and subsidies¹	306.6	336.4	317.2	362.7	5.8%	18.5%	437.3	572.1	629.3	20.2%	25.8%
Provinces and municipalities	306.2	336.2	316.9	362.4	5.8%	18.5%	437.1	572.0	629.1	20.2%	25.7%
Foreign governments and international organisations	0.1	0.1	0.2	0.1	5.0%	–	0.2	0.2	0.2	14.5%	–
Households	0.3	0.1	0.1	0.1	-20.5%	–	–	–	–	-100.0%	–
Payments for capital assets	0.3	0.6	0.7	1.1	58.6%	–	8.9	16.6	33.7	213.4%	0.8%
Machinery and equipment	0.3	0.6	0.7	1.1	58.2%	–	6.9	13.6	28.7	198.0%	0.6%
Software and other intangible assets	–	–	–	–	–	–	2.0	3.0	5.0	693.7%	0.1%
Total	1 775.9	1 685.2	1 797.7	1 902.2	2.3%	100.0%	1 802.0	1 955.5	2 112.2	3.6%	100.0%
Proportion of total programme expenditure to vote expenditure	10.4%	8.6%	8.6%	8.5%	–	–	7.7%	7.9%	8.1%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	–	–	–	–	–	–	72.0	185.5	220.8	–	6.2%
Learners with profound intellectual disabilities grant	–	–	–	–	–	–	72.0	185.5	220.8	–	6.2%
Capital	306.2	336.2	316.9	362.4	5.8%	18.5%	365.1	386.5	408.3	4.1%	19.6%
Maths, science and technology grant	306.2	336.2	316.9	362.4	5.8%	18.5%	365.1	386.5	408.3	4.1%	19.6%

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

Programme 3: Teachers, Education Human Resources and Institutional Development

Programme purpose

Promote quality teaching and institutional performance through the effective supply, development and utilisation of human resources.

Objectives

- Ensure the adequate supply of qualified recruits in the system by placing Funza Lushaka bursary holders, by June of the year after qualifying, in each year over the medium term.
- Improve the quality of teaching and learning by ensuring an adequate supply of young and qualified teachers through awarding 13 500 Funza Lushaka bursaries to prospective teachers in 2017/18.
- Improve the quality of teaching and learning by monitoring and supporting the implementation of the educator post provisioning policy in all nine provincial education departments annually.
- Enhance accountability each year by monitoring and supporting the implementation of educator performance management systems and school evaluations.

Subprogrammes

- *Programme Management: Teachers, Education Human Resources and Institutional Development* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.
- *Education Human Resources Management* is responsible for education human resources planning, provisioning and monitoring; the oversight and strengthening of educator performance management systems and school evaluations; and education labour relations and conditions of service.
- *Education Human Resources Development* oversees and translates the integrated strategic planning framework for teacher education and development into a wide range of teacher training programmes, collaborative professional development activities, and agreements with partners and relevant service providers; and coordinates activities with the national institute for curriculum and professional development to promote best practice in classroom teaching and teacher development.
- *Curriculum and Professional Development Unit* manages and develops an innovative and effective teacher development and curriculum implementation system. This entails the creation of teacher development platforms; and the evaluation and impact assessment of teacher knowledge testing tools for determining teacher needs in content and pedagogical knowledge.

Expenditure trends and estimates

Table 14.10 Teachers, Education Human Resources and Institutional Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20
R million											
Programme Management: Teachers, Education Human Resources and Institutional Development	0.7	1.5	2.5	3.1	65.4%	0.2%	3.1	3.3	3.5	4.0%	0.3%
Education Human Resources Management	66.0	285.5	137.2	74.7	4.2%	12.1%	63.1	66.5	69.5	-2.4%	5.4%
Education Human Resources Development	954.5	1 004.0	1 012.1	1 068.8	3.8%	86.6%	1 134.2	1 205.8	1 276.6	6.1%	93.1%
Curriculum and Professional Development Unit	4.7	23.5	11.7	13.4	42.4%	1.1%	14.7	15.1	17.1	8.3%	1.2%
Total	1 025.8	1 314.5	1 163.5	1 160.0	4.2%	100.0%	1 215.1	1 290.8	1 366.6	5.6%	100.0%
Change to 2016 Budget estimate				(3.7)			(4.2)	0.2	2.0		
Economic classification	115.6	139.0	87.9	102.0	-4.1%	9.5%	94.0	99.4	105.5	1.1%	8.0%
Current payments											
Compensation of employees	54.0	62.1	69.0	77.3	12.7%	5.6%	68.4	72.5	75.6	-0.7%	5.8%
Goods and services ¹	61.6	77.0	18.9	24.7	-26.2%	3.9%	25.7	27.0	29.8	6.4%	2.1%
of which:											
Catering: Departmental activities	0.5	6.3	4.0	3.0	86.3%	0.3%	1.9	2.1	2.2	-10.6%	0.2%
Computer services	0.1	0.2	0.3	0.3	32.8%	-	1.6	1.6	1.6	74.5%	0.1%
Agency and support/outourced services	22.1	7.6	2.6	0.5	-71.1%	0.7%	1.4	1.2	1.3	35.9%	0.1%
Consumables: Stationery, printing and office supplies	1.7	3.2	0.8	2.7	17.1%	0.2%	1.2	1.0	1.0	-27.5%	0.1%
Travel and subsistence	23.4	32.2	8.9	14.2	-15.4%	1.7%	16.2	17.3	19.8	11.8%	1.3%
Venues and facilities	1.3	5.2	0.2	1.4	2.3%	0.2%	1.5	1.6	1.8	7.1%	0.1%

Table 14.10 Teachers, Education Human Resources and Institutional Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Transfers and subsidies¹	910.0	1 175.0	1 075.3	1 057.6	5.1%	90.4%	1 120.3	1 190.9	1 260.7	6.0%	92.0%
Provinces and municipalities	–	213.0	66.3	–	–	6.0%	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	9.7	16.0	20.0	–	0.9%
Foreign governments and international organisations	15.0	13.9	17.7	13.9	-2.4%	1.3%	14.7	15.6	16.4	5.7%	1.2%
Households	895.0	948.1	991.3	1 043.7	5.3%	83.2%	1 095.8	1 159.3	1 224.3	5.5%	89.9%
Payments for capital assets	0.2	0.4	0.3	0.4	15.0%	–	0.8	0.4	0.4	2.6%	–
Machinery and equipment	0.2	0.4	0.3	0.4	15.0%	–	0.8	0.4	0.4	2.6%	–
Payments for financial assets	–	–	0.1	–	–	–	–	–	–	–	–
Total	1 025.8	1 314.5	1 163.5	1 160.0	4.2%	100.0%	1 215.1	1 290.8	1 366.6	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	6.0%	6.7%	5.6%	5.2%	–	–	5.2%	5.2%	5.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	–	–	–	–	9.7	16.0	20.0	–	0.9%
South African Council for Educators	–	–	–	–	–	–	9.7	16.0	20.0	–	0.9%
Foreign governments and international organisations											
Current	14.9	13.8	17.6	13.9	-2.4%	1.3%	14.6	15.4	16.3	5.5%	1.2%
United Nations Educational, Scientific and Cultural Organisation	14.9	13.8	17.6	13.9	-2.4%	1.3%	14.6	15.4	16.3	5.5%	1.2%
Households											
Other transfers to households											
Current	893.9	947.5	991.1	1 043.6	5.3%	83.1%	1 095.8	1 159.3	1 224.3	5.5%	89.9%
National Student Financial Aid Scheme	893.9	947.5	991.1	1 043.6	5.3%	83.1%	1 095.8	1 159.3	1 224.3	5.5%	89.9%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	–	213.0	66.3	–	–	6.0%	–	–	–	–	–
Occupational specific dispensation for education sector therapists grant	–	213.0	66.3	–	–	6.0%	–	–	–	–	–

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

Programme 4: Planning, Information and Assessment

Programme purpose

Promote quality and effective service delivery in the basic education system through planning, implementation and assessment.

Objectives

- Improve the delivery of school infrastructure over the medium term by providing oversight and support to provinces through quarterly reporting on schools' furniture needs and deliveries, the national education infrastructure management system, and the *education infrastructure grant*.
- Contribute to improved teaching and learning through improving and upgrading infrastructure by 2017/18 by:
 - building 76 schools to replace all unsafe structures
 - providing electricity to 134 schools
 - providing water to 344 schools
 - providing sanitation to 167 schools.
- Track improvements in the quality of teaching and learning by providing standardised national annual assessments for grade 3, 6 and 9 learners, as well as the administration of a credible public examination in grade 12 each year.
- Strengthen the capacity of district offices to support schools through quarterly provincial visits that monitor, evaluate and make recommendations on curriculum oversight and institutional management and governance support provided to human resource management operations.

Subprogrammes

- *Programme Management: Planning, Information and Assessment* delegates administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.
- *Financial Planning, Information and Management Systems* develops systems and procedures to support and maintain the integrated education management systems based on learner unit record information. This is done to monitor and report on the implementation of education information policy in the basic education sector. This subprogramme also focuses on cross-cutting aspects such as resource planning, financial support, and the development and monitoring of national funding norms and standards with the provincial education departments.
- *School Infrastructure* uses funding from the *school infrastructure backlogs grant* to eradicate infrastructure backlogs by providing water, sanitation and electricity to schools that do not have these facilities, and replacing school buildings constructed from inappropriate materials, such as mud. The *education infrastructure grant* provides co-funding for the ongoing infrastructure programme in provinces to allow for the provision of infrastructure requirements, which includes the maintenance of existing stock and new infrastructure where required, and to progressively meet the minimum norms and standards for school infrastructure.
- *National Assessments and Public Examinations* provides standardised national assessments for grade 3, 6 and 9 learners, and the regulation and standardisation of assessment through the implementation of an integrated assessment framework for grades 4 to 11; and administers credible public examinations in grade 12. This provides reliable data on learner performance to support the improvement of the quality of basic education.
- *National Education Evaluation and Development Unit* facilitates school improvement through systematic evaluation. The unit evaluates how district offices, provincial departments and the national department monitor and support schools, school governing bodies and teachers. This entails identifying critical factors that inhibit or advance the attainment of sector goals and school improvement, and making focused recommendations for addressing problem areas that undermine school improvement and the attainment of sector goals.
- *Planning and Delivery Oversight Unit* assists the department in meeting objectives by monitoring the planning and delivery of selected priorities, and assisting provinces with this. The unit works with provinces to ensure that provincial initiatives are aligned with national priorities and provides institutional support for their effective delivery.

Expenditure trends and estimates

Table 14.11 Planning, Information and Assessment expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
R million											
Programme Management: Planning, Information and Assessment	2.6	2.9	3.1	3.6	11.4%	-	3.2	3.4	3.6	0.1%	-
Financial Planning, Information and Management Systems	31.9	47.1	39.7	42.4	10.0%	0.4%	37.2	39.3	41.6	-0.6%	0.3%
School Infrastructure	8 042.4	9 878.1	10 985.3	12 123.1	14.7%	95.4%	12 645.7	13 398.3	14 150.5	5.3%	95.9%
National Assessments and Public Examinations	296.1	378.3	377.1	335.4	4.2%	3.2%	421.2	383.6	350.3	1.5%	2.7%
National Education Evaluation and Development Unit	21.1	26.3	25.6	22.3	1.9%	0.2%	20.9	22.4	24.0	2.5%	0.2%
Planning and Delivery Oversight Unit	41.6	96.2	81.1	94.5	31.5%	0.7%	120.2	135.8	144.2	15.1%	0.9%
Total	8 435.6	10 428.9	11 511.9	12 621.4	14.4%	100.0%	13 248.3	13 982.7	14 714.2	5.2%	100.0%
Change to 2016 Budget estimate				121.2			(85.9)	(124.0)	(185.2)		

Table 14.11 Planning, Information and Assessment expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Current payments	308.3	514.8	612.4	512.3	18.4%	4.5%	537.2	346.4	312.0	-15.2%	3.1%
Compensation of employees	94.6	120.4	119.8	127.4	10.4%	1.1%	124.7	131.0	140.4	3.3%	1.0%
Goods and services ¹	213.8	394.3	492.7	384.9	21.7%	3.5%	412.5	215.4	171.7	-23.6%	2.2%
of which:											
Catering: Departmental activities	2.3	7.5	7.7	11.3	69.0%	0.1%	13.7	9.6	6.4	-17.1%	0.1%
Computer services	41.1	43.6	47.9	53.3	9.1%	0.4%	16.5	50.7	47.8	-3.6%	0.3%
Consultants: Business and advisory services	2.5	73.6	120.3	109.5	253.2%	0.7%	129.7	-	-	-100.0%	0.4%
Agency and support/outourced services	6.8	37.6	48.3	28.2	60.3%	0.3%	113.5	3.9	4.2	-47.1%	0.3%
Consumables: Stationery, printing and office supplies	3.0	3.0	21.5	44.6	147.0%	0.2%	24.4	43.9	28.7	-13.6%	0.3%
Travel and subsistence	78.1	45.1	53.2	57.2	-9.8%	0.5%	88.3	86.6	62.6	3.0%	0.5%
Transfers and subsidies¹	6 756.3	7 500.4	9 530.8	10 127.7	14.4%	78.9%	10 273.2	13 635.7	14 401.1	12.5%	88.8%
Provinces and municipalities	6 643.3	7 326.6	9 354.4	9 933.3	14.4%	77.3%	10 045.6	13 389.6	14 141.2	12.5%	87.1%
Departmental agencies and accounts	97.7	107.9	112.7	118.7	6.7%	1.0%	124.6	131.8	139.2	5.5%	0.9%
Foreign governments and international organisations	-	2.6	3.1	3.3	-	-	3.6	3.3	3.5	2.1%	-
Non-profit institutions	15.0	63.0	60.0	72.1	68.8%	0.5%	99.4	111.0	117.2	17.6%	0.7%
Households	0.4	0.4	0.5	0.3	-3.7%	-	-	-	-	-100.0%	-
Payments for capital assets	1 371.0	2 408.7	1 368.6	1 981.4	13.1%	16.6%	2 437.9	0.6	1.0	-92.0%	8.1%
Buildings and other fixed structures	1 370.1	2 407.9	1 368.3	1 979.8	13.1%	16.6%	2 436.4	-	-	-100.0%	8.1%
Machinery and equipment	0.8	0.8	0.3	1.6	25.3%	-	1.5	0.6	1.0	-13.6%	-
Payments for financial assets	-	5.0	-	-	-	-	-	-	-	-	-
Total	8 435.6	10 428.9	11 511.9	12 621.4	14.4%	100.0%	13 248.3	13 982.7	14 714.2	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	49.6%	53.4%	55.4%	56.3%	-	-	56.6%	56.4%	56.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	97.7	107.4	112.7	118.7	6.7%	1.0%	124.6	131.8	139.2	5.5%	0.9%
Umalusi Council for Quality Assurance in General and Further Education and Training	97.7	107.4	112.7	118.7	6.7%	1.0%	124.6	131.8	139.2	5.5%	0.9%
Foreign governments and international organisations											
Current	-	2.6	3.1	3.3	-	-	3.6	3.3	3.5	2.1%	-
Southern and Eastern Africa Consortium for Monitoring Educational Quality	-	2.6	3.1	3.3	-	-	3.6	3.3	3.5	2.1%	-
Non-profit institutions											
Current	15.0	63.0	60.0	72.1	68.8%	0.5%	99.4	111.0	117.2	17.6%	0.7%
National Education Collaboration Trust	15.0	63.0	60.0	72.1	68.8%	0.5%	99.4	111.0	117.2	17.6%	0.7%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Capital	6 643.3	7 326.6	9 354.4	9 933.3	14.4%	77.3%	10 045.6	13 389.6	14 141.2	12.5%	87.1%
Education infrastructure grant	6 643.3	7 326.6	9 354.4	9 933.3	14.4%	77.3%	10 045.6	13 389.6	14 141.2	12.5%	87.1%

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

Programme 5: Educational Enrichment Services

Programme purpose

Monitor and support provinces to implement care and support programmes for learning and teaching.

Objectives

- Reduce barriers to learning through the implementation of school sport, safety and social cohesion programmes each year over the medium term to ensure the holistic development of learners, enhance their learning experience and maximise their school performance.
- Improve learner health and wellness through the implementation of school health programmes, including the provision of nutritious meals to all learners in quintiles 1 to 3 primary, secondary and identified special schools on an annual basis.

Subprogrammes

- *Programme Management: Educational Enrichment Services* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.
- *Partnerships in Education* partners with stakeholders in support of education in an attempt to make education a societal issue; and manages policy, programmes and systems aimed at creating a safe and cohesive learning environment. The goal is to promote holistic learner development through facilitating sports and enrichment programmes in schools; and to promote gender equity, non-racism, non-sexism, democratic and constitutional values in education; an understanding of human rights, and social cohesion in public schools and school communities.
- *Care and Support in Schools* manages policies, the provision of meals, and the promotion of learner access to public services such as health and poverty-alleviation interventions.

Expenditure trends and estimates

Table 14.12 Educational Enrichment Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17 - 2019/20	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20
R million											
Programme Management:											
Educational Enrichment Services	3.2	2.4	2.2	3.0	-2.3%	–	3.1	3.3	3.6	6.4%	–
Partnerships in Education	18.2	20.5	17.7	21.9	6.4%	0.3%	24.5	27.2	30.3	11.5%	0.4%
Care and Support in Schools	5 398.8	5 696.6	5 916.6	6 316.5	5.4%	99.6%	6 699.4	7 091.1	7 492.1	5.9%	99.6%
Total	5 420.2	5 719.5	5 936.5	6 341.4	5.4%	100.0%	6 727.0	7 121.6	7 526.1	5.9%	100.0%
Change to 2016				49.7			115.6	126.9	138.7		
Budget estimate											
Economic classification											
Current payments	42.6	44.9	41.9	50.5	5.8%	0.8%	55.0	59.6	65.9	9.3%	0.8%
Compensation of employees	31.3	32.0	30.8	36.1	4.9%	0.6%	37.8	40.8	45.4	7.9%	0.6%
Goods and services ¹	11.3	12.9	11.1	14.4	8.3%	0.2%	17.2	18.8	20.5	12.6%	0.3%
of which:											
Administrative fees	–	0.4	0.3	0.3	343.5%	–	0.4	0.4	0.4	5.3%	–
Minor assets	–	–	–	–	-15.4%	–	1.4	1.5	1.5	325.8%	–
Catering: Departmental activities	0.3	0.7	0.6	0.9	52.5%	–	0.4	0.5	0.5	-16.0%	–
Communication	0.4	0.3	0.3	0.3	-1.0%	–	0.4	0.5	0.5	14.3%	–
Consumables: Stationery, printing and office supplies	1.1	2.0	0.5	2.2	23.8%	–	1.7	1.8	1.9	-4.8%	–
Travel and subsistence	6.6	6.2	6.2	7.2	3.0%	0.1%	11.8	13.0	14.3	25.6%	0.2%
Transfers and subsidies¹	5 377.1	5 674.3	5 894.2	6 290.7	5.4%	99.2%	6 671.7	7 061.7	7 459.9	5.8%	99.2%
Provinces and municipalities	5 376.9	5 674.1	5 894.1	6 290.5	5.4%	99.2%	6 671.6	7 061.6	7 459.8	5.8%	99.2%
Non-profit institutions	0.1	0.1	0.1	0.1	5.1%	–	0.1	0.1	0.1	6.0%	–
Households	0.1	0.2	0.1	0.1	-12.1%	–	–	–	–	-100.0%	–
Payments for capital assets	0.4	0.4	0.1	0.3	-6.4%	–	0.3	0.3	0.3	3.4%	–
Machinery and equipment	0.4	0.3	0.1	0.3	-6.4%	–	0.3	0.3	0.3	3.4%	–
Software and other intangible assets	–	0.1	–	–	–	–	–	–	–	–	–
Payments for financial assets	0.1	–	0.2	–	-100.0%	–	–	–	–	–	–
Total	5 420.2	5 719.5	5 936.5	6 341.4	5.4%	100.0%	6 727.0	7 121.6	7 526.1	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	31.9%	29.3%	28.5%	28.3%	–	–	28.7%	28.7%	28.7%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	5 376.9	5 674.1	5 894.1	6 290.5	5.4%	99.2%	6 671.6	7 061.6	7 459.8	5.8%	99.2%
National school nutrition programme grant	5 173.1	5 461.9	5 685.4	6 059.7	5.4%	95.6%	6 426.3	6 802.1	7 185.7	5.8%	95.5%
HIV and AIDS (life skills education) grant	203.8	212.1	208.7	230.8	4.2%	3.7%	245.3	259.5	274.1	5.9%	3.6%

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

Entities

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

- The **South African Council for Educators** aims to enhance the status of the teaching profession through appropriate registration, managing professional development and promoting a code of ethics for all educators. The council's total budget for 2017/18 is R70.4 million.
- The **Umalusi Council for Quality Assurance in General and Further Education and Training** sets and maintains standards in general and further education and training through the development and management of the general and further education and training qualifications sub-framework. The council's total budget for 2017/18 is R163 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
School infrastructure backlogs grant	Replace 510 schools with inappropriate infrastructure, of which 395 are mud schools; provide water to 1 120 schools, sanitation to 741 schools and electricity to 916 schools	Various	13 911.7	1 370.1	2 407.9	1 368.3	1 979.8	2 436.4	–	–
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Education infrastructure grant	Build new schools and additional educational spaces such as libraries, laboratories and administration blocks; provide basic services such as water, sanitation and electricity; upgrade and rehabilitate existing school infrastructure; maintain new and existing schools	Various	132 782.4	6 643.3	7 326.6	9 354.4	9 613.7	10 045.6	13 389.6	14 141.2
Maths, science and technology grant	31 new workshops built, 228 existing workshops refurbished, equipment delivered and installed at 300 workshops, and 4 590 technology teachers trained	Various	2 313.0	306.2	336.2	316.9	362.4	365.1	386.5	408.3
Total			149 007.1	8 319.6	10 070.6	11 039.7	11 955.9	12 847.1	13 776.0	14 549.5

Vote 15

Higher Education and Training

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	403.4	398.0	–	5.3	441.0	471.6
Planning, Policy and Strategy	73.3	69.6	3.5	0.2	79.7	85.7
University Education	41 943.5	71.8	41 871.4	0.4	49 498.6	52 344.4
Technical and Vocational Education and Training	7 408.2	6 065.1	1 342.5	0.7	8 029.3	8 604.5
Skills Development	244.3	112.8	130.7	0.8	266.8	284.3
Community Education and Training	2 234.9	2 128.4	104.7	1.8	2 356.4	2 530.3
Subtotal	52 307.6	8 845.8	43 452.7	9.1	60 671.8	64 320.9
Direct charge against the National Revenue Fund						
Sector education and training authorities	13 313.2	–	13 313.2	–	14 374.6	15 563.3
National Skills Fund	3 328.3	–	3 328.3	–	3 593.6	3 890.8
Total expenditure estimates	68 949.1	8 845.8	60 094.2	9.1	78 640.0	83 775.0

Executive authority Minister of Higher Education and Training
 Accounting officer Director General of Higher Education and Training
 Website address www.dhet.gov.za

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

Vote purpose

Develop and support a quality higher and vocational education sector. Promote access to higher education, vocational education, and skills development training opportunities.

Mandate

The Department of Higher Education and Training derives its mandate from the following pieces of legislation:

- the Higher Education Act (1997), which provides for a unified and national system of higher education
- the National Student Financial Aid Scheme Act (1999), which provides for the granting of loans and bursaries to eligible students attending public higher education and training institutions, and the subsequent administration of such loans and bursaries
- the Continuing Education and Training Colleges Act (2006), which provides for the regulation of continuing education and training, the establishment of governance structures for and the funding of public technical and vocational education and training (TVET) colleges and community education and training colleges, the registration of private colleges, and the promotion of quality in continuing education and training
- the Skills Development Levies Act (1999), which provides for the imposition of skills development levies
- the Skills Development Act (2008), which enables the creation of the National Skills Agency, the establishment of the Quality Council for Trades and Occupations, and the regulation of apprenticeships, learnerships and other matters relating to skills development
- the National Qualifications Framework Act (2008), which provides for the national qualifications framework, the South African Qualifications Authority and the quality councils, for the issuing and quality assurance of qualifications required on the sub-frameworks of the national qualifications framework.

Selected performance indicators

Table 15.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of students enrolled in higher education institutions per year	University Education		953 373	983 698	969 154	1 020 000	1 035 000	1 041 000	1 062 000
Number of doctoral graduates from universities per year ¹	University Education		1 879	2 051	2 258	2 200	2 300	2 700	2 800
Number of postgraduate graduates per year	University Education		45 598	50 773	49 863	51 100	54 000	55 000	57 000
Number of first-year students in foundation programmes per year	University Education		14 518	17 960	19 212	30 400	34 000	37 000	39 000
Number of graduates in initial teacher education from universities per year	University Education		13 700	16 808	19 124	18 300	19 400	18 600	19 600
Number of headcount enrolments in TVET colleges per year	Technical and Vocational Education and Training		670 455	709 535	710 535	710 535	710 535	710 535	710 535
Number of qualifying students in TVET colleges receiving financial assistance per year	Technical and Vocational Education and Training	Outcome 5: A skilled and capable workforce to support an inclusive growth path	220 978	228 642	298 457	200 000 ²	200 000 ²	200 000 ²	200 000 ²
Percentage of public TVET college examination centres conducting national examinations and assessments evaluated	Technical and Vocational Education and Training		– ³	– ³	87% (1 079/ 1 240)	100%	100%	100%	100%
Number of monitoring and evaluation reports on TVET colleges approved per year	Technical and Vocational Education and Training		– ³	– ³	2	2	2	2	2
Number of new artisans registered for training each year	Skills Development		27 670	28 301	28 640	30 750	31 750	32 750	33 750
Number of artisan learners qualified each year ⁴	Skills Development		13 000	14 389	16 114	21 110	22 110	23 110	24 000
Number of work-based learning opportunities created per year	Skills Development	49 678	110 164	118 582	120 000	130 000	135 000	140 000	
Number of headcount enrolments in community education and training colleges per year	Community Education and Training		– ³	– ³	300 000	310 000	320 000	330 000	340 000
Percentage of certification rate per year in the general education and training certificate	Community Education and Training		– ³	– ³	– ³	35%	38%	40%	45%

1. Indicator has been rephrased in line with the 2017/18 annual performance plan.

2. Aligned with targets for outcome 5 of the revised 2014-2019 medium-term strategic framework.

3. No historical data available.

4. In line with the 2017/18 annual performance plan, measurement has been amended from 'competent' to 'qualified', as the latter is more reliably measured.

Expenditure analysis

The National Development Plan (NDP) envisages that by 2030, South Africans should have access to a post-school education system that empowers them to fulfil their potential. Outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's medium-term strategic framework gives effect to this vision, stating that graduates of the post-school system should possess the skills and knowledge that allow them to meet the current and future needs of society and the economy. Outcome 5 also highlights the need to expand access to programmes that address the labour market's need for intermediate skills and include a practical component.

Over the medium term, the department plans to continue working towards the realisation of these goals by further expanding access to post-school institutions and improving their performance, increasing the number of skilled artisans and work-based learning opportunities, and re-establishing and improving the governance of community education and training colleges. An estimated 84 per cent of the department's total budget over the medium term is transferred to post-school education institutions, including the National Student Financial Aid Scheme, universities, community education and training, and TVET colleges. The remainder is allocated for spending on compensation of employees and related goods and services.

Expanding access to universities

The department's contribution to the National Student Financial Aid Scheme, which provides poor students the funding to access university education, is set to increase from R11.4 billion to R13.9 billion over the medium term, at an average annual rate of 6.9 per cent. The scheme receives additional allocations of R7.7 billion over the medium term to support university students who were underfunded in the 2016 academic year. Transfers to the scheme account for 25 per cent of the department's total budget for transfers over the medium term, providing funding in the form of bursaries and loans to an estimated 405 000 students each year over the period.

Transfers of subsidies to universities, the department's largest spending item in the *University Education* programme, are projected to increase from R28 billion in 2016/17 to R38.2 billion in 2019/20. Most of this increase is driven by funds reprioritised to the department to cover fee increases for the 2017 academic year, up to a maximum of 8 per cent, for students from households earning less than R600 000 per year. An amount of

R2.5 billion is allocated in 2017/18 for this purpose, with a further R2.6 billion in 2018/19 and R2.8 billion in 2019/20 for the effects of this decision in those years.

Having achieved the NDP goal of building two new universities, the University of Mpumalanga and Sol Plaatje University in Northern Cape, the department has allocated R4.2 billion over the medium term to these universities for operational costs and capital expenditure. The funding is expected to allow both institutions to build new facilities, including lecture rooms, laboratories and student accommodation, which should allow for a combined increase in intake of 3 875 students in 2017.

The department expects that its efforts to expand access to universities and improve their quality will, by 2019/20, increase the number of doctoral graduates from 2 200 in 2016/17 to 2 800 in 2019/20, and the number of postgraduate graduates from 51 100 in 2016/17 to 57 000 in 2019/20.

Expanding access to TVET colleges and improving their performance

The National Skills Fund has committed R2.5 billion over the medium term to building new TVET college campuses. Over the same period, the department also plans to develop and approve teaching and learning support plans that improve the skills of lecturers and the performance of students. This includes training lecturers on planning and delivering lessons, and using equipment in practical teaching; and providing students at TVET colleges with academic support in foundational skills. These initiatives are expected to contribute to increasing the number of new artisans registering for training from 30 750 in 2016/17 to 33 750 by 2019/20. However, due to funding shortfalls, a cap will be placed on enrolments at TVET colleges, with the 2015/16 enrolment number of 710 535 being maintained over the medium term.

Allocations for spending on compensation of employees constitute the bulk of the *Technical and Vocational Education and Training* programme's budget. The majority of the 17 343 employees in this programme, approximately 47.5 per cent of the department's personnel, are in TVET colleges across the country. Over the medium term, spending on compensation of employees is expected to increase at an average annual rate of 8.7 per cent, from R5.3 billion in 2016/17 to R6.8 billion in 2019/20, mainly for lecturers at the various TVET college campuses across the country.

TVET colleges also benefit from government's decision to cover fee increases of up to 8 per cent for the 2017 academic year for students from households earning less than R600 000 per year. Amounts of R158.2 million in 2017/18, R168 million in 2018/19 and R178.5 million in 2019/20 are allocated for transfers to TVET colleges for this purpose.

Supporting artisan development

Over the medium term, the department plans to strengthen the monitoring and evaluation of service-level agreements with sector education and training authorities and other relevant institutions. Funds have been reprioritised for this purpose to the *Skills Development* programme, where spending is projected to increase from R181.4 million in 2016/17 to R284.3 million in 2019/20, at an average annual rate of 16.2 per cent. This spending will be directed towards improving the national artisan development system through audits and quality assurance checks at trade test and training centres, and the convening of more than 20 artisan development stakeholder groups across the country. The department also plans to fund trade tests at institutions such as the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments, and the Quality Council for Trades and Occupations. These institutions are vital in increasing the number of qualified artisans and creating more work-based learning opportunities.

Income from the skills development levy contributes significantly to key performance areas of the public skills development system, including artisan development. This income is transferred directly to sector education and training authorities and the National Skills Fund, and is projected to increase from R15.5 billion in 2016/17 to R19.5 billion in 2019/20, at an average annual rate of 8 per cent. Sector education and training authorities roll out skills programmes, learnerships, internships and apprenticeships. They also establish partnerships with TVET colleges, universities and the labour market to provide opportunities for workplace experience.

These activities are expected to increase the number of qualified artisan learners from 21 110 in 2016/17 to 24 000 in 2019/20, while the number of work-based learning opportunities created is set to increase from 120 000 in 2016/17 to 140 000 in 2019/20.

Community education and training colleges

The 2013 White Paper for Post-School Education and Training provides for the establishment of community education and training colleges. These colleges primarily enrol those who did not complete school or have never attended school. It is projected that enrolments at community education and training colleges will increase gradually from 310 000 learners in 2016/17 to 340 000 learners in 2019/20. As the number of enrolments increases, expenditure in the *Community Education and Training* programme is expected to increase at an average annual rate of 7 per cent over the medium term, reaching R2.5 billion in 2019/20. The department plans to introduce new legislation over the MTEF period to regulate and improve the governance of the community education and training system.

Spending on compensation of employees constitutes the largest portion of the *Community Education and Training* programme's budget, and is expected to increase at an average annual rate of 7.2 per cent over the medium term, reaching R2.3 billion in 2019/20. The 17 939 employees in this programme are mainly community education and training educators based in the 3 276 former community learning centres, which now fall under nine established community education and training colleges.

Expenditure trends

Table 15.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Planning, Policy and Strategy														
3. University Education														
4. Technical and Vocational Education and Training														
5. Skills Development														
6. Community Education and Training														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
R million														
Programme 1	200.6	463.8	267.4	217.1	285.7	234.1	318.3	359.5	346.8	373.7	372.7	372.7	110.0%	82.4%
Programme 2	48.1	51.6	47.7	48.8	91.7	45.7	54.8	58.3	52.0	71.5	71.6	71.6	97.2%	79.4%
Programme 3	28 303.7	28 090.9	28 303.3	30 448.0	30 443.7	30 484.2	32 844.3	32 847.4	32 898.6	39 531.6	39 532.5	39 532.5	100.1%	100.2%
Programme 4	5 925.8	5 883.9	5 879.3	6 311.2	6 208.2	6 304.5	6 604.2	6 642.4	6 604.8	6 917.2	6 960.2	6 960.2	100.0%	100.2%
Programme 5	105.6	105.1	123.0	110.6	106.3	132.0	204.5	112.6	216.7	224.5	181.4	181.4	101.2%	129.2%
Programme 6	1 776.8	1 776.8	1 776.8	1 852.8	1 852.8	1 853.1	1 911.5	1 859.9	1 824.4	2 069.7	2 069.8	2 069.8	98.9%	99.5%
Subtotal	36 360.4	36 372.0	36 397.3	38 988.5	38 988.5	39 053.5	41 937.8	41 880.1	41 943.4	49 188.3	49 188.3	49 188.3	100.1%	100.1%
Direct charge against the National Revenue Fund	12 403.0	12 300.0	12 090.2	13 440.0	13 200.0	13 838.8	14 690.0	15 156.4	15 156.4	17 639.6	15 462.2	15 462.2	97.2%	100.8%
Sector education and training authorities	9 922.4	9 840.6	9 673.8	10 752.6	10 560.6	11 071.0	11 752.7	12 125.9	12 125.9	14 112.5	12 370.5	12 370.5	97.2%	100.8%
National Skills Fund	2 480.6	2 459.4	2 416.4	2 687.4	2 639.4	2 767.8	2 937.3	3 030.5	3 030.5	3 527.1	3 091.7	3 091.7	97.2%	100.8%
Total	48 763.4	48 672.0	48 487.5	52 428.5	52 188.5	52 892.3	56 627.8	57 036.6	57 099.8	66 827.9	64 650.4	64 650.4	99.3%	100.3%
Change to 2016 Budget estimate										(2 177.4)				
Economic classification														
Current payments	5 062.0	4 972.9	6 899.8	5 363.7	5 272.9	7 408.1	7 801.2	7 696.2	7 531.3	8 215.2	7 948.3	7 948.3	112.7%	115.1%
Compensation of employees	4 883.4	4 680.6	6 605.4	5 179.7	5 033.6	7 139.8	7 308.2	7 317.2	7 166.4	7 839.9	7 573.7	7 573.7	113.0%	115.8%
Goods and services	178.5	292.3	294.3	184.0	239.4	268.3	493.0	379.0	364.9	375.3	374.6	374.6	105.8%	101.3%
Transfers and subsidies	43 697.4	43 690.4	41 580.1	47 061.1	46 910.5	45 478.5	48 814.3	49 330.0	49 506.4	58 605.0	56 694.5	56 694.5	97.5%	98.3%
Departmental agencies and accounts	18 285.6	18 182.6	17 995.9	19 699.9	19 459.9	20 124.5	21 363.8	21 768.3	21 839.4	29 255.7	27 077.9	27 077.9	-	-
Higher education institutions	22 388.8	22 388.8	22 392.8	24 155.1	24 155.1	24 195.3	26 243.2	26 243.2	26 297.1	27 964.8	27 964.8	27 964.8	100.1%	100.1%
Foreign governments and international organisations	2.9	2.9	2.9	2.9	2.9	3.0	3.2	3.2	2.6	3.3	2.9	2.9	93.0%	96.3%
Non-profit institutions	3 020.2	3 020.2	1 091.1	3 203.2	3 193.2	1 155.5	1 204.1	1 315.0	1 362.0	1 381.2	1 641.2	1 641.2	59.6%	57.3%
Households	-	96.0	97.4	-	99.3	0.2	-	0.4	5.3	-	7.6	7.6	-	54.4%
Payments for capital assets	4.0	8.7	7.5	3.7	5.1	5.7	12.3	10.4	10.2	7.7	7.7	7.7	112.1%	97.9%
Machinery and equipment	4.0	8.5	7.5	3.7	5.1	5.7	12.3	10.4	10.1	7.7	7.7	7.7	111.7%	98.1%
Software and other intangible assets	-	0.2	0.0	-	-	-	-	-	0.1	-	-	-	-	61.8%
Payments for financial assets	-	-	0.1	-	-	0.0	-	-	51.9	-	-	-	-	-
Total	48 763.4	48 672.0	48 487.5	52 428.5	52 188.5	52 892.3	56 627.8	57 036.6	57 099.8	66 827.9	64 650.4	64 650.4	99.3%	100.3%

Expenditure estimates

Table 15.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Planning, Policy and Strategy									
3. University Education									
4. Technical and Vocational Education and Training									
5. Skills Development									
6. Community Education and Training									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20	
Programme 1	372.7	-7.0%	0.5%	403.4	441.0	471.6	8.2%	0.6%	
Programme 2	71.6	11.6%	0.1%	73.3	79.7	85.7	6.2%	0.1%	
Programme 3	39 532.5	12.1%	58.8%	41 943.5	49 498.6	52 344.4	9.8%	61.9%	
Programme 4	6 960.2	5.8%	11.5%	7 408.2	8 029.3	8 604.5	7.3%	10.5%	
Programme 5	181.4	20.0%	0.3%	244.3	266.8	284.3	16.2%	0.3%	
Programme 6	2 069.8	5.2%	3.4%	2 234.9	2 356.4	2 530.3	6.9%	3.1%	
Subtotal	49 188.3	10.6%	74.7%	52 307.6	60 671.8	64 320.9	9.4%	76.5%	
Direct charge against the National Revenue Fund	15 462.2	7.9%	25.3%	16 641.5	17 968.2	19 454.1	8.0%	23.5%	
Sector education and training authorities	12 370.5	7.9%	20.3%	13 313.2	14 374.6	15 563.3	8.0%	18.8%	
National Skills Fund	3 091.7	7.9%	5.1%	3 328.3	3 593.6	3 890.8	8.0%	4.7%	
Total	64 650.4	9.9%	100.0%	68 949.1	78 640.0	83 775.0	9.0%	100.0%	
Change to 2016 Budget estimate				(3 054.1)	1 247.6	1 869.5			
Economic classification									
Current payments	7 948.3	16.9%	13.3%	8 845.8	9 401.5	10 106.6	8.3%	12.3%	
Compensation of employees	7 573.7	17.4%	12.8%	8 425.4	8 957.0	9 637.7	8.4%	11.7%	
Goods and services	374.6	8.6%	0.6%	420.4	444.5	468.9	7.8%	0.6%	
Transfers and subsidies	56 694.5	9.1%	86.6%	60 094.2	69 229.1	73 658.5	9.1%	87.7%	
Departmental agencies and accounts	27 077.9	14.2%	39.0%	27 043.3	31 380.0	33 678.4	7.5%	40.3%	
Higher education institutions	27 964.8	7.7%	45.2%	31 606.8	36 152.9	38 187.9	10.9%	45.2%	
Foreign governments and international organisations	2.9	0.4%	0.0%	3.5	3.7	3.9	10.4%	0.0%	
Non-profit institutions	1 641.2	-18.4%	2.4%	1 440.6	1 692.5	1 788.3	2.9%	2.2%	
Households	7.6	-57.0%	0.0%	-	-	-	-100.0%	0.0%	
Payments for capital assets	7.7	-3.9%	0.0%	9.1	9.4	9.9	8.7%	0.0%	
Machinery and equipment	7.7	-3.1%	0.0%	9.1	9.4	9.9	8.7%	0.0%	
Total	64 650.4	9.9%	100.0%	68 949.1	78 640.0	83 775.0	9.0%	100.0%	

Goods and services expenditure trends and estimates

Table 15.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Administrative fees	846	265	1 024	2 116	35.7%	0.3%	1 222	1 319	1 392	-13.0%	0.4%
Advertising	2 269	2 671	3 175	1 966	-4.7%	0.8%	4 020	4 140	4 395	30.8%	0.9%
Minor assets	1 491	667	2 725	5 346	53.1%	0.8%	1 422	2 488	2 534	-22.0%	0.7%
Audit costs: External	11 299	8 101	9 525	13 637	6.5%	3.3%	14 433	15 424	16 288	6.1%	3.5%
Bursaries: Employees	349	376	2 529	310	-3.9%	0.3%	301	799	843	39.6%	0.1%
Catering: Departmental activities	6 286	1 501	2 138	2 986	-22.0%	1.0%	1 535	2 196	2 321	-8.1%	0.5%
Communication	15 407	13 454	8 264	11 283	-9.9%	3.7%	13 778	12 230	13 118	5.2%	3.0%
Computer services	25 771	38 193	65 030	77 539	44.4%	15.9%	51 219	55 297	58 192	-9.1%	14.2%
Consultants: Business and advisory services	1 647	1 729	4 026	9 898	81.8%	1.3%	8 142	8 528	9 233	-2.3%	2.1%
Legal services	1 367	3 236	1 972	5 609	60.1%	0.9%	5 097	5 352	5 652	0.3%	1.3%
Contractors	860	1 338	12 075	1 335	15.8%	1.2%	412	388	578	-24.3%	0.2%
Agency and support/outsourced services	9 345	4 432	17 061	9 111	-0.8%	3.1%	499	509	549	-60.8%	0.6%
Entertainment	91	62	52	101	3.5%	-	106	113	119	5.6%	-
Fleet services (including government motor transport)	877	974	1 286	1 049	6.2%	0.3%	1 292	1 827	1 920	22.3%	0.4%
Inventory: Clothing material and accessories	-	100	-	10	-	-	-	-	-	-100.0%	-
Inventory: Farming supplies	-	33	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	460	366	-	300	-13.3%	0.1%	3 000	3 500	3 696	131.0%	0.6%
Inventory: Fuel, oil and gas	-	11	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	300	2 991	-	1 044	51.5%	0.3%	-	-	-	-100.0%	0.1%
Inventory: Medical supplies	13	-	-	35	39.1%	-	40	45	48	11.1%	-
Inventory: Other supplies	400	2	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	2 164	6 345	3 536	-	0.9%	4 640	5 479	6 150	20.3%	1.2%
Consumables: Stationery, printing and office supplies	24 376	13 931	35 931	49 110	26.3%	9.5%	50 357	58 539	61 388	7.7%	12.8%

Table 15.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Operating leases	5 654	10 640	3 348	6 677	5.7%	2.0%	17 964	17 055	17 939	39.0%	3.5%
Rental and hiring	84	112	1 220	7 919	355.1%	0.7%	4 134	3 689	3 785	-21.8%	1.1%
Property payments	40 483	36 891	70 070	51 748	8.5%	15.3%	61 344	65 436	69 095	10.1%	14.5%
Transport provided: Departmental activity	-	82	1 273	-	-	0.1%	-	-	-	-	-
Travel and subsistence	119 876	106 493	88 580	69 431	-16.6%	29.5%	106 260	110 449	115 842	18.6%	23.5%
Training and development	8 838	5 515	2 446	25 394	42.2%	3.2%	50 921	50 080	52 823	27.7%	10.5%
Operating payments	8 819	4 971	14 651	13 630	15.6%	3.2%	16 631	18 251	19 513	12.7%	4.0%
Venues and facilities	7 105	7 044	10 157	3 454	-21.4%	2.1%	1 633	1 377	1 444	-25.2%	0.5%
Total	294 313	268 345	364 903	374 574	8.4%	100.0%	420 402	444 510	468 857	7.8%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 15.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	17 995 935	20 124 503	21 839 390	27 077 895	14.6%	45.0%	27 043 271	31 380 000	33 678 409	7.5%	45.9%
other	-	-	358	-	-	-	-	-	-	-	-
National Student Financial Aid Scheme	5 769 405	6 138 832	6 448 551	11 392 674	25.5%	15.4%	10 143 091	13 138 067	13 935 227	6.9%	18.7%
Council on Higher Education	41 888	42 689	40 819	40 928	-0.8%	0.1%	47 946	50 727	53 568	9.4%	0.1%
South African Qualifications Authority	49 401	55 008	54 757	56 895	4.8%	0.1%	64 940	68 707	72 555	8.4%	0.1%
Sector education and training authorities	-	-	22 781	46 363	-	-	15 158	16 036	16 934	-28.5%	-
Quality Council for Trades and Occupations	21 747	23 167	21 848	23 138	2.1%	-	26 920	28 481	30 076	9.1%	-
Direct charge: Sector education and training authorities	9 673 818	11 071 025	12 125 894	12 370 513	8.5%	23.4%	13 313 165	14 374 564	15 563 299	8.0%	21.4%
Direct charge: National Skills Fund	2 416 368	2 767 773	3 030 539	3 091 657	8.6%	5.9%	3 328 291	3 593 640	3 890 824	8.0%	5.4%
Public Service Sector Education and Training Authority	23 308	26 009	93 843	55 727	33.7%	0.1%	103 760	109 778	115 926	27.7%	0.1%
Higher education institutions											
Current	20 231 668	21 482 293	22 991 096	24 563 860	6.7%	46.2%	28 082 809	32 460 607	34 317 412	11.8%	46.0%
University subsidies	20 081 668	21 323 293	22 790 082	24 273 431	6.5%	45.8%	27 722 073	32 044 118	33 877 600	11.8%	45.4%
University of Mpumalanga	86 872	102 345	58 111	186 585	29.0%	0.2%	212 611	235 294	248 470	10.0%	0.3%
Sol Plaatje University	63 128	56 655	142 903	103 844	18.0%	0.2%	148 125	181 195	191 342	22.6%	0.2%
Capital	2 161 099	2 713 000	3 305 978	3 400 958	16.3%	6.0%	3 524 032	3 692 252	3 870 478	4.4%	5.6%
University subsidies	2 011 099	2 213 000	1 985 978	2 426 222	6.5%	4.5%	2 545 550	2 691 710	2 826 113	5.2%	4.0%
University of the Witwatersrand: University of Mpumalanga and Sol Plaatje University	150 000	500 000	1 320 000	-	-100.0%	1.0%	-	-	-	-	-
University of Mpumalanga	-	-	-	623 831	-	0.3%	624 552	638 508	668 394	2.3%	1.0%
Sol Plaatje University	-	-	-	350 905	-	0.2%	353 930	362 034	375 971	2.3%	0.6%
Foreign governments and international organisations											
Current	2 927	2 983	2 588	2 896	-0.4%	-	3 489	3 691	3 898	10.4%	-
India-Brazil-South Africa Trilateral Commission	511	551	-	100	-41.9%	-	553	585	618	83.5%	-
Commonwealth of Learning	2 416	2 432	2 588	2 796	5.0%	-	2 936	3 106	3 280	5.5%	-
Non-profit institutions											
Current	1 091 062	1 155 492	1 362 040	1 641 222	14.6%	2.7%	1 440 575	1 692 541	1 788 332	2.9%	2.5%
Universities South Africa	7 000	7 420	7 761	8 172	5.3%	-	8 581	9 079	9 587	5.5%	-
Technical and vocational education and training colleges	1 084 062	1 148 072	1 262 521	1 534 848	12.3%	2.6%	1 328 096	1 573 538	1 662 665	2.7%	2.3%
Community education and training colleges	-	-	91 758	98 202	-	0.1%	103 898	109 924	116 080	5.7%	0.2%
Households											
Social benefits											
Current	97 420	221	5 315	7 627	-57.2%	0.1%	-	-	-	-100.0%	-
Employee social benefits	97 420	221	5 315	7 627	-57.2%	0.1%	-	-	-	-100.0%	-
Total	41 580 111	45 478 492	49 506 407	56 694 458	10.9%	100.0%	60 094 176	69 229 091	73 658 529	9.1%	100.0%

Personnel information

Table 15.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2017		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
Number of funded posts	Number of posts additional to the establishment	2015/16		2016/17			2017/18		2018/19			2019/20			2016/17 - 2019/20				
		Number	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Higher Education and Training																			
Salary level	36 939	-	35 213	7 166.4	0.2	35 326	7 573.7	0.2	36 415	8 425.4	0.2	36 212	8 957.0	0.2	36 988	9 637.7	0.3	1.5%	100.0%
1 – 6	9 765	-	10 733	2 055.8	0.2	10 144	2 129.5	0.2	10 242	2 312.6	0.2	10 169	2 470.4	0.2	10 780	2 715.8	0.3	2.0%	28.5%
7 – 10	9 139	-	8 502	3 018.6	0.4	8 590	3 276.4	0.4	9 188	3 727.4	0.4	9 210	4 000.0	0.4	9 214	4 275.1	0.5	2.4%	25.0%
11 – 12	572	-	542	363.8	0.7	600	430.3	0.7	599	461.3	0.8	600	495.7	0.8	600	531.0	0.9	-	1.7%
13 – 16	162	-	135	139.7	1.0	162	172.3	1.1	163	185.3	1.1	166	201.7	1.2	166	214.1	1.3	0.8%	0.5%
Other	17 301	-	15 301	1 588.5	0.1	15 830	1 565.2	0.1	16 223	1 738.7	0.1	16 067	1 789.1	0.1	16 228	1 901.7	0.1	0.8%	44.4%
Programme	36 939	-	35 213	7 166.4	0.2	35 326	7 573.7	0.2	36 415	8 425.4	0.2	36 212	8 957.0	0.2	36 988	9 637.7	0.3	1.5%	100.0%
Programme 1	581	-	535	161.7	0.3	638	203.4	0.3	636	222.2	0.3	650	247.8	0.4	658	267.4	0.4	1.0%	1.8%
Programme 2	95	-	90	42.5	0.5	123	58.3	0.5	117	59.8	0.5	121	65.4	0.5	123	70.7	0.6	-	0.3%
Programme 3	117	-	87	43.5	0.5	110	61.1	0.6	111	65.4	0.6	116	72.0	0.6	119	78.0	0.7	2.7%	0.3%
Programme 4	16 918	-	17 448	5 119.8	0.3	16 643	5 254.8	0.3	17 343	5 910.6	0.3	17 343	6 279.8	0.4	17 865	6 756.4	0.4	2.4%	47.7%
Programme 5	286	-	261	86.6	0.3	267	90.3	0.3	269	97.7	0.4	280	111.4	0.4	279	120.3	0.4	1.5%	0.8%
Programme 6	18 942	-	16 792	1 712.3	0.1	17 545	1 905.8	0.1	17 939	2 069.8	0.1	17 702	2 180.7	0.1	17 944	2 344.9	0.1	0.8%	49.1%

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

2. Rand million.

Departmental receipts

Table 15.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	11 880	11 594	15 444	37 883	37 883	47.2%	100.0%	12 184	12 792	13 432	-29.2%	100.0%
Sales of goods and services produced by department	6 042	5 634	8 983	10 472	10 472	20.1%	40.5%	5 682	5 965	6 263	-15.7%	37.2%
Sales by market establishments of which:	383	404	3 534	4 340	4 340	124.6%	11.3%	566	593	622	-47.7%	8.0%
Academic services: Temporary accommodation	220	223	218	278	278	8.1%	1.2%	292	307	322	5.0%	1.6%
Sale of assets less than R5 000	-	-	-	12	12	-	-	13	14	15	7.7%	0.1%
Commission	163	181	3 316	4 050	4 050	191.8%	10.0%	261	272	285	-58.7%	6.4%
Administrative fees of which:	4 936	4 465	4 657	5 334	5 334	2.6%	25.2%	4 202	4 412	4 632	-4.6%	24.4%
Exams	1 352	1 557	2 338	2 690	2 690	25.8%	10.3%	1 263	1 326	1 392	-19.7%	8.7%
Trade test fee	2 878	2 767	2 270	2 238	2 238	-8.0%	13.2%	2 613	2 744	2 881	8.8%	13.7%
Universities	60	90	49	34	34	-17.2%	0.3%	123	129	135	58.4%	0.6%
Further education and training	3	3	-	-	-	-100.0%	-	203	213	224	-	0.8%
Sports and club facilities/sale of tender documents	643	48	-	372	372	-16.7%	1.4%	-	-	-	-100.0%	0.5%
Other sales of which:	723	765	792	798	798	3.3%	4.0%	914	960	1 009	8.1%	4.8%
Boarding fees	118	134	122	72	72	-15.2%	0.6%	144	151	159	30.2%	0.7%
Parking	20	21	67	100	100	71.0%	0.3%	32	34	36	-28.9%	0.3%
Sale of meals and refreshments	182	201	195	202	202	3.5%	1.0%	262	275	289	12.7%	1.3%
Rental	403	409	408	424	424	1.7%	2.1%	476	500	525	7.4%	2.5%
Sales of scrap, waste, arms and other used current goods	29	17	15	-	-	-100.0%	0.1%	35	37	39	-	0.1%
Waste paper	29	17	15	-	-	-100.0%	0.1%	35	37	39	-	0.1%
Interest, dividends and rent on land	3 374	3 343	3 791	2 538	2 538	-9.1%	17.0%	5 104	5 359	5 626	30.4%	24.4%
Interest	3 374	3 343	3 791	2 538	2 538	-9.1%	17.0%	5 104	5 359	5 626	30.4%	24.4%
Sales of capital assets	-	15	172	-	-	-	0.2%	-	-	-	-	-
Transactions in financial assets and liabilities	2 435	2 585	2 483	24 873	24 873	117.0%	42.2%	1 363	1 431	1 504	-60.7%	38.2%
Total	11 880	11 594	15 444	37 883	37 883	47.2%	100.0%	12 184	12 792	13 432	-29.2%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 15.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Ministry	29.7	32.4	39.7	33.3	3.8%	11.1%	33.9	36.8	39.5	5.9%	8.5%
Department Management	37.8	38.4	51.2	46.9	7.5%	14.3%	49.7	54.7	59.0	7.9%	12.5%
Corporate Services	91.0	80.2	126.4	148.7	17.8%	36.6%	164.1	179.6	192.1	8.9%	40.5%
Office of the Chief Financial Officer	61.4	40.5	55.7	81.2	9.8%	19.6%	83.4	92.7	99.5	7.0%	21.1%
Internal Audit	9.0	6.1	6.7	9.2	0.8%	2.5%	8.6	9.2	9.9	2.2%	2.2%
Office Accommodation	38.4	36.5	67.2	53.4	11.6%	16.0%	63.7	67.9	71.7	10.3%	15.2%
Total	267.4	234.1	346.8	372.7	11.7%	100.0%	403.4	441.0	471.6	8.2%	100.0%
Change to 2016 Budget estimate				(0.9)			4.1	13.8	15.8		
Economic classification											
Current payments	262.4	230.6	338.1	367.3	11.9%	98.2%	398.0	435.3	465.5	8.2%	98.7%
Compensation of employees	147.4	121.9	161.7	203.4	11.3%	52.0%	222.2	247.8	267.4	9.5%	55.7%
Goods and services ¹	115.0	108.7	176.5	163.9	12.5%	46.2%	175.9	187.5	198.2	6.5%	43.0%
of which:											
Audit costs: External	11.3	8.1	9.5	13.6	6.5%	3.5%	14.4	15.4	16.3	6.1%	3.5%
Computer services	13.7	22.4	30.6	31.5	32.0%	8.0%	36.8	39.0	41.0	9.2%	8.8%
Consultants: Business and advisory services	0.6	1.1	1.2	5.2	105.1%	0.7%	7.4	7.8	8.5	18.1%	1.7%
Property payments	39.9	36.1	67.7	51.1	8.6%	15.9%	60.4	64.5	68.1	10.1%	14.5%
Travel and subsistence	22.0	19.0	18.0	14.5	-12.9%	6.0%	19.1	21.2	22.1	14.9%	4.6%
Operating payments	2.0	1.4	2.1	8.9	63.3%	1.2%	7.2	8.1	8.8	-0.1%	2.0%
Transfers and subsidies¹	0.0	0.1	0.2	0.1	84.9%	-	-	-	-	-100.0%	-
Departmental agencies and accounts	-	-	0.2	-	-	-	-	-	-	-	-
Households	0.0	0.1	0.1	0.1	84.9%	-	-	-	-	-100.0%	-
Payments for capital assets	5.0	3.4	8.2	5.3	2.0%	1.8%	5.3	5.7	6.0	4.6%	1.3%
Machinery and equipment	4.9	3.4	8.1	5.3	2.2%	1.8%	5.3	5.7	6.0	4.6%	1.3%
Software and other intangible assets	0.0	-	0.1	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.0	-	0.3	-	-100.0%	-	-	-	-	-	-
Total	267.4	234.1	346.8	372.7	11.7%	100.0%	403.4	441.0	471.6	8.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.6%	0.8%	0.8%	-	-	0.8%	0.7%	0.7%	-	-

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

Programme 2: Planning, Policy and Strategy

Programme purpose

Provide strategic direction in the development, implementation and monitoring of departmental policies and in the human resource development strategy for South Africa.

Objectives

- Ensure a sound post-school education and training system through the development of two new, and the revision of two existing pieces of legislation, policies and regulations by 31 March 2018.
- Ensure the effective oversight of the implementation of the post-school education and training system by producing six oversight reports on social inclusion and equity, flexible modes of learning delivery, and teaching and learning support plans over the medium term.
- Provide management information and statistics on post-school education and training performance annually for effective policy development and planning.

Subprogrammes

- *Programme Management: Planning, Policy and Strategy* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.

- *Human Resource Development, Strategic Planning and Coordination* provides strategic direction in the development, implementation and monitoring of departmental policies; and coordinates activities in relation to the national human resource development strategy.
- *Planning, Information, Monitoring and Evaluation Coordination* monitors and evaluates the policy outputs of the department; coordinates research in the fields of higher education and training; and ensures that education policies, plans and legislation are developed into systems through monitoring their implementation on an ongoing basis.
- *International Relations* develops and promotes international relations; supports the United Nations Educational, Scientific and Cultural Organisation in the higher education sub-system; and manages, monitors and reports on international donor grant funding.
- *Legal and Legislative Services* manages the legal and legislative services of the department, universities, colleges, sector education and training authorities, and the National Skills Fund.
- *Social Inclusion in Education* promotes access to higher education and participation by all learners in training programmes; manages the development, evaluation and maintenance of policy, programmes and systems for learners with special needs; and monitors the implementation of those policies.

Expenditure trends and estimates

Table 15.9 Planning, Policy and Strategy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Programme Management: Planning, Policy and Strategy	3.7	2.9	3.2	3.3	-3.5%	6.0%	3.7	4.0	4.3	9.6%	4.9%
Human Resource Development, Strategic Planning and Coordination	11.2	11.6	14.8	17.0	15.0%	25.2%	16.8	18.1	19.5	4.7%	23.0%
Planning, Information, Monitoring and Evaluation Coordination	7.4	6.9	10.7	17.8	34.0%	19.7%	15.9	17.4	18.7	1.6%	22.5%
International Relations	10.3	10.8	11.2	13.3	9.0%	21.0%	12.8	13.9	14.9	3.8%	17.7%
Legal and Legislative Services	11.3	9.4	7.5	14.5	8.8%	19.7%	16.9	18.3	19.7	10.6%	22.4%
Social Inclusion in Education	3.8	4.2	4.6	5.6	13.7%	8.4%	7.2	8.0	8.6	15.4%	9.5%
Total	47.7	45.7	52.0	71.6	14.5%	100.0%	73.3	79.7	85.7	6.2%	100.0%
Change to 2016 Budget estimate				0.0			(3.1)	(2.1)	(2.0)		
Economic classification											
Current payments	44.2	42.5	49.1	68.2	15.5%	94.0%	69.6	75.8	81.6	6.2%	95.2%
Compensation of employees	38.0	34.6	42.5	58.3	15.3%	79.9%	59.8	65.4	70.7	6.6%	81.9%
Goods and services ¹	6.2	7.8	6.7	9.9	17.0%	14.1%	9.8	10.4	11.0	3.4%	13.3%
<i>of which:</i>											
Communication	0.9	0.8	0.8	0.6	-10.2%	1.4%	0.7	0.8	0.8	7.0%	0.9%
Legal services	1.4	3.2	1.0	4.2	45.1%	4.5%	4.4	4.6	4.9	5.1%	5.8%
Consumables: Stationery, printing and office supplies	0.7	0.2	0.9	0.9	11.8%	1.2%	1.0	1.0	1.1	5.6%	1.3%
Travel and subsistence	2.4	2.1	2.8	3.2	9.3%	4.8%	2.7	2.8	3.0	-2.0%	3.8%
Training and development	0.2	0.2	0.0	0.1	-23.2%	0.2%	0.2	0.3	0.3	39.4%	0.3%
Operating payments	0.2	0.2	0.2	0.3	24.2%	0.4%	0.4	0.4	0.4	9.3%	0.5%
Transfers and subsidies¹	3.1	3.0	2.6	2.9	-2.1%	5.3%	3.5	3.7	3.9	10.3%	4.5%
Foreign governments and international organisations	2.9	3.0	2.6	2.9	-0.4%	5.3%	3.5	3.7	3.9	10.4%	4.5%
Households	0.2	0.0	0.0	0.0	-67.0%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.3	0.2	0.3	0.5	12.1%	0.6%	0.2	0.2	0.2	-25.9%	0.3%
Machinery and equipment	0.3	0.2	0.2	0.5	12.1%	0.6%	0.2	0.2	0.2	-25.9%	0.3%
Total	47.7	45.7	52.0	71.6	14.5%	100.0%	73.3	79.7	85.7	6.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.1%	0.1%	0.1%	0.1%	-	-	0.1%	0.1%	0.1%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	2.9	3.0	2.6	2.9	-0.4%	5.3%	3.5	3.7	3.9	10.4%	4.5%
India-Brazil-South Africa Trilateral Commission	0.5	0.6	-	0.1	-41.9%	0.5%	0.6	0.6	0.6	83.5%	0.6%
Commonwealth of Learning	2.4	2.4	2.6	2.8	5.0%	4.7%	2.9	3.1	3.3	5.5%	3.9%

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

Programme 3: University Education

Programme purpose

Develop and coordinate policy and regulatory frameworks for an effective and efficient university education system. Provide financial support to universities, the National Student Financial Aid Scheme and national institutes for higher education.

Objectives

- Ensure a sound post-school education and training system through the development of three new and the revision of two existing pieces of legislation, regulations and policies for university education by 31 March 2019.
- Ensure integrated planning in support of improved collaboration within the post-school education and training sub-systems by developing an integrated plan by 31 March 2018.
- Ensure effectual monitoring and evaluation of the higher education sector by producing 15 annual oversight reports on:
 - the financial health of the sector, governance, teaching and research development, and research productivity
 - the higher education and training HIV and AIDS programme, infrastructure development, foundation provisioning, and new universities
 - the expansion and efficiency of the higher education system, academic forums and think-tank partnerships within the Brazil-Russia-India-China-South Africa group of countries, student support services, ministerial enrolment targets, and the institutional governance capacity development programme
 - the staffing South Africa's universities framework, and the teaching and learning development capacity improvement plan.
- Provide teaching and learning support services by implementing the five developed teaching and learning support plans aimed at improving access to quality teaching and learning in higher education institutions by 31 March 2020.
- Provide student support services for higher education through the development of two student support plans in order to promote the success of students within the post-school education and training system by the end of March 2019.
- Ensure effective policy development and planning by providing management information and statistics on the performance of higher education institutions annually.

Subprogrammes

- *Programme Management: University Education* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions for the programme.
- *University – Academic Planning and Management* plans and monitors the university system. This entails analysing institutional and national plans, and maintaining programmes and qualification combinations.
- *University – Financial Planning and Information Systems* coordinates and manages the development and maintenance of the higher education management information system and the appropriate funding framework for a diverse university system.
- *University – Policy and Development* regulates private university institutions and provides support for the development of universities.
- *Teacher Education* develops a responsive and comprehensive national teacher education and development system as a sub-system of the higher education and training system, develops and maintains academic policy for teacher education qualifications in line with the higher education qualifications framework, mentors institutions for adherence to policy, and supports policy implementation to ensure relevant curricula and the sufficient supply of well-qualified teachers for all education sub-systems.
- *University Subsidies* transfers payments to universities annually.

Expenditure trends and estimates

Table 15.10 University Education expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/Total (%)	2017/18	2018/19	2019/20		
R million											
Programme Management: University Education	1.8	2.0	3.9	4.7	37.8%	-	4.3	4.7	5.1	2.8%	-
University - Academic Planning and Management	5 870.9	6 249.1	6 557.9	11 508.5	25.2%	23.0%	10 273.9	13 277.1	14 082.5	7.0%	26.8%
University - Financial Planning and Information Systems	8.7	7.6	8.4	12.6	13.2%	-	11.3	12.5	13.5	2.2%	-
University - Policy and Development	20.2	19.7	21.0	27.6	11.0%	0.1%	27.6	30.1	32.4	5.4%	0.1%
Teacher Education	8.9	10.5	10.2	14.3	16.9%	-	19.5	21.3	23.1	17.3%	-
University Subsidies	22 392.8	24 195.3	26 297.1	27 964.8	7.7%	76.9%	31 606.8	36 152.9	38 187.9	10.9%	73.0%
Total	28 303.3	30 484.2	32 898.6	39 532.5	11.8%	100.0%	41 943.5	49 498.6	52 344.4	9.8%	100.0%
Change to 2016 Budget estimate				0.9			(0.6)	5 178.7	5 541.1		
Economic classification											
Current payments	41.9	44.6	49.4	68.6	17.9%	0.2%	71.8	78.7	85.1	7.4%	0.2%
Compensation of employees	33.1	39.1	43.5	61.1	22.6%	0.1%	65.4	72.0	78.0	8.5%	0.2%
Goods and services ¹	8.8	5.5	5.9	7.5	-4.9%	-	6.4	6.8	7.1	-1.8%	-
of which:											
Advertising	0.2	-	0.0	0.1	-12.4%	-	0.2	0.1	0.2	1.8%	-
Communication	0.5	0.5	0.6	0.4	-5.7%	-	0.4	0.4	0.5	4.2%	-
Computer services	0.2	0.2	0.3	0.7	62.4%	-	0.7	0.8	0.8	8.5%	-
Consumables: Stationery, printing and office supplies	0.4	0.2	0.5	0.5	10.7%	-	0.6	0.6	0.7	9.3%	-
Operating leases	0.1	0.1	0.1	0.1	6.0%	-	0.2	0.2	0.2	28.0%	-
Travel and subsistence	4.4	3.7	3.7	4.1	-2.8%	-	3.6	3.8	4.1	-	-
Transfers and subsidies¹	28 261.0	30 439.2	32 849.0	39 463.5	11.8%	99.8%	41 871.4	49 419.4	52 258.8	9.8%	99.8%
Departmental agencies and accounts	5 860.7	6 236.5	6 544.2	11 490.5	25.2%	23.0%	10 256.0	13 257.5	14 061.4	7.0%	26.8%
Higher education institutions	22 392.8	24 195.3	26 297.1	27 964.8	7.7%	76.9%	31 606.8	36 152.9	38 187.9	10.9%	73.0%
Non-profit institutions	7.0	7.4	7.8	8.2	5.3%	-	8.6	9.1	9.6	5.5%	-
Households	0.6	-	0.0	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.3	0.3	0.2	0.4	9.8%	-	0.4	0.4	0.5	7.0%	-
Machinery and equipment	0.3	0.3	0.2	0.4	9.8%	-	0.4	0.4	0.5	7.0%	-
Payments for financial assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	28 303.3	30 484.2	32 898.6	39 532.5	11.8%	100.0%	41 943.5	49 498.6	52 344.4	9.8%	100.0%
Proportion of total programme expenditure to vote expenditure	77.8%	78.1%	78.4%	80.4%	-	-	80.2%	81.6%	81.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5 860.7	6 236.5	6 544.1	11 490.5	25.2%	23.0%	10 256.0	13 257.5	14 061.4	7.0%	26.8%
National Student Financial Aid Scheme	5 769.4	6 138.8	6 448.6	11 392.7	25.5%	22.7%	10 143.1	13 138.1	13 935.2	6.9%	26.5%
Council on Higher Education	41.9	42.7	40.8	40.9	-0.8%	0.1%	47.9	50.7	53.6	9.4%	0.1%
South African Qualifications Authority	49.4	55.0	54.8	56.9	4.8%	0.2%	64.9	68.7	72.6	8.4%	0.1%
Non-profit institutions	7.0	7.4	7.8	8.2	5.3%	-	8.6	9.1	9.6	5.5%	-
Current	7.0	7.4	7.8	8.2	5.3%	-	8.6	9.1	9.6	5.5%	-
Universities South Africa	7.0	7.4	7.8	8.2	5.3%	-	8.6	9.1	9.6	5.5%	-
Higher education institutions	20 231.7	21 482.3	22 991.1	24 563.9	6.7%	68.0%	28 082.8	32 460.6	34 317.4	11.8%	65.1%
Current	20 081.7	21 323.3	22 790.1	24 273.4	6.5%	67.4%	27 722.1	32 044.1	33 877.6	11.8%	64.3%
University subsidies	20 081.7	21 323.3	22 790.1	24 273.4	6.5%	67.4%	27 722.1	32 044.1	33 877.6	11.8%	64.3%
University of Mpumalanga	86.9	102.3	58.1	186.6	29.0%	0.3%	212.6	235.3	248.5	10.0%	0.5%
Sol Plaatje University	63.1	56.7	142.9	103.8	18.0%	0.3%	148.1	181.2	191.3	22.6%	0.3%
Capital	2 161.1	2 713.0	3 306.0	3 401.0	16.3%	8.8%	3 524.0	3 692.3	3 870.5	4.4%	7.9%
University subsidies	2 011.1	2 213.0	1 986.0	2 426.2	6.5%	6.6%	2 545.6	2 691.7	2 826.1	5.2%	5.7%
University of the Witwatersrand: University of Mpumalanga and Sol Plaatje University	150.0	500.0	1 320.0	-	-100.0%	1.5%	-	-	-	-	-
University of Mpumalanga	-	-	-	623.8	-	0.5%	624.6	638.5	668.4	2.3%	1.4%
Sol Plaatje University	-	-	-	350.9	-	0.3%	353.9	362.0	376.0	2.3%	0.8%

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

Programme 4: Technical and Vocational Education and Training

Programme purpose

Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for technical and vocational education and training.

Objectives

- Ensure a sound post-school education and training system through the development of six new and the revision of two existing pieces of legislation, regulations and policies for the TVET sector by 31 March 2018.
- Ensure effectual monitoring and evaluation of the TVET sector by producing 13 annual oversight reports over the medium term on:
 - the conduct of public TVET college examination centres during national examinations and assessments
 - the implementation of the IT examination services system
 - the eradication of certification backlogs
 - the performance of students in colleges
 - the sampling of colleges evaluated for compliance to recommended governance standards, teaching and learning support plans in colleges, student support services plans in colleges, and strategic partnerships with key stakeholders
 - the infrastructure plans of college campuses.
- Improve learning assessment services for TVET colleges by 31 March 2020, by ensuring that all seven resulting cycles for national examinations are concluded per year and that 100 per cent of all examination-related complaints are finalised in accordance to service standards.
- Provide TVET teaching and learning support plans aimed at improving access to quality teaching and learning in the sector through
 - the development of one new teaching and learning support plan, and
 - the revision of two existing teaching and learning support plans over the medium term.
- Provide student support services for TVET colleges through the development of three student support plans in support of an improved post-school education and training system by 31 March 2020.
- Develop an infrastructure rollout plan for the construction of six TVET college campuses to ensure optimal geographic spread by 31 March 2018.

Subprogrammes

- *Programme Management: Technical and Vocational Education and Training* manages the delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions.
- *Technical and Vocational Education and Training System Planning and Institutional Support* provides support to management and councils, monitors and evaluates the TVET system performance against set indicators, develops regulatory frameworks for the system, manages and monitors the procurement and distribution of learning and teaching support materials, provides leadership for TVET colleges to enter into partnerships for the use of infrastructure and funding resources, and maps the institutional landscape for the rollout of the TVET college system.
- *Programmes and Qualifications* manages and coordinates curriculum development processes, ensures the development of quality learning and teaching materials, monitors and supports the implementation of curriculum statements and assessment regulations, monitors and supports the development of lecturers, and provides leadership for TVET colleges to diversify their programmes, qualifications and curriculums.
- *National Examination and Assessment* administers and manages the conduct of national assessment in TVET and community education and training colleges.
- *Financial Planning* sets up financial management systems; develops the financial management capacity of TVET colleges; manages and determines the fair distribution of funding to TVET colleges in accordance with funding norms and standards for funding these colleges; monitors compliance with supply chain management policy; and ensures the timely submission of audited performance information, annual financial statements, and quarterly and annual reports.

Expenditure trends and estimates

Table 15.11 Technical and Vocational Education and Training expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Programme Management: Technical and Vocational Education and Training	8.1	9.1	6.2	3.8	-22.6%	0.1%	5.1	5.3	5.8	15.2%	0.1%
Technical and Vocational Education and Training System Planning and Institutional Support	5 607.3	6 104.5	6 144.2	6 662.4	5.9%	95.2%	7 089.2	7 688.9	8 240.6	7.3%	95.7%
Programmes and Qualifications	88.3	10.1	11.5	10.6	-50.7%	0.5%	11.5	12.7	13.7	9.1%	0.2%
National Examination and Assessment	173.2	178.1	439.1	278.5	17.2%	4.2%	294.8	314.9	336.5	6.5%	4.0%
Financial Planning	2.4	2.7	3.8	5.0	28.1%	0.1%	7.7	7.5	8.0	17.2%	0.1%
Total	5 879.3	6 304.5	6 604.8	6 960.2	5.8%	100.0%	7 408.2	8 029.3	8 604.5	7.3%	100.0%
Change to 2016 Budget estimate				43.1			(6.0)	163.6	172.7		
Economic classification											
Current payments	4 698.8	5 155.5	5 263.2	5 372.8	4.6%	79.6%	6 065.1	6 440.3	6 925.5	8.8%	80.0%
Compensation of employees	4 625.5	5 097.8	5 119.8	5 254.8	4.3%	78.1%	5 910.6	6 279.8	6 756.4	8.7%	78.1%
Goods and services ¹	73.2	57.7	143.4	118.0	17.2%	1.5%	154.6	160.6	169.2	12.7%	1.9%
of which:											
Computer services	11.9	15.5	34.0	45.3	56.1%	0.4%	13.6	15.4	16.3	-29.0%	0.3%
Consumables: Stationery, printing and office supplies	15.0	8.4	26.4	16.2	2.6%	0.3%	9.8	11.1	11.7	-10.4%	0.2%
Operating leases	0.2	5.2	0.2	0.2	-0.8%	-	10.1	9.0	9.5	257.7%	0.1%
Travel and subsistence	26.5	21.5	53.9	40.2	14.9%	0.6%	73.0	74.2	78.1	24.8%	0.9%
Training and development	0.2	-	0.0	-	-100.0%	-	32.7	35.0	36.9	-	0.3%
Operating payments	5.9	3.1	11.3	3.9	-13.0%	0.1%	8.9	9.5	10.0	37.5%	0.1%
Transfers and subsidies¹	1 180.0	1 148.2	1 289.2	1 586.6	10.4%	20.2%	1 342.5	1 588.7	1 678.7	1.9%	20.0%
Departmental agencies and accounts	-	-	22.8	45.6	-	0.3%	14.4	15.2	16.1	-29.4%	0.3%
Non-profit institutions	1 084.1	1 148.1	1 262.5	1 534.8	12.3%	19.5%	1 328.1	1 573.5	1 662.7	2.7%	19.7%
Households	95.9	0.1	3.9	6.2	-59.9%	0.4%	-	-	-	-100.0%	-
Payments for capital assets	0.5	0.8	1.1	0.8	18.2%	-	0.7	0.2	0.2	-32.3%	-
Machinery and equipment	0.5	0.8	1.1	0.8	18.2%	-	0.7	0.2	0.2	-32.3%	-
Payments for financial assets	0.0	-	51.3	-	-100.0%	0.2%	-	-	-	-	-
Total	5 879.3	6 304.5	6 604.8	6 960.2	5.8%	100.0%	7 408.2	8 029.3	8 604.5	7.3%	100.0%
Proportion of total programme expenditure to vote expenditure	16.2%	16.1%	15.7%	14.2%	-	-	14.2%	13.2%	13.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	22.8	45.6	-	0.3%	14.4	15.2	16.1	-29.4%	0.3%
Sector education and training authorities	-	-	22.8	45.6	-	0.3%	14.4	15.2	16.1	-29.4%	0.3%
Non-profit institutions											
Current	1 084.1	1 148.1	1 262.5	1 534.8	12.3%	19.5%	1 328.1	1 573.5	1 662.7	2.7%	19.7%
Technical and vocational education and training colleges	1 084.1	1 148.1	1 262.5	1 534.8	12.3%	19.5%	1 328.1	1 573.5	1 662.7	2.7%	19.7%

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

Programme 5: Skills Development

Programme purpose

Promote and monitor the national skills development strategy. Develop a skills development policy and regulatory framework for an effective skills development system.

Objectives

- Ensure a sound post-school education and training system through the revision of four existing pieces of legislation, regulations and policies for skills development colleges by 31 March 2019.
- Ensure effectual monitoring and evaluation of artisan development by producing five annual oversight reports on the national skills development strategy and good governance standards by sector education and training authorities over the medium term.

- Ensure effectual artisan development assessment services in support of an improved post-school education and training system over the medium term by maintaining 100 per cent provision of trade testing dates to all qualifying applications received, and conducting trade testing within 60 days of all applications received.
- Develop security infrastructure at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments by 31 March 2018 in order to improve artisan development.

Subprogrammes

- *Programme Management: Skills Development* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions.
- *SETA Coordination* supports, monitors, and reports on the implementation of the national skills development strategy at the sectoral level by establishing and managing the performance of service level agreements with sector education and training authorities, and by conducting trade tests at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments.
- *National Skills Development Services* manages projects identified in the national skills development strategy and advises the minister on the national skills development policy and strategy.
- *Quality Development and Promotion* transfers funds to the Quality Council for Trades and Occupations as a contribution to its operations.

Expenditure trends and estimates

Table 15.12 Skills Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million											
Programme Management: Skills Development	1.2	1.4	2.6	2.2	21.7%	1.1%	2.2	2.3	2.5	4.3%	0.9%
SETA Coordination	92.4	101.1	182.7	147.8	17.0%	80.2%	207.7	227.6	242.8	18.0%	84.5%
National Skills Development Services	7.7	6.4	9.0	8.3	2.7%	4.8%	7.5	8.4	9.0	2.6%	3.4%
Quality Development and Promotion	21.7	23.2	22.5	23.1	2.1%	13.9%	26.9	28.5	30.1	9.1%	11.1%
Total	123.0	132.0	216.7	181.4	13.8%	100.0%	244.3	266.8	284.3	16.2%	100.0%
Change to 2016				(43.1)			(0.4)	6.2	7.1		
Budget estimate											
Economic classification											
Current payments	76.3	82.4	100.2	102.2	10.2%	55.3%	112.8	127.6	137.3	10.4%	49.1%
Compensation of employees	65.0	71.6	86.6	90.3	11.6%	48.0%	97.7	111.4	120.3	10.0%	43.0%
Goods and services ¹	11.2	10.8	13.6	11.8	1.7%	7.3%	15.1	16.1	17.0	12.8%	6.1%
of which:											
Communication	1.4	1.2	1.3	1.2	-5.4%	0.8%	1.7	1.7	1.8	13.4%	0.6%
Inventory: Food and food supplies	0.5	0.4	-	0.3	-13.3%	0.2%	3.0	3.5	3.7	131.0%	1.1%
Consumable supplies	-	0.7	4.7	2.0	-	1.1%	2.3	2.9	3.1	15.8%	1.0%
Consumables: Stationery, printing and office supplies	3.1	0.7	0.6	0.9	-32.6%	0.8%	1.6	1.2	1.3	10.7%	0.5%
Property payments	0.5	0.8	0.6	0.7	6.3%	0.4%	0.9	0.9	1.0	13.5%	0.3%
Travel and subsistence	3.2	2.2	2.3	2.4	-9.0%	1.5%	3.4	3.4	3.6	14.7%	1.3%
Transfers and subsidies¹	45.8	49.2	115.8	79.0	19.9%	44.4%	130.7	138.3	146.0	22.7%	50.6%
Departmental agencies and accounts	45.1	49.2	115.8	78.9	20.5%	44.2%	130.7	138.3	146.0	22.8%	50.6%
Households	0.7	-	0.1	0.1	-49.4%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.9	0.4	0.4	0.3	-32.5%	0.3%	0.8	0.9	1.0	50.6%	0.3%
Machinery and equipment	0.9	0.4	0.4	0.3	-32.5%	0.3%	0.8	0.9	1.0	50.6%	0.3%
Payments for financial assets	-	0.0	0.3	-	-	-	-	-	-	-	-
Total	123.0	132.0	216.7	181.4	13.8%	100.0%	244.3	266.8	284.3	16.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.5%	0.4%	-	-	0.5%	0.4%	0.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	45.1	49.2	115.7	78.9	20.5%	44.2%	130.7	138.3	146.0	22.8%	50.6%
Quality Council for Trades and Occupations	21.7	23.2	21.8	23.1	2.1%	13.8%	26.9	28.5	30.1	9.1%	11.1%
Public Service Sector Education and Training Authority	23.3	26.0	93.8	55.7	33.7%	30.4%	103.8	109.8	115.9	27.7%	39.4%

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

Programme 6: Community Education and Training

Programme purpose

Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for community education and training.

Objectives

- Ensure a sound post-school education and training system through the development of two new and the revision of two existing pieces of legislation, regulations and policies for community education and training colleges by 31 March 2018.
- Ensure effectual monitoring and evaluation of the community education and training sector by producing one annual oversight report on teaching and learning support by 31 March 2020.
- Provide learning assessment services for community education and training colleges by concluding two annual resulting cycles for community education and training national examinations, and finalising all examination-related complaints, in support of an improved post-school education and training system over the medium term.

Subprogrammes

- *Programme Management: Community Education and Training* manages the delegated administrative and financial responsibilities, and coordinates the monitoring and evaluation function of the programme.
- *Community Education and Training Colleges Systems Planning, Institutional Development and Support* supports management and councils, monitors and evaluates the community education and training system performance against set indicators, develops regulatory frameworks for the system, manages and monitors the procurement and distribution of learning and teaching support materials, provides leadership for community education and training colleges to enter into partnerships for the use of infrastructure for college site-hosting centres and funding these partnerships, maps an institutional landscape for the rollout of the community education and training system, and is responsible for community education and training infrastructure planning and development.
- *Financial Planning* sets up financial management systems; develops the financial management capacity of community education and training colleges; manages and determines the fair distribution of funding to community education and training colleges in accordance with funding norms and standards for funding these colleges; monitors compliance with supply chain management policy; and ensures the timely submission of audited performance information, annual financial statements, and quarterly and annual reports.
- *Education and Training and Development Support* manages and coordinates curriculum development processes; ensures the development of quality learning and teaching materials; monitors and supports the implementation of curriculum statements and assessment regulations; monitors and supports the development of lecturers; provides leadership for community education and training colleges to diversify their programmes, qualifications and curriculums; and provides leadership for colleges to form partnerships and linkages for programme diversification.

Expenditure trends and estimates

Table 15.13 Community Education and Training expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
R million											
Programme Management: Community Education and Training	–	–	–	2.9	–	–	1.7	2.0	2.1	-9.2%	0.1%
Community Education and Training Colleges Systems Planning, Institutional Development and Support	1 771.1	1 847.2	1 653.2	1 883.6	2.1%	95.1%	2 055.2	2 165.0	2 328.7	7.3%	91.7%
Financial Planning	–	–	157.2	166.3	–	4.3%	166.3	177.0	186.8	3.9%	7.6%
Education and Training and Development Support	5.7	5.9	14.0	17.0	44.4%	0.6%	11.6	12.5	12.7	-9.4%	0.6%
Total	1 776.8	1 853.1	1 824.4	2 069.8	5.2%	100.0%	2 234.9	2 356.4	2 530.3	6.9%	100.0%
Change to 2016 Budget estimate				0.0			(2.4)	(23.2)	(26.6)		

Table 15.13 Community Education and Training expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Current payments	1 776.2	1 852.5	1 731.3	1 969.1	3.5%	97.4%	2 128.4	2 243.8	2 411.3	7.0%	95.2%
Compensation of employees	1 696.3	1 774.7	1 712.3	1 905.8	4.0%	94.2%	2 069.8	2 180.7	2 344.9	7.2%	92.5%
Goods and services ¹	79.9	77.8	18.9	63.3	-7.5%	3.2%	58.6	63.1	66.4	1.6%	2.7%
of which:											
Communication	6.0	6.3	0.2	1.7	-35.1%	0.2%	2.1	2.6	2.8	18.9%	0.1%
Consumable supplies	–	–	0.0	0.1	–	–	1.0	1.3	1.7	204.7%	–
Consumables: Stationery, printing and office supplies	2.0	1.0	1.8	25.5	133.0%	0.4%	31.5	38.3	40.2	16.3%	1.5%
Rental and hiring	–	–	0.5	5.0	–	0.1%	3.6	3.5	3.5	-10.9%	0.2%
Travel and subsistence	61.3	58.1	7.9	5.1	-56.4%	1.8%	4.4	4.9	5.0	-0.7%	0.2%
Training and development	3.3	4.0	0.0	22.3	88.3%	0.4%	14.4	10.9	11.5	-19.8%	0.6%
Transfers and subsidies¹	–	–	93.1	100.2	–	2.6%	104.7	110.8	117.0	5.3%	4.7%
Departmental agencies and accounts	–	–	–	0.8	–	–	0.8	0.8	0.9	3.7%	–
Non-profit institutions	–	–	91.8	98.2	–	2.5%	103.9	109.9	116.1	5.7%	4.7%
Households	–	–	1.3	1.2	–	–	–	–	–	-100.0%	–
Payments for capital assets	0.5	0.6	0.0	0.5	-2.0%	–	1.8	1.9	2.0	57.8%	0.1%
Machinery and equipment	0.5	0.6	0.0	0.5	-2.0%	–	1.8	1.9	2.0	57.8%	0.1%
Total	1 776.8	1 853.1	1 824.4	2 069.8	5.2%	100.0%	2 234.9	2 356.4	2 530.3	6.9%	100.0%
Proportion of total programme expenditure to vote expenditure	4.9%	4.7%	4.3%	4.2%	–	–	4.3%	3.9%	3.9%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	–	–	91.8	98.2	–	2.5%	103.9	109.9	116.1	5.7%	4.7%
Community education and training colleges	–	–	91.8	98.2	–	2.5%	103.9	109.9	116.1	5.7%	4.7%

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

Entities¹

National Skills Fund

Mandate

The National Skills Fund was established in 1999 in terms of section 27 of the Skills Development Act (1998). The fund focuses on national priority projects identified in the national skills development strategy related to the achievement of the purposes of the act, as determined by the director general of the Department of Higher Education and Training, and any activity undertaken by the Minister of Higher Education and Training to achieve a national standard of good practice in skills development.

Selected performance indicators

Table 15.14 National Skills Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Number of learners who completed their education and training towards priority occupations per year	Grant disbursement		– ¹	– ¹	– ¹	6 500	7 000	7 500	7 500
Number of small, medium and micro enterprises and cooperatives that benefited from the fund's skills development initiatives per year	Grant disbursement	Outcome 5: A skilled and capable workforce to support an inclusive growth path	– ¹	– ¹	– ¹	100	150	200	250
Number of learners who acquired skills through funded community-based skills development initiatives per year	Grant disbursement		– ¹	– ¹	– ¹	1 400	1 400	1 400	1 400
Number of workers to be educated through workers' education initiatives per year	Grant disbursement		– ¹	– ¹	– ¹	560	840	1 120	1 400

1. No historical data available.

Expenditure analysis

Over the medium term, the National Skills Fund will continue supporting quality and growth in the post-school education and training system by funding national priority skills initiatives such as artisan development and creating greater opportunities for out-of-school youth. The fund will also focus on supporting small, medium and micro enterprises and cooperatives on learner and worker education and training, skills infrastructure

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

development, skills development research, innovation and communication, and projects aimed at expanding, integrating and improving the effectiveness of the post-school education and training system. This is in line with outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework.

Transfer payments to skills development programmes and projects account for 97 per cent of the fund's total budget over the MTEF period. The value of these transfer payments, however, is expected to decrease from R8.9 billion in 2016/17 to R6 billion in 2019/20, in line with downward revised estimates of the skills development levy income and the use of accumulated surpluses. Over the medium term, this spending will contribute to an estimated 600 small, medium and micro enterprises and cooperatives benefiting from the fund's skills development initiatives; 4 200 learners acquiring various skills through community-based skills development initiatives; and 3 360 workers benefiting from workers' education initiatives.

The fund has committed to assisting projects in expanding and improving the TVET system; providing various workplace-based opportunities (apprenticeships, internships and skills programmes); financially supporting 20 centres of specialisation related to priority artisan trades at public TVET colleges across the country; and providing bursaries and scholarships to the new generation of academics in the university system.

The fund is in the process of implementing a new organisational structure to improve its capabilities in skills planning, skills development initiation, monitoring and evaluation, and financial management for projects. The process, which was implemented in 2015/16, accounts for the more than 200 per cent increase in spending on compensation of employees from R40.4 million in 2015/16 to R131 million in 2016/17. The implementation of the new organisational structure is also responsible for the increase in the entity's staff complement to 215 over the same period. This increase includes an internship programme, which the fund will establish and expand over the medium term to accommodate approximately 30 young people on an annual basis within the entity and institutions in the broader post-school education and training system. As a result, spending on compensation of employees over the medium term is expected to increase at an average annual rate of 6.1 per cent.

The fund's primary source of revenue is the skills development levy, which is collected by the South African Revenue Service and transferred to the fund as a direct charge against the National Revenue Fund. This transfer is expected to increase from R3.1 billion in 2016/17 to R3.9 billion in 2019/20, and accounts for 92.5 per cent of total revenue over the medium term.

Programmes/objectives/activities

Table 15.15 National Skills Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Administration	95.4	127.6	140.0	390.3	60.0%	4.6%	401.2	424.7	442.4	4.3%	8.8%
Grant disbursement	2 290.1	2 925.1	4 194.5	5 044.7	30.1%	95.4%	9 162.0	3 166.1	3 270.5	-13.5%	91.2%
Total	2 385.5	3 052.7	4 334.5	5 435.1	31.6%	100.0%	9 563.2	3 590.8	3 712.8	-11.9%	100.0%

Statements of historical financial performance and position

Table 15.16 National Skills Fund statements of historical financial performance and position

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17	
Revenue									
Non-tax revenue	399.0	1 469.1	419.5	3 128.1	961.4	1 102.8	363.1	408.8	285.1%
Other non-tax revenue	399.0	1 469.1	419.5	3 128.1	961.4	1 102.8	363.1	408.8	285.1%
Interest, dividends and rent on land	399.0	356.9	419.5	423.0	321.5	678.6	278.2	350.1	127.5%
Transfers received	2 480.6	2 514.9	3 247.9	2 750.6	3 159.3	3 033.1	3 527.1	3 179.4	92.5%
Total revenue	2 879.6	3 984.0	3 667.4	5 878.7	4 120.7	4 135.9	3 890.2	3 588.2	120.8%
Expenses									
Current expenses	207.6	46.6	110.5	95.8	170.3	91.4	235.5	235.5	64.8%
Compensation of employees	47.0	24.5	53.2	29.2	57.7	40.4	131.0	131.0	77.9%
Goods and services	160.6	21.9	57.3	63.9	112.5	45.9	95.4	95.4	53.3%
Depreciation	-	0.3	-	2.7	-	5.1	9.1	9.1	189.1%
Transfers and subsidies	2 508.8	3 027.2	4 487.8	3 138.9	4 538.9	4 405.8	6 201.4	5 279.8	89.4%
Total expenses	2 716.5	3 073.8	4 598.3	3 234.7	4 709.2	4 497.2	6 436.9	5 515.4	88.4%
Surplus/(Deficit)	163.0	910.0	(931.0)	2 644.0	(589.0)	(361.0)	(2 547.0)	(1 927.0)	

Table 15.16 National Skills Fund statements of historical financial performance and position

Statement of financial position									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Carrying value of assets	-	1.0	-	261.4	-	602.0	635.7	51.0	144.0%
<i>of which:</i>									
Acquisition of assets	-	(159.4)	-	(105.0)	-	(345.7)	-	(1 772.5)	-
Investments	4 094.7	5 956.1	4 094.7	7 931.1	10 541.7	10 423.3	8 185.8	6 240.8	113.5%
Receivables and prepayments	-	2 251.4	-	1 782.4	-	715.2	755.3	797.5	734.4%
Cash and cash equivalents	-	1 161.9	-	2 270.5	-	186.1	196.5	207.5	1 947.2%
Total assets	4 094.7	9 370.3	4 094.7	12 245.4	10 541.7	11 926.6	9 773.2	7 296.8	143.3%
Accumulated surplus/(deficit)	-	6 017.1	-	6 040.8	10 541.7	6 278.8	4 185.8	3 742.1	149.9%
Capital and reserves	-	2 577.9	-	5 198.8	-	4 599.5	4 480.4	3 505.0	354.5%
Capital reserve fund	-	745.7	-	948.1	-	1 001.4	1 057.5	-	254.9%
Trade and other payables	-	25.4	-	50.6	-	38.8	41.0	41.2	380.6%
Provisions	-	4.3	-	7.2	-	3.0	3.2	3.2	557.7%
Derivatives financial instruments	-	-	-	-	-	5.1	5.4	5.4	194.6%
Total equity and liabilities	-	9 370.3	-	12 245.4	10 541.7	11 926.6	9 773.2	7 296.8	201.0%

Statements of estimates of financial performance and position**Table 15.17 National Skills Fund statements of estimates of financial performance and position**

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
Revenue								
Non-tax revenue	408.8	-34.7%	32.0%	306.1	231.3	171.0	-25.2%	7.5%
Other non-tax revenue	408.8	-34.7%	32.0%	306.1	231.3	171.0	-25.2%	7.5%
Interest, dividends and rent on land	350.1	-0.6%	10.6%	247.4	172.6	112.3	-31.5%	6.0%
Transfers received	3 179.4	8.1%	68.0%	3 328.3	3 593.6	3 890.8	7.0%	92.5%
Total revenue	3 588.2	-3.4%	100.0%	3 634.4	3 825.0	4 061.9	4.2%	100.0%
Expenses								
Current expenses	235.5	71.6%	2.7%	238.7	254.1	262.2	3.6%	6.8%
Compensation of employees	131.0	74.9%	1.2%	139.8	148.1	156.3	6.1%	2.9%
Goods and services	95.4	63.4%	1.4%	86.6	91.0	90.8	-1.6%	1.8%
Depreciation	9.1	216.5%	0.1%	12.2	15.1	15.1	18.3%	0.3%
Transfers and subsidies	5 279.8	20.4%	97.3%	9 565.0	3 477.4	3 696.2	-11.2%	95.0%
Total expenses	5 515.4	21.5%	100.0%	9 803.7	3 731.4	3 958.4	-10.5%	100.0%
Surplus/(Deficit)	(1 927.0)	(2)		(6 169.0)	94.0	104.0	-137.8%	
Statement of financial position								
Carrying value of assets	51.0	272.0%	2.0%	45.5	21.0	11.7	-38.8%	0.7%
<i>of which:</i>								
Acquisition of assets	(1 772.5)	123.2%	-7.4%	(759.7)	-	-	-100.0%	-9.8%
Investments	6 240.8	1.6%	75.3%	3 968.8	2 292.8	674.5	-52.4%	65.2%
Receivables and prepayments	798	-29.2%	13.9%	889	992	1 047	9.5%	27.1%
Cash and cash equivalents	207	-43.7%	8.8%	231	258	272	9.5%	7.0%
Total assets	7 296.8	-8.0%	100.0%	5 135.0	3 563.5	2 006.0	-35.0%	100.0%
Accumulated surplus/(deficit)	3 742.1	-14.6%	54.4%	84.1	65.3	52.9	-75.8%	14.3%
Capital and reserves	3 505.0	10.8%	39.1%	4 989.5	3 442.6	1 894.3	-18.5%	84.1%
Trade and other payables	41.2	17.4%	0.4%	52.3	46.1	48.7	5.7%	1.3%
Provisions	3.2	-9.9%	0.0%	3.4	3.5	3.7	5.9%	0.1%
Derivatives financial instruments	5.4	-	0.0%	5.7	6.1	6.4	5.9%	0.2%
Total equity and liabilities	7 296.8	-8.0%	100.0%	5 135.0	3 563.5	2 006.0	-35.0%	100.0%

Personnel information

Table 15.18 National Skills Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost	
Salary level		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20		
National Skills Fund	215	215	99	40.4	0.4	215	131.0	0.6	214	139.8	0.7	214	148.1	0.7	214	156.3	0.7	6.1%	100.0%
1 – 6	42	42	25	2.9	0.1	42	4.8	0.1	41	5.1	0.1	41	5.5	0.1	41	5.8	0.1	5.9%	19.3%
7 – 10	87	87	48	15.8	0.3	87	37.9	0.4	87	40.4	0.5	87	42.8	0.5	87	45.2	0.5	6.0%	40.6%
11 – 12	59	59	18	13.8	0.8	59	56.4	1.0	59	60.4	1.0	59	63.9	1.1	59	67.5	1.1	6.2%	27.5%
13 – 16	27	27	8	8.0	1.0	27	31.9	1.2	27	33.8	1.3	27	35.8	1.3	27	37.8	1.4	5.9%	12.6%

1. Rand million.

National Student Financial Aid Scheme

Mandate

The National Student Financial Aid Scheme was established in terms of the National Student Financial Aid Scheme Act (1999). It is responsible for providing loans and bursaries, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recovering loans, maintaining and analysing a database of funded students, undertaking research for the better use of financial resources, and advising the minister on matters relating to student financial aid.

Selected performance indicators

Table 15.19 National Student Financial Aid Scheme performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Amount of financial aid raised from new funders for qualifying students per year	Student-centred financial aid	Outcome 5: A skilled and capable workforce to support an inclusive growth path	R374m	R69.5m	R18.6m	R10m	R11m	R12.2m	R13.4m
Total amount of financial aid raised for qualifying students from current funders ¹	Student-centred financial aid		R1.3bn	R727m	R2.4bn	R188m	10% growth on 2016/17 actual	10% growth on 2017/18 actual	10% growth on 2018/19 actual
Amount of funds recovered from national student financial aid scheme debtors per year	Student-centred financial aid		R339m	R248m	R227m	R285m	50% growth on 2016/17 actual	75% growth on 2017/18 actual	100% growth on 2018/19 actual
Percentage of students migrated to the new student-centred model (cumulative)	Administration	Entity mandate	– ²	– ²	24% (99 587/ 413 000)	80%	100%	– ³	– ³
Number of students assisted in higher education institutions per year	Student-centred financial aid	Outcome 5: A skilled and capable workforce to support an inclusive growth path	194 923	186 150	178 961	205 000 ⁴	205 000 ⁴	205 000 ⁴	205 000 ⁴
Number of students assisted in TVET colleges per year	Student-centred financial aid		220 978	228 642	235 988	200 000 ⁴	200 000 ⁴	200 000 ⁴	200 000 ⁴
Percentage of students in the student-centred model per year paid tuition and residence fees within 30 days	Student-centred financial aid		– ²	– ²	98.5% (60 166/ 61 083)	98%	98%	99%	100%
Percentage of students in the student-centred model per year paid allowances on or before due date	Student-centred financial aid		– ²	– ²	94.1% (27 398/ 29 127)	98%	98%	99%	100%
Percentage of claims per year paid to institutions outside of the student-centred model on or before due date	Student-centred financial aid		– ²	– ²	100% (R7.9bn)	100%	100%	– ³	– ³
Percentage of upfront payments made per year to institutions outside of the student-centred model on or before due date	Student-centred financial aid		100% (R649m)	100% (R1.1bn)	100% (R1.7bn)	100%	– ⁵	– ⁵	– ⁵

1. Indicator has been rephrased to cumulative measurement in line with the 2017/18 annual performance plan, impacting on amounts from 2015/16.

2. No historical data available.

3. The project to migrate all students on to the new student-centred model is expected to be completed in 2017/18.

4. Aligned with outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework.

5. New system integrated with higher education institutions planned for implementation in 2017/18 will no longer require measurement of this indicator.

Expenditure analysis

Over the medium term, the National Student Financial Aid Scheme will focus on increasing student funding and improving loan recoveries to ensure that all qualifying students who cannot afford to pay for their studies receive adequate funding support. Other focus areas over the period include implementing the scheme's funding and recovery strategies, and finalising the implementation of the student-centred model. By providing funding for poor

students to access university education, the entity's work supports the realisation of outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework.

The number of students assisted with financial aid for the full cost of study (tuition, accommodation, books, meals and a stipend) in higher education institutions and TVET colleges decreased in 2014/15 and 2015/16 as funding was insufficient and tuition fees increased at a quicker rate than general inflation. However, in an effort to ensure access to higher education for poor students, the number of students assisted in higher education institutions is expected to increase over the medium term, from 178 961 in 2015/16 to 205 000 in 2019/20, supported partially by the additional R7.7 billion allocated to the scheme over the medium term period. This additional funding supplements the additional R10.6 billion that government allocated to the scheme in the 2016 budget.

The process of migrating all students at universities and TVET colleges to the new student-centred model by the end of 2017/18 is still under way. The model will see the introduction of an automated financial means test that allows students to apply for funding online and directly to the scheme, not through institutions. The rollout of the model and the additional allocation for new and continuing students is placing considerable pressure on the administration budget, particularly on ICT capacity and human resources. To remain within budget, adjustments in the 2016/17 baseline have been effected to increase the administration budget, specifically for spending on goods and services. Expenditure on agency support and outsourced services was adjusted upward by R7.6 million, consultants by R18.4 million, and contractors by R8 million from interest revenue earned.

Due to the repeal of section 23 of the National Student Financial Aid Scheme Act (2011), which gave the scheme legal right to effect garnishee orders on debtors without consent, debt collections have been declining. The amount of funds recovered from the scheme's debtors per year decreased from R339 million in 2013/14 to R227 million in 2015/16. However, the implementation of the new recoveries strategy in December 2015 saw an increase in debt collections from R227 million in 2015/16 to R285 million in 2016/17.

The scheme increased its staff complement from 260 in 2015/16 to 361 2016/17 to build capacity for the rollout of the recoveries strategy and the student-centred model. This resulted in an increase in spending on compensation of employees, from R95.9 million in 2015/16 to R138.7 million in 2016/17. Spending on compensation of employees is expected to increase at an average annual rate of 6.7 per cent over the medium term, with the number of posts increasing to 396 by 2019/20.

The scheme derives most of its revenue from transfers from the Department of Higher Education and Training. Transfers are also received from a few higher education institutions, the National Skills Fund, and some of the sector education and training authorities. These transfers contribute a projected 22 per cent, or R4.7 billion, of the scheme's total revenue over the medium term.

Programmes/objectives/activities

Table 15.20 National Student Financial Aid Scheme expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	126.0	123.0	128.6	189.2	14.5%	1.5%	197.1	207.7	218.8	5.0%	1.9%
Student centered financial aid	7 745.0	10 727.3	8 476.9	9 531.1	7.2%	98.5%	10 181.7	10 675.7	11 240.9	5.7%	98.1%
Total	7 871.0	10 850.3	8 605.5	9 720.4	7.3%	100.0%	10 378.8	10 883.3	11 459.7	5.6%	100.0%

Statements of historical financial performance and position

Table 15.21 National Student Financial Aid Scheme statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
R million	Budget 2013/14	Audited outcome	Budget 2014/15	Audited outcome	Budget 2015/16	Audited outcome	Budget estimate 2016/17	Revised estimate	
Revenue									
Non-tax revenue	708.2	670.6	27.6	871.4	890.7	720.3	913.4	783.2	119.9%
Sale of goods and services other than capital assets	19.7	14.9	27.6	16.2	16.7	22.3	17.6	19.8	89.6%
<i>of which:</i>									
<i>Administrative fees</i>	19.7	14.9	27.6	16.2	16.7	22.3	17.6	19.8	89.6%
Other non-tax revenue	688.5	655.8	–	855.3	873.9	697.9	895.8	763.5	120.9%
Transfers received	8 142.4	7 999.5	13 435.1	8 881.4	9 226.1	9 543.5	14 311.0	14 311.0	90.3%
Total revenue	8 850.6	8 670.2	13 462.7	9 752.8	10 116.7	10 263.8	15 224.3	15 094.2	91.9%
Expenses									
Current expenses	130.3	2 191.0	143.8	4 733.6	197.2	2 185.5	194.4	267.5	1 408.7%
Compensation of employees	52.3	65.9	84.6	82.3	101.6	95.9	107.2	138.7	110.7%
Goods and services	72.6	2 094.3	52.1	4 624.6	67.6	2 063.5	57.8	99.4	3 551.6%
Depreciation	5.4	30.8	7.1	26.7	28.1	26.0	29.3	29.3	161.4%
Transfers and subsidies	6 000.7	5 680.0	6 911.9	6 116.7	7 242.4	6 420.0	8 435.7	9 452.9	96.8%
Total expenses	6 131.0	7 871.0	7 055.7	10 850.3	7 439.6	8 605.5	8 630.1	9 720.4	126.6%
Surplus/(Deficit)	2 720.0	799.0	6 407.0	(1 098.0)	2 677.0	1 658.0	6 594.0	5 374.0	
Statement of financial position									
Carrying value of assets	9.8	62.2	10.4	38.3	40.6	22.0	43.1	22.8	139.8%
<i>of which:</i>									
<i>Acquisition of assets</i>	(5.4)	(69.3)	(7.1)	(2.8)	(12.7)	(9.7)	(12.1)	(14.0)	257.2%
Investments	635.9	–	670.9	–	–	–	–	–	–
Loans	7 560.0	7 442.8	7 938.0	6 110.2	6 476.8	7 176.2	10 644.8	10 284.2	95.1%
Receivables and prepayments	489.9	903.1	516.9	1 262.5	1 373.4	1 980.2	1 458.5	2 029.4	160.9%
Cash and cash equivalents	2 334.7	1 842.4	2 463.1	1 535.9	1 628.0	912.9	1 728.9	1 004.2	64.9%
Total assets	11 030.3	10 250.5	11 599.2	8 946.8	9 518.8	10 091.3	13 875.4	13 340.6	92.6%
Accumulated surplus/(deficit)	1 572.4	799.2	1 621.1	(1 097.5)	445.8	1 658.3	490.2	1 741.2	75.1%
Capital and reserves	9 272.2	7 682.0	9 782.1	8 472.8	7 375.2	7 375.2	11 598.9	10 485.2	89.4%
Capital reserve fund	–	(8.4)	–	–	–	–	–	–	–
Deferred income	173.9	1 400.8	183.5	1 265.0	1 340.9	825.9	1 410.6	867.2	140.2%
Trade and other payables	11.9	312.4	12.6	241.5	291.2	172.0	309.2	180.6	145.1%
Provisions	–	64.5	–	65.0	65.7	59.9	66.3	66.3	193.7%
Total equity and liabilities	11 030.3	10 250.5	11 599.2	8 946.8	9 518.8	10 091.3	13 875.4	13 340.6	92.6%

Statements of estimates of financial performance and position

Table 15.22 National Student Financial Aid Scheme statements of estimates of financial performance and position

Statement of financial performance								
R million	Revised estimate 2016/17	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
				2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	783.2	5.3%	7.2%	863.4	947.8	1 040.9	9.9%	5.4%
Sale of goods and services other than capital assets	19.8	10.0%	0.2%	23.5	24.0	24.7	7.8%	0.1%
<i>of which:</i>								
<i>Administrative fees</i>	19.8	10.0%	0.2%	23.5	24.0	24.7	7.8%	0.1%
Other non-tax revenue	763.5	5.2%	7.0%	839.8	923.8	1 016.2	10.0%	5.2%
Transfers received	14 311.0	21.4%	92.8%	15 640.2	16 421.6	17 382.9	6.7%	94.6%
Total revenue	15 094.2	20.3%	100.0%	16 503.5	17 369.4	18 423.8	6.9%	100.0%
Expenses								
Current expenses	267.5	-50.4%	24.9%	271.2	286.1	301.7	4.1%	3.6%
Compensation of employees	138.7	28.2%	1.0%	152.0	160.0	168.7	6.7%	1.5%
Goods and services	99.4	-63.8%	23.6%	88.7	93.6	98.7	-0.2%	0.9%
Depreciation	29.3	-1.6%	0.3%	30.5	32.5	34.3	5.3%	0.3%
Transfers and subsidies	9 452.9	18.5%	75.1%	10 107.6	10 597.2	11 158.0	5.7%	97.3%
Total expenses	9 720.4	7.3%	100.0%	10 378.8	10 883.3	11 459.7	5.6%	100.0%
Surplus/(Deficit)	5 374.0	1.0		6 125.0	6 486.0	6 964.0	9.0%	
Statement of financial position								
Carrying value of assets	22.8	-28.4%	0.4%	23.6	24.4	25.2	3.5%	0.1%
<i>of which:</i>								
<i>Acquisition of assets</i>	(14.0)	-41.4%	-0.2%	(8.9)	(9.4)	(9.9)	-10.8%	-0.1%
Loans	10 284.2	11.4%	72.3%	12 317.5	14 544.8	16 991.2	18.2%	80.4%
Receivables and prepayments	2 029.4	31.0%	14.4%	2 079.9	2 131.5	2 184.5	2.5%	12.8%
Cash and cash equivalents	1 004.2	-18.3%	12.9%	1 054.4	1 109.8	1 170.8	5.2%	6.6%
Total assets	13 340.6	9.2%	100.0%	15 475.3	17 810.5	20 371.8	15.2%	100.0%
Accumulated surplus/(deficit)	1 741.2	29.6%	6.3%	1 828.3	1 919.7	2 015.7	5.0%	11.4%
Capital and reserves	10 485.2	10.9%	80.3%	12 479.8	14 667.9	17 073.8	17.6%	81.4%
Deferred income	867.2	-14.8%	10.6%	910.5	956.0	1 003.8	5.0%	5.7%
Trade and other payables	180.6	-16.7%	2.2%	189.7	199.2	209.1	5.0%	1.2%
Provisions	66.3	0.9%	0.6%	67.0	67.7	69.4	1.5%	0.4%
Total equity and liabilities	13 340.6	9.2%	100.0%	15 475.3	17 810.5	20 371.8	15.2%	100.0%

Personnel information

Table 15.23 National Student Financial Aid Scheme personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
National Student Financial Aid Scheme	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost
	362	361	260	95.9	0.4	361	138.7	0.4	393	152.0	0.4	397	160.0	0.4	396	168.7	0.4	6.7%	100.0%
Salary level																			
1 – 6	216	215	144	26.7	0.2	215	41.9	0.2	253	52.9	0.2	259	57.1	0.2	258	60.0	0.2	12.7%	63.6%
7 – 10	84	84	66	25.7	0.4	84	36.9	0.4	78	36.8	0.5	78	39.0	0.5	78	41.1	0.5	3.7%	20.6%
11 – 12	30	30	23	15.4	0.7	30	22.9	0.8	31	25.3	0.8	30	26.0	0.9	30	27.5	0.9	6.2%	7.8%
13 – 16	32	32	27	28.2	1.0	32	37.0	1.2	31	37.0	1.2	30	38.0	1.3	30	40.1	1.3	2.7%	8.0%

1. Rand million.

Sector education and training authorities

Mandate

As per the Skills Development Act (1998), sector education and training authorities are mandated to implement national, sector and workplace strategies to develop and improve skills in the South African workforce; provide learnerships that lead to a recognised occupational qualification; and fund skills development.

Selected performance indicators

Table 15.24 Sector education and training authorities performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of unemployed persons entering skills programmes per year	Discretionary grant	Outcome 5: A skilled and capable workforce to support an inclusive growth path	18 231	31 978	38 622	31 715	34 252	36 992	39 211
Number of workers entering skills programmes per year	Mandatory grant		75 644	105 305	84 971	78 215	84 472	91 229	96 702
Number of unemployed persons completing skills programmes per year	Discretionary grant		18 835	23 923	35 675	16 074	17 359	18 747	19 872
Number of workers completing skills programmes per year	Mandatory grant		91 438	82 536	91 469	62 388	67 379	72 769	77 135
Number of unemployed persons entering learnerships per year	Discretionary grant		46 012	48 831	67 029	47 554	51 358	55 466	58 794
Number of workers entering learnerships per year	Mandatory grant		30 511	29 099	27 340	33 085	35 731	38 589	40 904
Number of unemployed persons completing learnerships per year	Discretionary grant		25 372	22 206	28 356	24 878	26 868	29 017	30 758
Number of workers completing learnerships per year	Mandatory grant		14 500	18 685	14 957	17 927	19 361	20 909	22 164
Number of unemployed persons receiving bursaries per year	Discretionary grant		13 105	14 683	19 044	11 630	12 560	13 564	14 378
Number of workers receiving bursaries per year	Mandatory grant		5 563	7 624	7 056	8 157	8 809	9 513	10 084
Number of university students placed in workplaces per year as part of qualification requirements	Discretionary grant		3 859	7 590	7 643	20 089	21 696	23 431	24 837
Number of TVET college students placed in workplaces per year as part of qualification requirements	Discretionary grant		11 953	14 400	13 213	11 633	12 563	13 568	14 382

Expenditure analysis

The core focus of sector education and training authorities is creating a training system that caters for different needs and produces skilled individuals. The authorities derive their objectives directly from the third national skills development strategy, which aims to: increase access to occupationally directed programmes; promote the growth of public TVET colleges; address low levels of youth and adult literacy and numeracy skills; and encourage the better use of workplace-based skills development. These objectives are in line with outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework.

The authorities will continue to strengthen and deliver relevant priority skills to South Africa's labour market, with particular emphasis on artisan development, apprenticeships, learnerships, internships and bursaries; and partnerships with TVET colleges, universities and the market to provide work experience opportunities. Over the MTEF period, the authorities plan to facilitate the entry of 382 858 individuals into various skills programmes, and 280 842 individuals into learnerships.

The number of bursaries awarded to unemployed individuals is expected to increase from 11 630 in 2016/17 to 14 378 in 2019/20, and from 8 157 workers in 2016/17 to 10 084 to workers in 2019/20. The placement of university students is expected to increase from 20 089 in 2016/17 to 24 837 in 2019/20, while the placement of TVET college students is also expected to increase from 11 663 to 14 382 over the same period.

Authorities generate revenue from the skills development levy, which is collected by the South African Revenue Service and transferred to them as a direct charge against the National Revenue Fund. The value of these transfers is expected to increase at an average annual rate of 8 per cent, from R12.4 billion in 2016/17 to R15.6 billion in 2019/20, constituting approximately 93 per cent of the authorities' total revenues. Other revenue generated by sector education and training authorities is mostly generated from interest income amounting to R1.8 billion over the medium term; and fines, penalties and forfeits amounting to R235.8 million over the same period.

Statements of historical financial performance and position

Table 15.25 Sector education and training authorities consolidation statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	562.3	855.3	598.8	1 152.2	879.6	1 572.2	840.8	888.9	155.1%
Other non-tax revenue	562.3	855.3	598.8	1 152.2	879.6	1 572.2	840.8	888.9	155.1%
Transfers received	9 482.6	10 183.8	10 207.7	11 158.5	12 075.6	12 519.8	12 803.5	12 666.9	104.4%
Total revenue	10 045.0	11 039.2	10 689.7	12 310.7	12 955.2	14 092.0	13 644.3	13 555.9	107.7%
Expenses									
Current expenses	1 287.8	1 412.0	1 573.9	1 522.6	1 867.7	1 687.9	1 821.9	1 996.1	101.0%
Compensation of employees	644.4	712.1	758.9	763.1	832.7	811.9	932.5	937.3	101.8%
Goods and services	623.3	673.0	775.9	726.9	1 006.1	838.8	859.1	1 026.1	100.0%
Depreciation	19.6	25.6	38.9	30.2	28.8	31.0	30.3	32.7	101.7%
Interest, dividends and rent on land	0.5	1.3	0.2	2.4	-	6.2	-	-	1 225.3%
Transfers and subsidies	7 548.4	8 788.2	4 799.4	9 003.2	9 756.0	9 572.1	11 340.9	11 956.2	117.6%
Total expenses	8 836.3	10 200.2	6 373.3	10 525.8	11 623.6	11 260.0	13 162.8	13 952.3	114.9%
Surplus/(Deficit)	1 209.0	839.0	4 316.0	1 785.0	1 332.0	2 832.0	482.0	(396.0)	
Statement of financial position									
Carrying value of assets	233.4	181.0	337.5	208.1	416.8	288.9	510.1	553.4	82.2%
of which:									
Acquisition of assets	(24.0)	(86.1)	(36.5)	(68.0)	(57.0)	(146.9)	(27.9)	(35.9)	231.6%
Investments	1 759.0	1 320.0	1 206.0	1 643.3	1 746.5	2 018.0	1 737.0	1 950.0	107.5%
Inventory	1.6	3.6	2.6	4.4	3.7	5.9	3.9	3.6	149.4%
Accrued investment interest	9.1	62.4	42.1	66.4	33.4	5.2	35.8	35.8	141.0%
Receivables and prepayments	110.2	142.2	91.2	260.3	133.0	288.7	125.6	131.3	178.8%
Cash and cash equivalents	4 261.4	10 084.4	4 697.9	9 850.9	7 429.0	11 039.2	7 519.9	7 711.0	161.8%
Total assets	6 374.6	11 793.6	6 377.2	12 033.4	9 762.4	13 645.8	9 932.3	10 385.1	147.5%
Accumulated surplus/(deficit)	2 706.5	5 006.9	3 252.9	4 568.3	4 766.5	5 403.7	4 867.5	4 346.3	123.9%
Capital and reserves	2 018.2	3 240.6	1 379.0	4 902.7	3 304.4	6 033.4	3 427.1	4 103.2	180.5%
Capital reserve fund	-	113.8	-	71.9	66.3	171.4	66.3	148.4	381.3%
Borrowings	1.2	1.0	1.0	-	1.0	-	1.1	1.1	48.0%
Finance lease	144.9	3.5	1.9	4.3	5.3	1.9	8.3	6.7	10.2%
Deferred income	11.9	29.3	12.5	21.0	2.7	18.1	2.9	2.9	237.6%
Trade and other payables	899.6	857.5	878.0	1 082.2	608.8	881.6	590.4	740.5	119.7%
Provisions	202.9	2 077.5	552.1	831.3	713.7	760.0	668.3	677.1	203.4%
Managed funds (e.g. poverty alleviation fund)	0.3	-	0.4	-	-	-	-	-	-
Derivatives financial instruments	7.0	463.6	151.3	551.7	293.6	375.6	299.5	328.9	228.9%
Total equity and liabilities	5 992.5	11 793.6	6 229.0	12 033.4	9 762.4	13 645.8	9 931.3	10 355.0	149.9%

Statements of estimates of financial performance and position

Table 15.26 Sector education and training authorities consolidation statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue									
Non-tax revenue	888.9	1.3%	8.7%	843.3	813.5	832.8	-2.2%	5.8%	
Other non-tax revenue	888.9	1.3%	8.7%	843.3	813.5	832.8	-2.2%	5.8%	
Transfers received	12 666.9	7.5%	91.3%	13 184.5	14 006.4	14 764.7	5.2%	94.2%	
Total revenue	13 555.9	7.1%	100.0%	14 027.8	14 820.0	15 597.5	4.8%	100.0%	

Table 15.26 Sector education and training authorities consolidation statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
					2016/17	2013/14 - 2016/17	2017/18		
R million									
Expenses									
Current expenses		1 996.1	12.2%	14.4%	2 051.9	2 174.4	2 305.5	4.9%	20.3%
Compensation of employees		937.3	9.6%	7.0%	1 028.5	1 095.3	1 165.3	7.5%	7.4%
Goods and services		1 026.1	15.1%	7.1%	981.9	1 036.3	1 095.0	2.2%	7.3%
Depreciation		32.7	8.5%	0.3%	41.5	42.9	45.2	11.4%	0.3%
Interest, dividends and rent on land		0.0	-76.8%	0.0%	0.0	0.0	0.0	-19.2%	0.0%
Transfers and subsidies		11 956.2	10.8%	85.6%	11 602.9	12 145.4	12 794.3	2.3%	85.1%
Total expenses		13 952.3	11.0%	100.0%	13 654.8	14 319.9	15 099.9	2.7%	100.0%
Surplus/(Deficit)		(396.0)	(2)		373.0	500.0	498.0	-207.9%	
Statement of financial position									
Carrying value of assets		553.4	45.2%	2.7%	534.2	541.1	551.4	-0.1%	5.3%
of which:									
Acquisition of assets		(35.9)	-25.3%	-0.7%	(48.9)	(47.7)	(47.7)	10.0%	-0.4%
Investments		1 950.0	13.9%	14.6%	1 665.0	1 406.9	1 190.0	-15.2%	15.1%
Inventory		3.6	-0.2%	0.0%	3.6	3.8	3.9	2.4%	0.0%
Accrued investment interest		35.8	-16.9%	0.4%	41.9	42.1	41.2	4.8%	0.4%
Receivables and prepayments		131.3	-2.6%	1.7%	137.6	140.2	144.3	3.2%	1.3%
Cash and cash equivalents		7 711.0	-8.6%	80.6%	7 857.6	8 000.3	8 331.8	2.6%	77.8%
Total assets		10 385.1	-4.2%	100.0%	10 240.0	10 134.3	10 262.6	-0.4%	100.0%
Accumulated surplus/(deficit)		4 346.3	-4.6%	40.5%	4 597.7	4 582.6	4 626.5	2.1%	44.3%
Capital and reserves		4 103.2	8.2%	38.0%	3 827.8	3 747.7	3 801.9	-2.5%	37.8%
Capital reserve fund		148.4	9.2%	1.1%	148.4	148.4	148.4	-	1.4%
Borrowings		1.1	4.0%	0.0%	1.2	1.2	1.3	5.7%	0.0%
Finance lease		6.7	24.5%	0.0%	4.1	4.3	4.6	-11.7%	0.0%
Deferred income		2.9	-53.8%	0.1%	3.0	3.2	3.4	5.3%	0.0%
Trade and other payables		740.5	-4.8%	7.5%	687.7	693.5	717.5	-1.0%	6.9%
Provisions		677.1	-31.2%	9.2%	638.0	617.0	620.1	-2.9%	6.2%
Derivatives financial instruments		328.9	-10.8%	3.6%	332.1	336.3	338.9	1.0%	3.3%
Total equity and liabilities		10 355.0	-4.2%	100.0%	10 240.0	10 134.3	10 262.6	-0.4%	100.0%

Personnel information

Table 15.27 Sector education and training authorities consolidation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)						
		2015/16	2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20											
Sector education and training authorities consolidation		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Salary level	29 293	2 183	2 059	811.9	0.4	2 145	937.3	0.4	2 157	1 028.5	0.5	2 159	1 095.3	0.5	2 158	1 165.3	0.5	7.5%	100.0%
1 - 6	7 217	486	487	54.6	0.1	488	65.8	0.1	476	67.4	0.1	478	72.0	0.2	477	76.5	0.2	5.1%	22.2%
7 - 10	11 562	1 218	1 146	389.6	0.3	1 186	445.2	0.4	1 222	495.3	0.4	1 223	526.9	0.4	1 223	560.1	0.5	8.0%	56.3%
11 - 12	3 976	315	278	176.2	0.6	311	206.4	0.7	298	225.0	0.8	298	238.8	0.8	277	235.0	0.8	4.4%	13.7%
13 - 16	6 534	160	143	177.7	1.2	157	210.5	1.3	157	226.9	1.4	156	242.4	1.6	177	277.7	1.6	9.7%	7.5%
17 - 22	4	4	5	13.8	2.8	4	9.3	2.3	5	13.9	2.8	5	15.1	3.0	5	16.0	3.2	19.7%	0.2%

1. Rand million.

Other entities

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

- The **Council on Higher Education** is tasked with developing and implementing a system of quality assurance for higher education, including programme accreditation, institutional audits, quality promotion and capacity development. The entity's total budget for 2017/18 is R52.8 million.
- The **Quality Council for Trades and Occupations** oversees the development and maintenance of the occupational qualifications sub-framework in the national qualifications framework, and advises the Minister of Higher Education and Training on all matters of policy concerning occupational standards and qualifications. The entity's total budget for 2017/18 is R117.6 million.
- The **South African Qualifications Authority** oversees the development of the national qualifications framework by formulating and publishing policies and criteria for the registration of organisations. It also oversees the implementation of the national framework by ensuring the registration, accreditation and assignment of functions. The entity's total budget for 2017/18 is R121.9 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Tertiary institutions infrastructure	Construction of hostels, lecture halls and laboratories	Various	35 184.6	2 000.0	2 200.0	1 981.2	2 422.0	2 541.9	2 688.1	2 822.5
New universities in Mpumalanga and Northern Cape	Construction of hostels, lecture halls and laboratories	Various	12 917.1	150.0	500.0	1 320.0	-	-	-	-
University of Mpumalanga	Construction of hostels, lecture halls and laboratories	Various	-	-	-	-	623.8	624.6	638.5	668.4
Sol Plaatje University	Construction of hostels, lecture halls and laboratories	Various	-	-	-	-	350.9	353.9	362.0	376.0
Total			48 101.8	2 150.0	2 700.0	3 301.2	3 396.7	3 520.4	3 688.6	3 866.8

Vote 16

Health

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	512.8	506.0	2.3	4.6	547.5	582.5
National Health Insurance, Health Planning and Systems Enablement	735.1	700.1	28.4	6.6	992.8	1 047.4
HIV and AIDS, Tuberculosis, and Maternal and Child Health	18 278.3	532.8	17 729.3	16.3	20 745.6	22 909.4
Primary Health Care Services	264.3	256.1	3.0	5.3	293.1	315.1
Hospitals, Tertiary Health Services and Human Resource Development	21 108.2	315.5	19 962.5	830.2	22 301.1	23 640.8
Health Regulation and Compliance Management	1 727.0	94.3	1 630.0	2.7	1 786.9	1 889.9
Total expenditure estimates	42 625.7	2 404.7	39 355.4	865.6	46 667.0	50 384.9

Executive authority: Minister of Health
 Accounting officer: Director General of Health
 Website address: www.doh.gov.za

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

Vote purpose

Provide leadership and coordination of health services to promote the health of all people in South Africa through an accessible, caring and high quality health system, based on the primary health care approach.

Mandate

The Department of Health derives its mandate from the National Health Act (2003), which requires that the department provide a framework for a structured and uniform health system for South Africa. The act sets out the responsibilities of the three levels of government in the provision of health services. The department contributes directly to the realisation of outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium-term strategic framework.

Selected performance indicators

Table 16.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total number of primary health care facilities implementing improved patient administration and web-based information systems	National Health Insurance, Health Planning and Systems Enablement		-1	50	657	1 450	2 450	3 000	3 656
Total number of health facilities reporting medicine stock availability at national surveillance centre	National Health Insurance, Health Planning and Systems Enablement	Outcome 2: A long and healthy life for all South Africans	-1	600	1 859	3 244	3 261	3 363	3 898
Total number of patients receiving medicine through the centralised chronic medicine dispensing and distribution system	National Health Insurance, Health Planning and Systems Enablement		-1	200 000	396 567	650 000	950 000	1 000 000	1 500 000

Table 16.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of human papillomavirus immunisation first dose coverage per year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		- ¹	- ¹	91.8% (427 400/ 500 933)	87%	87%	88%	90%
Total number of clients remaining on antiretroviral treatment at the end of the year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		2.7 million	3.1 million	3.4 million	4.3 million	4.5 million	5 million	5.5 million
Tuberculosis new client treatment success rate ²	HIV and AIDS, Tuberculosis, and Maternal and Child Health		80.8% (98 155/ 121 428)	82.4% (95 928/ 116 349)	83.3% (80 180/ 95 318)	84%	86%	88%	90%
Infant polymerase chain reaction test positive around 10 weeks rate per year ³	HIV and AIDS, Tuberculosis, and Maternal and Child Health		2% (4 932 247 619) ⁴	1.5% (3 801/ 252 269) ⁴	1.5% (2 495/ 169 656) ⁴	1.4%	1.35%	1.33%	1.3%
Total number of functional ward-based primary health care outreach teams	Primary Health Care Services	Outcome 2: A long and healthy life for all South Africans	1 063	1 748	2 590	2 000	2 000	2 000	2 000
Number of additional primary health care facilities in the 52 districts that qualify as ideal clinics per year	Primary Health Care Services		- ¹	- ¹	322	750	750	750	600
Total number of commercial points of entry that provide port health services that are compliant with international health regulations	Primary Health Care Services		- ¹	- ¹	- ¹	- ¹	20	35	35
Number of facilities maintained, repaired and/or refurbished in national health insurance districts	Hospitals, Tertiary Health Services and Human Resource Development		- ¹	94	190	178	197	125	182
Percentage of backlog eliminated for blood alcohol tests	Hospitals, Tertiary Health Services and Human Resource Development		- ¹	- ¹	- ¹	- ¹	100%	- ⁵	- ⁵

1. No historical data available.

2. This indicator is reported on with a time lag of one year.

3. This is an indicator for mother-to-child transmission of HIV, which shows the infants tested positive for HIV within 10 weeks as a proportion of all live births by HIV-positive mothers.

4. Indicator has changed from 6 weeks to 10 weeks in line with the new guidelines on the prevention of mother-to-child transmission. The historical performance is for a rate at 6 weeks after birth.

5. Once the backlog is eliminated, this indicator will be revised to measure turnaround time.

Expenditure analysis

The department will focus in the period ahead on expanding treatment and prevention programmes for HIV and AIDS and tuberculosis (TB), revitalising public health care facilities and ensuring that specialised tertiary hospital services are provided. Spending on these activities is set to account for 85.4 per cent, or R119.2 billion, of the department's total budget over the MTEF period. A further R885.3 million has been added to the baseline in 2019/20 for increased distribution of antiretroviral treatment and R600 million over the MTEF period has been added to support the operations of the newly built Nelson Mandela Children's Hospital. The department transfers 88.3 per cent, or R123.4 billion, of its budget over the medium term to provincial departments of health through conditional grants.

The department's budget for compensation of employees has been reduced by R9.7 million in 2017/18, R10.7 million in 2018/19 and R11.3 million in 2019/20, due to the Cabinet-approved budget reductions to lower the national aggregate expenditure ceiling. In April 2017, 209 employees will leave the health regulation and compliance management programme to work for the newly established South African Health Products Regulatory Authority. This will reduce the allocation for compensation of employees by R344.6 million over the medium term. The authority will be responsible for the regulation and control of registering, licensing, manufacturing and importing of active pharmaceutical ingredients, medicines and medical devices; and for conducting clinical trials in a manner compatible with the national medicines policy. In total, the authority will receive R397.6 million in transfers from the department. The authority will also fund its operations by collecting and retaining fees from the pharmaceutical and health products industry.

Expanding HIV and AIDS, and TB treatment and prevention

The HIV and TB investment cases were two major cost-effectiveness projects carried out in 2015/16 to identify the ideal mix of interventions for addressing the HIV and AIDS, and TB epidemics. Implementing the recommendations from these investment cases is expected to result in an increase in spending in the *HIV and AIDS, Tuberculosis, and Maternal and Child Health* programme, from R16 billion in 2016/17 to R22.9 billion in 2019/20, at an average annual rate of 12.8 per cent over the medium term.

The department has adopted the 90-90-90 targets of the United Nations programme on HIV and AIDS. These targets commit government to ensuring that by 2020, 90 per cent of all people living with HIV will know their

status; 90 per cent of all people diagnosed with HIV will receive sustained antiretroviral therapy, and 90 per cent of all people receiving antiretroviral therapy will be virally suppressed. In September 2016, the department implemented the universal test-and-treat policy, which states that the department should offer treatment to everyone diagnosed with HIV, regardless of their CD4 count. An allocation of R885.3 million added to the *comprehensive HIV, AIDS and TB grant* in 2019/20 funds the provision of antiretroviral treatment to 5.5 million people living with HIV. Spending on the grant is projected to increase by 13 per cent over the medium term, despite being reduced by R102.4 million in 2017/18 and R110.2 million in 2018/19.

The *comprehensive HIV, AIDS and TB grant* has a dedicated R200 million in 2017/18 and R460 million in 2018/19 to equip provinces with the tools to implement the TB investment case recommendations, such as intensifying screening campaigns to ensure early detection and treatment. These funds are channelled to provincial health departments through the grant in the *HIV and AIDS, Tuberculosis, and Maternal and Child Health* programme. This spending is expected to improve detection and contribute to increasing the success rate of TB treatment from 84 percent in 2016/17 to 90 percent in 2019/20.

Revitalising public health care facilities

A baseline audit of all health care facilities in South Africa found that many facilities require major refurbishment, with some requiring full replacement. The department is in the process of finalising a 10-year infrastructure plan to assist in determining the areas with the greatest need for investment. The department will invest R20.8 billion in healthcare infrastructure over the MTEF period. These funds will be managed as two conditional grants in the *Health Facilities Infrastructure Management* subprogramme in the *Hospitals, Tertiary Health Services and Human Resource Development* programme. The budget for these grants is set to increase at an average annual rate of 6.8 per cent over the medium term. The direct *health facility revitalisation grant* is transferred to provincial departments of health to fund the building of new facilities and the upgrading, refurbishing and maintenance of existing health facilities. A total of R17.8 billion is allocated for this grant over the medium term, after Cabinet-approved reductions of R363.6 million. The health facility revitalisation component of the *national health insurance indirect grant* is allocated R3 billion over the medium term. This grant is exclusively for infrastructure improvements in the 11 national health insurance pilot districts. The department is working closely with implementing agents to ensure that all 872 primary health care facilities in these districts are maintained, constructed or revitalised by 2019/20.

Ensuring accessible specialised tertiary health services

Tertiary health services are highly specialised, hospital-based health care services that require strong national coordination as a result of their unequal distribution across South Africa. Consequently, many patients are forced to seek specialised care in neighbouring provinces because the required tertiary services are not available in their home province. To compensate provinces for treating patients from other provinces, the department will continue to subsidise funding for tertiary health services in 28 hospitals and hospital complexes through the direct *national tertiary services grant* over the medium term. The grant pays for specialised personnel, equipment, advanced medical investigation and treatment according to approved service specifications, and will also support the modernisation of tertiary facilities by upgrading medical equipment. Amounts of R11.7 billion in 2017/18, R12.4 billion in 2018/19 and R13.2 billion in 2019/20 are to be transferred through the *Hospitals, Tertiary Health Services and Human Resource Development* programme.

Although the construction of the Nelson Mandela Children's Hospital in Gauteng was funded by donations to the Nelson Mandela Children's Hospital Trust, the hospital will rely largely on government for operational funding. Amounts of R150 million in 2017/18, R200 million in 2018/19 and R300 million in 2019/20 have been allocated to the *national tertiary services grant* in the Gauteng department of health to provide highly specialised paediatric services to patients from all across southern Africa.

National health insurance

National health insurance is a health financing system designed to provide access to affordable personal health care services for all South Africans. Over the medium term, the department will focus on finalising and gazetting the White Paper on National Health Insurance, drafting and publishing the National Health Insurance Bill for public consultation and creating a national health insurance fund, which is expected to be the main purchaser of health care services in South Africa. In preparation for the scheme, the department will recruit

private health care professionals, roll out electronic patient registration and medicines stock management systems, and implement the dispensing and distribution model for new central chronic medicines. Overall, R5.2 billion is allocated specifically for national health insurance over the medium term period, the majority of which is allocated to the *national health insurance indirect grant*.

A total of R1 billion is earmarked for the recruitment of health professionals and to ensure that 1.5 million chronic patients access their medication through a centralised, chronic medicine-dispensing and distribution system. This will improve access to chronic medicines and alleviate the pressure on public health facilities. Over the medium term, R967.8 million is allocated to implement the patient-registration system and an electronic stock management system from the *national health insurance indirect grant*, by the end of the current MTEF period. Funding for these interventions falls under the *National Health Insurance, Health Planning and Systems Enablement* programme, with spending increasing by 21.2 per cent per year over the medium term.

The ideal clinic component of the *national health insurance indirect grant* falls under the *Primary Health Care Services* programme and has been allocated a total of R132.8 million over the medium term to allow the department to bring a total of 3 172 primary health care facilities up to an ideal status by 2019/20.

Expenditure trends

Table 16.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. National Health Insurance, Health Planning and Systems Enablement														
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health														
4. Primary Health Care Services														
5. Hospitals, Tertiary Health Services and Human Resource Development														
6. Health Regulation and Compliance Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	411.0	405.7	347.3	389.7	389.7	386.5	457.1	456.6	438.5	463.5	462.0	462.0	95.0%	95.4%
Programme 2	491.9	491.8	222.6	652.0	658.9	338.2	587.8	596.6	553.1	559.8	588.6	588.6	74.3%	72.9%
Programme 3	10 829.9	10 842.8	10 763.5	12 840.7	12 840.7	12 818.7	14 442.1	14 378.9	14 179.0	16 018.6	16 009.6	15 979.6	99.3%	99.4%
Programme 4	214.0	207.2	183.5	200.5	216.2	206.3	225.0	224.9	212.6	257.8	256.5	256.5	95.7%	94.9%
Programme 5	17 908.2	17 715.4	17 493.2	18 929.5	18 816.5	18 448.6	19 159.1	18 970.0	19 002.3	19 573.5	19 574.0	19 514.0	98.5%	99.2%
Programme 6	1 252.1	1 261.7	1 214.4	1 367.6	1 403.1	1 340.7	1 596.9	1 603.9	1 599.4	1 690.2	1 706.7	1 706.7	99.2%	98.1%
Total	31 107.1	30 924.6	30 224.5	34 380.0	34 325.1	33 539.0	36 468.0	36 230.9	35 984.9	38 563.3	38 597.4	38 507.4	98.4%	98.7%
Change to 2016 Budget estimate											34.1			
Economic classification														
Current payments	1 743.3	1 732.5	1 262.3	2 041.0	2 245.1	1 740.1	2 351.5	2 270.1	1 934.0	2 304.8	2 341.6	2 256.6	85.2%	83.7%
Compensation of employees	631.8	631.8	628.0	649.1	656.5	686.3	772.1	774.3	750.1	873.4	857.4	857.3	99.8%	100.1%
Goods and services	1 111.5	1 100.7	634.4	1 391.9	1 588.6	1 053.8	1 579.5	1 495.8	1 183.9	1 431.4	1 484.2	1 399.3	77.5%	75.3%
Transfers and subsidies	28 538.0	28 725.6	28 787.4	31 314.1	31 591.1	31 570.6	33 448.5	33 496.1	33 482.2	35 637.0	35 664.6	35 664.6	100.4%	100.0%
Provinces and municipalities	27 317.5	27 686.5	27 487.2	29 902.1	30 164.1	30 171.1	31 857.9	31 904.7	31 904.7	33 972.0	33 981.0	33 981.0	100.4%	99.8%
Departmental agencies and accounts	1 026.9	839.5	1 089.1	1 202.9	1 212.9	1 178.1	1 416.4	1 417.1	1 419.4	1 494.5	1 494.7	1 494.7	-	-
Higher education institutions	-	-	-	3.0	3.0	-	3.1	3.1	-	3.3	3.3	3.3	35.0%	35.0%
Foreign governments and international organisations	-	-	-	-	2.7	2.6	-	-	-	-	14.4	14.4	-	99.8%
Public corporations and private enterprises	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	193.6	199.7	209.6	206.1	208.4	215.3	171.1	171.1	155.1	167.2	167.2	167.2	101.2%	100.1%
Households	-	-	1.5	-	-	3.5	-	-	2.9	-	4.0	4.0	40 817.2%	296.7%
Payments for capital assets	825.9	466.5	173.0	1 024.9	488.9	227.4	668.0	464.7	567.8	621.5	591.0	586.0	49.5%	77.3%
Buildings and other fixed structures	807.0	440.0	113.7	979.9	378.4	168.9	562.5	354.6	470.6	471.9	471.9	471.9	43.4%	74.5%
Machinery and equipment	18.8	26.4	59.3	45.1	100.7	58.4	105.5	110.1	93.0	149.6	119.1	114.1	101.8%	91.1%
Software and other intangible assets	-	-	-	-	9.8	0.2	-	-	4.2	-	-	-	-	44.9%
Payments for financial assets	-	-	1.7	-	-	0.9	-	-	0.9	-	0.3	0.3	-	1 280.3%
Total	31 107.1	30 924.6	30 224.5	34 380.0	34 325.1	33 539.0	36 468.0	36 230.9	35 984.9	38 563.3	38 597.4	38 507.4	98.4%	98.7%

Expenditure estimates

Table 16.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. National Health Insurance, Health Planning and Systems Enablement								
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health								
4. Primary Health Care Services								
5. Hospitals, Tertiary Health Services and Human Resource Development								
6. Health Regulation and Compliance Management								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	462.0	4.4%	1.2%	512.8	547.5	582.5	8.0%	1.2%
Programme 2	588.6	6.2%	1.2%	735.1	992.8	1 047.4	21.2%	1.9%
Programme 3	15 979.6	13.8%	38.9%	18 278.3	20 745.6	22 909.4	12.8%	43.7%
Programme 4	256.5	7.4%	0.6%	264.3	293.1	315.1	7.1%	0.6%
Programme 5	19 514.0	3.3%	53.9%	21 108.2	22 301.1	23 640.8	6.6%	48.6%
Programme 6	1 706.7	10.6%	4.2%	1 727.0	1 786.9	1 889.9	3.5%	4.0%
Total	38 507.4	7.6%	100.0%	42 625.7	46 667.0	50 384.9	9.4%	100.0%
Change to 2016 Budget estimate				(152.4)	(67.2)	1 014.6		
Economic classification								
Current payments	2 256.6	9.2%	5.2%	2 404.7	2 663.6	2 835.2	7.9%	5.7%
Compensation of employees	857.3	10.7%	2.1%	760.0	828.8	894.3	1.4%	1.9%
Goods and services	1 399.3	8.3%	3.1%	1 644.7	1 834.8	1 940.9	11.5%	3.8%
Transfers and subsidies	35 664.6	7.5%	93.7%	39 355.4	43 118.2	46 623.3	9.3%	92.5%
Provinces and municipalities	33 981.0	7.1%	89.4%	37 520.4	41 216.5	44 615.2	9.5%	88.3%
Departmental agencies and accounts	1 494.7	21.2%	3.7%	1 649.8	1 705.7	1 801.3	6.4%	3.7%
Higher education institutions	3.3	-	-	-	-	-	-100.0%	-
Foreign governments and international organisations	14.4	-	-	-	-	-	-100.0%	-
Non-profit institutions	167.2	-5.7%	0.5%	185.2	195.9	206.8	7.3%	0.4%
Households	4.0	556.5%	-	-	-	-	-100.0%	-
Payments for capital assets	586.0	7.9%	1.1%	865.6	885.2	926.5	16.5%	1.8%
Buildings and other fixed structures	471.9	2.4%	0.9%	714.6	748.1	792.1	18.8%	1.5%
Machinery and equipment	114.1	62.8%	0.2%	146.0	132.1	134.4	5.6%	0.3%
Software and other intangible assets	-	-	-	5.0	5.0	-	-	-
Payments for financial assets	0.3	-	-	-	-	-	-100.0%	-
Total	38 507.4	7.6%	100.0%	42 625.7	46 667.0	50 384.9	9.4%	100.0%

Goods and services expenditure trends and estimates

Table 16.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administrative fees	228	740	689	842	54.6%	0.1%	4 586	2 536	2 569	45.0%	0.2%
Advertising	11 839	9 311	10 402	11 778	-0.2%	1.0%	12 804	16 178	16 999	13.0%	0.8%
Minor assets	2 420	8 235	7 055	6 284	37.4%	0.6%	11 379	6 292	6 485	1.1%	0.4%
Audit costs: External	30 561	27 921	20 132	31 125	0.6%	2.5%	39 554	39 659	42 381	10.8%	2.2%
Bursaries: Employees	1 115	1 076	1 553	2 201	25.4%	0.1%	2 000	2 110	2 228	0.4%	0.1%
Catering: Departmental activities	2 833	3 222	3 150	4 427	16.0%	0.3%	3 485	3 417	3 668	-6.1%	0.2%
Communication	12 292	15 723	19 550	19 780	17.2%	1.5%	25 449	25 791	28 040	12.3%	1.4%
Computer services	6 573	13 776	11 915	16 940	37.1%	1.1%	36 046	33 101	34 888	27.2%	1.8%
Consultants: Business and advisory services	156 678	54 815	65 595	138 034	-4.1%	9.5%	207 008	370 096	387 644	41.1%	16.0%
Infrastructure and planning services	-	4 286	-	8 000	-	0.3%	37 069	14 043	14 830	22.8%	1.1%
Laboratory services	-	-	-	263	-	-	-	1 259	1 056	58.9%	-
Legal services	4 085	6 197	6 990	970	-38.1%	0.4%	9 306	9 135	9 877	116.7%	0.4%
Science and technological services	11 113	11 743	-	11 489	1.1%	0.8%	15 843	15 234	15 940	11.5%	0.8%
Contractors	16 854	95 289	286 243	302 168	161.7%	16.1%	353 805	376 080	398 455	9.7%	20.7%
Agency and support/outsourced services	3 673	92 363	154 287	211 297	286.0%	10.6%	175 035	299 399	312 442	13.9%	14.5%
Entertainment	56	18	2	302	75.4%	-	436	200	212	-11.1%	-
Fleet services (including government motor transport)	16 444	27 201	60 757	19 853	6.5%	2.9%	29 747	29 719	34 644	20.4%	1.7%
Housing	-	-	24	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	39	2 708	494	2 000	271.5%	0.1%	1 500	-	-	-100.0%	0.1%
Inventory: Farming supplies	-	1	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	80	93	114	348	63.2%	-	200	534	559	17.1%	-
Inventory: Fuel, oil and gas	1 125	1 076	2 040	1 693	14.6%	0.1%	1 832	2 708	2 855	19.0%	0.1%
Inventory: Materials and supplies	196	334	131	782	58.6%	-	2 059	2 303	2 427	45.9%	0.1%

Table 16.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Inventory: Medical supplies	70 519	209 556	77 538	178 073	36.2%	12.3%	122 752	161 788	173 843	-0.8%	9.2%
Inventory: Medicine	474	177 192	98 338	174 046	616.1%	10.3%	176 901	2 373	2 651	-75.2%	5.2%
Inventory: Other supplies	7 872	10 332	11 994	12 431	16.5%	1.0%	16 836	13 655	13 027	1.6%	0.8%
Consumable supplies	617	1 687	3 007	2 800	65.6%	0.2%	9 800	6 714	7 096	36.3%	0.4%
Consumables: Stationery, printing and office supplies	22 230	18 359	20 196	23 065	1.2%	1.9%	25 342	30 079	32 021	11.6%	1.6%
Operating leases	86 892	93 532	131 666	136 116	16.1%	10.3%	155 697	165 716	184 479	10.7%	9.3%
Rental and hiring	-	97	98	289	-	-	200	600	678	32.9%	-
Property payments	11 389	22 592	23 661	13 166	5.0%	1.6%	21 201	25 575	22 180	19.0%	1.2%
Transport provided: Departmental activity	259	-	-	1 000	56.9%	-	-	-	-	-100.0%	-
Travel and subsistence	81 895	82 745	92 748	83 663	0.7%	7.8%	87 065	83 800	90 986	2.8%	5.0%
Training and development	3 479	4 789	4 546	12 520	53.2%	0.6%	8 545	12 042	12 717	0.5%	0.7%
Operating payments	60 472	50 262	49 569	48 039	-7.4%	4.8%	39 165	70 929	70 549	13.7%	3.3%
Venues and facilities	10 069	6 490	19 410	8 392	-5.9%	1.0%	12 005	11 700	12 442	14.0%	0.6%
Total	634 371	1 053 761	1 183 894	1 484 176	32.8%	100.0%	1 644 652	1 834 765	1 940 868	9.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 16.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Provinces and municipalities											
Provincial revenue funds											
Current	22 196 363	24 669 087	26 487 703	28 708 332	9.0%	78.8%	31 865 897	35 300 854	38 368 185	10.2%	81.5%
National health insurance grant	50 953	76 956	61 077	94 227	22.7%	0.2%	-	-	-	-100.0%	0.1%
Comprehensive HIV and AIDS grant	10 334 687	12 102 108	13 670 730	-	-100.0%	27.9%	-	-	-	-	-
Human papillomavirus vaccine grant	-	-	-	-	-	-	-	200 000	211 200	-	0.2%
Comprehensive HIV, AIDS and tuberculosis grant	-	-	-	15 290 603	-	11.8%	17 557 903	19 921 697	22 038 995	13.0%	45.4%
Health professions training and development grant	2 190 366	2 321 788	2 374 722	2 476 724	4.2%	7.2%	2 631 849	2 784 496	2 940 428	5.9%	6.6%
National tertiary services grant	9 620 357	10 168 235	10 381 174	10 846 778	4.1%	31.7%	11 676 145	12 394 661	13 177 562	6.7%	29.2%
Capital	5 290 816	5 501 981	5 417 045	5 272 680	-0.1%	16.6%	5 654 495	5 915 694	6 246 973	5.8%	14.0%
Health facility revitalisation grant	5 290 816	5 501 981	5 417 045	5 272 680	-0.1%	16.6%	5 654 495	5 915 694	6 246 973	5.8%	14.0%
Departmental agencies and accounts											
Social security funds											
Current	3 062	3 215	3 363	3 541	5.0%	-	3 718	3 934	4 154	5.5%	-
Compensation Commissioner	3 062	3 215	3 363	3 541	5.0%	-	3 718	3 934	4 154	5.5%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 086 031	1 174 867	1 416 059	1 491 128	11.1%	4.0%	1 646 079	1 701 807	1 797 127	6.4%	4.0%
Health and Welfare Sector Education and Training Authority	1 259	1 276	2 439	2 808	30.7%	-	2 252	2 455	2 612	-2.4%	-
Public Service Sector Education and Training Authority	50	90	-	-	-100.0%	-	-	-	-	-	-
South African Medical Research Council	419 460	446 331	623 892	657 590	16.2%	1.7%	614 961	624 829	659 819	0.1%	1.6%
South African National AIDS Council	25 951	15 000	19 340	16 711	-13.6%	0.1%	17 547	17 547	18 529	3.5%	-
National Health Laboratory Service	603 534	674 052	678 926	711 871	5.7%	2.1%	746 464	789 759	833 986	5.4%	1.9%
Office of Health Standards Compliance	31 252	33 367	88 906	100 535	47.6%	0.2%	125 711	133 003	140 451	11.8%	0.3%
Council for Medical Schemes	4 525	4 751	2 556	1 613	-29.1%	-	5 496	5 815	6 141	56.1%	-
South African Health Product Regulatory Authority	-	-	-	-	-	-	133 648	128 399	135 589	-	0.2%
Higher education institutions											
Current	-	-	-	3 304	-	-	-	-	-	-100.0%	-
University of Cape Town	-	-	-	1 101	-	-	-	-	-	-100.0%	-
University of Limpopo	-	-	-	2 203	-	-	-	-	-	-100.0%	-
Foreign governments and international organisations											
Current	-	2 622	-	14 370	-	-	-	-	-	-100.0%	-
International AIDS Society	-	-	-	14 370	-	-	-	-	-	-100.0%	-
World Health Organisation	-	2 622	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	150	-	-	-	-100.0%	-	-	-	-	-	-
Public Health Association of South Africa	100	-	-	-	-100.0%	-	-	-	-	-	-
Albinism Society of South Africa	50	-	-	-	-100.0%	-	-	-	-	-	-

Table 16.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19			2019/20
Non-profit institutions												
Current	209 554	215 283	155 073	167 249	-7.2%	0.6%	185 237	195 909	206 811	7.3%	0.5%	
South African Medical Research Council	428	512	471	496	5.0%	-	520	550	581	5.4%	-	
Wits University Foundation	-	-	-	650	-	-	-	-	-	-100.0%	-	
Non-profit institutions	-	13 670	-	-	-	-	-	-	-	-	-	
Health information systems programme	4 979	-	12 103	12 745	36.8%	-	13 382	14 158	14 951	5.5%	-	
Health Systems Trust	10 252	12 867	11 367	11 969	5.3%	-	15 019	15 890	16 780	11.9%	-	
Non-governmental organisations: Lifeline	18 308	19 023	19 898	20 953	4.6%	0.1%	22 000	23 276	24 579	5.5%	0.1%	
Non-governmental organisations: lovelife	70 430	69 843	54 396	57 808	-6.4%	0.2%	61 200	64 750	68 376	5.8%	0.2%	
Non-governmental organisations: Soul City	22 820	15 561	16 277	17 140	-9.1%	0.1%	19 226	20 270	21 336	7.6%	-	
Non-governmental organisations: HIV and AIDS	76 079	79 919	38 131	42 948	-17.4%	0.2%	51 450	54 434	57 482	10.2%	0.1%	
South African Federation for Mental Health	305	320	335	353	5.0%	-	371	393	415	5.5%	-	
South African National Council for the Blind	684	718	752	792	5.0%	-	832	880	929	5.5%	-	
Inter-Academy Medical Panel	100	-	-	-	-100.0%	-	-	-	-	-	-	
Non-governmental organisations: Mental health	169	82	-	200	5.8%	-	-	-	-	-100.0%	-	
National Council Against Smoking	5 000	768	803	845	-44.7%	-	887	938	991	5.5%	-	
National Kidney Foundation of South Africa	-	-	350	350	-	-	350	370	391	3.8%	-	
Health Systems Global: South Africa	-	2 000	-	-	-	-	-	-	-	-	-	
Mental Health and Substance Abuse	-	-	190	-	-	-	-	-	-	-	-	
Households												
Social benefits												
Current	1 469	3 397	2 858	3 700	36.1%	-	-	-	-	-100.0%	-	
Employee social benefits	1 469	3 397	2 858	3 700	36.1%	-	-	-	-	-100.0%	-	
Households												
Other transfers to households												
Current	-	100	52	261	-	-	-	-	-	-100.0%	-	
Employee social benefits	-	-	-	261	-	-	-	-	-	-100.0%	-	
Other transfers to households	-	-	52	-	-	-	-	-	-	-	-	
Donation for conference on paediatric cardiology and cardiac surgery	-	100	-	-	-	-	-	-	-	-	-	
Total	28 787 445	31 570 552	33 482 153	35 664 565	7.4%	100.0%	39 355 426	43 118 198	46 623 250	9.3%	100.0%	

Personnel information

Table 16.6 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. National Health Insurance, Health Planning and Systems Enablement																			
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health																			
4. Primary Health Care Services																			
5. Hospitals, Tertiary Health Services and Human Resource Development																			
6. Health Regulation and Compliance Management																			
	Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment									Number							
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16	Unit	Cost	2016/17	Unit	Cost	2017/18	Unit	Cost	2018/19	Unit	Cost			2019/20	Unit	Cost
Health	1 597	47	1 776	750.1	0.4	1 858	857.3	0.5	1 504	760.0	0.5	1 520	828.8	0.5	1 524	894.3	0.6	-6.4%	100.0%
1 – 6	527	-	603	106.7	0.2	607	116.1	0.2	482	109.9	0.2	486	119.2	0.2	487	128.6	0.3	-7.1%	32.2%
7 – 10	744	-	772	320.4	0.4	785	355.0	0.5	717	348.7	0.5	724	380.6	0.5	727	412.2	0.6	-2.5%	46.1%
11 – 12	209	41	284	198.3	0.7	334	239.8	0.7	185	157.9	0.9	189	174.6	0.9	189	188.6	1.0	-17.3%	14.0%
13 – 16	117	6	117	124.7	1.1	132	146.4	1.1	120	143.5	1.2	121	154.5	1.3	121	164.9	1.4	-2.9%	7.7%
Programme	1 597	47	1 776	750.1	0.4	1 858	857.3	0.5	1 504	760.0	0.5	1 520	828.8	0.5	1 524	894.3	0.6	-6.4%	100.0%
Programme 1	444	1	448	177.7	0.4	449	192.5	0.4	420	197.2	0.5	422	215.1	0.5	421	232.0	0.6	-2.1%	26.7%
Programme 2	166	6	177	98.4	0.6	183	112.1	0.6	175	114.7	0.7	177	125.1	0.7	178	135.0	0.8	-0.9%	11.1%
Programme 3	123	-	122	71.3	0.6	123	77.5	0.6	117	79.4	0.7	119	86.6	0.7	119	93.4	0.8	-1.1%	7.5%
Programme 4	421	-	404	167.7	0.4	403	181.2	0.4	381	185.6	0.5	384	202.4	0.5	383	218.4	0.6	-1.7%	24.2%
Programme 5	312	40	291	110.9	0.4	345	141.0	0.4	293	128.5	0.4	297	140.1	0.5	301	151.1	0.5	-4.4%	19.3%
Programme 6	131	-	334	124.0	0.4	355	153.0	0.4	118	54.6	0.5	121	59.6	0.5	122	64.4	0.5	-30.0%	11.2%

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

2. Rand million.

Departmental receipts

Table 16.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	71 606	66 140	53 885	69 125	68 586	-1.4%	100.0%	8 112	8 386	8 522	-50.1%	100.0%
Sales of goods and services produced by department	67 091	54 031	46 052	63 867	63 905	-1.6%	88.8%	4 658	4 882	5 118	-56.9%	83.9%
Sales by market establishments	165	154	160	168	175	2.0%	0.3%	184	193	202	4.9%	0.8%
of which:												
Parking	165	154	160	168	175	2.0%	0.3%	184	193	202	4.9%	0.8%
Administrative fees	66 677	53 594	45 395	63 206	63 237	-1.8%	88.0%	4 197	4 406	4 626	-58.2%	81.7%
of which:												
Medical (drug control) licences	3 193	2 961	2 264	1 632	1 663	-19.5%	3.9%	3 000	3 150	3 307	25.8%	11.9%
Drug control	63 484	50 633	42 380	60 434	60 434	-1.6%	83.4%	-	-	-	-100.0%	64.6%
Inspection fees	-	-	751	1 140	1 140	-	0.7%	1 197	1 256	1 319	5.0%	5.2%
Other sales	249	283	497	493	493	25.6%	0.6%	277	283	290	-16.2%	1.4%
of which:												
Yellow fever	33	33	334	116	116	52.0%	0.2%	121	127	134	4.9%	0.5%
Replacement of security cards	10	8	5	15	15	14.5%	-	6	6	6	-26.3%	-
Commission on insurance	206	242	158	362	362	20.7%	0.4%	150	150	150	-25.4%	0.9%
Sales of scrap, waste, arms and other used current goods	45	3	44	-	-	-100.0%	-	4	4	4	-	-
of which:												
Scrap paper	16	3	-	-	-	-100.0%	-	4	4	4	-	-
Scrap	29	-	44	-	-	-100.0%	-	-	-	-	-	-
Interest, dividends and rent on land	1 858	6 337	6 536	3 718	3 718	26.0%	7.1%	2 500	2 600	2 600	-11.2%	12.2%
Interest	1 858	6 337	6 536	3 718	3 718	26.0%	7.1%	2 500	2 600	2 600	-11.2%	12.2%
Transactions in financial assets and liabilities	2 612	5 769	1 253	1 540	963	-28.3%	4.1%	950	900	800	-6.0%	3.9%
Total	71 606	66 140	53 885	69 125	68 586	-1.4%	100.0%	8 112	8 386	8 522	-50.1%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 16.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	27.6	28.9	30.0	31.5	4.5%	7.2%	31.8	34.3	36.4	4.9%	6.4%
Management	13.9	20.9	19.8	20.1	13.1%	4.6%	19.6	21.9	23.3	5.1%	4.0%
Corporate Services	157.8	178.3	199.7	205.7	9.2%	45.4%	232.4	246.9	263.2	8.6%	45.0%
Office Accommodation	93.5	110.4	147.6	143.7	15.4%	30.3%	165.2	174.9	186.0	9.0%	31.8%
Financial Management	54.5	48.0	41.4	60.9	3.8%	12.5%	63.8	69.5	73.7	6.5%	12.7%
Total	347.3	386.5	438.5	462.0	10.0%	100.0%	512.8	547.5	582.5	8.0%	100.0%
Change to 2016				(1.5)			(3.8)	(1.6)	(1.4)		
Budget estimate											
Economic classification											
Current payments	340.6	381.8	426.9	454.2	10.1%	98.1%	506.0	540.1	576.0	8.2%	98.6%
Compensation of employees	149.9	167.5	177.7	191.2	8.5%	42.0%	197.2	215.1	232.0	6.7%	39.7%
Goods and services ¹	190.8	214.4	249.2	263.1	11.3%	56.1%	308.8	324.9	344.0	9.3%	59.0%
of which:											
Audit costs: External	30.6	27.9	20.1	29.0	-1.7%	6.6%	36.3	37.2	39.5	10.8%	6.7%
Communication	8.4	8.9	9.8	13.6	17.5%	2.5%	16.4	17.7	19.5	12.8%	3.2%
Computer services	3.7	8.8	6.2	11.0	43.9%	1.8%	18.4	15.0	12.9	5.7%	2.7%
Operating leases	83.9	90.2	128.1	131.4	16.1%	26.5%	147.6	155.7	174.9	10.0%	29.0%
Property payments	11.4	22.3	23.3	10.6	-2.2%	4.1%	20.0	20.8	18.2	19.6%	3.3%
Travel and subsistence	15.4	15.7	15.6	16.8	2.9%	3.9%	20.3	20.1	21.4	8.5%	3.7%
Transfers and subsidies¹	2.0	2.2	3.4	3.2	15.9%	0.7%	2.3	2.5	2.6	-6.3%	0.5%
Departmental agencies and accounts	1.3	1.4	2.4	2.8	29.0%	0.5%	2.3	2.5	2.6	-2.4%	0.5%
Households	0.7	0.8	1.0	0.4	-20.3%	0.2%	-	-	-	-100.0%	-

Table 16.8 Administration expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Payments for capital assets	4.2	2.3	7.9	4.5	2.3%	1.2%	4.6	5.0	3.8	-4.8%	0.8%
Machinery and equipment	4.2	2.3	7.9	4.5	2.3%	1.2%	4.6	5.0	3.8	-4.8%	0.8%
Payments for financial assets	0.5	0.2	0.2	0.1	-42.5%	0.1%	-	-	-	-100.0%	-
Total	347.3	386.5	438.5	462.0	10.0%	100.0%	512.8	547.5	582.5	8.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.1%	1.2%	1.2%	1.2%	-	-	1.2%	1.2%	1.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1.3	1.3	2.4	2.8	30.7%	0.5%	2.3	2.5	2.6	-2.4%	0.5%
Health and Welfare Sector Education and Training Authority	1.3	1.3	2.4	2.8	30.7%	0.5%	2.3	2.5	2.6	-2.4%	0.5%

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

Programme 2: National Health Insurance, Health Planning and Systems Enablement

Programme purpose

Improve access to quality health services through the development and implementation of policies to achieve universal health coverage, health financing reform, integrated health systems planning, monitoring and evaluation, and conduct research.

Objectives

- Achieve universal health coverage through the phased implementation of the national health insurance scheme by 2030.
- Improve equity in the distribution of funding by developing a funding modality for resource allocation to public primary health care facilities in the district health system by 2017/18.
- Strengthen revenue collection by implementing a revenue retention model in all 10 central hospitals by 2019/20.
- Improve access to chronic medicines and alleviate pressure on primary health care facilities by ensuring that 1.5 million patients receive chronic medicine through a centralised chronic medicine-dispensing and distribution system by 2019/20.
- Strengthen the monitoring of the availability of medicine by establishing a national stock management surveillance centre that reports on stock availability at all health facilities by 2019/20.
- Improve health information and operational processes in primary health care facilities by implementing the health patient registration system in all primary health care facilities by 2019/20.

Subprogrammes

- *Programme Management* provides leadership to the programme in order to improve access to quality health services by developing and implementing universal health coverage policies, health financing reform, integrated health systems planning, reporting, monitoring and evaluation, and research.
- *Technical Policy and Planning* provides advisory and strategic technical assistance on policy and planning, and supports policy analysis and implementation.
- *Health Information Management, Monitoring and Evaluation* develops and maintains a national health information system, commissions and coordinates research, implements disease notification surveillance programmes, and monitors and evaluates strategic health programmes.
- *Sector-Wide Procurement* is responsible for developing systems to ensure access to essential pharmaceutical commodities. This is achieved through the selection of essential medicines, the development of standard treatment guidelines, the administration of health tenders, and the licensing of persons and premises that

deliver pharmaceutical services and related policies.

- *Health Financing and National Health Insurance* develops and implements policies, legislation and frameworks to achieve universal health coverage by designing and implementing national health insurance. It commissions health financing research, develops policy for the medical schemes industry, provides technical oversight over the Council for Medical Schemes, and manages the *national health insurance indirect grant*.
- *International Health and Development* develops and implements bilateral and multilateral agreements with strategic partners, such as the Southern African Development Community, the African Union and United Nations agencies, and economic groupings of countries, such as Brazil-Russia-India-South Africa, to strengthen the health system; manages processes involving the provision of technical capacity and financial assistance to South Africa; strengthens cooperation in areas of mutual interest globally; coordinates international development support; and profiles and lobbies for South Africa's policy position internationally.

Expenditure trends and estimates

Table 16.9 National Health Insurance, Health Planning and Systems Enablement 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Programme Management	0.4	0.3	0.6	3.2	108.2%	0.3%	3.8	4.3	3.9	7.4%	0.5%
Technical Policy and Planning	16.7	10.0	14.0	22.0	9.6%	3.7%	98.0	223.5	236.3	120.6%	17.2%
Health Information Management, Monitoring and Evaluation	44.4	51.8	57.4	74.3	18.8%	13.4%	67.5	67.8	71.9	-1.1%	8.4%
Sector-Wide Procurement	20.8	24.3	26.3	39.6	23.9%	6.5%	139.4	242.3	254.5	86.0%	20.1%
Health Financing and National Health Insurance	76.0	177.4	367.7	383.5	71.5%	59.0%	346.7	362.4	384.2	0.1%	43.9%
International Health and Development	64.3	74.3	87.1	66.0	0.9%	17.1%	79.7	92.5	96.6	13.6%	10.0%
Total	222.6	338.2	553.1	588.6	38.3%	100.0%	735.1	992.8	1 047.4	21.2%	100.0%
Change to 2016 Budget estimate				28.9			(4.7)	(5.7)	(9.3)		
Economic classification											
Current payments	154.8	233.5	467.5	466.1	44.4%	77.6%	700.1	955.9	1 014.6	29.6%	93.2%
Compensation of employees	85.6	91.5	98.4	97.2	4.3%	21.9%	114.7	125.1	135.0	11.6%	14.0%
Goods and services ¹	69.1	142.0	369.1	368.9	74.7%	55.7%	585.3	830.8	879.5	33.6%	79.2%
of which:											
Computer services	0.2	0.6	0.5	0.4	26.5%	0.1%	10.1	11.7	12.3	222.8%	1.0%
Consultants: Business and advisory services	9.8	9.7	12.6	22.7	32.2%	3.2%	84.7	210.8	221.9	113.8%	16.1%
Contractors	5.1	75.7	278.1	274.3	277.3%	37.2%	324.3	339.8	365.5	10.0%	38.8%
Agency and support/outsourced services	0.8	0.2	6.5	2.8	52.0%	0.6%	91.4	194.2	204.0	319.0%	14.6%
Travel and subsistence	21.2	24.9	28.3	18.3	-4.7%	5.4%	20.5	17.0	18.2	-0.2%	2.2%
Operating payments	23.2	24.1	31.6	27.3	5.6%	6.2%	33.8	36.5	36.0	9.7%	4.0%
Transfers and subsidies¹	66.4	103.7	84.7	119.7	21.7%	22.0%	28.4	30.0	31.7	-35.8%	6.2%
Provinces and municipalities	51.0	77.0	61.1	94.2	22.7%	16.6%	-	-	-	-100.0%	2.8%
Non-profit institutions	15.2	26.5	23.5	25.4	18.5%	5.3%	28.4	30.0	31.7	7.8%	3.4%
Households	0.2	0.3	0.1	0.1	-21.5%	-	-	-	-	-100.0%	-
Payments for capital assets	1.4	0.9	0.8	2.8	26.1%	0.4%	6.6	6.9	1.1	-27.6%	0.5%
Machinery and equipment	1.4	0.8	0.8	2.8	26.1%	0.3%	1.6	1.9	1.1	-27.6%	0.2%
Software and other intangible assets	-	0.2	-	-	-	-	5.0	5.0	-	-	0.3%
Payments for financial assets	0.0	0.1	0.1	0.0	6.9%	-	-	-	-	-100.0%	-
Total	222.6	338.2	553.1	588.6	38.3%	100.0%	735.1	992.8	1 047.4	21.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	1.0%	1.5%	1.5%	-	-	1.7%	2.1%	2.1%	-	-
Details of selected transfers and subsidies											
Non-profit institutions											
Current	15.2	26.5	23.5	25.4	18.5%	5.3%	28.4	30.0	31.7	7.8%	3.4%
Wits University Foundation	-	-	-	0.7	-	-	-	-	-	-100.0%	-
Non-profit institutions	-	13.7	-	-	-	0.8%	-	-	-	-	-
Health information systems programme	5.0	-	12.1	12.7	36.8%	1.8%	13.4	14.2	15.0	5.5%	1.6%
Health Systems Trust	10.3	12.9	11.4	12.0	5.3%	2.7%	15.0	15.9	16.8	11.9%	1.8%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	51.0	77.0	61.1	94.2	22.7%	16.6%	-	-	-	-100.0%	2.8%
National health insurance grant	51.0	77.0	61.1	94.2	22.7%	16.6%	-	-	-	-100.0%	2.8%

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

Programme 3: HIV and AIDS, Tuberculosis, and Maternal and Child Health

Programme purpose

Develop national policies, guidelines, norms and standards, and targets to decrease the burden of disease related to the HIV and tuberculosis epidemics; support the implementation of these; and monitor and evaluate their impact. Minimise maternal and child mortality and morbidity; and optimise good health for children, adolescents and women.

Objectives

- Reduce the maternal mortality ratio to under 100 per 100 000 live births by 2019/20 through implementing and sustaining essential training in obstetric emergencies, conducting maternal mortality reviews and ensuring that appropriate interventions are implemented.
- Reduce the neonatal mortality rate to fewer than 8 per 1 000 live births by 2019/20 by capacitating health care workers to manage sick and small neonates, and procuring essential equipment such as continuous positive airway pressure machines.
- Improve access to sexual and reproductive health services by ensuring that at least 75 per cent of couples are accessing modern contraceptive methods by 2019/20.
- Protect girls against contracting cervical cancer in later stages of life by vaccinating 90 per cent of girls in grade 4 against the human papilloma virus by 2018/19.
- Reduce the mother-to-child HIV transmission rate to below 1.3 per cent by 2019/20 through the effective implementation of the guidelines on prevention of mother-to-child transmission.
- Reduce the mortality rate, for children under five years, to less than 33 per 1 000 live births by 2019/20 by implementing the committee's recommendations on morbidity and mortality.
- Contribute to the health and wellbeing of learners by screening 40 per cent of grade 1 learners and 25 per cent of grade 8 learners for health-related barriers to learning per year by 2019/20.
- Achieve a tuberculosis treatment success rate of 90 per cent and a 5 per cent or less tuberculosis loss to follow-up rate by 2019/20 through increased identification of tuberculosis patients and by ensuring completion of treatment.
- Increase the life expectancy of people living with HIV by increasing the number of people accessing antiretroviral treatment to 5.5 million by 2019/20.
- Reduce new HIV infections by implementing a combination of prevention interventions such as HIV counselling and testing, medical male circumcisions and condom distribution over the medium term.

Subprogrammes

- *Programme Management* is responsible for ensuring that all efforts by all stakeholders are harnessed to support the overall purpose of the programme. This includes ensuring that the efforts and resources of development partners, funders, academic and research organisations, non-governmental and civil society organisations, all contribute in a coherent, integrated way.
- *HIV and AIDS* is responsible for policy formulation, coordination, and the monitoring and evaluation of HIV and sexually transmitted disease services. This entails coordinating the implementation of the 2012-2016 national strategic plan on HIV, sexually transmitted infections and tuberculosis. Other important functions of this subprogramme are the management and oversight of the large conditional grant implementation by the provinces, and the coordination and direction of donor funding for HIV and AIDS.
- *Tuberculosis* develops national policies and guidelines, sets norms and standards for tuberculosis services, and monitors the implementation of these in line with the vision of achieving zero infections, mortality, stigma and discrimination from tuberculosis and HIV and AIDS, as outlined in the 2012-2016 national strategic plan on HIV, sexually transmitted infections and tuberculosis.
- *Women's Maternal and Reproductive Health* develops and monitors policies and guidelines, sets norms and standards for maternal and women's health services, and monitors the implementation of these. Over the medium term, key initiatives will be implemented as indicated in the maternal and child health strategic plan.

- *Child, Youth and School Health* is responsible for the policy formulation, coordination, and monitoring and evaluation of child, youth and school health services. Each province also has a unit responsible for fulfilling this role, and for facilitating implementation at the provincial level. The subprogramme is also responsible for implementing the human papilloma virus vaccination programme and coordinates stakeholders outside of the health sector, to play key roles in promoting improved child and youth health and nutrition.

Expenditure trends and estimates

Table 16.10 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/Total (%)
R million											
Programme Management	3.9	4.2	5.4	4.7	6.6%	-	6.5	6.5	6.4	10.5%	-
HIV and AIDS	10 705.1	12 572.8	13 962.5	15 745.9	13.7%	98.5%	18 004.5	20 463.8	22 611.5	12.8%	98.6%
Tuberculosis	23.8	21.8	20.1	27.4	4.8%	0.2%	26.5	29.8	31.8	5.1%	0.1%
Women's Maternal and Reproductive Health	14.1	12.4	13.7	18.9	10.3%	0.1%	18.4	21.3	22.8	6.4%	0.1%
Child, Youth and School Health	16.6	207.4	177.3	212.7	134.0%	1.1%	222.5	224.1	237.0	3.7%	1.1%
Total	10 763.5	12 818.7	14 179.0	16 009.6	14.1%	100.0%	18 278.3	20 745.6	22 909.4	12.7%	100.0%
Change to 2016 Budget estimate				(9.0)			(154.3)	(109.4)	884.9		
Economic classification											
Current payments	213.8	515.9	358.5	536.8	35.9%	3.0%	532.8	442.2	468.0	-4.5%	2.5%
Compensation of employees	62.5	65.3	71.3	75.7	6.6%	0.5%	79.4	86.6	93.4	7.2%	0.4%
Goods and services ¹	151.3	450.6	287.2	461.1	45.0%	2.5%	453.3	355.5	374.6	-6.7%	2.1%
<i>of which:</i>											
Consultants: Business and advisory services	12.9	10.9	19.6	55.9	63.0%	0.2%	97.6	104.8	107.8	24.5%	0.5%
Fleet services (including government motor transport)	3.3	11.4	34.0	5.6	19.4%	0.1%	11.6	11.1	11.8	28.2%	0.1%
Inventory: Medical supplies	70.1	209.2	76.5	176.7	36.1%	1.0%	118.9	158.8	170.5	-1.2%	0.8%
Inventory: Medicine	0.0	177.1	98.3	172.0	5461.3%	0.8%	176.1	1.0	1.1	-81.7%	0.4%
Consumables: Stationery, printing and office supplies	6.1	2.4	2.7	2.5	-25.4%	-	9.3	12.4	13.1	73.6%	-
Travel and subsistence	15.5	11.9	15.1	20.8	10.3%	0.1%	15.4	13.8	14.5	-11.2%	0.1%
Transfers and subsidies¹	10 548.5	12 301.7	13 819.5	15 463.9	13.6%	97.0%	17 729.3	20 302.0	22 440.5	13.2%	97.4%
Provinces and municipalities	10 334.7	12 102.1	13 670.7	15 290.6	13.9%	95.6%	17 557.9	20 121.7	22 250.2	13.3%	96.5%
Departmental agencies and accounts	26.0	15.0	19.3	16.7	-13.6%	0.1%	17.5	17.5	18.5	3.5%	0.1%
Higher education institutions	-	-	-	3.3	-	-	-	-	-	-100.0%	-
Foreign governments and international organisations	-	-	-	14.4	-	-	-	-	-	-100.0%	-
Non-profit institutions	187.6	184.3	128.7	138.8	-9.6%	1.2%	153.9	162.7	171.8	7.4%	0.8%
Households	0.3	0.3	0.7	0.0	-44.5%	-	-	-	-	-100.0%	-
Payments for capital assets	1.2	0.5	0.8	8.9	96.4%	-	16.3	1.5	1.0	-52.1%	-
Machinery and equipment	1.2	0.5	0.8	8.9	96.4%	-	16.3	1.5	1.0	-52.1%	-
Payments for financial assets	0.0	0.6	0.2	0.0	34.9%	-	-	-	-	-100.0%	-
Total	10 763.5	12 818.7	14 179.0	16 009.6	14.1%	100.0%	18 278.3	20 745.6	22 909.4	12.7%	100.0%
Proportion of total programme expenditure to vote expenditure	35.6%	38.2%	39.4%	41.5%	-	-	42.9%	44.5%	45.5%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	26.0	15.0	19.3	16.7	-13.6%	0.1%	17.5	17.5	18.5	3.5%	0.1%
South African National AIDS Council	26.0	15.0	19.3	16.7	-13.6%	0.1%	17.5	17.5	18.5	3.5%	0.1%
Foreign governments and international organisations											
Current	-	-	-	14.4	-	-	-	-	-	-100.0%	-
International AIDS Society	-	-	-	14.4	-	-	-	-	-	-100.0%	-
Non-profit institutions											
Current	187.6	184.3	128.7	138.8	-9.6%	1.2%	153.9	162.7	171.8	7.4%	0.8%
Non-governmental organisations: Lifeline	18.3	19.0	19.9	21.0	4.6%	0.1%	22.0	23.3	24.6	5.5%	0.1%
Non-governmental organisations: loveLife	70.4	69.8	54.4	57.8	-6.4%	0.5%	61.2	64.8	68.4	5.8%	0.3%
Non-governmental organisations: Soul City	22.8	15.6	16.3	17.1	-9.1%	0.1%	19.2	20.3	21.3	7.6%	0.1%
Non-governmental organisations: HIV and AIDS	76.1	79.9	38.1	42.9	-17.4%	0.4%	51.5	54.4	57.5	10.2%	0.3%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	10 334.7	12 102.1	13 670.7	15 290.6	13.9%	95.6%	17 557.9	20 121.7	22 250.2	13.3%	96.5%
Comprehensive HIV and AIDS grant	10 334.7	12 102.1	13 670.7	-	-100.0%	67.2%	-	-	-	-	-
Human papillomavirus vaccine grant	-	-	-	-	-	-	-	200.0	211.2	-	0.5%
Comprehensive HIV, AIDS and tuberculosis grant	-	-	-	15 290.6	-	28.4%	17 557.9	19 921.7	22 039.0	13.0%	96.0%

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

Programme 4: Primary Health Care Services

Programme purpose

Develop and oversee the implementation of legislation, policies, systems, and norms and standards for a uniform district health system, environmental health, communicable and non-communicable diseases prevention, health promotion and improved nutrition.

Objectives

- Improve district governance and strengthen the management and leadership of the district health system by establishing approved, standardised district management structures in all 52 health districts by 2019/20.
- Improve access to community-based primary health care services by establishing 2 000 ward-based primary health care outreach teams by 2019/20.
- Improve the quality of care at clinics by ensuring that all fixed primary health care facilities qualify as ideal clinics by 2019/20.
- Improve the quality of services at district hospitals through the ideal district hospital programme by implementing the ideal district hospital framework at 25 per cent of all district hospitals by 2019/20.
- Reduce risk factors and improve the management of non-communicable diseases by implementing the strategic plan for the prevention and control of non-communicable diseases over the medium term.
- Improve inter-sectoral collaboration, with a focus on population-wide interventions, to promote healthy lifestyles, and address social and economic determinants by establishing a national health commission by 2019/20.
- Strengthen health promotion, surveillance, vector control and the case management of malaria in order to eliminate malaria by 2019/20.
- Improve South Africa's influenza-prevention and control by implementing a vaccination programme among high-risk groups over the medium term.
- Expand the provision of rehabilitation services by increasing the number of districts resourced with a multi-disciplinary rehabilitation team by 10 per cent by 2019/20.
- Improve accessibility of primary health services to people with physical disabilities, by ensuring that 70 per cent of primary health care facilities have wheelchair ramps, compacted access from gate to entrance, appropriate toilets and signage by 2019/20.
- Ensure the compliance of port health services to international health regulations by 2019/20 by regularly auditing points of entry and addressing findings from these at all 35 commercial points of entry in South Africa.

Subprogrammes

- *Programme Management* supports and provides leadership for the development and implementation of legislation, policies, systems, and norms and standards for a uniform district health system, environmental health, communicable and non-communicable diseases, health promotion, and nutrition.
- *District Health Services* promotes, coordinates and institutionalises the district health system; integrates programme implementation using the primary health care approach; and coordinates primary health care re-engineering through ward-based primary health care outreach teams.
- *Communicable Diseases* develops policies and supports provinces to ensure the control of infectious diseases and supports the National Institute for Communicable Diseases, a division of the National Health Laboratory Service. It improves surveillance for disease detection; strengthens preparedness and core response capacity for public health emergencies, in line with international health regulations; and facilitates the implementation of influenza prevention and control programmes, tropical disease prevention and control programmes, and malaria elimination.

- *Non-Communicable Diseases* establishes policy, legislation and guidelines, and assists provinces in implementing and monitoring services for chronic, non-communicable diseases, disability, eye care, oral health, mental health, substance abuse and injury.
- *Health Promotion and Nutrition* formulates and monitors policies, guidelines and norms and standards for health promotion and nutrition. Focusing on South Africa's quadruple burden of disease, it implements the approved health promotion strategy to reduce risk factors for disease, and promotes an integrated approach to working towards an optimal nutritional status for all South Africans.
- *Environmental and Port Health Services* coordinates the delivery of environmental health, including the monitoring and delivery of municipal health services, and ensures compliance with international health regulations by coordinating and implementing port health services in all of South Africa's 44 points of entry.

Expenditure trends and estimates

Table 16.11 Primary Health Care Services 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Programme Management	1.7	2.8	3.2	3.0	21.0%	1.3%	3.1	3.5	3.4	4.3%	1.2%
District Health Services	14.0	25.8	9.8	26.0	23.1%	8.8%	46.3	67.5	71.5	40.0%	18.7%
Communicable Diseases	13.8	23.4	21.1	21.6	16.1%	9.3%	21.9	22.9	24.5	4.3%	8.0%
Non-Communicable Diseases	25.5	25.3	20.6	21.6	-5.4%	10.8%	22.5	23.6	25.3	5.4%	8.2%
Health Promotion and Nutrition	23.9	18.4	22.1	22.7	-1.6%	10.1%	26.5	24.8	26.6	5.3%	8.9%
Environmental and Port Health Services	104.6	110.7	135.7	161.6	15.6%	59.7%	144.0	150.8	163.9	0.5%	54.9%
Total	183.5	206.3	212.6	256.5	11.8%	100.0%	264.3	293.1	315.1	7.1%	100.0%
Change to 2016 Budget estimate				(1.3)			(22.0)	(24.1)	(24.4)		
Economic classification											
Current payments	174.8	195.1	207.0	249.9	12.7%	96.3%	256.1	289.7	311.6	7.6%	98.1%
Compensation of employees	140.9	151.3	167.7	212.6	14.7%	78.3%	185.6	202.4	218.4	0.9%	72.5%
Goods and services ¹	33.9	43.8	39.3	37.3	3.2%	18.0%	70.5	87.3	93.3	35.8%	25.5%
of which:											
Consultants: Business and advisory services	0.1	1.3	3.2	2.7	214.0%	0.8%	11.6	31.2	33.0	131.3%	6.9%
Science and technological services	11.1	11.7	-	3.0	-35.1%	3.0%	5.4	4.2	4.5	13.9%	1.5%
Fleet services (including government motor transport)	1.5	1.3	10.6	3.7	34.0%	2.0%	8.3	8.2	8.7	32.8%	2.6%
Consumable supplies	0.0	0.0	2.3	2.6	424.7%	0.6%	5.1	5.3	5.6	29.1%	1.6%
Travel and subsistence	8.7	7.3	9.9	7.0	-7.0%	3.8%	13.5	14.5	15.5	30.6%	4.5%
Operating payments	3.4	10.2	2.1	3.0	-4.8%	2.2%	4.9	4.0	4.2	12.5%	1.4%
Transfers and subsidies¹	6.9	7.2	3.4	4.7	-12.0%	2.6%	3.0	3.1	3.3	-11.2%	1.3%
Foreign governments and international organisations	-	2.6	-	-	-	0.3%	-	-	-	-	-
Public corporations and private enterprises	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	6.7	4.4	2.9	3.0	-23.1%	2.0%	3.0	3.1	3.3	2.9%	1.1%
Households	0.1	0.1	0.5	1.7	157.5%	0.3%	-	-	-	-100.0%	0.1%
Payments for capital assets	0.7	4.0	2.1	1.9	41.7%	1.0%	5.3	0.3	0.1	-58.9%	0.7%
Machinery and equipment	0.7	4.0	2.1	1.9	41.7%	1.0%	5.3	0.3	0.1	-58.9%	0.7%
Payments for financial assets	1.1	0.0	0.0	0.0	-76.9%	0.1%	-	-	-	-100.0%	-
Total	183.5	206.3	212.6	256.5	11.8%	100.0%	264.3	293.1	315.1	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.6%	0.6%	0.6%	0.7%	-	-	0.6%	0.6%	0.6%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	-	2.6	-	-	-	0.3%	-	-	-	-	-
World Health Organisation	-	2.6	-	-	-	0.3%	-	-	-	-	-
Non-profit institutions											
Current	6.4	4.3	2.7	2.8	-23.8%	1.9%	3.0	3.1	3.3	5.3%	1.1%
South African Medical Research Council	0.4	0.5	0.5	0.5	5.0%	0.2%	0.5	0.6	0.6	5.4%	0.2%
South African Federation for Mental Health	0.3	0.3	0.3	0.4	5.0%	0.2%	0.4	0.4	0.4	5.5%	0.1%
South African National Council for the Blind	0.7	0.7	0.8	0.8	5.0%	0.3%	0.8	0.9	0.9	5.5%	0.3%
National Council Against Smoking	5.0	0.8	0.8	0.8	-44.7%	0.9%	0.9	0.9	1.0	5.5%	0.3%
National Kidney Foundation of South Africa	-	-	0.4	0.4	-	0.1%	0.4	0.4	0.4	3.8%	0.1%
Health Systems Global: South Africa	-	2.0	-	-	-	0.2%	-	-	-	-	-

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

Programme 5: Hospitals, Tertiary Health Services and Human Resource Development

Programme purpose

Develop policies, delivery models and clinical protocols for hospitals and emergency medical services. Provide human resources for health planning, development and management as well as clinical training platforms for health professionals education. Ensure that planning of health infrastructure meets the health needs of the country.

Objectives

- Accelerate the construction and maintenance of health infrastructure by enhancing the capacity to deliver health infrastructure on an ongoing basis.
- Increase the management capacity of central hospitals through training, coaching and mentoring to facilitate semi-autonomy and the implementation of cost centre management in all 10 central hospitals by 2018/19.
- Ensure equitable access to specialised health care by increasing the training platform for medical specialists by 2019/20.
- Ensure appropriate and affordable staffing levels and staffing mixes at all health facilities by developing and implementing staffing norms and standards in the health workforce over the medium term.
- Improve the quality of nursing-education and practice by ensuring that all 17 nursing colleges are accredited to offer the new nursing qualification by 2019/20.
- Ensure access to the efficient and effective delivery of quality emergency medical services by ensuring that all provinces fully comply with regulations pertaining to emergency medical services by 2019/20.
- Improve the functioning of the criminal justice system by eliminating backlogs for blood alcohol, toxicology and food tests in forensic chemistry laboratories by 2017/18, and reducing turnaround times on an ongoing basis.
- Improve the management of health facilities at all levels of care by ensuring that 90 per cent of all hospital chief executives and primary health-care facility managers benefit from a coaching and mentoring programme, implemented through the knowledge-management hub by 2019/20.

Subprogrammes

- *Programme Management* supports and provides leadership for the development of policies, delivery models and clinical protocols for hospitals and emergency medical services. It also supports the alignment of academic medical centres with health workforce programmes.
- *Health Facilities Infrastructure Management* coordinates and funds health-care infrastructure to enable provinces to plan, manage, modernise, rationalise and transform infrastructure, health technology and hospital management, and improve the quality of care. This subprogramme is responsible for the direct *health facility revitalisation grant* and, since 2013/14, the health facility revitalisation component of the *national health insurance indirect grant*.
- *Tertiary Health Care Planning and Policy* focuses on the provision of tertiary hospital services in a modernised and reconfigured manner; identifies tertiary and regional hospitals that should serve as centres of excellence for disseminating quality improvements; and is responsible for the management of the *national tertiary services grant*.
- *Hospital Management* deals with national policy on hospital services by focusing on developing an effective referral system to ensure clear delineation of responsibilities by level of care; providing clear guidelines for referral and improved communication; developing specific and detailed hospital plans; and facilitating quality improvement plans for hospitals.
- *Human Resources for Health* is responsible for medium to long term human resources planning in the national health system. This entails implementing the national human resources for health strategy, facilitating capacity development for the planning of a sustainable health workforce, and developing and implementing human resources information systems for planning and monitoring purposes.

- *Nursing Services* is responsible for developing and overseeing the implementation of a policy framework to oversee the development of required nursing skills and capacity, developing nursing norms and standards, and facilitating the development of the curriculum for nursing-education.
- *Forensic Chemistry Laboratories* is responsible for ante- and post-mortem analyses of blood alcohol levels for drunken driving; toxicology analyses of biological fluids and human organs in the event of unnatural deaths, such as murder and suicide; and analyses of foodstuffs.
- *Violence, Trauma and EMS* formulates and monitors policies, guidelines, and norms and standards for the management of violence, trauma and emergency medical services.

Expenditure trends and estimates

Table 16.12 Hospitals, Tertiary Health Services and Human Resource Development 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Programme Management	2.3	4.2	3.7	3.7	17.9%	–	3.7	4.0	4.3	4.7%	–
Health Facilities Infrastructure Management	5 546.1	5 807.6	6 092.9	6 078.8	3.1%	31.6%	6 623.7	6 934.6	7 323.3	6.4%	31.1%
Tertiary Health Care Planning and Policy	9 624.4	10 172.2	10 384.3	10 851.4	4.1%	55.1%	11 680.8	12 399.6	13 182.9	6.7%	55.5%
Hospital Management	5.7	4.6	4.8	5.7	–	–	5.2	5.5	5.9	1.6%	–
Human Resources for Health	2 208.9	2 340.6	2 394.3	2 500.1	4.2%	12.7%	2 653.8	2 807.8	2 965.5	5.9%	12.6%
Nursing Services	1.1	2.6	4.2	6.6	82.3%	–	6.6	7.1	7.6	4.7%	–
Forensic Chemistry Laboratories	93.9	110.1	112.8	120.5	8.7%	0.6%	127.4	134.8	143.1	5.9%	0.6%
Violence, Trauma and EMS	11.0	6.7	5.3	7.1	-13.5%	–	7.1	7.7	8.2	4.8%	–
Total	17 493.2	18 448.6	19 002.3	19 574.0	3.8%	100.0%	21 108.2	22 301.1	23 640.8	6.5%	100.0%
Change to 2016 Budget estimate				0.5			35.8	76.6	168.8		
Economic classification											
Current payments	227.7	239.5	284.1	409.8	21.6%	1.6%	315.5	337.6	356.3	-4.6%	1.6%
Compensation of employees	95.0	104.7	110.9	131.6	11.5%	0.6%	128.5	140.1	151.1	4.7%	0.6%
Goods and services ¹	132.8	134.8	173.2	278.2	28.0%	1.0%	187.0	197.6	205.2	-9.6%	1.0%
of which:											
Consultants: Business and advisory services	104.5	0.9	1.7	24.1	-38.6%	0.2%	9.1	18.3	19.3	-7.1%	0.1%
Infrastructure and planning services	–	4.3	–	8.0	–	–	36.9	13.9	14.7	22.5%	0.1%
Contractors	1.6	5.0	5.3	5.6	50.0%	–	13.5	12.1	13.1	33.0%	0.1%
Agency and support/outourced services	1.6	88.1	131.6	201.3	396.8%	0.6%	79.0	101.6	104.9	-19.5%	0.6%
Inventory: Other supplies	7.5	10.2	11.6	11.4	15.0%	0.1%	13.2	12.4	11.6	0.8%	0.1%
Travel and subsistence	9.0	9.5	9.8	8.2	-3.2%	–	11.9	12.1	13.5	18.2%	0.1%
Transfers and subsidies¹	17 101.6	17 992.7	18 173.3	18 596.3	2.8%	96.4%	19 962.5	21 094.9	22 365.0	6.3%	94.7%
Provinces and municipalities	17 101.5	17 992.0	18 172.9	18 596.2	2.8%	96.4%	19 962.5	21 094.9	22 365.0	6.3%	94.7%
Households	0.1	0.7	0.4	0.1	22.1%	–	–	–	–	-100.0%	–
Payments for capital assets	163.9	216.3	544.8	567.7	51.3%	2.0%	830.2	868.7	919.5	17.4%	3.7%
Buildings and other fixed structures	113.7	168.3	470.6	471.9	60.7%	1.6%	714.6	748.1	792.1	18.8%	3.1%
Machinery and equipment	50.2	48.0	74.1	95.8	24.1%	0.4%	115.5	120.6	127.4	9.9%	0.5%
Payments for financial assets	0.0	0.1	0.1	0.1	73.5%	–	–	–	–	-100.0%	–
Total	17 493.2	18 448.6	19 002.3	19 574.0	3.8%	100.0%	21 108.2	22 301.1	23 640.8	6.5%	100.0%
Proportion of total programme expenditure to vote expenditure	57.9%	55.0%	52.8%	50.7%	–	–	49.5%	47.8%	46.9%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	11 810.7	12 490.0	12 755.9	13 323.5	4.1%	67.6%	14 308.0	15 179.2	16 118.0	6.6%	68.0%
Health professions training and development grant	2 190.4	2 321.8	2 374.7	2 476.7	4.2%	12.6%	2 631.8	2 784.5	2 940.4	5.9%	12.5%
National tertiary services grant	9 620.4	10 168.2	10 381.2	10 846.8	4.1%	55.0%	11 676.1	12 394.7	13 177.6	6.7%	55.5%
Capital	5 290.8	5 502.0	5 417.0	5 272.7	-0.1%	28.8%	5 654.5	5 915.7	6 247.0	5.8%	26.7%
Health facility revitalisation grant	5 290.8	5 502.0	5 417.0	5 272.7	-0.1%	28.8%	5 654.5	5 915.7	6 247.0	5.8%	26.7%

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

Programme 6: Health Regulation and Compliance Management

Programme purpose

Regulate the procurement of medicines and pharmaceutical supplies, including food control, and the trade in health products and health technology. Promote accountability and compliance by regulatory bodies and public entities, for effective governance and improving the quality of health care.

Objectives

- Strengthen food safety by expanding laboratory-testing capabilities for adulterants, such as colourants, protein and allergens, and creating partnerships with food laboratories over the medium term.
- Ensure that all five public health entities and six statutory health professional councils are compliant with good governance practices by providing advice and technical support over the medium term.
- Provide for coordinated disease and injury surveillance and research by establishing a national public health institute by 2019/20, pending approval from Cabinet.
- Ensure that the compensation commissioner eliminates the backlog of audited annual financial statements by 2019/20 by appointing external actuarial and financial experts to support this process.

Subprogrammes

- *Programme Management* provides leadership to the programme by supporting the development of regulations for the procurement of medicines and pharmaceutical supplies, food control and the trade of health products and health technology. This subprogramme also provides oversight to regulatory bodies and public entities for effective governance and quality health care.
- *Food Control* regulates foodstuffs and non-medical health products for human and animal use, with the aim of ensuring that they are safe, efficacious and of high quality.
- *Radiation Control and Health Technology* performs regulatory functions related to all medical, industrial, research and agricultural facilities and also performs activities related to radionuclides in South Africa, outside the nuclear fuel cycle. The radiation control inspectorate issues end-user licences for all generators ionizing radiation (and supervises and inspects x-ray generators and low level radioisotope installations).
- *Public Entities Management* supports the executive authority's oversight function and provides guidance to health entities and statutory councils that fall within the mandate of health legislation, with regard to planning and budget procedures, performance and financial reporting, remuneration, governance and accountability.
- *Compensation Commissioner for Occupational Diseases and Occupational Health* is responsible for the payment of benefits to active miners and ex-miners certified to be suffering from lung-related diseases as a result of the high-risk work performed in controlled mines and works. It is also responsible for providing benefit medical examinations for ex-workers in controlled mines and works.

Expenditure trends and estimates

Table 16.13 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
R million												
Programme Management	2.8	3.8	3.5	4.1	12.7%	0.2%	4.5	4.9	5.2	8.7%	0.3%	
Food Control	7.2	6.9	8.3	10.0	11.7%	0.6%	11.7	11.5	12.3	7.3%	0.6%	
Radiation Control and Health Technology	105.8	120.5	138.3	156.1	13.8%	8.9%	19.0	19.6	23.3	-47.0%	3.1%	
Public Entities Management	1 062.2	1 162.9	1 399.1	1 474.9	11.6%	87.0%	1 630.1	1 685.1	1 779.6	6.5%	92.4%	
Compensation Commissioner for Occupational Diseases and Occupational Health	36.4	46.6	50.2	61.6	19.2%	3.3%	61.7	65.8	69.5	4.1%	3.6%	
Total	1 214.4	1 340.7	1 599.4	1 706.7	12.0%	100.0%	1 727.0	1 786.9	1 889.9	3.5%	100.0%	
Change to 2016				16.5			(3.4)	(3.1)	(3.9)			
Budget estimate												

Table 16.13 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Current payments	150.7	174.4	190.0	224.7	14.2%	12.6%	94.3	98.2	108.7	-21.5%	7.4%
Compensation of employees	94.2	106.1	124.0	149.1	16.5%	8.1%	54.6	59.6	64.4	-24.4%	4.6%
Goods and services ¹	56.5	68.2	66.0	75.6	10.2%	4.5%	39.6	38.7	44.3	-16.3%	2.8%
of which:											
Audit costs: External	0.0	–	0.0	2.1	1180.6%	–	3.3	2.5	2.9	10.8%	0.2%
Computer services	2.1	1.8	4.1	2.8	9.4%	0.2%	4.0	3.5	6.7	33.6%	0.2%
Consumables: Stationery, printing and office supplies	1.5	1.9	2.0	2.6	21.2%	0.1%	1.5	4.0	3.7	12.0%	0.2%
Operating leases	0.9	1.3	1.2	1.8	24.6%	0.1%	1.3	4.8	4.0	29.9%	0.2%
Property payments	0.0	0.3	0.3	0.5	226.5%	–	1.2	4.1	3.3	85.6%	0.1%
Travel and subsistence	12.1	13.4	14.1	12.6	1.4%	0.9%	5.5	6.3	7.7	-15.0%	0.5%
Transfers and subsidies¹	1 062.0	1 163.0	1 397.9	1 476.8	11.6%	87.0%	1 630.0	1 685.7	1 780.1	6.4%	92.4%
Departmental agencies and accounts	1 061.8	1 161.7	1 397.6	1 475.2	11.6%	87.0%	1 630.0	1 685.7	1 780.1	6.5%	92.4%
Households	0.1	1.3	0.2	1.6	140.0%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	1.8	3.3	11.4	5.2	44.1%	0.4%	2.7	2.9	1.0	-42.7%	0.2%
Buildings and other fixed structures	–	0.5	–	–	–	–	–	–	–	–	–
Machinery and equipment	1.8	2.8	7.2	5.2	44.1%	0.3%	2.7	2.9	1.0	-42.7%	0.2%
Software and other intangible assets	–	–	4.2	–	–	0.1%	–	–	–	–	–
Payments for financial assets	0.0	0.0	0.2	–	-100.0%	–	–	–	–	–	–
Total	1 214.4	1 340.7	1 599.4	1 706.7	12.0%	100.0%	1 727.0	1 786.9	1 889.9	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	4.0%	4.0%	4.4%	4.4%	–	–	4.1%	3.8%	3.8%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 058.8	1 158.5	1 394.3	1 471.6	11.6%	86.7%	1 626.3	1 681.8	1 776.0	6.5%	92.2%
South African Medical Research Council	419.5	446.3	623.9	657.6	16.2%	36.6%	615.0	624.8	659.8	0.1%	36.0%
National Health Laboratory Service	603.5	674.1	678.9	711.9	5.7%	45.5%	746.5	789.8	834.0	5.4%	43.3%
Office of Health Standards Compliance	31.3	33.4	88.9	100.5	47.6%	4.3%	125.7	133.0	140.5	11.8%	7.0%
Council for Medical Schemes	4.5	4.8	2.6	1.6	-29.1%	0.2%	5.5	5.8	6.1	56.1%	0.3%
South African Health Product Regulatory Authority	–	–	–	–	–	–	133.6	128.4	135.6	–	5.6%
Departmental agencies and accounts											
Social security funds											
Current	3.1	3.2	3.4	3.5	5.0%	0.2%	3.7	3.9	4.2	5.5%	0.2%
Compensation Commissioner	3.1	3.2	3.4	3.5	5.0%	0.2%	3.7	3.9	4.2	5.5%	0.2%

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

Entity¹

National Health Laboratory Service

Mandate

The National Health Laboratory Service was established in 2001 in terms of the National Health Laboratory Service Act (2000). The entity is mandated to support the Department of Health by providing cost effective diagnostic laboratory services to all state clinics and hospitals. It also provides health science training and education, and supports health research. It is the biggest diagnostic pathology service in South Africa, servicing more than 80 per cent of the population, through a national network of 268 laboratories. Its specialised divisions include the National Institute for Communicable Diseases, the National Institute for Occupational Health, the National Cancer Registry and the Anti-Venom Unit.

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

Selected performance indicators

Table 16.14 National Health Laboratory Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of CD4 tests performed within 48 hours	Laboratory tests	Outcome 2: A long and healthy life for all South Africans	90% (3 540 662/ 3 934 069)	89% (3 229 535/ 3 628 691)	89% (3 043 404/ 3 419 555)	90%	90%	90%	90%
Percentage of viral load tests performed within 96 hours	Laboratory tests		86% (2 449 051/ 2 905 873)	81% (2 931 375/ 3 618 981)	64% (2 757 422/ 4 308 472)	90%	70%	75%	80%
Percentage of tuberculosis microscopy/GeneXPert tests performed within 48 hours	Laboratory tests		92% (3 392 935/ 3 687 973)	92% (3 388 492/ 3 683 144)	91% (3 005 801 / 3 303 078)	90%	90%	90%	90%
Percentage of HIV polymerase chain reaction tests performed within 96 hours	Laboratory tests		82% (293 832/ 358 332)	70% (327 897/ 468 424)	73% (408 296/ 559 310)	90%	75%	80%	80%
Percentage of cervical smear tests performed within five weeks	Laboratory tests		63% (525 850/ 834 683)	57% (503 645/ 883 587)	48% (445 827/ 928 806)	90%	55%	70%	80%
Percentage of academic laboratories accredited (national central)	Research		-1	-1	84% (59/70)	90%	95%	99%	100%
Percentage laboratories achieving proficiency testing schemes performance standards at a level of at least 80%	Laboratory tests		-1	-1	-1	80%	82%	83%	85%
Number of research reports submitted to influence policy per year	Research		-1	-1	4	4	4	4	3
Number of peer reviewed journals published per year	Surveillance of communicable diseases		-1	-1	120	120	120	120	120
Number of occupational hygiene assessments conducted per year	Occupational health		-1	-1	-1	17	22	40	48
Percentage of autopsy examinations completed and reported	Occupational health	-1	-1	-1	100%	100%	100%	100%	

1. No historical data available.

Expenditure analysis

The National Health Laboratory Service will, over the medium term, continue to conduct affordable, sustainable and high quality laboratory services to health care facilities, mainly in the public sector. The organisation will focus on the national priority programmes, created in 2010 to address the Department of Health's need to increase access to patient testing, including HIV and associated opportunistic infections, such as tuberculosis, cryptococcus and hepatitis. The organisation will also continue to provide a training platform for pathologists and other health professionals, and conduct research through the National Institute of Communicable Diseases and the National Institute for Occupational Health, both housed within the service. These are seen as important contributions to the National Development Plan's goal of improving the quality of health care services and controlling epidemics, and to the realisation of outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium-term strategic framework.

The laboratory testing programme, which makes up 77.7 per cent of the service's total expenditure over the medium term, is set to grow by 7.4 per cent per year. This is expected to allow for increased test volumes and improved turnaround times. In addition, seven uninterrupted power supply systems are being installed nationwide to ensure that processing continues in spite of power failures. This will ensure that the most important tests, such as CD4 count, TB GeneXpert and polymerase chain reaction (for diagnosis of HIV) are conducted within their respective timeframes. An increase of 2.4 per cent in total test volumes, from 84 891 560 in 2014/15 to 86 891 560 in 2015/16, translated into an increase of R697 million in test revenue. The increase in volume was largely due to the increase in HIV viral load and HIV-PCR tests. As a result of increased gate keeping efforts by provincial departments of health, test volumes are estimated to grow at 2 per cent over the medium term, to 94 665 115 by 2019/20. The increased test volumes, coupled with annual tariff adjustments, will increase laboratory test revenue by 5.3 per cent per year over the medium term, from R6.5 billion in 2016/17 to R7.6 billion in 2019/20. Laboratory tests are expected to generate 86.3 per cent of total revenue.

Through the National Institute for Communicable Diseases and the National Institute for Occupational Health, and through its own research programme, the service contributes to research and development and provides a training platform for students of pathology. Altogether, these three programmes are allocated R2.8 billion over the MTEF period. A total of 242 registrars are in training to become pathologists and 27 intern scientists are in training to become scientists. In 2015/16, 27 pathologists and 10 scientists were qualified and the plan is to admit 35 registrars and 50 intern medical scientists per year over the MTEF period. The funding will also enable the National Institute of Communicable Diseases to publish 120 peer-reviewed articles per year and the National Institute for Occupational Health to increase the number of occupational hygiene assessments from 17 in 2016/17 to 48 in 2019/20.

Programmes/objectives/activities

Table 16.15 National Health Laboratory Service 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 (%)
	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
Administration	473.6	621.2	1 202.6	640.4	10.6%	11.5%	843.8	908.6	978.0	15.2%	10.7%
Surveillance of communicable diseases	161.2	167.0	271.6	319.7	25.6%	3.6%	326.1	352.5	372.3	5.2%	4.4%
Occupational health	71.2	72.7	90.1	108.3	15.0%	1.3%	117.6	125.1	132.1	6.8%	1.5%
Laboratory tests	4 717.8	4 919.2	4 930.8	5 464.0	5.0%	79.1%	5 890.5	6 292.7	6 761.7	7.4%	77.7%
Research	365.0	179.8	191.0	409.0	3.9%	4.5%	438.4	462.0	487.9	6.1%	5.7%
Total	5 788.9	5 959.9	6 686.1	6 941.4	6.2%	100.0%	7 616.5	8 141.0	8 732.1	8.0%	100.0%

Statements of historical financial performance and position

Table 16.16 National Health Laboratory Service statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16	2016/17	2016/17	2013/14 - 2016/17
Revenue									
Non-tax revenue	4 328.6	4 802.8	4 970.4	5 340.4	5 819.8	6 104.7	6 143.7	6 599.1	107.5%
Sale of goods and services other than capital assets	4 267.3	4 598.3	4 906.4	5 066.3	5 742.7	5 763.3	6 008.3	6 463.6	104.6%
of which:									
Sales by market establishment	4 267.3	4 598.3	4 906.4	5 066.3	5 742.7	5 763.3	6 008.3	6 463.6	104.6%
Other non-tax revenue	61.3	204.5	64.0	274.1	77.0	341.4	135.4	135.4	282.9%
Transfers received	105.5	833.9	225.3	799.3	678.9	860.8	711.9	711.9	186.2%
Total revenue	4 434.1	5 636.7	5 195.6	6 139.7	6 498.7	6 965.4	6 855.6	7 310.9	113.4%
Expenses									
Current expenses	4 399.6	5 788.9	5 057.3	5 959.9	6 147.1	6 686.1	6 602.3	6 941.4	114.3%
Compensation of employees	2 333.6	2 090.5	2 107.7	2 112.4	2 423.5	2 566.0	2 571.8	3 064.7	104.2%
Goods and services	1 910.3	3 625.7	2 898.5	3 744.1	3 672.7	4 001.4	3 976.0	3 746.2	121.4%
Depreciation	145.7	66.7	44.7	101.8	40.4	118.6	44.5	130.3	151.5%
Interest, dividends and rent on land	10.0	6.0	6.4	1.7	10.5	0.2	10.0	0.2	21.8%
Total expenses	4 399.6	5 788.9	5 057.3	5 959.9	6 147.1	6 686.1	6 602.3	6 941.4	114.3%
Surplus/(Deficit)	34.0	(152.0)	138.0	180.0	352.0	279.0	253.0	370.0	
Statement of financial position									
Carrying value of assets	620.5	551.0	676.3	521.9	764.2	554.1	686.0	784.8	87.8%
of which:									
Acquisition of assets	(194.0)	(186.0)	(213.4)	(47.6)	(526.4)	(155.3)	(250.0)	(200.0)	49.8%
Inventory	97.4	81.0	100.3	89.0	103.2	104.2	110.3	110.3	93.5%
Receivables and prepayments	2 505.1	2 408.6	1 549.2	2 862.4	2 135.5	3 154.9	2 742.6	3 090.9	128.9%
Cash and cash equivalents	639.3	348.0	677.4	651.2	699.4	739.0	889.9	707.1	84.1%
Total assets	3 862.3	3 388.6	3 003.2	4 124.4	3 702.3	4 552.3	4 428.7	4 693.1	111.7%
Accumulated surplus/(deficit)	1 366.0	1 468.8	1 363.8	1 643.2	2 043.8	1 922.4	2 297.1	2 292.0	103.6%
Capital and reserves	42.8	42.8	42.8	0.3	42.8	0.3	0.3	0.3	34.0%
Capital reserve fund	80.0	-	80.0	-	-	-	-	-	-
Finance lease	-	0.1	-	-	-	-	-	-	-
Deferred income	-	58.0	-	52.3	-	4.1	58.2	58.2	296.6%
Trade and other payables	1 282.5	759.8	436.4	1 080.8	439.4	914.2	696.7	932.4	129.1%
Benefits payable	-	-	-	-	-	21.0	24.8	24.8	184.6%
Provisions	1 091.0	1 059.0	1 080.2	1 321.7	1 176.2	1 621.3	1 351.5	1 385.4	114.7%
Derivatives financial instruments	-	-	-	26.1	-	68.9	-	-	-
Total equity and liabilities	3 862.3	3 388.6	3 003.2	4 124.4	3 702.3	4 552.3	4 428.7	4 693.1	111.7%

Statements of estimates of financial performance and position

Table 16.17 National Health Laboratory Service statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	Revised estimate	2013/14	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	6 599.1	11.2%	87.5%	6 924.3	7 255.9	7 741.3	5.5%	88.4%
Sale of goods and services other than capital assets	6 463.6	12.0%	83.8%	6 751.1	7 080.0	7 554.0	5.3%	86.3%
<i>of which:</i>								
<i>Sales by market establishment</i>	6 463.6	12.0%	83.8%	6 751.1	7 080.0	7 554.0	5.3%	86.3%
Other non-tax revenue	135.4	-12.8%	3.7%	173.1	175.9	187.3	11.4%	2.1%
Transfers received	711.9	-5.1%	12.5%	964.7	1 022.5	1 082.2	15.0%	11.6%
Total revenue	7 310.9	9.1%	100.0%	7 889.0	8 278.4	8 823.5	6.5%	100.0%
Expenses								
Current expenses	6 941.4	6.2%	100.0%	7 616.5	8 141.0	8 732.1	8.0%	137.2%
Compensation of employees	3 064.7	13.6%	38.5%	3 454.9	3 806.1	4 189.9	11.0%	46.1%
Goods and services	3 746.2	1.1%	59.8%	4 026.9	4 198.9	4 402.5	5.5%	52.2%
Depreciation	130.3	25.0%	1.6%	134.4	135.8	139.4	2.3%	1.7%
Interest, dividends and rent on land	0.2	-68.7%	-	0.2	0.3	0.3	17.7%	-
Total expenses	6 941.4	6.2%	100.0%	7 616.5	8 141.0	8 732.1	8.0%	100.0%
Surplus/(Deficit)	370.0	(2.0)		273.0	137.0	91.0	-37.3%	
Statement of financial position								
Carrying value of assets	784.8	12.5%	14.5%	989.9	1 176.0	1 329.7	19.2%	20.3%
<i>of which:</i>								
<i>Acquisition of assets</i>	(200.0)	2.4%	-3.6%	(235.0)	(225.0)	(200.0)	-	-4.1%
Inventory	110.3	10.8%	2.3%	111.4	112.5	113.6	1.0%	2.2%
Receivables and prepayments	3 090.9	8.7%	68.9%	3 411.9	3 473.2	3 460.9	3.8%	64.5%
Cash and cash equivalents	707.1	26.7%	14.3%	623.3	731.1	649.8	-2.8%	13.1%
Total assets	4 693.1	11.5%	100.0%	5 136.5	5 492.7	5 554.0	5.8%	100.0%
Accumulated surplus/(deficit)	2 292.0	16.0%	43.6%	2 564.5	2 701.9	2 793.3	6.8%	49.6%
Capital and reserves	0.3	-80.2%	0.3%	0.3	0.3	0.3	-	-
Deferred income	58.2	0.1%	1.1%	61.4	64.7	68.3	5.5%	1.2%
Trade and other payables	932.4	7.1%	22.1%	1 098.3	1 311.9	1 276.4	11.0%	22.0%
Benefits payable	24.8	-	0.2%	24.9	24.9	24.9	0.1%	0.5%
Provisions	1 385.4	9.4%	32.1%	1 387.1	1 388.9	1 390.7	0.1%	26.7%
Total equity and liabilities	4 693.1	11.5%	100.0%	5 136.5	5 492.7	5 554.0	5.8%	100.0%

Personnel information

Table 16.18 National Health Laboratory Service personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment											Number							
Number of funded posts	Number of posts on approved establishment	Actual 2015/16		Revised estimate 2016/17			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
		Number	Cost	Number	Cost	Unit cost	2017/18		2018/19		2019/20									
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
National Health Laboratory Service		7 965	7 965	6 987	2 566.0	0.4	7 965	3 064.7	0.4	7 965	3 454.9	0.4	7 965	3 806.1	0.5	7 965	4 189.9	0.5	11.0%	100.0%
Salary level																				
1 – 6	3 505	3 505	3 005	494.1	0.2	3 505	590.1	0.2	3 505	662.6	0.2	3 505	729.9	0.2	3 505	803.6	0.2	10.8%	44.0%	
7 – 10	3 097	3 097	2 797	920.0	0.3	3 097	1 098.9	0.4	3 097	1 233.9	0.4	3 097	1 359.2	0.4	3 097	1 496.5	0.5	10.8%	38.9%	
11 – 12	1 085	1 085	907	759.0	0.8	1 085	906.5	0.8	1 085	1 031.5	1.0	1 085	1 136.5	1.0	1 085	1 250.7	1.2	11.3%	13.6%	
13 – 16	277	277	277	390.7	1.4	277	466.6	1.7	277	523.9	1.9	277	577.1	2.1	277	635.4	2.3	10.8%	3.5%	
17 – 22	1	1	1	2.2	2.2	1	2.7	2.7	1	3.0	3.0	1	3.3	3.3	1	3.7	3.7	10.8%	0.0%	

1. Rand million.

Other entities

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

- The **Compensation Commissioner for Occupational Diseases in Mines and Works** is mandated to compensate workers and ex-workers in controlled mines and works for occupational diseases of the cardiorespiratory organs and reimburse for loss of earnings incurred during tuberculosis treatment. The commissioner's total budget for 2017/18 is R195.2 million.
- The **Council for Medical Schemes** was established in terms of the Medical Schemes Act (1998) as the regulatory authority responsible for overseeing the medical schemes industry in South Africa. Section 7 of the act sets out the functions of the council, which include protecting the interests of beneficiaries,

controlling and coordinating the functioning of medical schemes, collecting and disseminating information about private health care and advising the Minister of Health on any matter concerning medical schemes. The council's total budget for 2017/18 is R153.1 million.

- The **Office of Health Standards Compliance** was established in terms of the National Health Amendment Act (2013), which mandates the office to: monitor and enforce the compliance of health establishments with the norms and standards prescribed by the Minister of Health in relation to the national health system; and ensure the consideration, investigation and disposal of complaints relating to non-compliance with prescribed norms and standards in a procedurally fair, economical and expeditious manner. The office's total budget for 2017/18 is R125.7 million.
- The **South African Health Products Regulatory Authority** will be established by April 2017 in terms of the Medicines Amendment Act (2015). The authority is the national medicines regulatory authority of South Africa. It is responsible for the regulation and control of registration, licensing, manufacturing, importation, and all other aspects pertaining to active pharmaceutical ingredients, medicines, medical devices; and for conducting clinical trials in a manner compatible with the national medicines policy. The authority's total budget for 2017/18 is R211.3 million.
- The **South African Medical Research Council** was established in terms of the South African Medical Research Council Act (1969), and also derives its mandate from the Intellectual Property Rights from Publicly Financed Research and Development Act (2008). The council is mandated to promote the improvement of health and quality of life through research, development and technology transfers. Research and innovation are primarily conducted through council-funded research units located within the council and in higher education institutions. The council's total budget for 2017/18 is R1.1 billion.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
R million										
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Limpopo: Tshlidzini Hospital	Replacement of hospital (Initial design stages only)	Site identification	2 301.4	–	–	–	20.0	26.0	9.0	50.0
Limpopo: Elim Hospital	Replacement of hospital	Site identification	1 869.9	–	–	–	20.0	26.0	6.0	50.0
Limpopo: Siloam Hospital	Replacement of hospital	Construction	1 599.0	–	36.4	94.7	87.0	18.3	172.9	211.0
Free State: Dihlabeng Hospital	Replacement of hospital	Site identification	2 018.9	–	–	–	1.0	3.0	50.0	100.0
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Eastern Cape: Bambisana Hospital	Revitalisation of hospital	Site identification	664.3	–	–	0.2	7.0	49.5	125.0	125.0
Eastern Cape: Zithulele Hospital	Revitalization of hospital	Site identification	510.8	–	–	0.1	7.0	49.5	150.0	125.0
Free State: Dihlabeng Hospital emergency ward	Emergency repairs	Design	168.6	–	–	7.4	30.8	50.0	22.0	–
Small projects (total project cost of less than R250 million over the project life cycle)										
Limpopo: Limpopo Academic Hospital	Planning and design of a new hospital	Site identification	59.0	–	–	–	39.0	20.0	–	–
Eastern Cape: Nelson Mandela Hospital (public private partnership feasibility study)	Development of a feasibility study	Site identification	3.9	3.9	–	–	–	–	–	–
KwaZulu-Natal: Kind Edward Hospital (public private partnership feasibility study)	Development of a feasibility study	Site identification	5.6	4.4	0.2	–	–	1.0	–	–
Gauteng: Chris Hani Baragwanath Hospital (public private partnership feasibility study)	Development of a feasibility study	Site identification	7.4	4.4	3.0	–	–	–	–	–
Gauteng: Dr George Mukhari Academic Hospital (public private partnership feasibility study)	Development of a feasibility study	Site identification	13.7	11.6	1.0	–	–	1.0	–	–
Eastern Cape: Nolitha Clinic	Replacement of clinic	Construction	31.2	–	2.0	8.5	3.5	17.2	–	–
Eastern Cape: Nkanga Clinic	Replacement of clinic	Construction	30.4	–	1.8	15.8	6.3	6.5	–	–
Eastern Cape: Lutubeni Clinic	Replacement of clinic	Construction	31.4	–	2.5	9.1	12.0	7.7	–	–
Eastern Cape: Maxwele Clinic	Replacement of clinic	Construction	28.9	–	1.9	10.7	9.5	6.8	–	–
Eastern Cape: Lotana Clinic	Replacement of clinic	Construction	31.6	–	3.2	14.4	7.9	6.1	–	–
Eastern Cape: Lusikisiki Clinic	Replacement of clinic	Construction	61.5	–	1.5	20.0	15.0	30.0	–	–
Eastern Cape: Gengge Clinic	Replacement of clinic	Construction	28.1	–	1.6	5.2	3.5	17.9	–	–
Eastern Cape: Sakhela Clinic	Replacement of clinic	Construction	30.7	–	1.2	10.8	9.0	9.6	–	–
Free State: Clocolan Clinic	Replacement of clinic (initial design stages only)	Construction	48.5	0.1	0.1	0.9	4.0	–	–	–
Free State: Borwa Clinic	Replacement of clinic (initial design stages only)	Design	84.9	0.3	0.1	0.9	4.0	–	–	–
Free State: Lusaka Community Health Centre	Replacement of community health centre	Design	124.7	–	–	0.9	3.0	–	–	–
Limpopo: Magwedzha Clinic	Replacement of clinic (initial design stages only)	Design	52.2	–	–	1.0	5.0	–	–	–
Limpopo: Thengwe Clinic	Replacement of clinic (initial design stages only)	Design	49.6	–	–	1.0	5.0	–	–	–
Limpopo: Mulenzhe Clinic	Replacement of clinic (initial design stages only)	Design	50.2	–	–	1.0	5.0	–	–	–
Limpopo: Makonde Clinic	Replacement of clinic (initial design stages only)	Design	52.2	–	–	1.0	5.0	–	–	–
Limpopo: Chebeng Community Health Centre	Replacement of community health centre	Design	136.1	–	–	1.0	5.0	–	–	–
Mpumalanga: Msukaligwa Community Day Centre	Replacement of clinic (initial design stages only)	Design	146.8	–	–	0.4	3.0	–	–	–
Mpumalanga: Ethandakuhanya Community Day Centre	Replacement of clinic (initial design stages only)	Design	146.8	–	–	0.4	3.0	–	–	–
Mpumalanga: Vukuzakhe Clinic	Replacement of clinic (initial design stages only)	Design	54.6	–	–	0.4	3.0	–	–	–
Mpumalanga: Balfour Community Health Centre (24-hour mini-hospital)	Replacement of community health centre	Design	299.1	–	–	0.4	–	–	–	–
Mpumalanga: Nhlazathse 6 Clinic	Replacement of clinic (initial design stages only)	Design	54.6	–	–	0.4	3.0	–	–	–

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Eastern Cape: Butterworth Nursing College	Rehabilitation of existing nursing education institute facility	Construction	17.3	–	1.7	10.3	4.9	0.4	–	–
Gauteng: Baragwanath Nursing College	Rehabilitation of existing nursing education institute facility	Construction	20.9	–	0.8	12.0	6.5	5.7	–	–
Limpopo: Thohoyandou Nursing College	Rehabilitation of existing nursing education institute facility	Construction	23.6	–	2.1	16.0	3.5	2.1	–	–
Mpumalanga: Middelburg Nursing College	Rehabilitation of existing nursing education institute facility	Construction	15.9	–	1.8	11.6	4.5	–	–	–
Northern Cape: Henrietta Nursing College	Rehabilitation of existing nursing education institute facility	Feasibility	14.1	–	–	–	0.9	13.3	–	–
Doctors consulting rooms	Provision of doctors consulting rooms	Handed over	346.1	115.9	76.4	64.9	88.9	–	–	–
Eastern Cape backlog maintenance through the Development Bank of Southern Africa	Backlog maintenance	Construction	46.0	–	33.8	–	9.0	3.3	–	–
Eastern Cape: Additions to clinics through the Development Bank of Southern Africa	Upgrades and renovations of 37 clinics	Construction	226.3	–	–	–	8.8	38.9	50.0	50.0
National health insurance backlog maintenance	Rehabilitation and maintenance	Construction	2 985.5	–	–	25.0	242.4	469.0	387.4	293.7
Health technology for national health insurance facilities	Various	Construction	97.3	–	33.3	59.0	10.0	–	–	–
Non-capital infrastructure projects, including maintenance	Maintenance, provision of provincial management support units and project management information systems, conditional assessments of facilities in NHI pilot districts, in-loco supervision, monitoring of 10 year health infrastructure plan	Ongoing	490.5	42.2	86.0	209.2	83.9	69.2	10.0	–
North West: Witrand Nursing college refurbishment - initial investigations only	Rehabilitation of existing nursing education institute facility	Site identification	7.0	–	–	–	–	1.0	6.0	–
Various organisational development and quality assurance projects at hospitals	Various organisational development and quality assurance Projects	Site identification	39.0	–	–	–	–	–	–	39.0
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Health facility revitalisation grant: Eastern Cape	Construction of new facilities, upgrades of existing health facilities	Ongoing	4 197.5	562.8	599.2	592.1	619.0	620.8	568.1	600.0
Health facility revitalisation grant: Free State	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 863.2	539.0	467.0	586.9	474.7	552.2	491.1	518.6
Health facility revitalisation grant: Gauteng	Construction of new facilities, upgrades of existing health facilities	Ongoing	5 148.4	771.0	671.0	313.6	777.8	890.7	846.0	893.4
Health facility revitalisation grant: KwaZulu-Natal	Construction of new facilities, upgrades of existing health facilities	Ongoing	8 205.5	1 072.5	1 362.5	1 229.8	1 114.7	1 149.4	1 128.0	1 191.2
Health facility revitalisation grant: Limpopo	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 145.3	457.4	467.4	358.5	379.1	508.1	451.0	476.2
Health facility revitalisation grant: Mpumalanga	Construction of new facilities, upgrades of existing health facilities	Ongoing	2 367.5	283.7	343.5	287.9	281.2	325.6	339.7	358.7
Health facility revitalisation grant: Northern Cape	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 257.8	478.4	451.4	582.8	472.3	443.8	380.8	402.2
Health facility revitalisation grant: North West	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 737.8	496.1	500.1	695.3	480.4	558.3	500.8	528.9
Health facility revitalisation grant: Western Cape	Construction of new facilities, upgrades of existing health facilities	Ongoing	4 609.4	629.8	639.8	770.1	673.5	605.8	595.4	628.7
Health facility revitalisation grant: Incentive-based portion yet to be allocated to provinces	Construction of new facilities, upgrades of existing health facilities	Ongoing	1 195.8	–	–	–	–	–	614.7	649.2
Total			54 854.2	5 473.5	5 794.3	6 031.6	6 062.4	6 603.5	6 904.1	7 290.7

Vote 17

Social Development

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	350.8	346.3	1.9	2.6	365.2	388.4
Social Assistance	151 580.2	–	151 580.2	–	163 223.2	175 579.4
Social Security Policy and Administration	7 332.6	121.7	7 208.0	2.9	7 893.7	8 337.9
Welfare Services Policy Development and Implementation Support	1 055.3	267.2	783.2	4.9	1 294.6	1 369.6
Social Policy and Integrated Service Delivery	388.9	128.2	259.9	0.8	410.0	434.5
Total expenditure estimates	160 707.8	863.4	159 833.3	11.1	173 186.7	186 109.7

Executive authority Minister of Social Development
 Accounting officer Director General of Social Development
 Website address www.dsd.gov.za

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

Vote purpose

Ensure protection against vulnerability by creating an enabling environment for the provision of a comprehensive, integrated and sustainable social development service.

Mandate

The Department of Social Development is not established in terms of a single act. Several pieces of legislation determine its mandate, including the Social Assistance Act (2004), which provides a legislative framework for providing social assistance. The act sets out the different types of grants payable, as well as their qualifying criteria. It also makes provision for the establishment of the inspectorate for social assistance. Other pieces of legislation define the department's mandate further:

- The Non-Profit Organisations Act (1997) establishes an administrative and regulatory framework within which non-profit organisations can conduct their affairs, and provides for their registration by the department.
- The Older Persons Act (2006) establishes a framework for empowering and protecting older persons, and promoting and maintaining their status, rights, wellbeing, safety and security. It provides for older persons to enjoy good quality services while staying with their families in their communities for as long as possible. It also makes provision for older persons to live in residential care facilities.
- The Children's Act (2005) sets out principles relating to the care and protection of children, and defines parental responsibilities and rights. It deals with early childhood development (ECD), drop-in centres and early intervention, children in alternative care such as foster care, child and youth care centres and the adoption of children. The national ECD policy aims to define the provision of equitable ECD services in South Africa.
- The Prevention of and Treatment for Substance Abuse Act (2008) regulates substance abuse services and facilities.
- The 1998 White Paper on Population Policy for South Africa is aimed at promoting the sustainable development of all South Africans by integrating population issues with development planning in all spheres of government and all sectors of society.
- The national disability rights policy deepens the mainstreaming trajectory for realising the rights of persons with disabilities. The policy does this through the development of targeted interventions that apply the principles of universal design, and guide the review of existing and development of new sectoral legislation

and policies, programmes, budgets and reporting systems to bring these in line with constitutional and international treaty obligations.

- The 1997 White Paper for Social Welfare sets out the principles, guidelines, policies and programmes for developmental social welfare in South Africa. It provides the foundation for social welfare in the post-1994 era.

Selected performance indicators

Table 17.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total number of old age grant beneficiaries	Social Assistance	Outcome 13: An inclusive and responsive social protection system	3.0 million	3.1 million	3.2 million	3.3 million	3.4 million	3.5 million	3.6 million
Total number of war veterans grant beneficiaries	Social Assistance		429	326	245	162	124	87	61
Total number of disability grant beneficiaries	Social Assistance		1.1 million	1.1 million	1.1 million	1.1 million	1.1 million	1.1 million	1.0 million
Total number of child support grant beneficiaries	Social Assistance		11.1 million	11.7 million	12.0 million	12.3 million	12.3 million	12.6 million	12.8 million
Total number of foster care grant beneficiaries	Social Assistance		512 055	499 774	470 015	460 830	420 248	416 349	412 645
Total number of care dependency grant beneficiaries	Social Assistance		120 632	126 777	131 040	147 791	150 296	155 923	161 987
Total number of grant-in-aid beneficiaries	Social Assistance		83 059	113 087	137 806	164 756	187 841	213 503	239 165
Percentage of appeals per year adjudicated within 90 days	Social Security Policy and Administration		49% (827/ 1 688)	49% (1 141/ 2 307)	81% (475/ 584)	70%	80%	90%	100%
Number of youth awarded scholarships into the social service field per year	Welfare Services Policy Development and Implementation Support		5 205	4 188	5 364	4 472	2 354	1 328	1 012
Number of persons working with children screened against the child protection register per year	Welfare Services Policy Development and Implementation Support		41 441	63 607	94 552	50 000	80 000	100 000	100 000
Percentage of non-profit organisations' registration applications processed within two months of receipt	Social Policy and Integrated Service Delivery		97% (28 798/ 29 812)	97% (31 073/ 31 999)	99 % (30 711/ 31 183)	99%	100%	100%	100%
Number of vulnerable individuals accessing food through a network of community nutrition and development centres per year	Social Policy and Integrated Service Delivery		-1	-1	-1	415 000	415 000	415 000	415 000

1. No historical data available.

Expenditure analysis

The Department of Social Development's focus over the MTEF period will be on key social protection objectives such as: deepening social assistance and social security, making investments to increase access to quality ECD services, improving the welfare sector through policy and legislative reform, facilitating food and nutrition initiatives to ensure that every hungry household is supported, supporting interventions to prevent HIV transmission and strengthen HIV care, and expanding substance abuse treatment centres. The work of the department contributes to outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework.

Deepening social assistance and expanding access to social security

Social grants account for 94.3 per cent of the department's total budget allocation over the MTEF period and the number of beneficiaries is expected to reach 18.1 million by the end of 2019/20.

The number of beneficiaries receiving the child support grant is expected to grow from 12.3 million in 2017/18 to 12.8 million in 2019/20 as the child population grows and efforts are made to sign up those who are eligible but currently are not receiving the grant. The number of beneficiaries receiving the old age grant is also expected to grow, from 3.4 million in 2017/18 to 3.6 million in 2019/20, as the elderly population grows. As a result of these increases in beneficiary numbers and inflationary adjustments to grant values, expenditure on grants is expected to increase at an average annual rate of 8.2 per cent over the medium term, reaching R175.6 billion in 2019/20.

Spending on grants is also expected to increase as the department works towards providing a higher child support grant to orphans who are in the care of extended family members. This will bring the social protection provided to these orphans closer to parity with that of those in foster care. These proposed changes to the child support grant are contained in the Social Assistance Amendment Bill, which was submitted to Cabinet for approval in 2016/17 and will go to Parliament in 2017/18.

The number of appeals cases for social grant applications or reviews to be adjudicated is expected to increase over the medium term as a result of proposed amendments to the Social Assistance Act (2004). These amendments will result in efficiency savings in the appeals system in that they provide for direct access to the right to lodge an appeal without going through the reconsideration process within the South African Social Security Agency. This will ultimately reduce the turnaround time for adjudication from 180 days to 90 days. The resulting increase in the adjudication of appeals is reflected in increased expenditure in the *Appeals Adjudication* subprogramme in the *Social Security Policy and Administration* programme over the MTEF period. At the end of 2015/16, 81 per cent of appeals had been adjudicated within 90 days, and this is expected to increase to 100 per cent by 2019/20.

The transfer to the South African Social Security Agency comprises 98.4 per cent of the *Social Security Policy and Administration* programme's budget over the medium term, and funds the administration and distribution of social grants. Administration costs constituted 5.2 per cent of the budget for social grants in 2015/16. Partly as a result of efficiencies arising from the payment contract implemented in 2012/13, these costs are projected to decline to 4.7 per cent of the 2019/20 budget for social grants. A Cabinet-approved reduction of R336.1 million over the MTEF period to the transfer payment to the South African Social Security Agency will require further efficiencies in the administration of social assistance.

Improving the provision of ECD services

At the end of 2015/16, approximately 1.5 million children were accessing ECD services, of whom 593 405 were receiving an ECD subsidy. Government aims to provide the subsidy to all children accessing ECD services in registered centres. Over the MTEF period, R1.1 billion is allocated to ensure an estimated 113 889 more children receive the subsidy.

Many ECD facilities find it difficult to meet the minimum infrastructure requirements to become fully registered in terms of the Children's Act (2005). Over the MTEF period, R230.6 million is allocated for minor upgrades to facilities that are conditionally registered to allow them to comply with norms and standards, and improve the quality of their services. Approximately 1 993 facilities will be targeted for minor upgrades by 2019/20.

The expansion of subsidies and the upgrades to ECD centres will be funded from 2017/18 through a new conditional grant to provinces, the *early childhood development grant*. The grant is expected to increase spending in the *Children* subprogramme within the *Welfare Services Policy Development and Implementation Support* programme at an average annual rate of 99.8 per cent over the medium term. It also accounts for the significant growth in transfers to provinces and municipalities over the period effective from 2017/18.

Reforming and standardising the social welfare system

A key element of outcome 13 of government's 2014-2019 medium-term strategic framework entails reforming and standardising the social welfare system. Reforms will largely be driven by the review of the 1997 White Paper for Social Welfare, and funded in the *Service Standards* subprogramme in the *Welfare Services Policy Development and Implementation Support* programme. A revised white paper will be approved by 2018/19, followed by the development of a new act for the sector.

Trained social workers are crucial to a reformed and standardised system. The department expects to award 2 113 new scholarships for social work over the medium term. Spending for the scholarships is in the *Social Worker Scholarships* subprogramme in the *Welfare Services Policy Development and Implementation Support* programme. Furthermore, Cabinet has approved an allocation of R591.3 million over the MTEF period to create a *social worker employment grant*, leading to the employment of a projected 861 social work graduates in 2017/18 in areas of critical need. This allocation has been reprioritised from the transfer to the National Student Financial Aid Scheme for social worker scholarships.

The department also plans to further improve the non-profit organisation (NPO) registration processes and promote the compliance of these organisations to legislation. NPOs are key partners in the provision of social development services. Improving the registration process and their compliance to legislation will support the reform and standardisation of the social welfare system. The department aims, by 2019/20, to process 100 per cent of applications for registration as an NPO within two months of receipt. To support these activities, the *Registration and Monitoring of Non-Profit Organisations* subprogramme is set to receive an annual average of R37.3 million over the medium term.

Strengthening community development interventions

Poverty is experienced through multiple deprivations and vulnerabilities, including malnutrition and underdevelopment caused by poor nutrition, and poor health and education outcomes. In responding to these and other poverty-related social ills, the department has intensified its efforts to ensure that households have a secure food supply. The allocation for the food relief programme will continue to sustain 9 provincial food distribution centres and 83 community nutrition development centres. The aim is to improve access to food by providing meals to more than 400 000 individuals per year in impoverished communities. The food relief programme is allocated R233.7 million in the *Community Development* subprogramme over the MTEF period.

The department also expects to transfer about R60 million per annum to loveLife and other HIV and AIDS organisations to increase the number of HIV and AIDS awareness programmes. An allocation of R15 million in 2017/18, R30 million in 2018/19 and R31.7 million in 2019/20 has been secured and allocated to the South African National AIDS Council. The funding supports mutually agreed interventions aligned with the HIV and AIDS investment case completed in 2015/16. The case sets out how to optimise investments in the most cost-effective interventions, describes the long term returns through improved health outcomes and cost savings, and guides the department in prioritising the scale up of interventions. The South African National AIDS Council has partnered with the department in the selection of NPOs to ensure that the agreed interventions are implemented and monitored.

As fighting substance abuse continues to be a priority, funds were set aside in previous periods for the establishment of four 40-bed substance abuse treatment centres in Northern Cape, Eastern Cape, North West and Free State. Construction for the centres was set for completion by 2016/17. An amount of R202.6 million has been allocated over the MTEF period for medical equipment, recruitment costs and other expenditures to make the centres operational.

Expenditure trends

Table 17.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Social Assistance														
3. Social Security Policy and Administration														
4. Welfare Services Policy Development and Implementation Support														
5. Social Policy and Integrated Service Delivery														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	271.3	273.8	266.7	275.1	291.4	330.7	297.0	297.0	305.1	322.5	338.5	338.5	106.4%	103.4%
Programme 2	113 006.8	111 006.8	109 596.6	120 952.1	120 702.1	119 994.8	130 093.3	129 818.3	128 333.4	140 498.7	139 498.7	138 698.7	98.4%	99.1%
Programme 3	6 417.9	6 394.0	6 376.6	6 662.6	6 617.3	6 589.1	6 756.2	6 741.2	6 716.4	7 015.5	6 997.0	6 997.0	99.4%	99.7%
Programme 4	536.9	577.7	566.4	586.5	639.9	599.3	662.4	677.4	676.4	723.3	721.3	721.3	102.2%	98.0%
Programme 5	289.7	289.7	304.5	323.2	346.9	346.6	359.8	359.8	374.4	377.7	377.7	377.7	103.9%	102.1%
Total	120 522.7	118 542.1	117 110.8	128 799.4	128 597.7	127 860.5	138 168.6	137 893.6	136 405.7	148 937.7	147 933.2	147 133.2	98.5%	99.2%
Change to 2016 Budget estimate												(1 004.5)		

Table 17.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2013/14	Adjusted appropriation	Audited outcome	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Audited outcome	2016/17	Adjusted appropriation	Revised estimate		
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Current payments	668.9	688.2	681.7	679.8	768.6	740.7	765.0	777.8	776.0	804.8	800.0	800.0	102.7%	98.8%
Compensation of employees	360.3	348.2	339.3	355.8	380.1	377.5	403.6	423.6	419.9	458.9	454.4	454.4	100.8%	99.1%
Goods and services	308.6	340.1	342.4	323.9	388.4	363.2	361.5	354.2	356.1	345.9	345.6	345.6	105.0%	98.5%
Transfers and subsidies	119 846.8	117 846.8	116 412.7	128 112.9	127 811.3	127 074.9	137 394.0	137 106.2	135 619.7	148 122.6	147 122.9	146 322.9	98.5%	99.2%
Provinces and municipalities	-	-	-	29.0	29.0	27.5	47.5	47.5	47.5	85.5	85.5	85.5	99.1%	99.1%
Departmental agencies and accounts	6 732.8	6 732.8	6 482.8	7 009.9	6 959.9	6 697.1	7 118.5	7 104.7	6 828.6	7 104.5	7 104.5	7 104.5	-	-
Foreign governments and international organisations	2.9	2.9	2.8	3.3	3.7	4.7	3.1	4.2	4.1	4.0	4.3	4.3	120.1%	105.3%
Non-profit institutions	104.3	73.3	89.3	77.6	75.6	97.1	80.5	102.0	105.9	113.0	113.0	113.0	107.9%	111.4%
Households	113 006.8	111 037.8	109 837.8	120 993.1	120 743.1	120 248.6	130 144.3	129 847.8	128 633.7	140 815.7	139 815.7	139 015.7	98.6%	99.3%
Payments for capital assets	7.0	7.0	6.7	6.7	17.8	17.3	9.6	9.6	10.0	10.3	10.3	10.3	131.4%	98.8%
Buildings and other fixed structures	-	-	-	-	0.3	-	-	-	0.3	-	-	-	-	98.3%
Machinery and equipment	6.6	6.6	5.2	6.2	17.1	17.2	9.2	9.2	8.9	9.8	9.8	9.8	129.0%	96.4%
Software and other intangible assets	0.4	0.4	1.5	0.5	0.5	0.1	0.5	0.5	0.8	0.5	0.5	0.5	156.1%	156.1%
Payments for financial assets	-	-	9.7	-	-	27.6	-	-	-	-	-	-	-	-
Total	120 522.7	118 542.1	117 110.8	128 799.4	128 597.7	127 860.5	138 168.6	137 893.6	136 405.7	148 937.7	147 933.2	147 133.2	98.5%	99.2%

Expenditure estimates

Table 17.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Social Assistance								
3. Social Security Policy and Administration								
4. Welfare Services Policy Development and Implementation Support								
5. Social Policy and Integrated Service Delivery								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	338.5	7.3%	0.2%	350.8	365.2	388.4	4.7%	0.2%
Programme 2	138 698.7	7.7%	94.0%	151 580.2	163 223.2	175 579.4	8.2%	94.3%
Programme 3	6 997.0	3.0%	5.0%	7 332.6	7 893.7	8 337.9	6.0%	4.6%
Programme 4	721.3	7.7%	0.5%	1 055.3	1 294.6	1 369.6	23.8%	0.7%
Programme 5	377.7	9.2%	0.3%	388.9	410.0	434.5	4.8%	0.2%
Total	147 133.2	7.5%	100.0%	160 707.8	173 186.7	186 109.7	8.1%	100.0%
Change to 2016 Budget estimate				(812.3)	(1 621.8)	(700.4)		
Economic classification								
Current payments	800.0	5.1%	0.6%	863.4	904.9	964.4	6.4%	0.5%
Compensation of employees	454.4	9.3%	0.3%	476.8	490.4	527.4	5.1%	0.3%
Goods and services	345.6	0.5%	0.3%	386.6	414.5	437.0	8.1%	0.2%
Transfers and subsidies	146 322.9	7.5%	99.4%	159 833.3	172 270.7	185 133.6	8.2%	99.5%
Provinces and municipalities	85.5	-	0.0%	556.4	758.4	805.7	111.2%	0.3%
Departmental agencies and accounts	7 104.5	1.8%	5.1%	7 408.5	7 974.8	8 421.9	5.8%	4.6%
Foreign governments and international organisations	4.3	14.2%	-	4.5	4.6	4.6	2.2%	-
Non-profit institutions	113.0	15.5%	0.1%	132.6	154.2	162.8	12.9%	0.1%
Households	139 015.7	7.8%	94.2%	151 731.3	163 378.7	175 738.7	8.1%	94.4%

Table 17.3 Vote expenditure estimates by programme and economic classification

R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20
Payments for capital assets	10.3	13.7%	–	11.1	11.1	11.6	4.0%	–
Machinery and equipment	9.8	14.0%	–	10.6	10.5	11.0	3.9%	–
Software and other intangible assets	0.5	7.3%	–	0.5	0.6	0.6	5.5%	–
Total	147 133.2	7.5%	100.0%	160 707.8	173 186.7	186 109.7	8.1%	100.0%

Goods and services expenditure trends and estimates

Table 17.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Administrative fees	4 100	6 105	6 036	6 123	14.3%	1.6%	6 700	7 250	7 656	7.7%	1.8%
Advertising	40 851	25 643	23 131	17 337	-24.9%	7.6%	17 933	21 042	22 220	8.6%	5.0%
Minor assets	526	388	590	2 229	61.8%	0.3%	2 504	2 648	2 794	7.8%	0.6%
Audit costs: External	12 756	16 959	13 769	13 689	2.4%	4.1%	14 901	15 707	16 587	6.6%	3.8%
Bursaries: Employees	938	1 031	1 133	1 530	17.7%	0.3%	1 581	1 673	1 767	4.9%	0.4%
Catering: Departmental activities	11 005	11 064	16 203	7 753	-11.0%	3.3%	8 120	8 568	9 047	5.3%	2.1%
Communication	12 141	11 085	12 702	9 716	-7.2%	3.2%	8 267	9 240	9 757	0.1%	2.3%
Computer services	4 455	22 793	7 758	21 016	67.7%	4.0%	33 960	34 769	35 595	19.2%	7.9%
Consultants: Business and advisory services	29 448	34 499	40 512	42 689	13.2%	10.5%	54 256	57 896	60 905	12.6%	13.6%
Infrastructure and planning services	–	–	141	2 500	–	0.2%	2 500	2 500	2 500	–	0.6%
Legal services	10 298	12 996	3 392	3 440	-30.6%	2.1%	18 343	20 489	22 065	85.8%	4.1%
Contractors	7 518	4 258	3 583	5 775	-8.4%	1.5%	6 641	7 457	7 803	10.6%	1.7%
Agency and support/outourced services	4 201	5 616	4 994	8 849	28.2%	1.7%	7 421	8 810	8 881	0.1%	2.1%
Entertainment	521	395	664	543	1.4%	0.2%	557	590	622	4.6%	0.1%
Fleet services (including government motor transport)	2 672	11 172	5 957	5 231	25.1%	1.8%	1 289	1 332	1 409	-35.4%	0.6%
Inventory: Food and food supplies	–	3	–	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	1	–	–	950	883.0%	0.1%	473	500	528	-17.8%	0.2%
Inventory: Materials and supplies	–	–	–	119	–	–	127	131	138	5.1%	–
Inventory: Other supplies	–	1	–	358	–	–	375	396	418	5.3%	0.1%
Consumable supplies	1 599	680	1 596	204	-49.7%	0.3%	208	214	225	3.3%	0.1%
Consumables: Stationery, printing and office supplies	6 183	5 393	6 050	12 871	27.7%	2.2%	13 675	14 493	15 306	5.9%	3.6%
Operating leases	23 969	35 175	24 401	36 614	15.2%	8.5%	36 524	38 112	40 244	3.2%	9.6%
Rental and hiring	5 873	5 543	9 430	1 470	-37.0%	1.6%	1 560	1 651	1 743	5.8%	0.4%
Property payments	3 951	6 684	6 462	3 088	-7.9%	1.4%	3 332	3 558	3 758	6.8%	0.9%
Transport provided: Departmental activity	1 056	886	1 764	400	-27.6%	0.3%	400	450	475	5.9%	0.1%
Travel and subsistence	110 737	108 875	121 552	94 309	-5.2%	30.9%	94 422	100 311	106 771	4.2%	25.0%
Training and development	2 067	6 277	2 129	6 255	44.6%	1.2%	6 700	7 118	7 517	6.3%	1.7%
Operating payments	6 233	6 617	11 461	8 010	8.7%	2.3%	8 854	9 668	10 207	8.4%	2.3%
Venues and facilities	39 344	23 109	30 716	32 531	-6.1%	8.9%	34 936	37 945	40 069	7.2%	9.2%
Total	342 443	363 247	356 126	345 599	0.3%	100.0%	386 559	414 518	437 007	8.1%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 17.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Provinces and municipalities											
Provincial revenue funds											
Current	–	–	–	–	–	–	499 442	687 583	730 884	–	0.3%
Early childhood development grant	–	–	–	–	–	–	317 612	490 800	518 228	–	0.2%
Social worker employment grant	–	–	–	–	–	–	181 830	196 783	212 656	–	0.1%
Capital	–	27 530	47 500	85 500	–	–	56 950	70 833	74 800	-4.4%	–
Substance abuse treatment grant	–	27 530	47 500	85 500	–	–	56 950	70 833	74 800	-4.4%	–

Table 17.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 482 761	6 697 054	6 828 554	7 104 463	3.1%	5.2%	7 408 459	7 974 830	8 421 872	5.8%	4.7%
Health and Welfare Sector Education and Training Authority	–	1 128	1 211	1 378	–	–	1 486	1 573	1 661	6.4%	–
South African Social Security Agency	6 311 048	6 517 589	6 642 962	6 908 932	3.1%	5.0%	7 206 060	7 760 679	8 195 729	5.9%	4.5%
National Development Agency	171 713	178 337	184 381	194 153	4.2%	0.1%	200 913	212 578	224 482	5.0%	0.1%
Foreign governments and international organisations											
Current	2 831	4 691	4 052	4 290	14.9%	–	4 465	4 648	4 585	2.2%	–
International Social Security Association	1 078	1 320	1 513	1 678	15.9%	–	1 640	1 704	1 768	1.8%	–
International Organisation of Pension Supervisors	65	80	89	96	13.9%	–	90	95	100	1.4%	–
Namibian government	–	501	320	341	–	–	361	382	403	5.7%	–
United Nations International Drug Control Programme	–	–	–	49	–	–	25	25	25	-20.1%	–
International Social Service	232	247	316	251	2.7%	–	348	365	384	15.2%	–
Organisation for Economic Corporation and Development	399	–	–	–	-100.0%	–	–	–	–	–	–
United Nations Population Fund	444	471	498	506	4.5%	–	531	562	593	5.4%	–
Partners in Population and Development	602	1 811	750	758	8.0%	–	895	940	987	9.2%	–
Union for African Population Studies	–	50	50	60	–	–	50	50	–	-100.0%	–
International Planned Parenthood Federation	–	200	200	200	–	–	200	200	–	-100.0%	–
International Federation on Ageing	11	11	16	51	66.7%	–	25	25	25	-21.2%	–
Leadership for Environment and Development Southern and Eastern Africa	–	–	300	300	–	–	300	300	300	–	–
Non-profit institutions											
Current	89 319	97 052	105 904	113 027	8.2%	0.1%	132 614	154 191	162 827	12.9%	0.1%
loveLife	48 100	50 986	–	–	-100.0%	–	–	–	–	–	–
National bodies: Service standards	1 628	–	–	1 741	2.3%	–	1 839	1 946	2 055	5.7%	–
National bodies: Substance abuse	2 603	2 760	2 887	3 037	5.3%	–	3 079	3 226	3 407	3.9%	–
National bodies: Older persons	1 790	2 277	2 382	2 505	11.9%	–	2 643	2 796	2 953	5.6%	–
National bodies: Disabilities	3 384	3 500	3 751	3 946	5.3%	–	4 163	4 404	4 651	5.6%	–
National bodies: Children	6 831	6 751	7 574	7 935	5.1%	–	8 386	8 872	9 369	5.7%	–
National bodies: Families	1 210	1 283	1 342	1 415	5.4%	–	1 495	1 582	1 671	5.7%	–
National bodies: Social crime prevention	3 000	1 881	5 585	5 852	24.9%	–	6 083	6 436	6 796	5.1%	–
HIV and AIDS organisations	–	–	53 331	56 315	–	–	59 131	62 560	66 063	5.5%	–
South African National Aids Council	–	–	–	–	–	–	15 000	30 000	31 680	–	–
Soul City	1 000	1 000	1 046	1 000	–	–	–	–	–	-100.0%	–
Africa Institute for Community Driven Development	573	611	–	–	-100.0%	–	–	–	–	–	–
Population Association of Southern Africa	200	200	200	200	–	–	200	–	–	-100.0%	–
Food relief	19 000	25 803	27 806	29 081	15.2%	–	30 595	32 369	34 182	5.5%	–
Households											
Social benefits											
Current	109 587 756	119 969 359	128 334 286	139 500 148	8.4%	94.5%	151 581 771	163 224 841	175 581 090	8.0%	94.8%
Employee social benefits	829	1 983	910	1 457	20.7%	–	1 539	1 630	1 724	5.8%	–
Old age	44 064 239	49 042 240	53 134 481	58 927 478	10.2%	39.0%	64 456 265	70 331 649	76 778 929	9.2%	40.7%
War veterans	7 657	6 160	4 842	3 622	-22.1%	–	2 935	2 194	1 757	-21.4%	–
Disability	17 768 631	18 743 278	19 166 969	20 018 422	4.1%	14.4%	21 151 940	22 262 342	23 362 221	5.3%	13.1%
Foster care	5 332 093	5 416 354	5 408 370	5 521 995	1.2%	4.1%	5 349 250	5 446 152	5 581 756	0.4%	3.3%
Care dependency	1 993 084	2 211 870	2 394 702	2 676 824	10.3%	1.8%	2 939 454	3 218 811	3 442 100	8.7%	1.8%
Child support	39 614 084	43 720 711	47 308 008	51 350 579	9.0%	34.6%	56 286 912	60 494 189	64 767 712	8.0%	35.1%
Grant-in-aid	274 092	371 156	503 085	499 771	22.2%	0.3%	793 476	967 874	1 144 891	31.8%	0.5%
Social relief of distress	533 047	455 607	412 919	500 000	-2.1%	0.4%	600 000	500 000	500 000	–	0.3%

Table 17.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Households											
Other transfers to households											
Current	250 000	279 217	299 384	315 504	8.1%	0.2%	149 551	153 819	157 580	-20.7%	0.1%
Somerset West School	–	20	–	–	–	–	–	–	–	–	–
National Student Financial Aid Scheme	250 000	264 000	276 144	290 780	5.2%	0.2%	123 489	126 245	128 462	-23.8%	0.1%
Food relief	–	15 197	23 240	24 724	–	–	26 062	27 574	29 118	5.6%	–
Total	116 412 667	127 074 903	135 619 680	147 122 932	8.1%	100.0%	159 833 252	172 270 745	185 133 638	8.0%	100.0%

Personnel information

Table 17.6 Vote personnel numbers and cost by salary level and programme¹

Programmes

- Administration
- Social Assistance
- Social Security Policy and Administration
- Welfare Services Policy Development and Implementation Support
- Social Policy and Integrated Service Delivery

Number of posts estimated for 31 March 2017			Number and cost ² of personnel posts filled / planned for on funded establishment										Number						
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Social Development																			
Salary level	917	123	873	419.9	0.5	871	454.4	0.5	836	476.8	0.6	786	490.4	0.6	782	527.4	0.7	-3.5%	100.0%
1 – 6	292	67	221	40.0	0.2	214	40.8	0.2	214	44.0	0.2	212	46.5	0.2	212	50.4	0.2	-0.3%	26.0%
7 – 10	328	41	351	111.9	0.3	349	121.3	0.3	321	122.7	0.4	282	120.0	0.4	278	128.2	0.5	-7.3%	37.6%
11 – 12	171	10	180	138.1	0.8	182	152.2	0.8	174	157.9	0.9	170	167.6	1.0	170	181.4	1.1	-2.2%	21.3%
13 – 16	124	5	119	125.0	1.1	124	135.2	1.1	125	146.9	1.2	120	150.6	1.3	120	161.5	1.3	-1.1%	14.9%
Other	2	–	2	4.8	2.4	2	5.0	2.5	2	5.3	2.6	2	5.6	2.8	2	5.9	3.0	–	0.2%
Programme	917	123	873	419.9	0.5	871	454.4	0.5	836	476.8	0.6	786	490.4	0.6	782	527.4	0.7	-3.5%	100.0%
Programme 1	394	57	370	169.7	0.5	389	191.4	0.5	365	193.4	0.5	343	197.8	0.6	341	212.8	0.6	-4.3%	43.9%
Programme 3	97	4	87	45.6	0.5	92	50.7	0.6	105	66.0	0.6	102	68.2	0.7	101	73.1	0.7	3.2%	12.2%
Programme 4	274	36	276	129.8	0.5	260	135.1	0.5	240	139.3	0.6	218	144.0	0.7	217	155.1	0.7	-5.8%	28.5%
Programme 5	152	26	140	74.8	0.5	130	77.2	0.6	126	78.2	0.6	123	80.3	0.7	123	86.4	0.7	-1.8%	15.3%

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

2. Rand million.

Departmental receipts

Table 17.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate	Average growth rate (%) 2013/14 - 2016/17	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Departmental receipts	88 996	62 896	23 926	49 416	49 416	-17.8%	100.0%	88 698	94 760	98 935	26.0%	100.0%
Sales of goods and services produced by department	2	23	3	307	307	435.4%	0.1%	16	16	18	-61.2%	0.1%
Sales by market establishments	2	–	–	176	176	344.8%	0.1%	2	2	3	-74.3%	0.1%
of which:												
Parking rental	2	–	–	176	176	344.8%	0.1%	2	2	3	-74.3%	0.1%
Other sales	–	23	3	131	131	–	0.1%	14	14	15	-51.4%	0.1%
of which:												
Sale of tender documents	–	23	3	19	19	–	–	14	14	15	-7.6%	–
Insurance commission and gamishee order	–	–	–	112	112	–	–	–	–	–	-100.0%	–

Table 17.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Interest, dividends and rent on land	9 415	11 487	12 312	18 011	18 011	24.1%	22.7%	11 625	12 206	12 816	-10.7%	16.5%
Interest	9 415	11 487	12 312	18 011	18 011	24.1%	22.7%	11 625	12 206	12 816	-10.7%	16.5%
Sales of capital assets	192	-	-	300	300	16.0%	0.2%	231	243	255	-5.3%	0.3%
Transactions in financial assets and liabilities	79 387	51 386	11 611	30 798	30 798	-27.1%	76.9%	76 826	82 295	85 846	40.7%	83.1%
Total	88 996	62 896	23 926	49 416	49 416	-17.8%	100.0%	88 698	94 760	98 935	26.0%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 17.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	33.2	51.1	51.2	41.6	7.7%	14.3%	36.0	38.0	40.5	-0.9%	10.8%
Department Management	51.6	56.7	57.3	64.6	7.7%	18.6%	68.5	70.7	75.6	5.4%	19.4%
Corporate Management	104.1	120.5	105.4	125.1	6.3%	36.7%	137.6	142.8	151.2	6.5%	38.6%
Finance	49.5	55.4	54.4	59.8	6.5%	17.7%	60.0	62.5	66.7	3.7%	17.3%
Internal Audit	5.7	7.8	8.9	12.8	31.3%	2.8%	14.3	15.1	16.0	7.7%	4.0%
Office Accommodation	22.6	39.3	27.8	34.6	15.4%	10.0%	34.3	36.2	38.3	3.4%	9.9%
Total	266.7	330.7	305.1	338.5	8.3%	100.0%	350.8	365.2	388.4	4.7%	100.0%
Change to 2016 Budget estimate				16.0			15.0	14.1	13.5		
Economic classification	263.4	324.8	296.1	334.0	8.2%	98.2%	346.3	360.4	383.3	4.7%	98.7%
Current payments											
Compensation of employees	144.1	156.4	169.7	191.4	9.9%	53.3%	193.4	197.8	212.8	3.6%	55.1%
Goods and services ¹	119.3	168.4	126.5	142.6	6.1%	44.9%	152.9	162.6	170.5	6.1%	43.6%
<i>of which:</i>											
<i>Audit costs: External</i>	12.8	17.0	13.8	13.7	2.4%	4.6%	14.9	15.7	16.6	6.6%	4.2%
<i>Computer services</i>	4.3	22.7	7.8	18.8	63.6%	4.3%	31.7	32.4	33.1	20.6%	8.0%
<i>Consultants: Business and advisory services</i>	6.2	3.8	1.8	8.1	9.4%	1.6%	12.0	12.7	13.4	17.9%	3.2%
<i>Contractors</i>	5.8	2.9	1.2	4.0	-11.4%	1.1%	4.8	5.2	5.4	10.2%	1.3%
<i>Operating leases</i>	23.0	34.3	23.2	32.8	12.6%	9.1%	32.2	34.1	36.0	3.2%	9.4%
<i>Travel and subsistence</i>	33.3	40.1	42.1	23.6	-10.8%	11.2%	22.1	23.4	24.7	1.5%	6.5%
Transfers and subsidies¹	0.2	2.9	1.7	1.8	94.2%	0.5%	1.9	2.0	2.1	6.0%	0.5%
Departmental agencies and accounts	-	1.1	1.2	1.4	-	0.3%	1.5	1.6	1.7	6.4%	0.4%
Households	0.2	1.8	0.5	0.4	20.0%	0.2%	0.4	0.5	0.5	4.7%	0.1%
Payments for capital assets	3.0	2.9	7.3	2.8	-3.3%	1.3%	2.6	2.8	2.9	1.6%	0.8%
Machinery and equipment	1.6	2.8	6.5	2.3	12.8%	1.1%	2.1	2.2	2.3	0.7%	0.6%
Software and other intangible assets	1.5	0.1	0.7	0.5	-30.3%	0.2%	0.5	0.6	0.6	5.5%	0.2%
Payments for financial assets	-	0.2	-	-	-	-	-	-	-	-	-
Total	266.7	330.7	305.1	338.5	8.3%	100.0%	350.8	365.2	388.4	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.3%	0.2%	0.2%	-	-	0.2%	0.2%	0.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	1.1	1.2	1.4	-	0.3%	1.5	1.6	1.7	6.4%	0.4%
Health and Welfare Sector	-	1.1	1.2	1.4	-	0.3%	1.5	1.6	1.7	6.4%	0.4%
Education and Training Authority	-										

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

Programme 2: Social Assistance

Programme purpose

Provide social assistance to eligible individuals in terms of the Social Assistance Act (2004) and its regulations.

Objective

- Ensure the provision of social assistance to eligible beneficiaries whose income and assets fall below the set thresholds by providing income support by 2019/20 to: 3 623 442 older persons (3 194 087 in 2015/16); 1 044 489 disabled persons (1 085 541 in 2015/16); 12 821 139 children (11 972 900 in 2015/16); 161 987 children with serious disabilities (131 040 in 2015/16); and 412 645 foster children (from 470 015 in 2015/16).

Subprogrammes

- *Old Age* provides income support to people aged 60 and above who earn yearly income of less than R73 800 (single) and R147 600 (married), whose assets do not exceed R1 056 000 (single) and R2 112 000 (married).
- *War Veterans* provides income support to men and women who fought in World War II or the Korean War who earn yearly income of less than R73 800 (single) and R147 600 (married), whose assets do not exceed R1 056 000 (single) and R2 112 000 (married).
- *Disability* provides income support to people with permanent or temporary disabilities who earn yearly income of less than R73 800 (single) and R147 600 (married), whose assets do not exceed R1 056 000 (single) and R2 112 000 (married).
- *Foster Care* provides grants for children in foster care.
- *Care Dependency* provides income support to parents and caregivers who earn yearly income of less than R192 000 (single) and R384 000 (married), to help them care for mentally ill or physically disabled children.
- *Child Support* provides income support to parents and caregivers of children under 18 who earn yearly income of less than R45 600 (single) and R91 200 (married).
- *Grant-in-Aid* is an additional grant to recipients of the old age, disability or war veteran's grants who require regular care from another person because of their physical or mental condition.
- *Social Relief of Distress* provides temporary income support, food parcels and other forms of relief to people experiencing undue hardship.

Expenditure trends and estimates

Table 17.9 Social Assistance 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 (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million												
Old Age	44 064.2	49 044.7	53 134.5	58 927.5	10.2%	41.2%	64 456.3	70 331.6	76 778.9	9.2%	42.9%	
War Veterans	7.7	6.2	4.8	3.6	-22.1%	-	2.9	2.2	1.8	-21.4%	-	
Disability	17 768.6	18 744.8	19 167.0	20 018.4	4.1%	15.2%	21 151.9	22 262.3	23 362.2	5.3%	13.8%	
Foster Care	5 332.1	5 419.2	5 408.4	5 522.0	1.2%	4.4%	5 349.3	5 446.2	5 581.8	0.4%	3.5%	
Care Dependency	1 993.1	2 212.0	2 394.7	2 676.8	10.3%	1.9%	2 939.5	3 218.8	3 442.1	8.7%	1.9%	
Child Support	39 623.7	43 741.0	47 308.0	51 350.6	9.0%	36.6%	56 286.9	60 494.2	64 767.7	8.0%	37.0%	
Grant-in-Aid	274.1	371.3	503.1	499.8	22.2%	0.3%	793.5	967.9	1 144.9	31.8%	0.5%	
Social Relief of Distress	533.0	455.6	412.9	500.0	-2.1%	0.4%	600.0	500.0	500.0	-	0.3%	
Total	109 596.6	119 994.8	128 333.4	139 498.7	8.4%	100.0%	151 580.2	163 223.2	175 579.4	8.0%	100.0%	
Change to 2016 Budget estimate				(1 000.0)			(626.5)	(1 531.2)	(604.1)			
Economic classification												
Transfers and subsidies¹	109 586.9	119 967.4	128 333.4	139 498.7	8.4%	100.0%	151 580.2	163 223.2	175 579.4	8.0%	100.0%	
Households	109 586.9	119 967.4	128 333.4	139 498.7	8.4%	100.0%	151 580.2	163 223.2	175 579.4	8.0%	100.0%	
Payments for financial assets	9.7	27.4	-	-	-100.0%	-	-	-	-	-	-	
Total	109 596.6	119 994.8	128 333.4	139 498.7	8.4%	100.0%	151 580.2	163 223.2	175 579.4	8.0%	100.0%	
Proportion of total programme expenditure to vote expenditure	93.6%	93.8%	94.1%	94.3%	-	-	94.3%	94.2%	94.3%	-	-	

Table 17.9 Social Assistance expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Households											
Social benefits											
Current	109 586.9	119 967.4	128 333.4	139 498.7	8.4%	100.0%	151 580.2	163 223.2	175 579.4	8.0%	100.0%
Old age	44 064.2	49 042.2	53 134.5	58 927.5	10.2%	41.2%	64 456.3	70 331.6	76 778.9	9.2%	42.9%
War veterans	7.7	6.2	4.8	3.6	-22.1%	-	2.9	2.2	1.8	-21.4%	-
Disability	17 768.6	18 743.3	19 167.0	20 018.4	4.1%	15.2%	21 151.9	22 262.3	23 362.2	5.3%	13.8%
Foster care	5 332.1	5 416.4	5 408.4	5 522.0	1.2%	4.4%	5 349.3	5 446.2	5 581.8	0.4%	3.5%
Care dependency	1 993.1	2 211.9	2 394.7	2 676.8	10.3%	1.9%	2 939.5	3 218.8	3 442.1	8.7%	1.9%
Child support	39 614.1	43 720.7	47 308.0	51 350.6	9.0%	36.6%	56 286.9	60 494.2	64 767.7	8.0%	37.0%
Grant-in-aid	274.1	371.2	503.1	499.8	22.2%	0.3%	793.5	967.9	1 144.9	31.8%	0.5%
Social relief of distress	533.0	455.6	412.9	500.0	-2.1%	0.4%	600.0	500.0	500.0	-	0.3%

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

Programme 3: Social Security Policy and Administration

Programme purpose

Provide for social security policy development and the fair administration of social assistance.

Objectives

- Oversee and ensure the efficient and effective administration of social grants by the South African Social Security Agency over the medium term by:
 - monitoring monthly social grant beneficiary take-up rates and expenditure
 - updating social grant beneficiary and expenditure projections monthly.
- Provide an effective, efficient and accessible social assistance appeals service by adjudicating 100 per cent of appeals within 90 days of receipt by March 2020.
- Improve access to social assistance by increasing the value of the child support grant for orphans over the medium term.
- Improve the integrity of the social grant system by establishing a functional inspectorate for social assistance by March 2019.

Subprogrammes

- *Social Security Policy Development* develops and reviews policies and legislation in respect of social assistance as well as contributory income support aimed at protecting households against life cycle contingencies such as unemployment, ill health, retirement, disability or the death of a breadwinner.
- *Appeals Adjudication* seeks to provide a fair and just adjudication service for social assistance appeals.
- *Social Grants Administration* provides for the South African Social Security Agency's operational costs for administering social grants, the management information system and the reimbursement of payment contractors.
- *Social Grants Fraud Investigations* provides funding for fraud investigations conducted by the South African Social Security Agency in partnership with law enforcement agencies.
- *Programme Management* provides for deputy director general expenses related to social security policy initiatives.

Expenditure trends and estimates

Table 17.10 Social Security Policy and 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17	2016/17 - 2019/20				2016/17 - 2019/20	
Social Security Policy Development	33.8	37.4	43.5	51.0	14.8%	0.6%	79.0	82.5	88.1	20.0%	1.0%
Appeals Adjudication	27.1	28.8	24.8	31.6	5.3%	0.4%	42.0	44.7	47.9	14.8%	0.5%
Social Grants Administration	6 240.5	6 442.2	6 564.1	6 825.9	3.0%	97.7%	7 144.3	7 695.4	8 126.9	6.0%	97.5%
Social Grants Fraud Investigations	70.6	75.4	78.9	83.1	5.6%	1.2%	61.7	65.2	68.8	-6.1%	0.9%
Programme Management	4.7	5.4	5.2	5.4	5.0%	0.1%	5.6	5.8	6.2	4.7%	0.1%
Total	6 376.6	6 589.1	6 716.4	6 997.0	3.1%	100.0%	7 332.6	7 893.7	8 337.9	6.0%	100.0%
Change to 2016 Budget estimate				(18.5)			(194.2)	(98.8)	(103.2)		
Economic classification											
Current payments	64.1	69.3	70.9	83.9	9.3%	1.1%	121.7	128.5	137.5	17.9%	1.5%
Compensation of employees	35.8	40.2	45.6	50.7	12.3%	0.6%	66.0	68.2	73.1	13.0%	0.8%
Goods and services ¹	28.4	29.0	25.3	33.2	5.4%	0.4%	55.7	60.3	64.4	24.8%	0.7%
<i>of which:</i>											
Consultants: Business and advisory services	5.5	8.2	10.0	2.0	-28.9%	0.1%	7.9	8.2	9.0	65.5%	0.1%
Legal services	8.9	7.8	2.7	3.0	-30.3%	0.1%	17.9	20.0	21.5	92.9%	0.2%
Agency and support/outourced services	0.7	1.8	1.0	3.0	63.0%	-	3.8	3.9	4.1	10.6%	-
Consumables: Stationery, printing and office supplies	0.5	0.3	0.5	2.5	71.9%	-	2.7	2.8	3.0	5.5%	-
Travel and subsistence	5.8	4.5	4.9	6.7	4.9%	0.1%	6.6	7.1	7.5	4.0%	0.1%
Operating payments	0.3	0.5	0.1	4.3	140.5%	-	4.5	4.8	5.0	5.5%	0.1%
Transfers and subsidies¹	6 312.3	6 519.1	6 644.8	6 910.9	3.1%	98.9%	7 208.0	7 762.7	8 197.9	5.9%	98.4%
Departmental agencies and accounts	6 311.0	6 517.6	6 643.0	6 908.9	3.1%	98.9%	7 206.1	7 760.7	8 195.7	5.9%	98.4%
Foreign governments and international organisations	1.1	1.4	1.6	1.8	15.8%	-	1.7	1.8	1.9	1.7%	-
Households	0.1	0.1	0.2	0.2	52.5%	-	0.2	0.3	0.3	9.0%	-
Payments for capital assets	0.2	0.8	0.7	2.2	138.8%	-	2.9	2.4	2.5	4.8%	-
Machinery and equipment	0.2	0.8	0.7	2.2	138.8%	-	2.9	2.4	2.5	4.8%	-
Total	6 376.6	6 589.1	6 716.4	6 997.0	3.1%	100.0%	7 332.6	7 893.7	8 337.9	6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	5.4%	5.2%	4.9%	4.7%	-	-	4.6%	4.6%	4.5%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 311.0	6 517.6	6 643.0	6 908.9	3.1%	98.9%	7 206.1	7 760.7	8 195.7	5.9%	98.4%
South African Social Security Agency	6 311.0	6 517.6	6 643.0	6 908.9	3.1%	98.9%	7 206.1	7 760.7	8 195.7	5.9%	98.4%

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

Programme 4: Welfare Services Policy Development and Implementation Support

Programme purpose

Create an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards, and best practices; and provision of support to implementing agencies.

Objectives

- Strengthen the delivery of social welfare services by:
 - facilitating Cabinet approval of the revised White Paper for Social Welfare by 2018/19
 - awarding 500 new social service scholarships to qualifying youth in 2017/18
 - finalising the state and civil society partnership model by 2017/18
 - facilitating Cabinet approval of the demand and supply model for social services practitioners by 2018/19.

- Create an environment that enables the protection and promotion of older persons' rights by:
 - implementing the Active Aging programme over the medium term
 - submitting the amendment bill to the Older Persons Act (2006) to Parliament by 2017/18.
- Strengthen the equitable delivery of social welfare services for people with disabilities and promote the rights of people with disabilities by facilitating and coordinating the implementation of the 2015 White Paper on the Rights of Persons with Disabilities over the medium term.
- Facilitate the improvement of ECD services by:
 - monitoring the implementation of the aligned ECD programme of action over the medium term
 - subsidising an additional 113 889 children through the *early childhood development grant* by 2019/20
 - supporting 1 993 conditionally registered facilities to comply with norms and standards through the *early childhood development grant* by 2019/20.
- Strengthen child protection services by:
 - registering 100 per cent of adoptions received from children's courts per year over the medium term
 - submitting the policy framework on foster care for approval by the executive by 2017/18
 - submitting the child care and protection policy to Cabinet for approval by 2019/20
 - creating awareness on children's rights and responsibilities through commemorative events such as Child Protection Week and Children's Parliament each year over the medium term.
- Contribute to the treatment and reduction of incidents of substance abuse in communities by:
 - monitoring the implementation of the national drug master plan on an ongoing basis
 - conducting a total of nine anti-substance abuse campaigns by 2019/20.
- Contribute to reducing incidents of social crime and improving victim empowerment services by:
 - submitting the policy framework on accreditation of diversion services to Cabinet for approval by 2017/18
 - submitting the bill on victim empowerment services to Cabinet for approval by 2019/20
 - increasing the number of people accessing the gender-based violence command centre services by 20 per cent or by 20 460 people by 2019/20.
- Build conscious and active youth by mobilising youth and ensuring the participation of at least 1 000 young people in leadership camps per year over the medium term.
- Promote psychosocial wellbeing to reduce vulnerability to HIV and AIDS in targeted key populations by:
 - training 1 050 organisations on psychosocial support programmes by 2019/20
 - training 1 300 community-based organisations on community-based interventions monitoring systems by 2019/20
 - training 1 500 implementers on social behaviour change by 2019/20
 - conducting a situational analysis of community-based workers in the social sector by 2017/18.
- Reach a workforce capacity of 55 000 social service practitioners by 2030 through the development and implementation of strategies and programmes for the recruitment and retention of social service practitioners, including the provision of scholarships for social work students.

Subprogrammes

- *Service Standards* ensures the transformation and standardisation of social welfare services by developing and coordinating policies and legislation that promote the integration of the sector, and quality-driven and professional social welfare service delivery.
- *Substance Abuse* develops, supports and monitors the implementation of policies, legislation, and norms and standards for combating substance abuse.
- *Older Persons* develops, supports and monitors the implementation of policies, legislation, and norms and standards for social welfare services to older people.
- *People with Disabilities* develops, supports and monitors the implementation of policies, legislation, and norms and standards for social welfare services to people with disabilities.

- *Children* develops, supports and monitors the implementation of policies, legislation, and norms and standards for social welfare services to children.
- *Families* develops, supports and monitors the implementation of policies, legislation, programmes, and norms and standards for services aimed at strengthening families.
- *Social Crime Prevention and Victim Empowerment* develops, supports and monitors the implementation of policies, legislation, programmes, and norms and standards for services aimed at protecting, empowering, and supporting victims of crime and violence.
- *Youth* facilitates and supports the implementation of strategies and programmes to mobilise youth for effective participation in social change and leadership programmes.
- *HIV and AIDS* develops, supports and monitors the implementation of policies, programmes and guidelines aimed at preventing and mitigating the impact of HIV and AIDS in line with the 2012-2016 national strategic plan for HIV, sexually transmitted infections and tuberculosis.
- *Social Worker Scholarships* provides full scholarships for students studying social work.
- *Programme Management* provides for deputy director general expenses related to social welfare services.

Expenditure trends and estimates

Table 17.11 Welfare Services Policy Development and Implementation Support 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Service Standards	26.9	23.2	34.5	28.9	2.4%	4.4%	31.0	32.3	34.5	6.1%	2.9%
Substance Abuse	29.5	41.7	73.9	101.3	50.9%	9.6%	72.5	88.2	93.2	-2.7%	8.0%
Older Persons	22.4	21.5	18.7	20.5	-2.8%	3.2%	21.2	22.3	23.6	4.8%	2.0%
People with Disabilities	20.5	19.1	21.6	29.3	12.7%	3.5%	30.7	32.1	34.1	5.3%	2.8%
Children	65.5	67.9	76.0	76.3	5.2%	11.1%	398.5	575.5	608.0	99.8%	37.3%
Families	6.3	8.4	8.8	9.0	12.4%	1.3%	9.4	9.8	10.4	5.0%	0.9%
Social Crime Prevention and Victim Empowerment	39.8	48.0	64.4	62.6	16.3%	8.4%	64.9	67.7	72.1	4.8%	6.0%
Youth	22.2	19.1	18.0	14.6	-13.1%	2.9%	15.0	16.4	17.4	6.1%	1.4%
HIV and AIDS	77.5	76.4	79.2	84.2	2.8%	12.4%	102.8	123.2	130.6	15.7%	9.9%
Social Worker Scholarships	250.0	264.0	276.1	290.8	5.2%	42.2%	305.3	323.0	341.1	5.5%	28.4%
Programme Management	5.9	10.1	5.2	3.9	-13.1%	1.0%	4.0	4.2	4.5	4.9%	0.4%
Total	566.4	599.3	676.4	721.3	8.4%	100.0%	1 055.3	1 294.6	1 369.6	23.8%	100.0%
Change to 2016 Budget estimate				(2.0)			(2.4)	(1.6)	(2.0)		
Economic classification											
Current payments	245.2	236.2	273.6	256.3	1.5%	39.4%	267.2	281.5	299.8	5.4%	24.9%
Compensation of employees	102.5	115.5	129.8	135.1	9.6%	18.8%	139.3	144.0	155.1	4.7%	12.9%
Goods and services ¹	142.7	120.6	143.7	121.2	-5.3%	20.6%	127.9	137.4	144.7	6.1%	12.0%
of which:											
Advertising	32.4	12.6	18.7	12.5	-27.2%	3.0%	12.9	15.2	16.0	8.7%	1.3%
Catering: Departmental activities	6.4	7.1	8.5	5.0	-8.1%	1.0%	5.1	5.4	5.7	4.6%	0.5%
Consultants: Business and advisory services	14.7	20.0	24.8	27.1	22.7%	3.4%	28.7	31.0	32.3	6.0%	2.7%
Consumables: Stationery, printing and office supplies	2.8	1.6	2.3	3.4	7.1%	0.4%	3.6	3.9	4.1	6.1%	0.3%
Travel and subsistence	45.4	43.1	45.9	39.8	-4.3%	6.8%	42.3	44.8	47.4	6.0%	3.9%
Venues and facilities	24.4	13.0	22.4	20.4	-5.8%	3.1%	21.3	22.5	23.8	5.2%	2.0%
Transfers and subsidies¹	319.2	361.8	401.3	460.4	13.0%	60.2%	783.2	1 008.0	1 064.4	32.2%	74.7%
Provinces and municipalities	-	27.5	47.5	85.5	-	6.3%	556.4	758.4	805.7	111.2%	49.7%
Foreign governments and international organisations	0.2	0.8	0.7	0.7	41.7%	0.1%	0.8	0.8	0.8	6.5%	0.1%
Non-profit institutions	68.5	69.4	76.9	82.7	6.5%	11.6%	101.8	121.8	128.6	15.8%	9.8%
Households	250.4	264.1	276.3	291.4	5.2%	42.2%	124.2	127.0	129.2	-23.7%	15.1%

Table 17.11 Welfare Services Policy Development and Implementation Support expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
					2013/14 - 2016/17					2016/17 - 2019/20	
Payments for capital assets	2.0	1.3	1.5	4.6	31.9%	0.4%	4.9	5.1	5.3	4.8%	0.4%
Buildings and other fixed structures	–	–	0.3	–	–	–	–	–	–	–	–
Machinery and equipment	2.0	1.3	1.2	4.6	32.2%	0.4%	4.9	5.1	5.3	4.8%	0.4%
Total	566.4	599.3	676.4	721.3	8.4%	100.0%	1 055.3	1 294.6	1 369.6	23.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.5%	–	–	0.7%	0.7%	0.7%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	68.5	69.4	76.9	82.7	6.5%	11.6%	101.8	121.8	128.6	15.8%	9.8%
loveLife	48.1	51.0	–	–	-100.0%	3.9%	–	–	–	–	–
National bodies: Service standards	1.6	–	–	1.7	2.3%	0.1%	1.8	1.9	2.1	5.7%	0.2%
National bodies: Substance abuse	2.6	2.8	2.9	3.0	5.3%	0.4%	3.1	3.2	3.4	3.9%	0.3%
National bodies: Older persons	1.8	2.3	2.4	2.5	11.9%	0.3%	2.6	2.8	3.0	5.6%	0.2%
National bodies: Disabilities	3.4	3.5	3.8	3.9	5.3%	0.6%	4.2	4.4	4.7	5.6%	0.4%
National bodies: Children	6.8	6.8	7.6	7.9	5.1%	1.1%	8.4	8.9	9.4	5.7%	0.8%
National bodies: Families	1.2	1.3	1.3	1.4	5.4%	0.2%	1.5	1.6	1.7	5.7%	0.1%
National bodies: Social crime prevention	3.0	1.9	5.6	5.9	24.9%	0.6%	6.1	6.4	6.8	5.1%	0.6%
HIV and AIDS organisations	–	–	53.3	56.3	–	4.3%	59.1	62.6	66.1	5.5%	5.5%
South African National Aids Council	–	–	–	–	–	–	15.0	30.0	31.7	–	1.7%
Households											
Other transfers to households											
Current	250.0	264.0	276.1	290.8	5.2%	42.2%	123.5	126.2	128.5	-23.8%	15.1%
National Student Financial Aid Scheme	250.0	264.0	276.1	290.8	5.2%	42.2%	123.5	126.2	128.5	-23.8%	15.1%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	–	–	–	–	–	–	499.4	687.6	730.9	–	43.2%
Early childhood development grant	–	–	–	–	–	–	317.6	490.8	518.2	–	29.9%
Social worker employment grant	–	–	–	–	–	–	181.8	196.8	212.7	–	13.3%
Capital	–	27.5	47.5	85.5	–	6.3%	57.0	70.8	74.8	-4.4%	6.5%
Substance abuse treatment grant	–	27.5	47.5	85.5	–	6.3%	57.0	70.8	74.8	-4.4%	6.5%

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

Programme 5: Social Policy and Integrated Service Delivery

Programme purpose

Support community development and promote evidence-based policy making in the department and the social development sector.

Objectives

- Strengthen social development service delivery and build self-reliant communities in identified local municipalities by:
 - facilitating community-based research, development and planning by reaching 450 wards through community outreach programmes in 2017/18
 - facilitating the implementation of the community development practice policy over the medium term
 - facilitating the implementation of norms and standards for community development over the medium term
 - finalising the guidelines on the implementation of community development interventions by 2017/18
 - finalising the social development sector financing policy in 2017/18.
- Coordinate and facilitate the implementation of the social sector expanded public works programme to support the creation of 152 263 work opportunities by 2017/18.
- Build self-reliant communities through programmes and policies that strengthen their capacity and capabilities by:
 - facilitating the implementation of the framework for linkage of cooperatives to economic opportunities within the sector by 2017/18

- ensuring that 415 000 people are accessing food through community nutrition and development centres in 2017/18
- facilitating the implementation of an integrated food and nutrition security plan in nine provinces in 2017/18
- developing guidelines for social development sector food and nutrition security programmes by 2017/18.
- Maintain efficient non-profit organisation registration processes and compliance monitoring to improve governance, accountability and transparency by:
 - processing 100 per cent of all registration applications received from non-profit organisations within two months of receipt by 2019/20
 - training 3 500 NPOs on governance and compliance with the Non-Profit Organisations Act (1997) in 2017/18.
- Promote the implementation of the 1998 White Paper on Population Policy for South Africa by continuously increasing awareness and building capacity on population matters.

Subprogrammes

- *Social Policy Research and Development* provides strategic guidance in terms of evidence-based social policy development, coordination and evaluation.
- *Special Projects and Innovation* provides for the coordination, incubation and innovation of departmental and social cluster initiatives such as the expanded public works programme.
- *Population Policy Promotion* supports, monitors and evaluates the implementation of the 1998 White Paper on Population Policy for South Africa by conducting research on the country's population trends and dynamics, raising awareness of population and development concerns, and supporting and building technical capacity to implement the policy.
- *Registration and Monitoring of Non-Profit Organisations* provides for the registration and monitoring of non-profit organisations in terms of the Non-Profit Organisations Act (1997).
- *Substance Abuse Advisory Services and Oversight* monitors the implementation of intersectoral policies, legislation, and norms and standards aimed at combating substance abuse.
- *Community Development* develops and implements policies, strategies, guidelines and programmes to contribute towards the building of sustainable communities free from poverty and hunger.
- *National Development Agency* focuses on strengthening the institutional capacity of civil society organisations that provide services to poor communities.
- *Programme Management* provides for deputy director general expenses related to social policy and community development initiatives.

Expenditure trends and estimates

Table 17.12 Social Policy and Integrated Service Delivery 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Social Policy Research and Development	4.6	3.7	5.8	5.6	6.4%	1.4%	5.7	5.9	6.3	4.5%	1.5%
Special Projects and Innovation	9.3	10.5	11.6	10.3	3.4%	3.0%	10.6	11.0	11.8	4.5%	2.7%
Population Policy Promotion	27.2	32.1	35.8	31.7	5.2%	9.0%	32.4	34.5	36.9	5.2%	8.4%
Registration and Monitoring of Non-Profit Organisations	24.7	29.1	30.3	35.6	13.0%	8.5%	36.1	37.5	40.1	4.0%	9.3%
Substance Abuse Advisory Services and Oversight	4.3	3.9	4.1	5.7	9.8%	1.3%	5.9	6.2	6.6	4.8%	1.5%
Community Development	58.3	85.8	97.8	91.3	16.1%	23.7%	93.8	98.8	104.6	4.6%	24.1%
National Development Agency	171.7	178.3	184.4	194.2	4.2%	51.9%	200.9	212.6	224.5	5.0%	51.7%
Programme Management	4.2	3.2	4.7	3.3	-7.8%	1.1%	3.3	3.5	3.7	3.6%	0.9%
Total	304.5	346.6	374.4	377.7	7.4%	100.0%	388.9	410.0	434.5	4.8%	100.0%
Change to 2016 Budget estimate				-			(4.2)	(4.4)	(4.7)		

Table 17.12 Social Policy and Integrated Service Delivery expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 -	2016/17				2016/17 -	2019/20
Current payments	108.9	110.5	135.4	125.8	4.9%	34.3%	128.2	134.4	143.8	4.5%	33.0%
Compensation of employees	56.9	65.4	74.8	77.2	10.8%	19.5%	78.2	80.3	86.4	3.8%	20.0%
Goods and services ¹	52.1	45.2	60.6	48.6	-2.3%	14.7%	50.0	54.1	57.4	5.7%	13.0%
of which:											
Administrative fees	1.1	1.5	2.0	1.2	2.1%	0.4%	1.2	1.3	1.4	4.6%	0.3%
Advertising	4.2	3.1	2.8	2.7	-13.8%	0.9%	2.8	3.0	3.1	5.3%	0.7%
Consultants: Business and advisory services	3.1	2.5	3.9	5.4	21.3%	1.1%	5.7	5.9	6.3	4.8%	1.4%
Consumables: Stationery, printing and office supplies	1.3	1.0	0.8	2.6	27.2%	0.4%	2.8	3.0	3.1	6.4%	0.7%
Travel and subsistence	26.2	21.2	28.7	24.2	-2.7%	7.1%	23.4	25.0	27.1	3.9%	6.2%
Venues and facilities	6.2	7.0	5.1	7.3	5.5%	1.8%	8.7	10.2	10.7	13.6%	2.3%
Transfers and subsidies¹	194.1	223.8	238.5	251.1	9.0%	64.7%	259.9	274.7	289.8	4.9%	66.8%
Departmental agencies and accounts	171.7	178.3	184.4	194.2	4.2%	51.9%	200.9	212.6	224.5	5.0%	51.7%
Foreign governments and international organisations	1.4	2.5	1.8	1.8	8.1%	0.5%	2.0	2.1	1.9	1.0%	0.5%
Non-profit institutions	20.8	27.6	29.1	30.3	13.4%	7.7%	30.8	32.4	34.2	4.1%	7.9%
Households	0.1	15.3	23.3	24.9	486.9%	4.5%	26.2	27.7	29.3	5.6%	6.7%
Payments for capital assets	1.5	12.3	0.5	0.7	-21.1%	1.1%	0.8	0.8	0.9	5.3%	0.2%
Machinery and equipment	1.5	12.3	0.5	0.7	-21.1%	1.1%	0.8	0.8	0.9	5.3%	0.2%
Total	304.5	346.6	374.4	377.7	7.4%	100.0%	388.9	410.0	434.5	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.3%	0.3%	-	-	0.2%	0.2%	0.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	171.7	178.3	184.4	194.2	4.2%	51.9%	200.9	212.6	224.5	5.0%	51.7%
National Development Agency	171.7	178.3	184.4	194.2	4.2%	51.9%	200.9	212.6	224.5	5.0%	51.7%
Non-profit institutions											
Current	20.8	27.6	29.1	30.3	13.4%	7.7%	30.8	32.4	34.2	4.1%	7.9%
Soul City	1.0	1.0	1.0	1.0	-	0.3%	-	-	-	-100.0%	0.1%
Africa Institute for Community Driven Development	0.6	0.6	-	-	-100.0%	0.1%	-	-	-	-	-
Population Association of Southern Africa	0.2	0.2	0.2	0.2	-	0.1%	0.2	-	-	-100.0%	-
Food relief	19.0	25.8	27.8	29.1	15.2%	7.2%	30.6	32.4	34.2	5.5%	7.8%
Households											
Other transfers to households											
Current	-	15.2	23.2	24.7	-	4.5%	26.1	27.6	29.1	5.6%	6.7%
Food relief	-	15.2	23.2	24.7	-	4.5%	26.1	27.6	29.1	5.6%	6.7%

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

Entities¹

South African Social Security Agency

Mandate

The South African Social Security Agency Act (2004) provides for the establishment of the South African Social Security Agency, whose objectives are to ensure the effective and efficient administration, management, and payment of social assistance grants. The agency's core business is to administer and pay social assistance transfers. The agency has a large network of centres in provinces, where citizens can apply for social grants. It also manages a large payment system to more than 17 million beneficiaries monthly.

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

Selected performance indicators

Table 17.13 South African Social Security Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Average cost of administering social assistance (Rand/beneficiary) per year	Benefits administration support	Outcome 13: An inclusive and responsive social protection system	33	32	40	36	44	45	45
Administration cost as a percentage of social assistance transfers budget	Benefits administration support		5.7% (R6.3bn/ R109.6bn)	5.2% (R6.3bn/ R120.0bn)	5.2% (R6.7bn/ R128.3bn)	5.2%	5.1%	4.8%	4.7%
Number of community outreach programmes conducted per year	Benefits administration support		- ¹	714	570	520	600	720	720
Percentage of new grant applications per year processed within target working days	Benefits administration support		91% within 21 days (1 191 910/ 1 311 469)	99.6% within 21 days (1 373 768/ 1 379 253)	97% within 15 days (1 717 011/ 1 767 639)	95% within 10 days	95% within 10 days	95% within 10 days	95% within 5 days

1. No historical data available.

Expenditure analysis

The South African Social Security Agency continues to focus on improving its services to ensure that all those entitled to social assistance are reached. This is in line with outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework. The efforts to improve services provided by the agency over the medium term will include: putting the systems in place to seamlessly take over the payment of social assistance; reducing administrative bottlenecks in the grant application process and improving turnaround times for grant approval; and educating beneficiaries on the qualifying criteria for social grants and targeting the enrolment of beneficiaries in groups with traditionally low coverage.

The plan to take over larger aspects of the payment function is in progress, and will become a major cost driver over the next few financial years. A request for information was published in December 2016 and further information on the evolution of the payment model will be made available in due course. The agency currently spends R2 billion per year on contracting the full payment function to a service provider. This baseline is expected to be maintained over the medium term.

To address administrative bottlenecks and improve turnaround times for grant approval, the agency's staff complement across all nine regions is expected to increase from 9 539 as of November 2016 to 9 794 in 2019/20. Expenditure on compensation of employees is estimated to increase in turn by 7 per cent over the MTEF period. The agency also expects to automate its processes to support improved turnaround times and the agency taking over the payments function. As such, spending on ICT is expected to be a key cost driver in the period ahead. One of the main projects is to digitise new and existing social grant files and dispense with paper files, in line with the National Archives Act (1996). The project is expected to yield efficiencies and mitigate the risk of the loss or destruction of information that is necessary for the agency to pay grants to qualifying beneficiaries. The project has been allocated R40 million for 2016/17 and R51 million for 2017/18, the completion year.

The agency also expects to implement a biometric authentication system for both beneficiaries and the agency's employees. The system is expected to reduce fraud by providing secure, positive identification of users, and linking an official from the agency with the beneficiary whose grant they approved. An estimated R100 million over the MTEF period is allocated for the project, which is set to be implemented in 2017/18.

To ensure that social assistance grants reach qualifying beneficiaries, the agency will continue to reach out to poor communities through the integrated community registration outreach programme and Project Mikondzo. These initiatives profile households and communities, and carry out interventions that improve access to services and ensure that government is responsive to the immediate socioeconomic challenges faced by households and communities. The agency plans to reach an average annual target of 680 poor wards through the integrated community registration outreach programme over the MTEF period and hold 40 Project Mikondzo service delivery interventions in 2017/18. An estimated R300 million has been budgeted over the medium term for the integrated community registration outreach programme.

Programmes/objectives/activities

Table 17.14 South African Social Security 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Administration	2 213.1	2 258.8	2 406.8	2 916.1	9.6%	36.4%	2 936.7	2 947.3	3 039.7	1.4%	37.8%
Benefits administration support	4 051.9	4 036.9	4 297.0	4 656.0	4.7%	63.6%	4 776.3	4 940.9	5 160.9	3.5%	62.2%
Total	6 265.0	6 295.7	6 703.8	7 572.1	6.5%	100.0%	7 712.9	7 888.2	8 200.6	2.7%	100.0%

Statements of historical financial performance and position

Table 17.15 South African Social Security Agency statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
Revenue									
Non-tax revenue	1.2	4.7	4.7	4.2	4.0	24.1	4.2	4.2	263.6%
Sale of goods and services other than capital assets	0.7	0.4	0.8	0.5	-	0.1	-	-	59.5%
of which:									
Sales by market establishment	0.7	0.4	0.8	-	-	-	-	-	25.2%
Other sales	-	-	-	0.5	-	0.1	-	-	3 850.0%
Other non-tax revenue	0.5	4.3	3.9	3.7	4.0	24.0	4.2	4.2	288.9%
Transfers received	6 311.0	6 311.0	6 567.6	6 517.6	6 643.0	6 643.0	6 908.9	6 908.9	99.8%
Total revenue	6 312.3	6 315.7	6 572.3	6 521.8	6 647.0	6 667.1	6 913.1	6 913.1	99.9%
Expenses									
Current expenses	6 491.3	6 245.1	6 867.0	6 253.3	7 270.6	6 681.2	7 324.1	7 545.1	95.6%
Compensation of employees	2 385.4	2 212.4	2 526.1	2 485.1	2 700.5	2 643.4	3 029.8	3 034.3	97.5%
Goods and services	4 104.2	3 964.6	4 272.5	3 691.6	4 498.3	3 922.8	4 276.9	4 480.3	93.6%
of which:									
Agency and support/outsourced services	147.6	124.4	153.9	139.6	145.3	158.4	189.4	154.4	90.7%
Communication	115.6	142.1	215.6	62.1	338.3	69.5	162.6	62.0	40.3%
Computer services	496.2	256.2	531.0	298.5	406.1	312.8	326.3	361.5	69.8%
Payment contractors	2 040.0	2 206.0	2 193.0	1 957.6	2 211.6	2 025.6	1 957.6	2 146.0	99.2%
Lease payments	404.4	361.4	518.7	286.9	401.2	164.4	379.7	382.4	70.1%
Repairs and maintenance	249.9	120.1	112.0	157.5	289.4	141.3	231.0	100.3	58.9%
Property payments	-	256.2	-	283.6	338.1	313.3	313.7	378.8	189.0%
Depreciation	-	67.4	67.5	75.7	70.9	115.0	16.4	30.6	186.6%
Interest, dividends and rent on land	1.7	0.6	0.9	0.9	0.9	-	1.0	-	32.7%
Transfers and subsidies	44.1	19.9	22.7	42.4	23.7	22.6	27.0	27.0	95.2%
Total expenses	6 535.5	6 265.0	6 889.7	6 295.7	7 294.4	6 703.8	7 351.1	7 572.1	95.6%
Surplus/(Deficit)	(223.0)	51.0	(317.0)	226.0	(647.0)	(37.0)	(438.0)	(659.0)	
Statement of financial position									
Carrying value of assets	391.4	636.9	462.4	780.6	747.9	816.8	785.3	785.3	126.5%
of which:									
Acquisition of assets	(255.3)	(246.2)	(5.6)	(264.5)	(232.4)	(171.8)	(149.6)	(149.6)	129.5%
Inventory	9.9	16.5	10.0	23.4	32.4	17.0	34.0	34.0	105.2%
Receivables and prepayments	38.2	11.8	136.9	19.1	16.9	24.4	17.7	17.7	34.9%
Cash and cash equivalents	978.8	1 633.3	712.3	1 163.7	1 036.8	1 227.3	705.4	892.8	143.2%
Total assets	1 418.2	2 298.6	1 321.6	1 986.9	1 834.0	2 085.5	1 542.5	1 729.8	132.4%
Accumulated surplus/(deficit)	850.0	1 140.7	573.0	1 366.8	620.6	1 284.3	438.0	625.3	178.0%
Finance lease	3.5	0.5	3.6	0.2	0.3	-	0.3	0.3	12.5%
Trade and other payables	122.5	863.3	157.3	335.6	877.1	520.3	751.4	751.4	129.5%
Provisions	442.2	294.1	587.6	284.2	336.0	280.8	352.8	352.8	70.5%
Total equity and liabilities	1 418.2	2 298.6	1 321.6	1 986.9	1 834.0	2 085.5	1 542.5	1 729.8	132.4%

Statements of estimates of financial performance and position

Table 17.16 South African Social Security Agency statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average Expenditure/ Total: (%)	Medium-term estimate			Average growth rate (%)	Average Expenditure/ Total: (%)
	2016/17				2013/14 - 2016/17	2017/18	2018/19		
R million									
Revenue									
Non-tax revenue		4.2	-3.6%	0.1%	4.4	4.6	4.9	5.2%	0.1%
Other non-tax revenue		4.2	-0.8%	0.1%	4.4	4.6	4.9	5.1%	0.1%
Transfers received		6 908.9	3.1%	99.9%	7 206.1	7 760.7	8 195.7	5.9%	99.9%
Total revenue		6 913.1	3.1%	100.0%	7 210.5	7 765.3	8 200.6	5.9%	100.0%
Expenses									
Current expenses		7 545.1	6.5%	99.6%	7 684.6	7 858.9	8 169.6	2.7%	116.8%
Compensation of employees		3 034.3	11.1%	38.6%	3 242.2	3 464.0	3 657.9	6.4%	42.7%
Goods and services		4 480.3	4.2%	59.9%	4 409.9	4 360.5	4 475.4	-0.0%	56.5%
of which:									
Agency and support / outsourced services		154.4	7.5%	2.2%	204.9	217.6	229.8	14.2%	2.6%
Communication		62.0	-24.2%	1.3%	85.7	100.1	105.7	19.5%	1.1%
Computer services		361.5	12.2%	4.6%	353.9	372.0	360.7	-0.1%	4.6%
Payment contractors		2 146.0	-0.9%	31.2%	2 258.7	2 257.0	2 350.1	3.1%	28.7%
Lease payments		382.4	1.9%	4.5%	376.3	460.0	485.7	8.3%	5.4%
Repairs and maintenance		100.3	-5.8%	2.0%	88.4	94.8	100.1	-0.1%	1.2%
Property payments		378.8	13.9%	4.6%	431.9	444.9	469.8	7.4%	5.5%
Depreciation		30.6	-23.2%	1.1%	32.5	34.4	36.3	5.9%	0.4%
Transfers and subsidies		27.0	10.7%	0.4%	28.3	29.3	31.0	4.7%	0.4%
Total expenses		7 572.1	6.5%	100.0%	7 712.9	7 888.2	8 200.6	2.7%	100.0%
Surplus/(Deficit)		(659.0)	(3.0)	(1.0)	(502.0)	(123.0)	-	-100.0%	-33.1%
Statement of financial position									
Carrying value of assets		785.3	7.2%	37.9%	824.6	872.4	921.2	5.5%	58.3%
of which:									
Acquisition of assets		(149.6)	-15.3%	-10.2%	(152.7)	(161.6)	(161.6)	2.6%	-10.7%
Inventory		34.0	27.4%	1.2%	35.7	37.8	39.9	5.5%	2.5%
Receivables and prepayments		17.7	14.5%	0.9%	18.6	19.7	20.8	5.5%	1.3%
Cash and cash equivalents		892.8	-18.2%	60.0%	522.2	421.7	445.3	-20.7%	37.8%
Total assets		1 729.8	-9.0%	100.0%	1 401.1	1 351.6	1 427.3	-6.2%	100.0%
Accumulated surplus/(deficit)		625.3	-18.2%	54.0%	122.9	-	-	-100.0%	11.2%
Finance lease		0.3	-15.2%	0.0%	0.3	0.3	0.3	5.5%	0.0%
Trade and other payables		751.4	-4.5%	30.7%	907.5	960.1	1 013.9	10.5%	62.6%
Provisions		352.8	6.3%	15.2%	370.5	391.1	413.0	5.4%	26.2%
Total equity and liabilities		1 729.8	-9.0%	100.0%	1 401.1	1 351.6	1 427.3	-6.2%	100.0%

Personnel information

Table 17.17 South African Social Security Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20				2016/17 - 2019/20			
South African Social Security Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	9 794	21 208	9 732	2 643.4	0.3	9 794	3 034.3	0.3	9 794	3 242.2	0.3	9 794	3 464.0	0.4	9 794	3 657.9	0.4	6.4%	100.0%
1 - 6	6 040	12 469	6 334	1 112.2	0.2	6 041	1 313.2	0.2	6 041	1 362.5	0.2	6 041	1 454.3	0.2	6 041	1 505.0	0.2	4.6%	61.7%
7 - 10	2 964	7 144	2 699	960.0	0.4	2 963	1 062.2	0.4	2 963	1 178.2	0.4	2 963	1 265.5	0.4	2 963	1 356.0	0.5	8.5%	30.3%
11 - 12	530	1 262	487	350.6	0.7	530	393.0	0.7	530	421.2	0.8	530	449.4	0.8	530	479.1	0.9	6.8%	5.4%
13 - 16	260	333	212	220.6	1.0	260	265.9	1.0	260	280.3	1.1	260	294.7	1.1	260	317.9	1.2	6.1%	2.7%

1. Rand million.

Other entity

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

- The **National Development Agency's** primary focus is on strengthening the institutional capacity of civil society organisations that provide services to poor communities. The agency also promotes consultation and dialogue between civil society and the state, debates policy development and conducts research. The agency's projected expenditure for 2017/18 is R200.9 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Small projects (total project cost of less than R250 million over the project life cycle)										
Construction of substance abuse treatment centres: Eastern Cape	Construction of substance abuse inpatient treatment centres	Complete	14.6	-	12.6	2.0	-	-	-	-
Construction of substance abuse treatment centres: Free State	Construction of substance abuse inpatient treatment centres	Tender	56.9	-	1.9	12.5	42.5	-	-	-
Construction of substance abuse treatment centres: North West	Construction of substance abuse inpatient treatment centres	Construction	28.0	-	11.0	17.0	-	-	-	-
Construction of substance abuse treatment centres: Northern Cape	Construction of substance abuse inpatient treatment centres	Tender	61.0	-	2.0	16.0	43.0	-	-	-
Total			160.5	-	27.5	47.5	85.5	-	-	-

Vote 18

Correctional Services

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	4 150.9	4 050.1	21.5	79.3	4 380.5	4 585.7
Incarceration	13 986.9	13 081.8	105.9	799.2	15 073.3	16 304.0
Rehabilitation	1 822.4	1 773.2	0.1	49.1	1 952.0	2 051.3
Care	1 998.7	1 987.0	0.4	11.3	2 140.6	2 260.2
Social Reintegration	855.3	852.5	0.2	2.5	907.2	954.6
Total expenditure estimates	22 814.1	21 744.7	128.0	941.4	24 453.6	26 155.8

Executive authority: Minister of Justice and Correctional Services
 Accounting officer: National Commissioner of Correctional Services
 Website address: www.dcs.gov.za

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

Vote purpose

Contribute to a just, peaceful and safer South Africa through the effective and humane incarceration of inmates and the rehabilitation and social reintegration of offenders.

Mandate

The mandate of the Department of Correctional Services is derived from the Correctional Services Act (1998), the Criminal Procedure Act (1977), the 2005 White Paper on Corrections, and the 2014 White Paper on Remand Detention Management in South Africa. The legislation requires the department to contribute to maintaining and promoting a just, peaceful and safe society by correcting offending behaviour in a safe, secure and humane environment, which allows for optimal rehabilitation and reduced repeat offending.

Selected performance indicators

Table 18.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of inmates who escape from correctional centres and remand detention facilities per year	Incarceration	Outcome 3: All people in South Africa are and feel safe	0.038% (60/ 157 969)	0.031% (49/ 159 563)	0.044% (71/ 161 984)	0.024% (38)	0.034% (56) ¹	0.034% (56)	0.034% (57)
Percentage of inmates injured as a result of reported assaults in correctional centres and remand detention facilities per year	Incarceration		4.7% (7 370/ 157 969)	4.9% (7 850/ 159 563)	5.4% (8 801/ 161 984)	3.7% (5 878)	4.7% (7 634) ¹	4.7% (7 748)	4.7% (7 824)
Percentage of overcrowding in correctional centres and remand detention facilities in excess of approved capacity ²	Incarceration		29.7% (35 370/ 119 134)	31.9% (38 007/ 119 134)	34% (40 197/ 119 134)	32% (38 123)	38% (45 271)	39% (46 462)	40% (47 654)
Percentage of sentenced offenders subjected to correctional programmes per year	Rehabilitation		– ³	69% (68 624/ 99 605)	74.3% (75 595/ 101 740)	72% (76 632)	76% (81 432)	80% (86 544)	80% (87 372)
Percentage of offenders participating in skills development programmes measured against the number of offenders enrolled per year	Rehabilitation		– ³	84.6% (7 825/ 9 244)	87.5% (7 407/ 8 467)	80% (8 306)	80% (9 136)	80% (10 049)	80% (11 054)
Percentage of inmates on antiretroviral therapy (cumulative)	Care		96% (15 417/ 16 109)	97% (17 526/ 18 063)	97% (21 722/ 22 142)	98.1% (24 721)	99% (36 383)	99% (38 202)	99% (40 112)
Percentage of parolees without violations per year	Social Reintegration		94.1% (46 380/ 49 282)	98.2% (49 928/ 50 855)	98.8% (51 307/ 51 937)	96% (59 230)	97% (52 559)	97% (53 802)	97% (55 073)
Percentage of probationers without violations per year	Social Reintegration		92.8% (15 543/ 16 744)	97.7% (16 913/ 17 318)	98.6% (16 416/ 16 640)	95% (18 429)	96% (15 919)	97% (16 377)	97% (16 674)

1. Actual performance from 2013/14 to 2015/16 led to a review of targets from 2017/18 onwards.

2. Targets increase over the medium term due to new offender admissions, which are projected to increase at a much higher rate than the number of new bed spaces created over the period.

3. No historical data available.

Expenditure analysis

Over the medium term, the department will continue to focus on its core responsibilities: detaining inmates in safe, secure and humane conditions in correctional centres and remand detention facilities; providing sentenced offenders with needs-based rehabilitation programmes and interventions; and reintegrating offenders into communities as law-abiding citizens by effectively managing non-custodial sentences and parole. These priorities are in line with the commitments in outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework, and informed by the National Development Plan's goal of building safer communities.

Ensuring safe, secure and humane detention

Managing security operations for sentenced offenders and remand detainees; profiling inmates; and administering inmates, which includes admissions and releases, are funded through the *Incarceration* programme. Spending on these activities accounts for about 61.7 per cent, or R45.4 billion, of the department's total budget over the medium term. The department aims to reduce the number of inmates who escape each year, from 71 in 2015/16 to 57 in 2019/20, and the number of inmates injured each year from 8 801 in 2015/16 to 7 824 in 2019/20. This will be achieved through contingency planning, movement control, and the effective implementation of security measures.

As this work is labour intensive, most of the spending is on compensation of employees, which accounts for an estimated 70.2 per cent of the programme's budget over the period. The programme had 28 223 funded posts in 2016/17. However, this number is expected to decrease to 27 293 in 2019/20, through the gradual termination of contracts and natural attrition, as the department adjusts its personnel establishment to accommodate the Cabinet-approved budget reductions to spending on compensation of employees.

Providing needs-based rehabilitation

The National Development Plan's approach to cultivating safety includes the rehabilitation of offenders to improve their reintegration into society, and reduce the likelihood of them reoffending. Accordingly, sentenced offenders are assessed and informed about all correctional programmes and interventions in their facilities. Each offender signs a correctional sentence plan based on an assessment of their needs. It is compulsory for all offenders serving a sentence of 24 months or longer to attend correctional programmes.

Rehabilitation activities in correctional centres include correctional programmes, skills development programmes, and psychological, social work and spiritual care services. The department plans to increase the proportion of sentenced offenders assigned to correctional programmes from 72 per cent in 2016/17 to 80 per cent in 2018/19, and maintain the percentage of offenders participating in skills development programmes at 80 per cent over the medium term. This will be achieved through improving the marketing of programmes, and appointing external service providers to provide more training opportunities for offenders.

The *Rehabilitation* programme is allocated R5.8 billion over the medium term. The 17.9 per cent increase in the programme's budget in 2016/17, from R1.4 billion in 2015/16 to R1.6 billion in 2016/17, is a result of shifting the case management function from the *Incarceration* programme to the *Rehabilitation* programme. The shift aligns the function with the former programme's objective of ensuring that offenders have correctional sentence plans, and that these plans are reviewed and updated. An estimated 75.8 per cent of the programme's budget over the medium term will go towards expenditure on compensating employees who provide rehabilitation programmes. The rest of the funds are for supplies for departmental workshops (which include wood, steel and textiles workshops), bakeries, a shoe factory, and agricultural facilities. The department also manages 21 farms that provide work opportunities for offenders.

Reintegrating offenders

The department began rolling out the electronic monitoring system in 2014/15 to reduce supervision costs and the workload on correctional officers after inmates are released. The department expects to tag 1 000 offenders electronically per year over the medium term. In future, as an alternative sentencing option, electronic tagging could also assist in alleviating overcrowding in correctional centres. The budget for electronic monitoring is R30.3 million in 2017/18, R32 million in 2018/19 and R33.6 million in 2019/20.

To improve the administration and supervision of offenders placed under the community corrections system, community corrections officials will ensure that offenders comply with their conditions of placement. This is expected to lead to an increase in the proportion of parolees and probationers without violations from 95 per cent in 2016/17 to 97 per cent in 2019/20. By encouraging and facilitating dialogue between victims and offenders, the department plans to increase the number of victims who participate in these and other restorative justice programmes from 6 491 in 2015/16 to 7 560 in 2019/20. These dialogues will also assist in the smooth reintegration of offenders into their communities.

These activities are funded by the R2.7 billion allocated to the *Social Reintegration* programme over the medium term. Spending on compensation of employees is projected to account for 84.7 per cent of the programme's total budget over the period because the work is labour intensive.

Expenditure trends

Table 18.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration 2. Incarceration 3. Rehabilitation 4. Care 5. Social Reintegration														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	3 687.8	3 724.7	3 514.1	3 622.9	3 623.7	3 641.7	3 697.3	3 694.5	4 015.0	3 876.2	3 876.2	3 876.2	101.1%	100.9%
Programme 2	11 584.4	11 527.1	11 491.5	12 299.0	12 299.8	11 931.3	13 080.9	13 051.5	12 289.2	13 273.5	13 274.1	13 274.1	97.5%	97.7%
Programme 3	1 092.4	1 077.3	1 161.3	1 165.8	1 166.3	1 268.7	1 152.0	1 155.3	1 395.0	1 644.7	1 647.0	1 647.0	108.3%	108.4%
Programme 4	1 582.2	1 617.0	1 799.2	1 747.2	1 745.8	1 940.2	1 796.3	1 796.3	2 088.5	1 975.1	1 975.1	1 975.1	109.9%	109.4%
Programme 5	801.3	802.4	684.4	886.2	886.3	747.4	891.2	891.0	801.0	807.8	807.8	807.8	89.8%	89.8%
Total	18 748.1	18 748.5	18 650.6	19 721.1	19 721.8	19 529.3	20 617.6	20 588.6	20 588.7	21 577.3	21 580.2	21 580.2	99.6%	99.6%
Change to 2016 Budget estimate												2.9		
Economic classification														
Current payments	17 554.0	17 553.6	17 437.2	18 585.5	18 583.9	18 382.1	19 514.3	19 192.5	19 236.3	20 453.1	20 453.1	20 453.1	99.2%	99.6%
Compensation of employees	12 452.1	12 357.1	12 190.1	13 315.6	13 315.6	12 611.5	14 034.1	13 155.1	13 189.5	14 821.4	14 821.4	14 821.4	96.7%	98.4%
Goods and services	5 102.0	5 196.4	5 246.2	5 269.9	5 268.3	5 770.2	5 480.2	6 037.4	6 045.2	5 631.7	5 631.7	5 631.7	105.6%	102.5%
Interest and rent on land	-	-	0.9	-	-	0.4	-	-	1.7	-	-	-	-	-
Transfers and subsidies	77.6	78.0	112.1	81.8	82.6	127.6	120.5	121.4	109.2	131.4	132.1	132.1	117.0%	116.2%
Provinces and municipalities	5.8	5.8	4.2	6.4	6.5	4.8	5.3	5.3	5.4	5.9	5.9	5.9	86.8%	86.5%
Departmental agencies and accounts	8.4	8.4	8.5	8.9	8.9	9.8	9.4	9.4	-	9.9	9.9	9.9	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	5.9	-	-	-	-	-
Households	63.4	63.8	99.5	66.5	67.2	113.0	105.8	106.8	97.9	115.6	116.3	116.3	121.5%	120.5%
Payments for capital assets	1 116.5	1 116.9	1 097.7	1 053.8	1 055.4	1 012.6	982.8	1 274.6	1 243.1	992.7	995.0	995.0	104.9%	97.9%
Buildings and other fixed structures	798.9	798.9	862.4	800.7	800.7	846.1	801.0	801.0	857.8	770.8	770.8	770.8	105.2%	105.2%
Machinery and equipment	286.4	286.8	205.3	251.4	253.0	163.4	179.4	458.6	382.3	219.7	221.9	221.9	103.9%	79.7%
Biological assets	1.2	1.2	3.0	1.6	1.6	3.2	2.0	2.5	3.0	2.2	2.2	2.2	161.8%	150.2%
Software and other intangible assets	30.0	30.0	27.0	-	-	-	0.5	12.5	-	-	-	-	88.7%	63.6%
Payments for financial assets	-	-	3.7	-	-	6.9	-	-	-	-	-	-	-	-
Total	18 748.1	18 748.5	18 650.6	19 721.1	19 721.8	19 529.3	20 617.6	20 588.6	20 588.7	21 577.3	21 580.2	21 580.2	99.6%	99.6%

Expenditure estimates

Table 18.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Incarceration								
3. Rehabilitation								
4. Care								
5. Social Reintegration								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	3 876.2	1.3%	18.7%	4 150.9	4 380.5	4 585.7	5.8%	17.9%
Programme 2	13 274.1	4.8%	61.0%	13 986.9	15 073.3	16 304.0	7.1%	61.7%
Programme 3	1 647.0	15.2%	6.8%	1 822.4	1 952.0	2 051.3	7.6%	7.9%
Programme 4	1 975.1	6.9%	9.7%	1 998.7	2 140.6	2 260.2	4.6%	8.8%
Programme 5	807.8	0.2%	3.8%	855.3	907.2	954.6	5.7%	3.7%
Total	21 580.2	4.8%	100.0%	22 814.1	24 453.6	26 155.8	6.6%	100.0%
Change to 2016 Budget estimate				(234.8)	(236.6)	(283.7)		
Economic classification								
Current payments	20 453.1	5.2%	94.0%	21 744.7	23 332.5	24 963.7	6.9%	95.3%
Compensation of employees	14 821.4	6.2%	65.7%	15 776.7	17 034.9	18 333.6	7.3%	69.4%
Goods and services	5 631.7	2.7%	28.2%	5 968.0	6 297.6	6 630.2	5.6%	25.8%
Transfers and subsidies	132.1	19.2%	0.6%	128.0	135.3	165.2	7.7%	0.6%
Provinces and municipalities	5.9	0.7%	–	6.6	7.4	7.2	6.8%	–
Departmental agencies and accounts	9.9	5.6%	–	10.4	11.0	11.5	5.3%	–
Households	116.3	22.2%	0.5%	111.0	116.9	146.5	8.0%	0.5%
Payments for capital assets	995.0	-3.8%	5.4%	941.4	985.8	1 026.9	1.1%	4.2%
Buildings and other fixed structures	770.8	-1.2%	4.2%	759.9	746.2	788.0	0.7%	3.2%
Machinery and equipment	221.9	-8.2%	1.2%	176.0	233.8	232.9	1.6%	0.9%
Biological assets	2.2	22.6%	–	5.6	5.8	6.0	39.2%	–
Total	21 580.2	4.8%	100.0%	22 814.1	24 453.6	26 155.8	6.6%	100.0%

Goods and services expenditure trends and estimates

Table 18.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Administrative fees	5 859	7 066	5 993	8 674	14.0%	0.1%	6 449	7 289	7 708	-3.9%	0.1%
Advertising	12 744	25 633	11 063	13 140	1.0%	0.3%	12 402	12 941	13 530	1.0%	0.2%
Minor assets	22 039	22 110	20 325	49 020	30.5%	0.5%	52 843	55 087	57 937	5.7%	0.9%
Audit costs: External	47 346	47 545	42 737	45 973	-1.0%	0.8%	48 271	54 572	57 300	7.6%	0.8%
Bursaries: Employees	2 820	3 602	3 885	3 362	6.0%	0.1%	3 530	3 734	3 919	5.2%	0.1%
Catering: Departmental activities	34 990	39 028	36 149	17 841	-20.1%	0.6%	17 014	17 933	19 042	2.2%	0.3%
Communication	99 932	89 669	93 836	81 242	-6.7%	1.6%	88 595	93 761	98 413	6.6%	1.5%
Computer services	93 596	76 365	113 844	123 623	9.7%	1.8%	144 592	150 429	157 991	8.5%	2.4%
Consultants: Business and advisory services	43 614	199 405	29 078	42 695	-0.7%	1.4%	29 702	33 579	37 800	-4.0%	0.6%
Infrastructure and planning services	3 497	2 459	2 685	1 551	-23.7%	–	1 210	1 306	1 370	-4.1%	–
Laboratory services	14 105	11 252	13 019	10 479	-9.4%	0.2%	12 407	13 160	13 754	9.5%	0.2%
Legal services	29 667	42 838	40 090	33 602	4.2%	0.6%	35 282	37 311	39 177	5.2%	0.6%
Contractors	103 484	127 507	215 519	225 639	29.7%	3.0%	237 975	251 569	264 358	5.4%	4.0%
Agency and support/outourced services	625 071	677 439	760 811	646 635	1.1%	11.9%	1 519 372	1 603 757	1 705 220	38.2%	22.3%
Entertainment	258	225	221	473	22.4%	–	479	507	534	4.1%	–
Fleet services (including government motor transport)	244 226	251 744	245 995	156 884	-13.7%	4.0%	187 886	201 127	210 725	10.3%	3.1%
Inventory: Clothing material and accessories	41 523	35 925	59 898	101 989	34.9%	1.1%	159 729	158 296	166 286	17.7%	2.4%
Inventory: Farming supplies	166 139	175 578	190 613	79 233	-21.9%	2.7%	81 941	86 407	90 685	4.6%	1.4%
Inventory: Food and food supplies	349 371	362 983	377 233	297 829	-5.2%	6.1%	405 883	422 878	442 780	14.1%	6.4%
Inventory: Fuel, oil and gas	24 058	26 294	23 027	23 566	-0.7%	0.4%	25 901	27 181	28 374	6.4%	0.4%
Inventory: Learner and teacher support material	5 091	5 677	5 412	6 389	7.9%	0.1%	5 936	6 277	6 571	0.9%	0.1%
Inventory: Materials and supplies	64 265	77 028	86 887	64 684	0.2%	1.3%	71 785	75 943	79 659	7.2%	1.2%
Inventory: Medical supplies	1 463	1 843	1 297	3 985	39.7%	–	2 521	2 693	2 827	-10.8%	–
Inventory: Medicine	84 702	71 451	79 352	57 593	-12.1%	1.3%	57 934	61 630	64 566	3.9%	1.0%
Inventory: Other supplies	211	6 336	4 779	22 027	370.9%	0.1%	65 376	90 941	90 124	59.9%	1.1%
Consumable supplies	285 683	278 699	303 686	273 959	-1.4%	5.0%	233 701	222 107	222 508	-6.7%	3.9%
Consumables: Stationery, printing and office supplies	56 345	61 737	71 439	96 155	19.5%	1.3%	76 850	81 947	84 601	-4.2%	1.4%
Operating leases	1 655 005	1 785 307	1 951 564	2 022 222	6.9%	32.7%	1 195 849	1 265 251	1 335 891	-12.9%	23.7%
Rental and hiring	6 093	7 311	8 165	311	-62.9%	0.1%	1 774	1 770	2 264	93.8%	–
Property payments	845 871	920 975	937 252	865 874	0.8%	15.7%	912 702	965 598	1 017 777	5.5%	15.3%
Transport provided: Departmental activity	5 959	5 156	5 221	5 683	-1.6%	0.1%	4 419	7 753	4 903	-4.8%	0.1%

Table 18.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
Travel and subsistence	242 307	277 127	259 351	202 186	-5.9%	4.3%	224 773	238 745	252 693	7.7%	3.7%
Training and development	5 569	7 970	12 638	17 834	47.4%	0.2%	12 414	12 598	13 492	-8.9%	0.2%
Operating payments	13 386	23 901	29 266	22 942	19.7%	0.4%	22 121	22 228	25 661	3.8%	0.4%
Venues and facilities	9 909	14 971	2 838	6 422	-13.5%	0.2%	8 385	9 245	9 716	14.8%	0.1%
Total	5 246 198	5 770 156	6 045 168	5 631 716	2.4%	100.0%	5 968 003	6 297 550	6 630 156	5.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 18.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
Provinces and municipalities											
Provincial agencies and funds											
Current	824	945	1 417	5 916	92.9%	1.9%	6 030	6 331	6 685	4.2%	4.5%
Vehicle licences	824	945	1 417	5 916	92.9%	1.9%	6 030	6 331	6 685	4.2%	4.5%
Provinces and municipalities											
Municipal bank accounts											
Current	3 356	3 872	3 961	-	-100.0%	2.3%	573	1 051	516	-	0.4%
Vehicle licences	3 356	3 872	3 961	-	-100.0%	2.3%	573	1 051	516	-	0.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8 455	9 830	-	9 900	5.4%	5.9%	10 395	10 994	11 544	5.3%	7.6%
Safety and Security Sector Education and Training Authority	8 455	9 830	-	9 900	5.4%	5.9%	10 395	10 994	11 544	5.3%	7.6%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	-	-	5 935	-	-	1.2%	-	-	-	-	-
Private enterprise	-	-	5 935	-	-	1.2%	-	-	-	-	-
Households											
Social benefits											
Current	74 969	90 943	75 611	94 896	8.2%	69.9%	89 751	94 452	122 611	8.9%	71.7%
Employee social benefits	74 969	89 374	75 611	94 896	8.2%	69.6%	89 751	94 452	122 611	8.9%	71.7%
Public corporations	-	1 569	-	-	-	0.3%	-	-	-	-	-
Households											
Other transfers to households											
Current	24 498	22 056	22 301	21 379	-4.4%	18.8%	21 236	22 458	23 865	3.7%	15.9%
Employee social benefits	41	601	755	-	-100.0%	0.3%	124	131	138	-	0.1%
Other transfers cash	278	-	-	-	-100.0%	0.1%	-	-	-	-	-
Offender gratuity	24 179	21 455	18 887	21 379	-4.0%	17.9%	21 112	22 327	23 727	3.5%	15.8%
Households	-	-	2 659	-	-	0.6%	-	-	-	-	-
Total	112 102	127 646	109 225	132 091	5.6%	100.0%	127 985	135 286	165 221	7.7%	100.0%

Personnel information

Table 18.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
		Number of posts estimated for 31 March 2017		Actual 2015/16			Revised estimate 2016/17			Medium-term expenditure estimate 2017/18			Medium-term expenditure estimate 2018/19			Medium-term expenditure estimate 2019/20			Average growth rate (%)	Average Salary level/Total (%)
		Number of funded posts	Number of posts additional to the establishment	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20	
Correctional Services		42 006	1 211	38 628	13 189.5	0.3	39 320	14 821.4	0.4	39 635	15 776.7	0.4	38 536	17 034.9	0.4	38 318	18 333.6	0.5	-0.9%	100.0%
Salary level		42 006	1 211	38 628	13 189.5	0.3	39 320	14 821.4	0.4	39 635	15 776.7	0.4	38 536	17 034.9	0.4	38 318	18 333.6	0.5	-0.9%	100.0%
1 – 6	23 037	1 114	16 910	4 030.6	0.2	17 613	4 470.2	0.3	17 736	4 812.0	0.3	17 277	5 210.5	0.3	17 295	5 634.0	0.3	-0.6%	44.9%	
7 – 10	17 413	19	20 855	7 922.8	0.4	20 587	8 597.1	0.4	20 811	9 427.1	0.5	20 187	10 222.5	0.5	19 878	10 936.4	0.6	-1.2%	52.3%	
11 – 12	1 341	61	667	430.3	0.6	878	628.6	0.7	844	652.9	0.8	821	689.9	0.8	894	810.6	0.9	0.6%	2.2%	
13 – 16	215	17	196	201.5	1.0	242	258.6	1.1	244	280.4	1.1	251	309.9	1.2	251	332.4	1.3	1.2%	0.6%	
Other	–	–	–	604.3	–	–	867.0	–	–	604.3	–	–	602.1	–	–	620.2	–	–	–	
Programme	42 006	1 211	38 628	13 189.5	0.3	39 320	14 821.4	0.4	39 635	15 776.7	0.4	38 536	17 034.9	0.4	38 318	18 333.6	0.5	-0.9%	100.0%	
Programme 1	7 106	106	6 171	2 636.5	0.4	5 707	2 964.6	0.5	5 259	3 181.5	0.6	5 031	3 359.7	0.7	4 541	3 534.1	0.8	-7.3%	13.2%	
Programme 2	28 223	994	26 414	8 162.9	0.3	27 515	9 161.8	0.3	28 003	9 687.2	0.3	27 194	10 595.2	0.4	27 293	11 559.0	0.4	-0.3%	70.6%	
Programme 3	2 451	66	2 207	1 038.9	0.5	2 079	1 267.4	0.6	2 456	1 392.3	0.6	2 406	1 474.5	0.6	2 591	1 550.2	0.6	7.6%	6.1%	
Programme 4	2 010	37	1 798	688.6	0.4	1 737	738.4	0.4	1 710	790.3	0.5	1 636	837.3	0.5	1 615	881.7	0.5	-2.4%	4.3%	
Programme 5	2 216	8	2 038	662.6	0.3	2 282	689.3	0.3	2 207	725.4	0.3	2 269	768.3	0.3	2 278	808.6	0.4	-0.1%	5.8%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data. Although the overall posts level is in line with the department's approved compensation of employees ceiling, the department is still in the process of reviewing the breakdown thereof with the aim of aligning it with the occupational specific dispensation's phase two costing.

2. Rand million.

Departmental receipts

Table 18.7 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
R thousand	117 129	139 752	129 317	130 978	130 798	3.7%	100.0%	132 231	135 763	138 752	2.0%	100.0%
Departmental receipts	51 842	55 239	53 679	55 698	55 698	2.4%	41.9%	64 783	67 894	71 290	8.6%	48.3%
Sales of goods and services produced by department	29 568	30 912	32 183	34 698	34 698	5.5%	24.6%	37 003	38 851	40 794	5.5%	28.2%
of which:												
Rental: Dwellings	29 568	29 751	31 256	34 698	34 698	5.5%	24.2%	35 734	37 511	39 387	4.3%	27.4%
Rental: Non-residential	–	867	927	–	–	–	0.3%	1 031	1 088	1 142	–	0.6%
Rental machinery and equipment	–	1	–	–	–	–	–	–	–	–	–	–
Sale of wool/skin	–	293	–	–	–	–	0.1%	238	252	265	–	0.1%
Other sales	22 274	24 327	21 496	21 000	21 000	-1.9%	17.2%	27 780	29 043	30 496	13.2%	20.2%
of which:												
Services rendered: Commission	22 274	12 833	13 245	21 000	21 000	-1.9%	13.4%	22 050	23 152	24 310	5.0%	16.8%
Sales: Agricultural products	–	263	2 121	–	–	–	0.5%	633	658	691	–	0.4%
Services rendered: Boarding services	–	–	206	–	–	–	–	17	17	18	–	–
Sales of scrap, waste, arms and other used current goods	2 292	2 108	2 349	1 800	1 800	-7.7%	1.7%	2 369	2 485	2 608	13.2%	1.7%
of which:												
Condemned linen	–	21	19	–	–	–	–	20	20	20	–	–
Kitchen refuse	–	152	182	–	–	–	0.1%	154	160	168	–	0.1%
Scrap	2 292	1 920	1 975	1 800	1 800	-7.7%	1.5%	2 177	2 286	2 400	10.1%	1.6%
Waste paper	–	15	173	–	–	–	–	18	19	20	–	–
Transfers received	5	–	–	–	–	-100.0%	–	–	–	–	–	–
Fines, penalties and forfeits	16 484	18 159	20 087	19 300	19 300	5.4%	14.3%	17 661	18 432	19 354	0.1%	13.9%
Interest, dividends and rent on land	–	724	322	180	–	–	0.2%	–	–	–	–	–
Interest	–	724	322	180	–	–	0.2%	–	–	–	–	–
Sales of capital assets	3 246	7 423	7 305	7 500	7 500	32.2%	4.9%	918	952	1 000	-48.9%	1.9%
Transactions in financial assets and liabilities	43 260	56 099	45 575	46 500	46 500	2.4%	37.0%	46 500	46 000	44 500	-1.5%	34.1%
Total	117 129	139 752	129 317	130 978	130 798	3.7%	100.0%	132 231	135 763	138 752	2.0%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 18.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Ministry	34.4	30.8	23.1	34.6	0.2%	0.8%	36.5	38.7	40.6	5.5%	0.9%
Judicial Inspectorate for Correctional Services	36.8	38.2	39.5	65.3	21.1%	1.2%	69.4	73.1	77.2	5.7%	1.7%
Management	611.6	514.5	716.2	739.9	6.5%	17.2%	805.6	854.8	898.2	6.7%	19.4%
Human Resources	1 355.3	1 508.8	1 591.3	1 670.3	7.2%	40.7%	1 811.9	1 918.0	2 017.4	6.5%	43.7%
Finance	1 026.6	1 085.8	1 322.2	957.0	-2.3%	29.2%	997.5	1 044.0	1 077.3	4.0%	24.0%
Assurance Services	65.1	67.4	67.9	95.3	13.6%	2.0%	100.2	106.1	111.4	5.4%	2.4%
Information Technology	259.6	326.3	192.9	235.3	-3.2%	6.7%	250.9	263.4	276.5	5.5%	6.0%
Office Accommodation	124.7	70.0	62.0	78.5	-14.3%	2.2%	78.8	82.6	87.0	3.5%	1.9%
Total	3 514.1	3 641.7	4 015.0	3 876.2	3.3%	100.0%	4 150.9	4 380.5	4 585.7	5.8%	100.0%
Change to 2016 Budget estimate							(48.6)	(77.7)	(189.4)		
Economic classification											
Current payments	3 303.5	3 499.7	3 690.2	3 726.4	4.1%	94.5%	4 050.1	4 266.7	4 478.7	6.3%	97.2%
Compensation of employees	2 253.3	2 492.0	2 636.5	2 964.6	9.6%	68.8%	3 181.5	3 359.7	3 534.1	6.0%	76.7%
Goods and services ¹	1 049.4	1 007.6	1 052.1	761.8	-10.1%	25.7%	868.6	907.1	944.6	7.4%	20.5%
of which:											
<i>Audit costs: External</i>	47.3	47.5	42.7	46.0	-1.0%	1.2%	48.3	54.6	57.3	7.6%	1.2%
<i>Computer services</i>	93.1	76.3	113.2	123.6	9.9%	2.7%	144.5	150.4	157.9	8.5%	3.4%
<i>Fleet services (including government motor transport)</i>	138.2	156.8	154.7	95.8	-11.5%	3.6%	98.8	106.6	111.8	5.2%	2.4%
<i>Inventory: Clothing material and accessories</i>	(12.8)	(6.5)	23.9	23.8	-223.1%	0.2%	45.2	57.0	59.9	36.0%	1.1%
<i>Operating leases</i>	109.6	72.7	62.6	59.5	-18.4%	2.0%	59.6	62.3	65.7	3.3%	1.5%
<i>Travel and subsistence</i>	152.3	151.4	159.8	121.9	-7.1%	3.9%	138.4	146.7	156.3	8.6%	3.3%
Interest and rent on land	0.8	-	1.6	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	37.0	31.8	29.7	17.7	-21.8%	0.8%	21.5	23.3	24.5	11.4%	0.5%
Provinces and municipalities	4.2	4.8	5.4	5.9	12.3%	0.1%	6.6	7.4	7.2	6.8%	0.2%
Departmental agencies and accounts	8.5	9.8	-	9.9	5.4%	0.2%	10.4	11.0	11.5	5.3%	0.3%
Public corporations and private enterprises	-	-	5.9	-	-	-	-	-	-	-	-
Households	24.3	17.2	18.4	1.9	-57.4%	0.4%	4.5	4.9	5.8	45.0%	0.1%
Payments for capital assets	171.0	106.0	295.1	132.1	-8.2%	4.7%	79.3	90.5	82.4	-14.5%	2.3%
Machinery and equipment	143.9	106.0	295.1	132.1	-2.8%	4.5%	79.3	90.5	82.4	-14.5%	2.3%
Software and other intangible assets	27.0	-	-	-	-100.0%	0.2%	-	-	-	-	-
Payments for financial assets	2.7	4.2	-	-	-100.0%	-	-	-	-	-	-
Total	3 514.1	3 641.7	4 015.0	3 876.2	3.3%	100.0%	4 150.9	4 380.5	4 585.7	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	18.8%	18.6%	19.5%	18.0%	-	-	18.2%	17.9%	17.5%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Provinces											
Provincial agencies and funds											
Current	824.0	945.0	1 417.0	5 916	92.9%	60.5%	6 030.0	6 331.0	6 685.0	4.2%	146.9%
Vehicle licences	824.0	945.0	1 417.0	5 916	92.9%	60.5%	6 030.0	6 331.0	6 685.0	4.2%	146.9%
Municipalities											
Municipal bank accounts											
Current	3 356.0	3 872.0	3 961.0	-	-100.0%	74.4%	573.0	1 051.0	516.0	-	12.6%
Vehicle licences	3 356.0	3 872.0	3 961.0	-	-100.0%	74.4%	573.0	1 051.0	516.0	-	12.6%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8 455.0	9 830.0	-	9 900	5.4%	187.3%	10 395.0	10 994.0	11 544.0	5.3%	252.1%
Safety and Security Sector Education and Training Authority	8 455.0	9 830.0	-	9 900	5.4%	187.3%	10 395.0	10 994.0	11 544.0	5.3%	252.1%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	5 935.0	-	-	39.4%	-	-	-	-	-
Private enterprise	-	-	5 935.0	-	-	39.4%	-	-	-	-	-
Households											
Social benefits											
Current	24 060.0	17 170.0	18 388.0	1 888	-57.2%	408.8%	4 483.0	4 885.0	5 760.0	45.0%	100.1%
Employee social benefits	24 060.0	15 601.0	18 388.0	1 888	-57.2%	398.3%	4 483.0	4 885.0	5 760.0	45.0%	100.1%
Public corporations	-	1 569.0	-	-	-	10.4%	-	-	-	-	-

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

Programme 2: Incarceration

Programme purpose

Provide appropriate services and well-maintained physical infrastructure that supports safe and secure conditions of detention consistent with maintaining the human dignity of inmates, personnel and the public. Provide for the administration and profiling of inmates and consideration of offenders for release or placement into the system of community corrections.

Objectives

- Enhance safety and security in correctional centres and remand detention facilities by:
 - managing escapes to remain below 0.035 per cent between 2017/18 and 2019/20
 - reducing the percentage of inmates injured as a result of reported assaults from 5.4 per cent in 2015/16 to 4.7 per cent in 2019/20
 - reducing the percentage of unnatural deaths from 0.038 per cent in 2015/16 to 0.032 per cent in 2019/20.
- Provide facilities that will contribute to humane incarceration by:
 - managing overcrowding to remain below 41 per cent between 2017/18 and 2019/20
 - upgrading facilities and constructing new facilities that will create 1 543 bed spaces between 2017/18 and 2019/20.
- Improve the effectiveness of the parole system by increasing the percentage of offender profiles submitted by case management committees that have been considered by correctional supervision and parole boards from a projected 89 per cent in 2016/17 to 93 per cent in 2019/20.

Subprogrammes

- *Security Operations* funds activities aimed at providing safe and secure conditions for all incarcerated persons, consistent with human dignity, and provides protection for personnel and the public. There are 243 correctional centres across the country hosting sentenced offenders in the minimum, medium and maximum security categories.
- *Facilities* funds the construction, upgrading and rental of facilities accommodation; payments for municipal charges; and the replacement and day-to-day maintenance of facilities, to support the safe and humane incarceration of inmates.
- *Remand Detention* funds the development of a remand detention system and aims to improve the management of remand detainees. There are 24 dedicated remand detention facilities across the country.
- *Offender Management* funds administrative activities and operations for correctional services that create an environment supportive of the rehabilitation and safety of offenders. This subprogramme also funds the activities of correctional supervision and parole boards, and ensures that eligible offenders are considered for parole through cases submitted by case management committees.

Expenditure trends and estimates

Table 18.9 Incarceration 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Security Operations	5 942.4	5 830.6	5 979.0	6 775.7	4.5%	50.1%	7 358.3	8 130.2	8 974.0	9.8%	53.3%
Facilities	3 472.1	3 879.0	4 010.3	3 949.6	4.4%	31.3%	4 118.2	4 285.4	4 524.5	4.6%	28.8%
Remand Detention	507.4	574.9	555.5	684.5	10.5%	4.7%	688.8	733.4	772.6	4.1%	4.9%
Offender Management	1 569.7	1 646.8	1 744.3	1 864.3	5.9%	13.9%	1 821.6	1 924.3	2 032.9	2.9%	13.0%
Total	11 491.5	11 931.3	12 289.2	13 274.1	4.9%	100.0%	13 986.9	15 073.3	16 304.0	7.1%	100.0%
Change to 2016 Budget estimate				(426.7)			(511.5)	(550.9)	(418.1)		

Table 18.9 Incarceration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	10 556.6	10 995.8	11 334.3	12 357.0	5.4%	92.4%	13 081.8	14 174.1	15 332.4	7.5%	93.7%
Compensation of employees	7 900.5	7 886.7	8 162.9	9 161.8	5.1%	67.6%	9 687.2	10 595.2	11 559.0	8.1%	69.9%
Goods and services ¹	2 656.0	3 108.9	3 171.3	3 195.2	6.4%	24.8%	3 394.6	3 578.9	3 773.4	5.7%	23.8%
of which:											
Contractors	48.3	69.4	163.2	187.4	57.1%	1.0%	199.8	211.0	221.8	5.8%	1.4%
Agency and support/outourced services	2.4	2.0	1.6	1.4	-15.6%	-	921.0	961.5	1 028.0	799.4%	5.0%
Fleet services (including government motor transport)	57.6	51.0	52.5	31.8	-18.0%	0.4%	45.1	47.5	49.7	16.1%	0.3%
Consumable supplies	59.6	58.5	57.2	56.8	-1.6%	0.5%	62.8	65.6	68.3	6.4%	0.4%
Operating leases	1 508.4	1 656.4	1 810.7	1 898.5	8.0%	14.0%	1 071.8	1 133.9	1 197.4	-14.2%	9.0%
Property payments	819.6	910.8	927.0	839.3	0.8%	7.1%	885.0	936.3	987.0	5.6%	6.2%
Interest and rent on land	0.1	0.2	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	63.7	78.8	67.0	113.8	21.3%	0.7%	105.9	111.4	140.0	7.2%	0.8%
Households	63.7	78.8	67.0	113.8	21.3%	0.7%	105.9	111.4	140.0	7.2%	0.8%
Payments for capital assets	870.5	854.4	887.8	803.3	-2.6%	7.0%	799.2	787.8	831.6	1.2%	5.5%
Buildings and other fixed structures	862.4	846.1	857.8	770.8	-3.7%	6.8%	759.9	746.2	788.0	0.7%	5.2%
Machinery and equipment	7.2	7.5	28.9	31.1	62.8%	0.2%	37.8	39.9	41.9	10.5%	0.3%
Biological assets	0.9	0.8	1.1	1.4	15.7%	-	1.5	1.6	1.6	5.5%	-
Payments for financial assets	0.7	2.3	-	-	-100.0%	-	-	-	-	-	-
Total	11 491.5	11 931.3	12 289.2	13 274.1	4.9%	100.0%	13 986.9	15 073.3	16 304.0	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	61.6%	61.1%	59.7%	61.5%	-	-	61.3%	61.6%	62.3%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	39.5	57.4	45.5	92.4	32.7%	0.5%	84.8	89.1	116.3	8.0%	0.7%
Employee social benefits	39.5	57.4	45.5	92.4	32.7%	0.5%	84.8	89.1	116.3	8.0%	0.7%
Households											
Other transfers to households											
Current	24.2	21.5	21.5	21.4	-4.0%	0.2%	21.1	22.3	23.7	3.5%	0.2%
Offender gratuity	24.2	21.5	18.9	21.4	-4.0%	0.2%	21.1	22.3	23.7	3.5%	0.2%
Households	-	-	2.7	-	-	-	-	-	-	-	-

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

Programme 3: Rehabilitation

Programme purpose

Provide offenders with needs-based programmes and interventions to facilitate their rehabilitation and enable their social reintegration.

Objectives

- Enhance the level of literacy, education and skills competency among offenders by:
 - increasing the number of learners completing adult education and training programmes from 10 437 in 2015/16 to 11 741 in 2019/20
 - increasing the number of learners completing further education and training mainstream programmes from a projected 603 in 2016/17 to 802 in 2019/20
 - increasing the number of offenders participating in skills development programmes from a projected 8 306 in 2016/17 to 11 054 in 2019/20.
- Enhance the social functioning and reintegration of offenders into communities by:
 - increasing the percentage of offenders (inmates, probationers and parolees) who are involved in social work services from 49.4 per cent in 2015/16 to 52 per cent in 2019/20
 - increasing the percentage of inmates who are involved in psychological services from a projected 16 per cent in 2016/17 to 19 per cent in 2019/20
 - increasing the percentage of inmates who benefit from spiritual services from a projected 57 per cent in 2016/17 to 62 per cent in 2019/20.

Subprogrammes

- *Correctional Programmes* provides needs-based correctional programmes in line with correctional sentence plans, which entail targeting elements associated with offending behaviour, focusing on the offences for which persons are incarcerated.
- *Offender Development* provides programmes and services aimed at developing competencies by providing inmates with opportunities for skills and social development. Services include technical training and education.
- *Psychological, Social and Spiritual Services* provides needs-based programmes and services aimed at maintaining the personal wellbeing of incarcerated persons by facilitating social functioning and spiritual, moral and psychological wellbeing.

Expenditure trends and estimates

Table 18.10 Rehabilitation 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Correctional Programmes	240.5	277.0	290.6	478.1	25.7%	23.5%	506.3	536.1	562.8	5.6%	27.9%
Offender Development	638.7	650.7	727.8	797.9	7.7%	51.4%	874.7	948.4	996.4	7.7%	48.4%
Psychological, Social and Spiritual Services	282.1	341.1	376.7	371.0	9.6%	25.1%	441.5	467.5	492.1	9.9%	23.7%
Total	1 161.3	1 268.7	1 395.0	1 647.0	12.4%	100.0%	1 822.4	1 952.0	2 051.3	7.6%	100.0%
Change to 2016				429.6			383.2	410.6	402.5		
Budget estimate											
Economic classification											
Current payments	1 108.4	1 219.1	1 336.7	1 595.6	12.9%	96.1%	1 773.2	1 858.7	1 953.4	7.0%	96.1%
Compensation of employees	856.5	961.2	1 038.9	1 267.4	14.0%	75.4%	1 392.3	1 474.5	1 550.2	6.9%	76.1%
Goods and services ¹	251.8	257.8	297.8	328.3	9.2%	20.8%	380.9	384.2	403.3	7.1%	20.0%
of which:											
Inventory: Clothing material and accessories	2.2	2.1	3.2	39.5	162.6%	0.9%	73.3	57.8	60.6	15.4%	3.1%
Inventory: Farming supplies	125.7	116.7	143.3	74.9	-15.8%	8.4%	79.3	83.6	87.7	5.4%	4.4%
Inventory: Other supplies	-	-	-	12.0	999.9%	0.2%	30.0	31.7	33.3	40.6%	1.4%
Consumable supplies	10.7	14.0	14.0	63.6	81.3%	1.9%	50.2	52.8	55.5	-4.5%	3.0%
Consumables: Stationery, printing and office supplies	6.5	7.6	8.2	19.1	43.0%	0.8%	23.0	24.5	25.7	10.3%	1.2%
Travel and subsistence	21.9	27.0	30.7	21.7	-0.3%	1.9%	22.7	24.1	25.3	5.2%	1.3%
Interest and rent on land	-	0.2	-	-	-	-	-	-	-	-	-
Transfers and subsidies¹	4.3	5.8	4.1	0.1	-76.0%	0.3%	0.1	0.1	0.1	5.4%	-
Households	4.3	5.8	4.1	0.1	-76.0%	0.3%	0.1	0.1	0.1	5.4%	-
Payments for capital assets	48.6	43.7	54.2	51.3	1.8%	3.6%	49.1	93.2	97.8	24.0%	3.9%
Machinery and equipment	46.6	41.3	52.3	50.5	2.7%	3.5%	45.0	89.0	93.5	22.8%	3.7%
Biological assets	2.0	2.3	1.9	0.8	-26.6%	0.1%	4.1	4.2	4.3	74.6%	0.2%
Payments for financial assets	0.1	0.2	-	-	-100.0%	-	-	-	-	-	-
Total	1 161.3	1 268.7	1 395.0	1 647.0	12.4%	100.0%	1 822.4	1 952.0	2 051.3	7.6%	100.0%
Proportion of total programme expenditure to vote expenditure	6.2%	6.5%	6.8%	7.6%	-	-	8.0%	8.0%	7.8%	-	-

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

Programme 4: Care

Programme purpose

Provide needs-based care services aimed at maintaining the personal wellbeing of all inmates in the department's custody.

Objectives

- Maintain the health and personal wellbeing of inmates by:
 - increasing the percentage of inmates on antiretroviral therapy from 98.1 per cent in 2015/16 to 99 per cent in 2019/20

- increasing the tuberculosis (new pulmonary) cure rate from 83.4 per cent in 2015/16 to 89 per cent in 2019/20.
- Improve nutritional services to inmates by maintaining the provision of therapeutic diets at 15 per cent of the total inmate population between 2017/18 and 2019/20.

Subprogrammes

- *Nutritional Services* funds the provision of appropriate meals for inmates within correctional centres and remand detention facilities in accordance with the prescripts of the Department of Health.
- *Health and Hygiene Services* funds the provision of primary health care services for inmates within correctional centres and remand detention facilities, including referral services for secondary and tertiary levels of care, and the promotion of a hygienic environment and inmates' personal hygiene, in accordance with the prescripts of the Department of Health.

Expenditure trends and estimates

Table 18.11 Care expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Nutritional Services	1 072.7	1 177.5	1 268.2	1 130.8	1.8%	59.6%	1 161.2	1 228.7	1 303.0	4.8%	57.6%
Health and Hygiene Services	726.5	762.7	820.3	844.3	5.1%	40.4%	837.5	911.9	957.3	4.3%	42.4%
Total	1 799.2	1 940.2	2 088.5	1 975.1	3.2%	100.0%	1 998.7	2 140.6	2 260.2	4.6%	100.0%
Change to 2016 Budget estimate							(12.0)	17.9	1.7		
Economic classification											
Current payments	1 792.9	1 929.5	2 080.3	1 968.4	3.2%	99.6%	1 987.0	2 128.3	2 247.3	4.5%	99.5%
Compensation of employees	600.3	642.5	688.6	738.4	7.1%	34.2%	790.3	837.3	881.7	6.1%	38.8%
Goods and services ¹	1 192.6	1 287.1	1 391.8	1 230.0	1.0%	65.4%	1 196.7	1 291.0	1 365.6	3.5%	60.7%
of which:											
Contractors	30.3	31.4	30.2	19.9	-13.1%	1.4%	20.1	21.3	22.4	3.9%	1.0%
Agency and support/outsourced services	603.1	653.4	715.9	627.5	1.3%	33.3%	567.1	607.7	641.0	0.7%	29.2%
Inventory: Food and food supplies	290.3	341.2	339.1	296.7	0.7%	16.2%	404.9	421.8	441.7	14.2%	18.7%
Inventory: Medicine	45.5	52.5	56.3	51.3	4.0%	2.6%	55.2	58.7	61.5	6.3%	2.7%
Inventory: Other supplies	–	0.1	0.1	8.4	916.8%	0.1%	2.1	23.5	34.6	60.2%	0.8%
Consumable supplies	151.2	142.0	185.1	138.8	-2.8%	7.9%	77.9	85.0	89.0	-13.8%	4.7%
Transfers and subsidies¹	2.3	4.6	4.3	0.4	-45.7%	0.1%	0.4	0.4	0.4	5.3%	–
Households	2.3	4.6	4.3	0.4	-45.7%	0.1%	0.4	0.4	0.4	5.3%	–
Payments for capital assets	4.0	6.0	3.8	6.4	17.3%	0.3%	11.3	11.9	12.5	25.1%	0.5%
Machinery and equipment	4.0	6.0	3.8	6.4	17.3%	0.3%	11.3	11.9	12.5	25.1%	0.5%
Total	1 799.2	1 940.2	2 088.5	1 975.1	3.2%	100.0%	1 998.7	2 140.6	2 260.2	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	9.6%	9.9%	10.1%	9.2%	–	–	8.8%	8.8%	8.6%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	2.3	4.2	3.6	0.4	-45.4%	0.1%	0.4	0.4	0.4	5.3%	–
Employee social benefits	2.3	4.2	3.6	0.4	-45.4%	0.1%	0.4	0.4	0.4	5.3%	–

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

Programme 5: Social Reintegration

Programme purpose

Provide services focused on offenders' preparation for release, the effective supervision of offenders placed under the system of community corrections and the facilitation of their social reintegration into communities.

Objectives

- Improve the effectiveness of the parole system by:

- increasing the number of persons placed under the electronic monitoring system from 870 in 2015/16 to 1 000 in 2018/19
- increasing the percentage of parolees without violations from a projected 96 per cent in 2016/17 to 97 per cent in 2019/20
- increasing the percentage of probationers without violations from a projected 95 per cent in 2016/17 to 97 per cent in 2019/20.
- Facilitate the social acceptance and effective reintegration of offenders into society by:
 - increasing the number of victims/offended persons who participate in restorative justice processes from 6 491 in 2015/16 to 7 560 in 2019/20
 - increasing the number of inmates/parolees and probationers who participate in restorative justice processes from 3 630 in 2015/16 to 7 560 in 2019/20.

Subprogrammes

- *Supervision* funds the effective administration and supervision of offenders placed under correctional and parole supervision in order to enhance public safety.
- *Community Reintegration* funds the reintegration of offenders into society, and stakeholder management in relation to community reintegration.
- *Office Accommodation: Community Corrections* funds the provision of community corrections offices (including satellite offices and service points) to enhance supervision and community reintegration. There are 228 community corrections offices countrywide.

Expenditure trends and estimates

Table 18.12 Social Reintegration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20
R million											
Supervision	609.2	684.9	743.3	733.4	6.4%	91.1%	775.5	821.6	864.2	5.6%	90.6%
Community Reintegration	38.8	33.7	35.0	42.7	3.3%	4.9%	45.7	48.8	51.4	6.4%	5.4%
Office Accommodation: Community Corrections	36.4	28.8	22.7	31.7	-4.6%	3.9%	34.0	36.8	39.0	7.2%	4.0%
Total	684.4	747.4	801.0	807.8	5.7%	100.0%	855.3	907.2	954.6	5.7%	100.0%
Change to 2016 Budget estimate							(45.8)	(47.0)	(69.3)		
Economic classification											
Current payments	675.8	737.9	794.8	805.7	6.0%	99.1%	852.5	904.7	951.9	5.7%	99.7%
Compensation of employees	579.5	629.1	662.6	689.3	6.0%	84.2%	725.4	768.3	808.6	5.5%	84.9%
Goods and services ¹	96.3	108.8	132.2	116.4	6.5%	14.9%	127.1	136.4	143.3	7.2%	14.8%
of which:											
Communication	9.9	9.8	10.0	8.2	-6.2%	1.2%	10.5	11.1	11.7	12.6%	1.2%
Agency and support/outourced services	3.9	1.9	2.7	4.2	2.9%	0.4%	3.0	3.5	3.7	-4.6%	0.4%
Fleet services (including government motor transport)	28.1	24.0	21.3	14.6	-19.6%	2.9%	24.8	26.8	28.0	24.2%	2.7%
Consumables: Stationery, printing and office supplies	2.5	3.4	3.3	4.3	19.8%	0.4%	4.8	5.0	5.2	6.8%	0.5%
Operating leases	36.7	56.0	78.0	64.0	20.4%	7.7%	64.2	68.9	72.6	4.3%	7.7%
Travel and subsistence	8.0	6.8	9.3	10.2	8.2%	1.1%	13.4	14.0	14.7	13.0%	1.5%
Transfers and subsidies¹	4.8	6.6	4.0	0.2	-66.9%	0.5%	0.2	0.2	0.2	5.4%	-
Households	4.8	6.6	4.0	0.2	-66.9%	0.5%	0.2	0.2	0.2	5.4%	-
Payments for capital assets	3.7	2.6	2.2	1.9	-19.7%	0.3%	2.5	2.4	2.5	10.2%	0.3%
Machinery and equipment	3.7	2.6	2.2	1.9	-19.7%	0.3%	2.5	2.4	2.5	10.2%	0.3%
Payments for financial assets	0.1	0.3	-	-	-100.0%	-	-	-	-	-	-
Total	684.4	747.4	801.0	807.8	5.7%	100.0%	855.3	907.2	954.6	5.7%	100.0%
Proportion of total programme expenditure to vote expenditure	3.7%	3.8%	3.9%	3.7%	-	-	3.7%	3.7%	3.6%	-	-

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

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Departmental infrastructure										
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Vanrhynsdorp correctional centre	Provision of 328 additional beds, support amenities, and administration and visitation block provided	Handed over	283.9	–	2.3	4.3	3.4	–	–	–
Burgersdorp correctional centre	Provision of 311 additional beds, support amenities, and development and care facilities; and upgrade of existing dilapidated structures	Design	298.0	1.0	–	10.7	32.5	20.1	32.2	75.0
Estcourt correctional centre	Provision of 309 additional beds and support facilities provided	Construction	307.2	43.7	33.3	32.0	41.4	25.0	29.3	–
Tzaneen correctional centre	Provision of 435 additional beds, support amenities, and development and care facilities provided	Construction	264.0	0.7	12.4	5.0	30.0	20.1	29.7	32.7
Ingwavuma correctional centre	Provision of 212 additional beds and support facilities for males; provided and refurbishment of old structures	Design	278.0	–	–	5.0	14.6	15.0	25.1	31.4
Standerton correctional centre	Provision of 787 additional beds and support facilities provided	Construction	375.5	42.4	84.5	96.0	80.0	65.0	56.8	6.4
North West: Potchefstroom correctional centre	Construction of new 500 bed female centre	Design	–	–	–	–	–	–	–	2.0
Eastern Cape: St Albans correctional centre	Construction of new female centre	Design	–	–	–	–	–	–	–	2.0
Western Cape: George correctional centre	Construction of new 500 bed correctional centre	Design	–	–	–	–	–	–	–	2.0
Small projects (total project cost of less than R250 million over the project life cycle)										
Zeerust correctional centre	Provision of 500 additional beds and support facilities	Design	230.0	–	–	–	–	25.0	50.0	45.2
Nongoma correctional centre	Provision of 191 additional beds and support facilities; and restoration of heritage building	Design	219.0	3.0	1.2	2.0	5.0	40.7	67.3	43.0
Nkandla correctional centre	Provision of 153 additional beds and support facilities; and restoration of heritage building	Design	225.0	34.5	–	2.0	5.0	25.0	18.4	30.0
Maphumulo correctional centre	Provision of 33 additional beds and support facilities; and restoration of parts of existing heritage building	Design	89.0	31.1	–	–	–	25.0	27.5	30.0
Pretoria: C Max correctional centre	Provision of 12 additional beds and support facilities; upgrade of security	Construction	148.8	48.7	18.6	5.0	30.0	56.5	42.2	69.1
Parys correctional centre	Provision of 176 additional beds, support amenities, and development and care facilities; and upgrade of existing dilapidated structures	Design	94.4	5.0	5.5	2.0	20.7	50.0	55.0	67.0
Newcastle correctional centre	Provision of 186 additional beds and support facilities	On hold	100.0	0.5	–	–	–	–	5.0	15.0
Lichtenburg correctional centre	Upgrade of correctional centre; provision of 234 additional beds	Construction	251.2	2.4	0.8	2.0	20.0	60.0	55.0	87.0
Potchefstroom correctional centre	Upgrade of correctional centre, including provision of 761 additional beds	Construction	225.0	9.3	–	2.0	10.0	14.0	–	2.0
Bergville correctional centre	Upgrade of correctional centre, including provision of 6 cells erected (39 additional beds) and support facilities	Design	75.9	–	0.3	5.0	8.0	3.0	50.0	67.0
Matatiele correctional centre	Upgrade of correctional centre, including provision of 10 cells erected (24 additional beds) and support facilities; and restoration of parts of existing heritage building	Construction	60.7	19.3	24.7	5.0	4.2	5.0	5.0	–
Odi correctional centre	Construction of a new access control gate; provision of visitors' waiting rooms	Construction	9.8	–	0.6	–	–	2.6	–	–
Parole board offices	Construction of 53 parole board offices completed	Handed over	140.2	–	0.4	–	2.0	2.2	–	–
Various centres: Perimeter security fencing and intercoms	Installation of perimeter security fencing and intercoms; conducting of immovable asset management audits	Construction	766.1	12.0	364.6	249.0	284.4	55.0	35.0	–

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
R million										
Remand detention feasibility studies	Conducting of feasibility studies for remand detention facilities	Design	30.0	-	-	-	-	15.0	-	-
Head office	Conducting of feasibility study for a new head office building	Identification	132.0	-	-	15.0	-	29.0	50.0	87.3
Audit of facilities	Auditing of correctional centre facilities audited in compliance with Government Immovable Asset Management Act (2007)	Design	15.0	-	56.2	10.0	-	20.0	30.0	30.0
Pietermaritzburg, Kokstad and Empangeni correctional centres	Provision of integrated security system	Construction	223.0	-	1.5	65.0	30.0	21.3	23.6	25.0
Kimberley, Brandvlei, Ceres, Goodwood, Malmesbury, Klerksdorp and Vanrhynsdorp correctional centres	Installation of integrated IT systems	On hold	63.0	-	-	-	15.0	6.5	10.7	10.0
King William's Town correctional centre	Upgrade of correctional centre	Design	6.0	-	-	5.0	-	-	-	-
Mtunzini correctional centre	Upgrade of correctional centre	Design	3.2	2.2	-	-	-	-	-	-
Kokstad correctional centre	Replacement of water and sewerage pipes replaced and other civil works	Identification	45.0	15.0	-	-	10.5	15.0	10.0	6.8
Brandvlei correctional centre	Repairs and maintenance of structures	Identification	46.7	10.0	36.1	50.0	-	-	-	-
North End correctional centre: Port Elizabeth	Repairs and maintenance of structures; major repairs and renovations of entire correctional centre and offices	Construction	121.4	30.7	15.8	41.1	-	-	-	-
Rustenburg correctional centre	Repairs and maintenance of structures; major repairs and renovations of entire correctional centre, offices and staff housing	Construction	184.4	32.8	36.0	5.0	51.4	46.2	50.8	55.9
Durban Westville correctional centre	Repairs and maintenance of structures; repairs of entire correctional centre complex, including civil works and buildings	Identification	69.4	-	35.4	5.0	2.0	35.0	17.0	20.0
Johannesburg correctional centre	Repairs and maintenance of structures; repairs of entire correctional centre complex, including civil works and buildings	Identification	53.8	-	20.8	5.0	2.0	10.0	16.0	20.0
St Albans correctional centre	Repairs and maintenance of structures; repairs of entire correctional centre complex, including civil works and buildings	Identification	53.0	-	20.4	46.0	2.0	-	-	2.0
Various centres: Standby generators	Installation of standby generators	Design	96.6	-	42.8	-	5.0	10.0	-	-
Various centres: School facilities	Construction of new school facilities	Design	135.0	1.0	2.9	40.0	-	11.6	2.4	2.7
Various centres: Replacement of equipment	Replacement of kitchen equipment, boilers, incinerators, and power, water and sewerage systems in compliance with the Occupational Health and Safety Act (1993)	Construction	343.0	-	-	11.5	5.0	10.0	-	-
Various centres: Structures repaired and maintained	Repairs of correctional centre facilities and planning of correctional centre facilities such as Brandvlei Maximum and Brits	Design	198.1	110.5	37.5	50.2	-	9.7	4.8	11.6
Other small grouped projects	Installation of integrated security systems; replacement of kitchen equipment; and upgrades of standby generators and water and sewerage plants	Design	1 342.2	127.2	-	-	19.0	16.3	20.8	19.3
Warm Bokkeveld correctional centre	Provision of 282 additional beds, support amenities, and development and care facilities; and upgrade of existing dilapidated structures	Handed over	242.1	-	0.1	-	-	-	-	-
Glencoe correctional centre	Upgrade of fire damaged correctional facility	Construction	41.0	-	-	-	15.0	26.0	19.0	-
Emthonjeni correctional centre	Installation of integrated security system	Construction	55.0	-	-	-	15.0	10.0	10.0	25.7
Independent Development Trust	Maintenance of security fences	Ongoing	77.2	-	-	-	25.7	25.7	25.7	-
Total			8 017.9	583.1	854.7	775.8	788.9	826.3	874.2	923.2

Vote 19

Defence and Military Veterans

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	5 380.8	4 686.7	667.5	26.6	5 628.3	5 947.1
Force Employment	3 688.6	3 232.4	272.9	183.3	3 661.0	3 749.8
Landward Defence	16 550.2	12 811.4	3 687.9	51.0	17 134.3	18 160.8
Air Defence	6 628.0	5 751.5	859.0	17.5	7 145.8	8 572.2
Maritime Defence	4 790.0	3 009.2	1 769.4	11.3	4 893.4	4 482.4
Military Health Support	4 586.7	4 521.7	26.9	38.1	4 905.6	5 371.3
Defence Intelligence	917.3	462.6	451.0	3.6	947.9	1 002.2
General Support	6 077.2	3 546.4	1 445.4	1 085.4	6 294.1	6 680.6
Total expenditure estimates	48 618.8	38 022.0	9 180.1	1 416.7	50 610.3	53 966.4

Executive authority Minister of Defence
 Accounting officer Secretary for Defence
 Website address www.dod.mil.za

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

Vote purpose

Defend and protect the Republic of South Africa, its territorial integrity and its people, in accordance with the Constitution and the principles of international law regulating the use of force. Provide for military veterans' benefits.

Mandate

The Department of Defence derives its mandate from section 200 of the Constitution, the Defence Act (2002), the Defence Amendment Act (2010), the 1996 White Paper on Defence and the 2015 South African Defence Review. The department is required to provide, manage, prepare and employ defence capabilities that are commensurate with the needs of South Africa.

Selected performance indicators

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections ¹		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	43	43	44	46	44	44	44
Number of military skills development members in the system per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	7 005	3 889	3 944	4 001	3 651	3 532	3 545
Number of reserve force person days ²	Administration	Outcome 3: All people in South Africa are and feel safe	– ²	2 695 742	2 768 982	2 701 681	1 817 104	1 571 203	1 692 387
Percentage compliance with the Southern African Development Community standby force pledge	Force Employment	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	79% (34/43)	79% (34/43)	100% (32/32)	100%	100%	100%	100%
Percentage compliance with the number of ordered commitments (external operations)	Force Employment		83% (5/6)	140% (7/5) ³	100% (3/3)	100% ⁴	100% ⁴	100% ⁴	100% ⁴

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections ¹		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage compliance with the number of ordered commitments (internal operations) ⁵	Force Employment	Outcome 3: All people in South Africa are and feel safe	100% (4/4)	100% (4/4)	100% (4/4)	100% ⁴	100% ⁴	100% ⁴	100% ⁴
Number of joint, interdepartmental, interagency and multinational military exercises conducted per year ⁶	Force Employment	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	5	5	6	4	3	2	3
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	13	13	15	15	15	15	15
Number of force employment hours flown per year	Air Defence	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	4 471	5 026	4 785	5 000	5 000	5 000	5 000
Number of hours at sea per year	Maritime Defence	Africa and a better world	11 081	8 951	10 711	12 000	12 000	12 000	12 000

1. Over the medium term, most of the department's performance targets are maintained at the same level or declined in order to align targets with the available budget following Cabinet-approved budget reductions.

2. This indicator was changed from 2014/15 and has been re-worded. It previously measured the number of reserves used per year.

3. Two additional operations were conducted over and above the target of 5 external operations.

4. Only absolute numbers for executed operations are reported on. The number of ordered commitments cannot be predicted, thus no absolute values can be provided in 2016/17 and over the medium term.

5. Internal operations include border safeguarding and operations in support of other government departments.

6. The number of military exercises conducted per year fluctuates over the medium term in line with agreements with key stakeholders.

Expenditure analysis

Over the medium term, the Department of Defence will prioritise maintaining South Africa's defence capabilities, expanding and maintaining its infrastructure, safeguarding the country's borders and territorial integrity, participating in peace support operations, and institutionalising policy on cyber security. These activities supports the realisation of outcome 3 (all people in South Africa are and feel safe) and outcome 11 (create a better South Africa and contribute to a better Africa and a better world) of government's 2014-2019 medium-term strategic framework.

Almost 80 per cent of the department's budget over the medium term is allocated to spending on compensation of employees and related goods and services as the department's core activities are labour intensive. The department's budget for compensation of employees was reduced by R1.9 billion in 2017/18 and R2.9 billion in 2018/19, following Cabinet's decision to lower the national aggregate expenditure ceiling. Despite the reduction, the department aims to maintain the number of landward sub-units deployed for border safeguarding at 15 per year over the medium term and the number of defence attachè offices at 44. However, the number of military skills development members in the system per year is expected to decrease from 4 001 in 2016/17 to 3 545 in 2019/20. The department's goods and services budget has also been reduced by R109.1 million in 2017/18, R98 million in 2018/19 and R125.5 million in 2019/20. These reductions will be effected mainly on property payments, specifically day-to-day maintenance, and non-core goods and services items such as consultants and catering.

Maintaining defence capabilities

The 2015 Defence Review sets out the long-term policy for meeting the country's defence needs over the next 20 to 30 years. The department has developed comprehensive plans, based on the review, to prevent the decline of critical defence capabilities by focusing on immediate and directed interventions, mostly in the *Landward Defence*, *Air Defence*, *Maritime Defence* and *Military Health Support* programmes. The final plan is awaiting departmental approval. The funding model for the implementation of the review, developed in partnership with the Treasury, is scheduled for completion in 2017/18.

Efforts to maintain and modernise defence capabilities are set to increase spending on departmental agencies and accounts by 12.8 per cent, or R2.7 billion, over the medium term. The department plans over the medium term to: replace its infantry combat vehicles; and develop a modern command-and-control capability, mobile water-provisioning system, and new geographic systems. This is reflected in the projected increase in expenditure of 9.5 per cent, or R1.9 billion in the *Infantry Capability* subprogramme and 15.1 per cent, or R248 million in the *Artillery Capability* subprogramme over the medium term, both in the *Landward Defence* programme. The acquisition of medium and light transport aircrafts in the *Transport and Maritime Capability* subprogramme, and precision-guided air force ammunition and new-generation mobile communication capability in the *Command and Control Capability* subprogramme are expected to increase spending in the *Air Defence* programme in 2019/20 by 20 per cent, or R1.4 billion. The department has deferred the planned

acquisition of a hydrographic vessel to 2017/18 and the acquisition of offshore patrol vessels to 2018/19. This is expected to increase spending in the *Maritime Combat Capability* subprogramme in the *Maritime Defence* programme in those years.

Over the medium term, the department plans to maintain a health support capability of five medical battalion groups, including one specialist group for deployed and contingency forces; and a comprehensive, multidisciplinary military health service to a projected patient population of 302 000 people per year. The department has reprioritised R951.6 million from spending on goods and services to provide for comprehensive health care to members of the South African National Defence Force, their dependants and retired military personnel. These funds are expected to cover the increasing costs of essential medicine and medical supplies in the *Military Health Support* programme over the medium term.

Expanding and maintaining infrastructure

Over the medium term, the department's infrastructure programme will focus on the construction and refurbishment of military health facilities; the refurbishment of military bases and units; and improvements to accommodation, kitchen and security facilities. The policy objective for the infrastructure programme is to improve facilities that contribute to the renewal and preservation of defence capabilities. Significant projects include the construction of a base hospital in Port Elizabeth; and the refurbishment of the army and air force headquarters in Pretoria, the 1 military hospital in Pretoria, the 2 military hospital in Cape Town, the 6 South African Infantry Battalion in Grahamstown, the air force bases in Bloemspruit and Overberg, and A-Mess military base in Thaba Tshwane. Fixed equipment will be replaced and kitchens will be upgraded at a projected 31 military bases over the medium term. Unserviceable infrastructure will be demolished at Tempe Military Base in Bloemfontein and the School of Engineers in Kroonstad. The budget for this work is an estimated R3.1 billion over the medium term and this is budgeted for mainly under the *General Support* programme.

The Defence Works Formation, which was established in 2012/13 to maintain and repair department's facilities, will perform facility maintenance functions throughout the country, with R2.3 billion budgeted for this over the medium term. A number of projects will be undertaken by the units over the medium term, including the upgrading of the Sandhurst Building in Thaba Tshwane, the construction of houses at the military academy in Saldanha, and the renovation of military quarters at Camden Military Base in Mpumalanga.

Safeguarding South Africa's borders and territorial integrity

Over the medium term, the department will deploy an expected 15 landward sub-units on South Africa's borders with Zimbabwe, Swaziland, Mozambique, Lesotho, Botswana and Namibia. Border safeguarding in the *Support to the People* subprogramme in the *Force Employment* programme is budgeted at R3 billion over the medium term. As part of the maritime security strategy, the South African Navy will continue to upgrade the naval station in Durban to a fully-fledged naval base. A further R1.4 billion over the medium term is budgeted for the implementation of the maritime security strategy.

Participating in peace support operations

The department will provide defence force support to bring economic and political stability to the continent in four external operations: one United Nations/African Union-mandated peace support operation in the Democratic Republic of the Congo; two general military assistance operations, which include advising and assisting the armed forces of the Democratic Republic of the Congo with writing and printing military strategy handbooks and training its defence forces; and one support operation to the Mozambican government to counter piracy. A total of R4.1 billion over the medium term is provided in the *Force Employment* programme for these activities.

Establishing cyber security institutional capacity

The department will focus on institutionalising a cybersecurity policy over the medium term, with plans to implement the cyberwarfare strategy in 2017/18 and establish a cyber-command centre by 2018/19. These activities are assigned to the *Defence Intelligence* programme, and are allocated R72 million over the medium term.

Expenditure trends

Table 19.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration 2. Force Employment 3. Landward Defence 4. Air Defence 5. Maritime Defence 6. Military Health Support 7. Defence Intelligence 8. General Support														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	4 434.6	4 509.0	4 511.0	4 866.5	4 499.7	4 659.0	4 827.2	4 862.4	4 981.5	5 151.1	5 358.6	5 358.6	101.2%	101.5%
Programme 2	3 283.9	3 555.7	3 346.7	3 437.0	3 487.0	3 631.4	3 603.2	3 813.3	3 602.8	3 899.6	3 601.2	3 601.2	99.7%	98.1%
Programme 3	13 853.8	13 604.9	13 599.1	13 854.9	14 241.9	14 049.1	14 805.3	15 202.4	15 119.0	15 651.4	15 557.5	15 557.5	100.3%	99.5%
Programme 4	6 250.2	5 714.4	6 031.5	7 166.9	7 176.6	6 913.5	7 049.2	7 167.6	7 085.7	6 883.5	6 971.4	6 971.4	98.7%	99.9%
Programme 5	3 171.1	3 107.3	3 226.4	3 678.5	3 678.5	3 802.4	3 717.2	3 769.1	3 732.7	4 355.9	4 407.1	4 407.1	101.6%	101.4%
Programme 6	3 642.5	3 762.1	3 733.6	3 849.1	3 849.1	4 053.1	3 932.9	4 069.3	4 243.2	4 416.8	4 474.1	4 474.1	104.2%	102.2%
Programme 7	762.4	767.9	774.7	792.1	813.7	819.8	827.5	831.5	830.1	900.2	900.2	900.2	101.3%	100.3%
Programme 8	4 844.8	5 636.8	5 224.6	5 186.3	5 110.5	4 914.1	5 817.0	5 372.6	5 476.6	5 911.1	5 966.4	5 966.4	99.2%	97.7%
Total	40 243.3	40 658.2	40 447.5	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 236.5	100.4%	99.9%
Change to 2016 Budget estimate											66.7			
Economic classification														
Current payments	32 207.9	33 588.1	32 747.9	34 471.1	34 471.1	34 343.5	36 162.0	36 607.6	36 227.6	39 101.1	39 594.1	39 594.1	100.7%	99.1%
Compensation of employees	20 863.8	21 373.0	21 332.7	21 980.2	22 476.2	23 005.8	24 595.0	24 890.4	24 788.0	26 884.6	27 361.6	27 361.6	102.3%	100.4%
Goods and services	11 344.0	12 215.1	11 415.2	12 490.9	11 994.9	11 337.7	11 567.0	11 717.2	11 439.6	12 216.5	12 232.5	12 232.5	97.5%	96.4%
Transfers and subsidies	7 355.0	6 171.2	6 422.1	7 838.2	7 863.8	7 400.2	7 830.5	7 893.7	8 003.3	7 780.8	7 354.6	7 354.6	94.7%	99.6%
Provinces and municipalities	–	–	–	0.1	0.1	0.1	–	–	0.1	0.1	0.1	0.1	94.4%	94.4%
Departmental agencies and accounts	6 192.6	4 695.2	4 697.8	6 624.6	6 650.2	6 144.3	6 687.8	6 745.2	6 840.1	6 622.7	6 196.4	6 196.4	–	–
Foreign governments and international organisations	–	299.1	303.3	–	–	–	–	5.8	5.8	–	–	–	–	101.4%
Public corporations and private enterprises	1 021.3	1 032.3	1 337.0	1 096.3	1 096.3	1 114.1	1 025.9	1 025.9	1 022.4	1 025.4	1 025.4	1 025.4	107.9%	107.6%
Non-profit institutions	6.9	6.9	7.7	7.7	7.7	7.9	8.0	8.0	8.1	9.5	9.5	9.5	103.5%	103.5%
Households	134.3	137.6	76.3	109.6	109.6	133.8	108.8	108.8	126.8	123.2	123.2	123.2	96.7%	96.0%
Payments for capital assets	680.5	745.3	1 265.5	521.9	521.9	1 081.2	586.9	586.9	838.0	287.8	287.8	287.8	167.2%	162.1%
Buildings and other fixed structures	115.6	115.6	217.0	123.7	123.7	64.9	122.6	122.6	82.6	121.9	121.9	121.9	100.5%	100.5%
Machinery and equipment	510.9	575.7	1 045.6	347.1	347.1	1 010.5	451.2	451.2	696.7	164.5	164.5	164.5	198.0%	189.6%
Specialised military assets	40.5	40.5	0.2	45.3	45.3	4.4	12.1	12.1	58.1	1.0	1.0	1.0	64.4%	64.4%
Biological assets	0.2	0.2	1.2	–	–	–	–	–	–	–	–	–	763.8%	763.8%
Software and other intangible assets	13.4	13.4	1.5	5.9	5.9	1.4	1.0	1.0	0.6	0.3	0.3	0.3	18.9%	18.9%
Payments for financial assets	–	153.6	12.0	–	–	17.5	–	–	2.7	–	–	–	–	21.0%
Total	40 243.3	40 658.2	40 447.5	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 236.5	100.4%	99.9%

Expenditure estimates

Table 19.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Force Employment									
3. Landward Defence									
4. Air Defence									
5. Maritime Defence									
6. Military Health Support									
7. Defence Intelligence									
8. General Support									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	5 358.6	5.9%	11.1%	5 380.8	5 628.3	5 947.1	3.5%	11.1%	
Programme 2	3 601.2	0.4%	8.1%	3 688.6	3 661.0	3 749.8	1.4%	7.3%	
Programme 3	15 557.5	4.6%	33.2%	16 550.2	17 134.3	18 160.8	5.3%	33.6%	
Programme 4	6 971.4	6.9%	15.4%	6 628.0	7 145.8	8 572.2	7.1%	14.6%	
Programme 5	4 407.1	12.4%	8.6%	4 790.0	4 893.4	4 482.4	0.6%	9.3%	
Programme 6	4 474.1	5.9%	9.4%	4 586.7	4 905.6	5 371.3	6.3%	9.6%	
Programme 7	900.2	5.4%	1.9%	917.3	947.9	1 002.2	3.6%	1.9%	
Programme 8	5 966.4	1.9%	12.3%	6 077.2	6 294.1	6 680.6	3.8%	12.5%	
Total	47 236.5	5.1%	100.0%	48 618.8	50 610.3	53 966.4	4.5%	100.0%	
Change to 2016 Budget estimate				(125.8)	(115.4)	(144.7)			
Economic classification									
Current payments	39 594.1	5.6%	81.4%	38 022.0	39 388.9	42 042.9	2.0%	79.4%	
Compensation of employees	27 361.6	8.6%	54.9%	26 448.0	27 116.7	29 177.6	2.2%	54.9%	
Goods and services	12 232.5	-	26.4%	11 574.0	12 272.2	12 865.3	1.7%	24.4%	
Transfers and subsidies	7 354.6	6.0%	16.6%	9 180.1	9 762.1	10 435.6	12.4%	18.3%	
Provinces and municipalities	0.1	-	-	0.1	0.1	0.1	4.8%	-	
Departmental agencies and accounts	6 196.4	9.7%	13.6%	7 747.1	8 251.4	8 894.2	12.8%	15.5%	
Public corporations and private enterprises	1 025.4	-0.2%	2.6%	1 296.9	1 375.1	1 418.6	11.4%	2.6%	
Non-profit institutions	9.5	11.0%	-	8.9	9.3	9.7	1.0%	-	
Households	123.2	-3.6%	0.3%	127.1	126.1	112.9	-2.9%	0.2%	
Payments for capital assets	287.8	-27.2%	2.0%	1 416.7	1 459.4	1 488.0	72.9%	2.3%	
Buildings and other fixed structures	121.9	1.8%	0.3%	958.8	1 069.0	1 111.1	108.9%	1.6%	
Machinery and equipment	164.5	-34.1%	1.7%	455.7	389.0	375.0	31.6%	0.7%	
Specialised military assets	1.0	-70.9%	-	1.7	1.0	1.5	14.5%	-	
Software and other intangible assets	0.3	-70.4%	-	0.4	0.4	0.5	10.7%	-	
Total	47 236.5	5.1%	100.0%	48 618.8	50 610.3	53 966.4	4.5%	100.0%	

Goods and services expenditure trends and estimates

Table 19.4 Vote goods and services expenditure trends and estimates

	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand												
Administrative fees	9 584	12 254	11 381	18 448	24.4%	0.1%	13 603	13 438	13 957	-8.9%	0.1%	
Advertising	32 110	12 463	8 431	6 628	-40.9%	0.1%	7 797	7 898	7 593	4.6%	0.1%	
Minor assets	137 417	127 731	94 206	219 862	17.0%	1.2%	173 109	130 323	129 842	-16.1%	1.3%	
Audit costs: External	70 878	73 179	60 979	73 312	1.1%	0.6%	64 981	69 632	74 198	0.4%	0.6%	
Catering: Departmental activities	24 089	20 874	27 218	25 693	2.2%	0.2%	29 498	39 319	30 179	5.5%	0.3%	
Communication	91 230	91 480	88 963	99 194	2.8%	0.8%	99 106	99 512	103 390	1.4%	0.8%	
Computer services	1 019 445	988 433	1 055 993	1 190 418	5.3%	9.2%	1 132 729	1 195 341	1 266 857	2.1%	9.8%	
Consultants: Business and advisory services	203 496	274 352	300 594	146 220	-10.4%	2.0%	75 254	82 495	29 883	-41.1%	0.7%	
Infrastructure and planning services	3 364	19 220	32 933	46 424	139.9%	0.2%	29 945	31 843	30 328	-13.2%	0.3%	
Laboratory services	29 847	26 855	32 069	23 353	-7.9%	0.2%	24 544	27 818	20 944	-3.6%	0.2%	
Legal services	41 418	30 016	54 853	30 742	-9.5%	0.3%	31 389	31 957	38 367	7.7%	0.3%	
Science and technological services	40 937	56 221	97 713	74 104	21.9%	0.6%	88 065	62 909	61 352	-6.1%	0.6%	
Contractors	2 538 811	2 735 529	2 207 794	2 294 237	-3.3%	21.1%	2 378 323	2 403 480	2 504 531	3.0%	19.6%	
Agency and support/outsourced services	458 229	490 354	583 755	415 805	-3.2%	4.2%	548 563	568 594	641 347	15.5%	4.4%	
Entertainment	9 471	2 917	4 785	4 773	-20.4%	-	4 727	5 461	5 580	5.3%	-	
Fleet services (including government motor transport)	41 410	96 765	136 107	92 434	30.7%	0.8%	57 450	58 337	60 220	-13.3%	0.5%	

Table 19.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Inventory: Clothing material and accessories	–	208 087	160 038	154 688	–	1.1%	176 198	237 832	210 533	10.8%	1.6%
Inventory: Farming supplies	–	5 709	7 387	3 173	–	–	8 186	8 584	8 646	39.7%	0.1%
Inventory: Food and food supplies	833 586	872 380	886 530	896 309	2.4%	7.5%	958 582	1 013 925	1 103 029	7.2%	8.1%
Inventory: Fuel, oil and gas	652 715	455 660	639 187	618 716	-1.8%	5.1%	661 975	757 496	754 739	6.8%	5.7%
Inventory: Materials and supplies	144 509	138 448	107 893	89 517	-14.8%	1.0%	115 032	93 681	109 869	7.1%	0.8%
Inventory: Medical supplies	86 144	75 396	98 713	111 890	9.1%	0.8%	104 035	157 379	172 117	15.4%	1.1%
Inventory: Medicine	189 301	167 932	154 091	243 403	8.7%	1.6%	156 134	183 991	331 428	10.8%	1.9%
Inventory: Other supplies	133 504	110 974	58 439	165 054	7.3%	1.0%	168 375	268 043	236 914	12.8%	1.7%
Consumable supplies	201 914	122 769	133 484	121 075	-15.7%	1.2%	132 617	137 338	143 590	5.8%	1.1%
Consumables: Stationery, printing and office supplies	86 806	57 804	58 300	62 844	-10.2%	0.6%	73 891	69 739	73 706	5.5%	0.6%
Operating leases	343 523	415 443	1 318 598	1 420 005	60.5%	7.5%	1 460 566	1 525 125	1 634 756	4.8%	12.3%
Rental and hiring	45	335	4 757	55	6.9%	–	361	383	66	6.3%	–
Property payments	2 506 555	2 151 430	1 465 752	1 919 325	-8.5%	17.3%	1 131 585	1 244 364	1 293 674	-12.3%	11.4%
Travel and subsistence	873 601	883 798	991 344	808 897	-2.5%	7.7%	906 139	935 265	962 555	6.0%	7.4%
Training and development	159 315	256 804	228 253	277 217	20.3%	2.0%	268 971	297 508	306 675	3.4%	2.4%
Operating payments	436 864	342 034	316 593	559 694	8.6%	3.6%	473 887	495 457	485 773	-4.6%	4.1%
Venues and facilities	15 111	14 018	12 440	19 003	7.9%	0.1%	18 413	17 693	18 673	-0.6%	0.2%
Total	11 415 229	11 337 664	11 439 573	12 232 512	2.3%	100.0%	11 574 030	12 272 160	12 865 311	1.7%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 19.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Provinces and municipalities											
Municipal bank accounts											
Current	–	54	28	87	–	–	88	93	97	3.7%	–
Vehicle licences	–	54	28	87	–	–	88	93	97	3.7%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4 697 768	6 144 266	6 840 117	6 196 402	9.7%	81.8%	7 747 080	8 251 406	8 894 227	12.8%	84.6%
Communication	1 760	13	257	645	-28.4%	–	524	563	537	-5.9%	–
Safety and Security Sector Education and Training Authority	18 936	21 014	22 590	20 681	3.0%	0.3%	21 073	21 970	23 069	3.7%	0.2%
Department of Military Veterans	351 431	504 160	582 201	597 607	19.4%	7.0%	622 111	660 092	699 502	5.4%	7.0%
Claims against the state	2 100	–	–	–	-100.0%	–	–	–	–	–	–
Special defence account	4 323 541	5 619 079	6 235 069	5 577 469	8.9%	74.6%	7 103 372	7 568 781	8 171 119	13.6%	77.4%
Foreign governments and international organisations											
Current	303 347	–	5 804	–	-100.0%	1.1%	–	–	–	–	–
Claims against the state	303 347	–	–	–	-100.0%	1.0%	–	–	–	–	–
Southern African Development Community	–	–	5 804	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	153 612	16 869	–	–	-100.0%	0.6%	–	–	–	–	–
Claims against the state	153 612	16 869	–	–	-100.0%	0.6%	–	–	–	–	–
Non-profit institutions											
Current	7 701	7 909	8 081	9 460	7.1%	0.1%	8 901	9 324	9 744	1.0%	0.1%
Reserve Force Council	6 523	7 140	7 192	8 620	9.7%	0.1%	7 929	8 326	8 742	0.5%	0.1%
Claims against the state	346	–	–	–	-100.0%	–	–	–	–	–	–
St. Johns Ambulance Brigade	832	769	889	840	0.3%	–	972	998	1 002	6.1%	–
Households											
Social benefits											
Current	71 417	87 532	115 981	123 246	19.9%	1.4%	127 093	126 136	112 924	-2.9%	1.3%
Employee social benefits	71 417	87 532	115 981	123 246	19.9%	1.4%	127 093	126 136	112 924	-2.9%	1.3%
Households											
Other transfers to households											
Current	4 841	46 274	10 840	–	-100.0%	0.2%	–	–	–	–	–
Claims against the state	4 841	46 274	10 840	–	-100.0%	0.2%	–	–	–	–	–
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	51 800	1 024	480	–	-100.0%	0.2%	–	–	–	–	–
Claims against the state	51 800	1 024	480	–	-100.0%	0.2%	–	–	–	–	–
Public corporations and private enterprises											
Subsidies on products and production											
Current	1 131 584	1 096 252	1 021 899	1 025 387	-3.2%	14.7%	1 296 901	1 375 137	1 418 577	11.4%	13.9%
Armaments Corporation of South Africa	1 131 584	1 096 252	1 021 899	1 025 387	-3.2%	14.7%	1 296 901	1 375 137	1 418 577	11.4%	13.9%

Table 19.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Provinces and municipalities											
Municipal agencies and funds											
Current	-	-	33	-	-	-	-	-	-	-	-
Vehicle licences	-	-	33	-	-	-	-	-	-	-	-
Total	6 422 070	7 400 180	8 003 263	7 354 582	4.6%	100.0%	9 180 066	9 762 099	10 435 572	12.4%	100.0%

Personnel information

Table 19.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
Number of posts estimated for 31 March 2017																	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									2016/17 - 2019/20			
		2015/16		2016/17		2017/18			2018/19			2019/20								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Defence And Military Veterans																				
Salary level	76 648	-	77 597	24 788.0	0.3	78 345	27 361.6	0.3	69 609	26 448.0	0.4	65 582	27 116.7	0.4	66 016	29 177.6	0.4	-5.5%	100.0%	
1 – 6	51 331	-	52 243	11 165.7	0.2	53 027	12 398.9	0.2	45 733	11 721.9	0.3	42 857	11 937.8	0.3	43 771	13 136.6	0.3	-6.2%	66.3%	
7 – 10	23 559	-	23 573	9 688.6	0.4	23 577	10 623.1	0.5	22 190	10 900.4	0.5	21 090	11 249.9	0.5	20 639	11 963.6	0.6	-4.3%	31.3%	
11 – 12	1 339	-	1 358	1 043.3	0.8	1 325	1 109.9	0.8	1 264	1 155.2	0.9	1 228	1 220.6	1.0	1 206	1 300.9	1.1	-3.1%	1.8%	
13 – 16	414	-	417	435.3	1.0	412	453.5	1.1	417	494.0	1.2	402	513.7	1.3	395	544.2	1.4	-1.4%	0.6%	
Other	6	-	6	2 455.1	409.2	4	2 776.2	694.1	5	2 176.5	435.3	5	2 194.7	438.9	5	2 232.3	446.5	7.7%	-	
Programme	76 648	-	77 597	24 788.0	0.3	78 345	27 361.6	0.3	69 609	26 448.0	0.4	65 582	27 116.7	0.4	66 016	29 177.6	0.4	-5.5%	100.0%	
Programme 1	3 876	-	3 816	1 689.6	0.4	4 402	2 063.3	0.5	3 424	1 847.8	0.5	3 126	1 888.2	0.6	3 119	2 047.2	0.7	-10.8%	5.0%	
Programme 2	1 942	-	1 907	1 898.3	1.0	1 756	1 951.8	1.1	1 850	2 138.8	1.2	1 781	2 172.5	1.2	1 888	2 289.8	1.2	2.4%	2.6%	
Programme 3	39 170	-	40 246	10 584.0	0.3	40 004	11 562.2	0.3	35 910	10 953.8	0.3	34 050	11 394.2	0.3	34 339	12 375.3	0.4	-5.0%	51.6%	
Programme 4	10 066	-	10 261	3 325.2	0.3	9 896	3 587.5	0.4	8 383	3 444.8	0.4	8 037	3 438.1	0.4	8 267	3 658.0	0.4	-5.8%	12.4%	
Programme 5	7 044	-	7 480	2 102.8	0.3	7 429	2 314.2	0.3	6 620	2 248.0	0.3	6 187	2 275.1	0.4	6 129	2 447.5	0.4	-6.2%	9.4%	
Programme 6	7 898	-	8 002	3 136.3	0.4	8 196	3 421.5	0.4	7 235	3 373.7	0.5	6 741	3 480.5	0.5	6 674	3 713.9	0.6	-6.6%	10.3%	
Programme 7	881	-	880	347.9	0.4	946	404.9	0.4	846	403.6	0.5	756	400.0	0.5	798	441.3	0.6	-5.5%	1.2%	
Programme 8	5 771	-	5 005	1 704.0	0.3	5 716	2 056.2	0.4	5 341	2 037.5	0.4	4 904	2 068.3	0.4	4 802	2 204.6	0.5	-5.6%	7.4%	

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

2. Rand million.

Departmental receipts

Table 19.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Departmental receipts	853 475	923 792	1 082 623	842 710	842 710	-0.4%	100.0%	1 051 761	1 109 575	1 170 568	11.6%	100.0%
Sales of goods and services produced by department	351 023	285 956	439 041	442 198	442 198	8.0%	41.0%	412 760	435 430	459 345	1.3%	41.9%
Administrative fees	19	28	19	13	13	-11.9%	-	23	24	26	26.0%	-
of which:												
Request for information: Receipt	19	28	19	13	13	-11.9%	-	23	24	26	26.0%	-
Other sales	351 004	285 928	439 022	442 185	442 185	8.0%	41.0%	412 737	435 406	459 319	1.3%	41.9%
of which:												
Rental capital assets	76 493	79 775	86 229	70 600	70 600	-2.6%	8.5%	88 243	93 096	98 217	11.6%	8.4%
Sale of goods	8 720	12 497	7 325	16 257	16 257	23.1%	1.2%	9 671	10 203	10 764	-12.8%	1.1%
Services rendered	265 791	193 656	345 468	355 328	355 328	10.2%	31.3%	314 823	332 107	350 338	-0.5%	32.4%

Table 19.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Sales of scrap, waste, arms and other used current goods	1 658	3 676	2 975	850	850	-20.0%	0.2%	1 345	1 419	1 497	20.8%	0.1%
of which:												
Sales: Scrap and waste	1 658	3 676	2 975	850	850	-20.0%	0.2%	1 345	1 419	1 497	20.8%	0.1%
Transfers received	418 008	542 149	524 130	231 652	231 652	-17.9%	46.3%	538 922	568 563	599 833	37.3%	46.4%
Fines, penalties and forfeits	1 225	1 733	600	650	650	-19.0%	0.1%	1 150	1 213	1 280	25.3%	0.1%
Interest, dividends and rent on land	2 877	3 558	3 890	2 758	2 758	-1.4%	0.4%	3 840	4 050	4 273	15.7%	0.4%
Interest	2 877	3 558	3 890	2 758	2 758	-1.4%	0.4%	3 840	4 050	4 273	15.7%	0.4%
Sales of capital assets	24 904	42 507	36 212	66 000	66 000	38.4%	4.6%	25 967	27 394	28 902	-24.1%	3.6%
Transactions in financial assets and liabilities	53 780	44 213	75 775	98 602	98 602	22.4%	7.4%	67 777	71 506	75 438	-8.5%	7.5%
Total	853 475	923 792	1 082 623	842 710	842 710	-0.4%	100.0%	1 051 761	1 109 575	1 170 568	11.6%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the Department of Defence; and provide for military veterans' benefits through the Department of Military Veterans.

Expenditure trends and estimates

Table 19.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	86.9	82.0	112.0	76.2	-4.3%	1.8%	74.1	77.4	82.0	2.5%	1.4%
Departmental Direction	50.0	43.7	67.0	50.6	0.4%	1.1%	58.6	60.0	64.4	8.4%	1.0%
Policy and Planning	84.3	93.7	94.4	119.3	12.3%	2.0%	119.1	122.5	130.6	3.1%	2.2%
Financial Services	285.0	325.2	324.3	472.5	18.4%	7.2%	372.6	381.8	409.2	-4.7%	7.3%
Human Resources Support Services	652.2	714.4	736.4	810.4	7.5%	14.9%	777.3	791.0	845.1	1.4%	14.4%
Legal Services	242.6	266.3	278.6	308.4	8.3%	5.6%	300.1	305.7	327.0	2.0%	5.6%
Inspection and Audit Services	82.9	106.9	115.9	145.9	20.7%	2.3%	143.0	145.3	154.2	1.9%	2.6%
Acquisition Services	46.5	58.8	82.2	112.7	34.3%	1.5%	125.7	133.8	88.2	-7.8%	2.1%
Communication Services	49.8	48.5	43.8	45.2	-3.2%	1.0%	46.4	47.7	50.5	3.8%	0.9%
South African National Defence Force Command and Control	136.6	143.7	135.7	155.2	4.3%	2.9%	156.2	159.5	171.0	3.3%	2.9%
Religious Services	11.4	12.7	18.3	15.8	11.6%	0.3%	14.0	14.5	15.6	-0.5%	0.3%
Defence Reserve Direction	23.2	24.6	25.2	29.3	8.1%	0.5%	28.5	29.3	31.1	1.9%	0.5%
Defence Foreign Relations	227.3	255.5	262.2	258.2	4.3%	5.1%	274.5	299.5	344.1	10.0%	5.3%
Office Accommodation	2 180.7	1 978.9	2 103.3	2 161.3	-0.3%	43.2%	2 268.7	2 400.3	2 534.7	5.5%	42.0%
Military Veterans Management	351.4	504.2	582.2	597.6	19.4%	10.4%	622.1	660.1	699.5	5.4%	11.6%
Total	4 511.0	4 659.0	4 981.5	5 358.6	5.9%	100.0%	5 380.8	5 628.3	5 947.1	3.5%	100.0%
Change to 2016				207.5			32.4	67.9	38.1		
Budget estimate											
Economic classification											
Current payments	4 074.5	4 029.1	4 309.6	4 704.9	4.9%	87.7%	4 686.7	4 894.7	5 172.4	3.2%	87.2%
Compensation of employees	1 397.8	1 535.0	1 689.6	2 063.3	13.9%	34.3%	1 847.8	1 888.2	2 047.2	-0.3%	35.2%
Goods and services ¹	2 676.7	2 494.1	2 620.0	2 641.5	-0.4%	53.5%	2 838.9	3 006.5	3 125.2	5.8%	52.0%
of which:											
Computer services	76.4	76.2	78.7	117.4	15.4%	1.8%	109.6	118.4	124.0	1.8%	2.1%
Consultants: Business and advisory services	3.5	3.6	53.5	49.9	143.2%	0.6%	62.4	69.3	16.3	-31.1%	0.9%
Operating payments	31.66	36.0	44.5	23.7	-9.2%	0.7%	37.7	29.5	29.5	7.7%	0.59%
Operating leases	311.0	376.0	1 295.5	1 273.5	60.0%	16.7%	1 384.4	1 480.6	1 589.1	7.7%	25.7%
Property payments	1 924.5	1 678.2	846.8	918.2	-21.9%	27.5%	978.8	1 037.7	1 090.9	5.9%	18.0%
Travel and subsistence	119.6	133.1	141.0	99.8	-5.9%	2.5%	117.8	120.6	124.1	7.5%	2.1%

Table 19.8 Administration expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
Transfers and subsidies¹	387.3	557.1	628.3	644.9	18.5%	11.4%	667.5	706.2	745.6	5.0%	12.4%
Provinces and municipalities	–	–	–	–	–	–	–	–	–	4.3%	–
Departmental agencies and accounts	370.4	525.2	604.8	618.3	18.6%	10.9%	643.2	682.1	722.6	5.3%	11.9%
Public corporations and private enterprises	0.5	0.2	–	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	6.9	7.1	7.2	8.6	7.9%	0.2%	7.9	8.3	8.7	0.5%	0.2%
Households	9.6	24.6	16.3	18.0	23.3%	0.4%	16.4	15.8	14.3	-7.4%	0.3%
Payments for capital assets	43.1	59.7	43.4	8.8	-41.1%	0.8%	26.6	27.4	29.1	48.8%	0.4%
Buildings and other fixed structures	–	–	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	43.1	58.8	42.8	8.8	-41.1%	0.8%	26.6	27.4	29.0	48.8%	0.4%
Software and other intangible assets	–	0.9	0.6	–	–	–	–	–	0.1	–	–
Payments for financial assets	6.0	13.2	0.3	–	-100.0%	0.1%	–	–	–	–	–
Total	4 511.0	4 659.0	4 981.5	5 358.6	5.9%	100.0%	5 380.8	5 628.3	5 947.1	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	11.2%	10.9%	11.1%	11.3%	–	–	11.1%	11.1%	11.0%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	370.4	525.2	604.8	618.3	18.6%	10.9%	643.2	682.1	722.6	5.3%	11.9%
Safety and Security Sector Education and Training Authority	18.9	21.0	22.6	20.7	3.0%	0.4%	21.1	22.0	23.1	3.7%	0.4%
Department of Military Veterans	351.4	504.2	582.2	597.6	19.4%	10.4%	622.1	660.1	699.5	5.4%	11.6%
Non-profit institutions											
Current	6.5	7.1	7.2	8.6	9.7%	0.2%	7.9	8.3	8.7	0.5%	0.2%
Reserve Force Council	6.5	7.1	7.2	8.6	9.7%	0.2%	7.9	8.3	8.7	0.5%	0.2%
Households											
Social benefits											
Current	9.0	13.6	16.0	17.7	25.4%	0.3%	16.0	15.8	14.0	-7.6%	0.3%
Employee social benefits	9.0	13.6	16.0	17.7	25.4%	0.3%	16.0	15.8	14.0	-7.6%	0.3%

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

Programme 2: Force Employment

Programme purpose

Provide and employ defence capabilities, including an operational capability, to successfully conduct all operations as well as joint, interdepartmental, interagency and multinational military exercises.

Objective

- Ensure successful joint force employment by:
 - providing and employing a special operations capability in accordance with national requirements over the medium term
 - ensuring full participation in the number of peace missions, as instructed by the president, over the medium term
 - conducting eight joint, interdepartmental, interagency and multinational military force preparation exercises, excluding special forces exercises, from 2017/18 to 2019/20
 - conducting four operations per year, protecting the territorial integrity and sovereignty of South Africa, supporting other government departments and complying with international obligations on an ongoing basis.

Subprogrammes

- *Strategic Direction* formulates and controls strategies, policies and plans for the employment of forces to promote peace, stability and security in the region and on the continent.
- *Operational Direction* provides operational direction to joint and multinational task forces and joint tactical headquarters through an operational level headquarters.

- *Special Operations* provides and employs a special operations capability within the approved Special Forces mandate for the South African National Defence Force.
- *Regional Security* provides for the external deployment of forces in support of South Africa's commitment to regional, continental and global security.
- *Support to the People* provides for the internal deployment of forces in support of the South African Police Service and other government departments. This includes border safeguarding, assistance during disaster situations and conducting search and rescue missions.

Expenditure trends and estimates

Table 19.9 Force Employment expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20		
R million											
Strategic Direction	119.8	125.9	164.3	186.9	16.0%	4.2%	155.9	165.5	167.8	-3.5%	4.6%
Operational Direction	253.0	257.0	286.2	307.8	6.7%	7.8%	331.4	340.0	338.6	3.2%	9.0%
Special Operations	666.5	708.7	756.5	822.0	7.2%	20.8%	824.4	821.2	872.2	2.0%	22.7%
Regional Security	1 608.6	1 638.6	1 573.0	1 177.7	-9.9%	42.3%	1 410.8	1 340.0	1 339.4	4.4%	35.8%
Support to the People	698.8	901.2	822.8	1 106.8	16.6%	24.9%	966.0	994.2	1 031.9	-2.3%	27.9%
Total	3 346.7	3 631.4	3 602.8	3 601.2	2.5%	100.0%	3 688.6	3 661.0	3 749.8	1.4%	100.0%
Change to 2016				(298.4)			(257.0)	(378.7)	(558.5)		
Budget estimate											
Economic classification											
Current payments	2 938.7	3 053.1	3 038.3	3 252.5	3.4%	86.6%	3 232.4	3 305.0	3 370.8	1.2%	89.5%
Compensation of employees	1 590.2	1 854.5	1 898.3	1 951.8	7.1%	51.4%	2 138.8	2 172.5	2 289.8	5.5%	58.2%
Goods and services ¹	1 348.6	1 198.6	1 140.0	1 300.6	-1.2%	35.2%	1 093.6	1 132.5	1 081.0	-6.0%	31.3%
of which:											
Contractors	138.8	427.3	364.8	331.3	33.6%	8.9%	366.6	352.9	302.5	-3.0%	9.2%
Inventory: Food and food supplies	118.5	108.5	124.4	143.2	6.5%	3.5%	138.9	150.4	158.7	3.5%	4.0%
Inventory: Fuel, oil and gas	66.3	50.2	32.5	69.6	1.6%	1.5%	47.7	51.5	54.2	-8.0%	1.5%
Property payments	18.5	21.2	13.4	20.9	4.3%	0.5%	30.4	32.0	25.0	6.1%	0.7%
Travel and subsistence	200.2	221.4	248.2	232.8	5.2%	6.4%	172.9	182.8	192.1	-6.2%	5.3%
Operating payments	262.1	114.1	85.3	283.9	2.7%	5.3%	190.0	207.2	184.4	-13.4%	5.9%
Transfers and subsidies¹	163.6	288.0	431.6	254.5	15.9%	8.0%	272.9	243.5	259.2	0.6%	7.0%
Departmental agencies and accounts	149.1	276.9	412.3	241.4	17.4%	7.6%	256.7	226.9	241.9	0.1%	6.6%
Foreign governments and international organisations	-	-	5.8	-	-	-	-	-	-	-	-
Public corporations and private enterprises	9.0	8.1	8.0	8.4	-2.3%	0.2%	8.9	9.3	9.8	5.2%	0.2%
Households	5.5	3.1	5.4	4.7	-4.8%	0.1%	7.3	7.3	7.5	17.0%	0.2%
Payments for capital assets	244.2	290.3	132.9	94.2	-27.2%	5.4%	183.3	112.4	119.8	8.3%	3.5%
Buildings and other fixed structures	11.7	0.5	10.0	1.2	-53.7%	0.2%	0.4	0.4	0.4	-28.7%	-
Machinery and equipment	232.4	289.8	123.0	92.1	-26.6%	5.2%	181.9	111.0	118.3	8.7%	3.4%
Specialised military assets	-	-	-	1.0	-	-	1.0	1.0	1.0	1.7%	-
Payments for financial assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	3 346.7	3 631.4	3 602.8	3 601.2	2.5%	100.0%	3 688.6	3 661.0	3 749.8	1.4%	100.0%
Proportion of total programme expenditure to vote expenditure	8.3%	8.5%	8.0%	7.6%	-	-	7.6%	7.2%	6.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	149.1	276.9	412.3	241.3	17.4%	7.6%	256.6	226.9	241.8	0.1%	6.6%
Special defence account	149.1	276.9	412.3	241.3	17.4%	7.6%	256.6	226.9	241.8	0.1%	6.6%
Foreign governments and international organisations											
Current	-	-	5.8	-	-	-	-	-	-	-	-
Southern African Development Community	-	-	5.8	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations (subsidies on products and production)											
Current	9.0	8.0	8.0	8.4	-2.3%	0.2%	8.9	9.3	9.8	5.2%	0.2%
Armaments Corporation of South Africa	9.0	8.0	8.0	8.4	-2.3%	0.2%	8.9	9.3	9.8	5.2%	0.2%

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

Programme 3: Landward Defence

Programme purpose

Provide prepared and supported landward defence capabilities for the defence and protection of South Africa.

Objective

- Defend and protect South Africa and its territory over the medium term by:
 - providing one infantry capability, including the Chief of the South African National Defence Reaction Force, for external deployment and for internal safety and security, including border safeguarding
 - exercising one tank and armoured car capability, and providing one squadron for internal deployment per year
 - exercising one composite artillery capability and providing one battery for internal deployment per year
 - exercising one air defence artillery capability and providing one battery for internal deployment per year
 - providing one sustained composite engineer capability for external deployment, as well as for internal safety and security, and exercising one field engineer capability per year
 - providing one signal capability for external deployment and for internal signal support, and exercising one composite signal capability per year.

Subprogrammes

- *Strategic Direction* directs, orchestrates and controls the South African Army to prepare and provide supported landward capabilities for the defence and protection of South Africa.
- *Infantry Capability* provides combat ready infantry capabilities through training, preparing, exercising and supporting mechanised, motorised, specialised and airborne infantry units.
- *Armour Capability* provides combat ready armour capabilities through training, preparing, exercising and supporting tank and armoured car units.
- *Artillery Capability* provides combat ready artillery capabilities through training, preparing, exercising and supporting composite and light artillery units.
- *Air Defence Artillery Capability* provides combat ready air defence artillery capabilities through training, preparing, exercising and supporting air defence artillery units.
- *Engineering Capability* provides combat ready engineering capabilities to ensure mobility and establish infrastructure during exercises and deployments through training, preparing, exercising and supporting field and construction engineer units.
- *Operational Intelligence* provides combat ready operational intelligence capabilities to enable successful planning and execution of operations through training, preparing, exercising and supporting intelligence units.
- *Command and Control Capability* provides combat ready tactical command and control capabilities for integrated forces during force preparation and force employment.
- *Support Capability* provides first, second and fourth line support capabilities to units and bases, and ensures support to deployed combat units through training, preparing, exercising and supporting first and second line maintenance units and workshops.
- *General Training Capability* provides general training capabilities through basic military training, junior leader training, common landward training, and command and management training at the training depot and decentralised units, the South African Army Gymnasium, the combat training centre and the South African Army College.
- *Signal Capability* provides combat ready signal capabilities to ensure command, control and communications during exercises and deployments through training, preparing, exercising and supporting signal units.

Expenditure trends and estimates

Table 19.10 Landward Defence 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Strategic Direction	420.4	419.0	442.8	474.7	4.1%	3.0%	426.8	417.0	424.3	-3.7%	2.6%
Infantry Capability	4 759.7	5 404.0	6 102.5	6 059.3	8.4%	38.3%	6 889.6	7 364.0	7 950.6	9.5%	41.9%
Armour Capability	356.8	374.7	399.3	447.9	7.9%	2.7%	449.5	466.9	493.5	3.3%	2.8%
Artillery Capability	383.2	425.6	527.6	473.7	7.3%	3.1%	486.5	477.5	721.7	15.1%	3.2%
Air Defence Artillery Capability	425.1	478.1	561.6	588.9	11.5%	3.5%	681.7	619.6	539.7	-2.9%	3.6%
Engineering Capability	587.2	623.1	675.9	719.0	7.0%	4.5%	745.9	778.5	814.2	4.2%	4.5%
Operational Intelligence	176.8	188.3	202.5	252.5	12.6%	1.4%	236.7	247.4	259.1	0.9%	1.5%
Command and Control Capability	168.7	177.8	188.9	204.2	6.6%	1.3%	209.3	216.3	230.6	4.1%	1.3%
Support Capability	4 858.2	4 428.2	4 414.8	4 464.7	-2.8%	31.1%	4 680.4	4 747.6	4 819.7	2.6%	27.8%
General Training Capability	391.0	411.5	397.7	585.8	14.4%	3.1%	474.1	484.5	523.7	-3.7%	3.1%
Signal Capability	1 072.1	1 119.0	1 205.2	1 286.8	6.3%	8.0%	1 269.6	1 315.0	1 383.7	2.5%	7.8%
Total	13 599.1	14 049.1	15 119.0	15 557.5	4.6%	100.0%	16 550.2	17 134.3	18 160.8	5.3%	100.0%
Change to 2016 Budget estimate				(94.0)			(288.5)	(580.3)	(782.7)		
Economic classification											
Current payments	10 809.5	11 652.1	12 484.2	13 403.9	7.4%	82.9%	12 811.4	13 309.3	14 331.3	2.3%	79.9%
Compensation of employees	9 164.8	9 795.6	10 584.0	11 562.2	8.1%	70.5%	10 953.8	11 394.2	12 375.3	2.3%	68.7%
Goods and services ¹	1 644.8	1 856.5	1 900.2	1 841.7	3.8%	12.4%	1 857.5	1 915.1	1 956.0	2.0%	11.2%
<i>of which:</i>											
Contractors	232.9	352.5	357.2	335.5	12.9%	2.2%	218.2	204.2	244.7	-10.0%	1.5%
Inventory: Clothing material and accessories	-	148.1	88.0	72.0	-	0.5%	103.7	156.1	124.6	20.1%	0.7%
Inventory: Food and food supplies	481.4	473.4	476.9	472.9	-0.6%	3.3%	519.4	534.6	579.7	7.0%	3.1%
Inventory: Fuel, oil and gas	193.6	152.0	211.2	231.0	6.1%	1.4%	198.6	224.0	206.7	-3.6%	1.3%
Computer services	71.1	81.65	72.0	77.6	3.0%	0.5%	80.6	80.6	80.7	1.3%	0.5%
Travel and subsistence	278.7	251.4	277.3	218.1	-7.8%	1.8%	327.9	328.9	333.1	15.2%	1.8%
Transfers and subsidies¹	2 474.0	2 251.8	2 528.6	2 127.7	-4.9%	16.1%	3 687.9	3 773.5	3 782.9	21.1%	19.8%
Departmental agencies and accounts	2 391.5	2 158.4	2 451.2	2 048.9	-5.0%	15.5%	3 619.7	3 707.7	3 745.3	22.3%	19.5%
Public corporations and private enterprises	54.5	50.2	33.6	38.4	-11.0%	0.3%	35.2	30.6	-	-100.0%	0.2%
Households	28.0	43.2	43.8	40.4	13.0%	0.3%	33.0	35.2	37.6	-2.4%	0.2%
Payments for capital assets	312.1	144.5	104.9	25.9	-56.4%	1.0%	51.0	51.5	46.7	21.7%	0.3%
Buildings and other fixed structures	0.3	0.9	0.1	0.1	-26.6%	-	5.1	5.4	5.3	241.4%	-
Machinery and equipment	310.5	143.5	104.8	25.8	-56.4%	1.0%	45.9	46.1	41.0	16.7%	0.2%
Specialised military assets	-	-	-	-	-	-	-	-	0.4	-	-
Biological assets	1.2	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	3.5	0.8	1.3	-	-100.0%	-	-	-	-	-	-
Total	13 599.1	14 049.1	15 119.0	15 557.5	4.6%	100.0%	16 550.2	17 134.3	18 160.8	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	33.6%	32.8%	33.5%	32.9%	-	-	34.0%	33.9%	33.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 391.5	2 158.4	2 451.2	2 048.8	-5.0%	15.5%	3 619.6	3 707.7	3 745.2	22.3%	19.5%
Special defence account	2 391.5	2 158.4	2 451.2	2 048.8	-5.0%	15.5%	3 619.6	3 707.7	3 745.2	22.3%	19.5%
Households											
Social benefits											
Current	24.3	29.5	40.8	40.4	18.5%	0.2%	33.0	35.2	37.6	-2.4%	0.2%
Employee social benefits	24.3	29.5	40.8	40.4	18.5%	0.2%	33.0	35.2	37.6	-2.4%	0.2%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	54.4	49.7	33.1	38.4	-11.0%	0.3%	35.2	30.6	-	-100.0%	0.2%
Armaments Corporation of South Africa	54.4	49.7	33.1	38.4	-11.0%	0.3%	35.2	30.6	-	-100.0%	0.2%

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

Programme 4: Air Defence

Programme purpose

Provide prepared and supported air defence capabilities for the defence and protection of South Africa.

Objective

- Defend and protect South Africa and its airspace by providing:
 - four helicopter squadrons and one combat support helicopter squadron per year over the medium term
 - three medium transport squadrons including one VIP squadron, one maritime and transport squadron, one light transport squadron and nine reserve squadrons per year over the medium term
 - one air combat squadron per year over the medium term
 - 24-hour air command and control capability over the medium term.

Subprogrammes

- Strategic Direction* provides strategic direction to the programme by formulating and controlling strategies, policies and plans through the air force office to prepare and provide the capabilities required by the Chief of the South African National Defence Force.
- Operational Direction* provides operational direction to the programme by means of an air command.
- Helicopter Capability* provides and sustains operationally ready light utility helicopters, medium transport helicopters and combat support helicopters crewed by appropriately qualified personnel.
- Transport and Maritime Capability* provides and sustains operationally ready transport and a maritime aircraft crewed by appropriately qualified personnel.
- Air Combat Capability* provides and sustains an operationally ready fighter aircraft crewed by appropriately qualified personnel.
- Operational Support and Intelligence Capability* prepares, develops, provides and supports protection, intelligence systems and counterintelligence support to the South African Air Force through protection squadrons, intelligence subsystems and intelligence training unique to the air force.
- Command and Control Capability* supplies and maintains operationally ready command and control elements in support of air battle space operations.
- Base Support Capability* provides air base infrastructure facilities to squadrons and resident units on bases, including the maintenance of all relevant systems and personnel, to support flying operations.
- Command Post* renders command and control over all missions flown.
- Training Capability* provides for the general education, training and development of air force personnel.
- Technical Support Services* establishes, maintains and prepares optimised technical and tactical logistic support capabilities to provide support to system groups and manage air service units.

Expenditure trends and estimates

Table 19.11 Air Defence 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Strategic Direction	16.8	18.3	20.8	35.4	28.1%	0.3%	30.6	30.9	31.3	-4.0%	0.4%
Operational Direction	247.9	183.8	255.3	208.7	-5.6%	3.3%	170.2	184.2	165.5	-7.4%	2.5%
Helicopter Capability	996.3	817.1	619.7	769.3	-8.3%	11.9%	814.8	880.5	916.5	6.0%	11.5%
Transport and Maritime Capability	485.4	1 138.8	684.4	773.3	16.8%	11.4%	798.3	866.5	1 721.7	30.6%	14.2%
Air Combat Capability	909.9	1 108.3	1 368.8	1 277.2	12.0%	17.3%	1 043.2	1 034.6	1 015.7	-7.4%	14.9%
Operational Support and Intelligence Capability	312.6	270.9	297.7	321.5	0.9%	4.5%	286.3	281.7	299.4	-2.3%	4.1%
Command and Control Capability	343.1	508.7	884.6	610.8	21.2%	8.7%	560.4	912.7	1 250.7	27.0%	11.4%
Base Support Capability	1 724.0	1 848.1	1 823.7	1 859.5	2.6%	26.9%	1 773.5	1 756.2	1 911.7	0.9%	24.9%
Command Post	30.9	57.4	60.5	62.5	26.5%	0.8%	63.6	65.2	67.4	2.5%	0.9%
Training Capability	206.4	200.6	492.2	581.0	41.2%	5.5%	612.8	643.9	669.6	4.8%	8.6%
Technical Support Services	758.2	761.5	577.8	472.2	-14.6%	9.5%	474.1	489.3	522.8	3.4%	6.7%
Total	6 031.5	6 913.5	7 085.7	6 971.4	4.9%	100.0%	6 628.0	7 145.8	8 572.2	7.1%	100.0%
Change to 2016 Budget estimate				87.8			31.9	(94.5)	859.7		

Table 19.11 Air Defence expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Current payments	5 116.0	5 162.9	5 146.5	5 785.4	4.2%	78.6%	5 751.5	5 918.3	6 337.6	3.1%	81.2%
Compensation of employees	2 955.3	3 148.9	3 325.2	3 587.5	6.7%	48.2%	3 444.8	3 438.1	3 658.0	0.7%	48.2%
Goods and services ¹	2 160.7	2 014.0	1 821.3	2 198.0	0.6%	30.3%	2 306.7	2 480.2	2 679.6	6.8%	33.0%
of which:											
Contractors	1 532.3	1 329.4	1 086.5	1 206.1	-7.7%	19.1%	1 314.7	1 378.2	1 491.3	7.3%	18.4%
Inventory: Food and food supplies	71.2	78.5	77.5	82.7	5.1%	1.1%	82.7	88.3	100.7	6.8%	1.2%
Inventory: Fuel, oil and gas	240.9	154.1	244.3	238.5	-0.3%	3.3%	276.0	302.3	322.2	10.6%	3.9%
Travel and subsistence	88.2	86.6	103.2	581.0	-5.2%	1.3%	83.5	88.7	93.1	7.4%	1.2%
Training and development	29.6	45.1	26.3	86.1	42.7%	0.7%	84.9	107.9	113.3	9.6%	1.3%
Operating payments	136.9	135.4	128.6	140.5	0.9%	2.0%	145.9	166.7	174.6	7.5%	2.1%
Transfers and subsidies¹	815.7	1 630.9	1 852.9	1 179.1	13.1%	20.3%	859.0	1 213.8	2 220.2	23.5%	18.7%
Departmental agencies and accounts	806.1	1 618.1	1 837.6	1 160.6	12.9%	20.1%	841.1	1 198.1	2 204.2	23.8%	18.4%
Public corporations and private enterprises	-	0.1	-	-	-100.0%	-	-	-	-	-	-
Households	9.5	12.6	15.3	18.5	24.9%	0.2%	17.9	15.7	16.0	-4.7%	0.2%
Payments for capital assets	99.1	119.2	86.1	6.8	-59.0%	1.2%	17.5	13.7	14.5	28.3%	0.2%
Buildings and other fixed structures	0.5	0.1	12.7	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	98.3	119.0	73.4	6.8	-58.9%	1.1%	17.5	13.7	14.5	28.3%	0.2%
Specialised military assets	0.2	0.2	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.7	0.6	0.2	-	-100.0%	-	-	-	-	-	-
Total	6 031.5	6 913.5	7 085.7	6 971.4	4.9%	100.0%	6 628.0	7 145.8	8 572.2	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	14.9%	16.1%	15.7%	14.8%	-	-	13.6%	14.1%	15.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	805.2	1 618.1	1 837.6	1 160.6	13.0%	20.1%	841.0	1 198.0	2 204.1	23.8%	18.4%
Special defence account	805.2	1 618.1	1 837.6	1 160.6	13.0%	20.1%	841.0	1 198.0	2 204.1	23.8%	18.4%

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

Programme 5: Maritime Defence

Programme purpose

Provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.

Objective

- Defend and protect South Africa and its maritime zones over the medium term by providing:
 - a surface combat and patrol capability of three frigates, one combat support vessel, two offshore patrol vessels and three inshore patrol vessels in each annual operational cycle
 - a sub-surface combat capability of two submarines in each annual operational cycle
 - a mine warfare capability of two vessels in each annual operational cycle to ensure safe access to South Africa's harbours and mine clearance where required
 - a maritime reaction squadron capability comprising an operational boat division, an operational diving division and a naval reaction division in each annual operational cycle
 - a hydrographic survey capability to ensure safe navigation by charting areas and to meet international obligations.

Subprogrammes

- Maritime Direction* provides strategic direction to the programme by formulating and controlling strategies, policies, plans and advice to prepare and provide maritime defence capabilities.
- Maritime Combat Capability* provides mission ready and supported maritime combat capabilities in accordance with the approved force design of the department.
- Maritime Logistic Support Capability* sustains the availability of the force structure elements in the naval force design to ensure compliance with ordered operational commitments.

- *Maritime Human Resources and Training Capability* ensures that the maritime combat and support capability requirements are met in terms of qualified personnel.
- *Base Support Capability* provides a general base support capability to ships and submarines, shore units and other identified clients to ensure that the fleet complies with specified operational readiness levels.

Expenditure trends and estimates

Table 19.12 Maritime Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20		
R million											
Maritime Direction	488.8	524.9	586.2	593.5	6.7%	14.5%	582.2	640.0	619.9	1.5%	13.1%
Maritime Combat Capability	585.1	1 129.3	1 238.8	1 719.7	43.2%	30.8%	2 073.1	2 038.7	1 471.9	-5.1%	39.3%
Maritime Logistic Support Capability	1 137.0	1 104.0	803.9	934.9	-6.3%	26.2%	980.7	1 086.8	1 166.7	7.7%	22.4%
Maritime Human Resources and Training Capability	397.1	445.2	497.7	516.6	9.2%	12.2%	538.6	518.8	566.6	3.1%	11.5%
Base Support Capability	618.4	599.0	606.2	642.3	1.3%	16.3%	615.4	609.0	657.3	0.8%	13.6%
Total	3 226.4	3 802.4	3 732.7	4 407.1	11.0%	100.0%	4 790.0	4 893.4	4 482.4	0.6%	100.0%
Change to 2016 Budget estimate				51.2			232.7	465.8	(238.6)		
Economic classification											
Current payments	2 663.9	2 886.5	2 803.5	3 033.4	4.4%	75.1%	3 009.2	3 124.3	3 273.7	2.6%	67.0%
Compensation of employees	1 827.1	1 968.7	2 102.8	2 314.2	8.2%	54.1%	2 248.0	2 275.1	2 447.5	1.9%	50.0%
Goods and services ¹	836.8	917.8	700.7	719.2	-4.9%	20.9%	761.2	849.2	826.2	4.7%	17.0%
of which:											
Contractors	497.0	473.4	258.5	226.1	-23.1%	9.6%	224.5	219.7	215.8	-1.5%	4.8%
Inventory: Food and food supplies	49.3	114.9	77.2	92.1	23.2%	2.2%	102.9	120.6	131.9	12.7%	2.4%
Inventory: Fuel, oil and gas	92.5	29.9	92.6	19.1	-40.9%	1.5%	73.1	109.4	96.9	71.8%	1.6%
Inventory: Other supplies	49.3	54.9	25.1	95.7	24.7%	1.5%	75.6	129.2	95.2	-0.2%	2.1%
Travel and subsistence	63.5	57.3	71.0	49.4	-8.0%	1.6%	53.3	57.9	58.1	5.6%	1.2%
Operating payments	18.0	43.9	50.4	69.8	57.1%	1.2%	56.8	49.8	53.3	-8.6%	1.2%
Transfers and subsidies¹	475.2	867.6	836.7	1 367.0	42.2%	23.4%	1 769.4	1 758.0	1 198.3	-4.3%	32.8%
Departmental agencies and accounts	167.7	648.9	602.0	1 123.0	88.5%	16.8%	1 484.0	1 463.0	889.6	-7.5%	26.7%
Public corporations and private enterprises	301.4	208.9	219.9	226.3	-9.1%	6.3%	270.0	283.7	298.4	9.7%	5.8%
Households	6.1	9.8	14.8	17.7	42.5%	0.3%	15.5	11.3	10.2	-16.7%	0.3%
Payments for capital assets	86.9	48.0	92.3	6.6	-57.6%	1.5%	11.3	11.1	10.4	16.2%	0.2%
Buildings and other fixed structures	3.5	0.6	1.5	-	-100.0%	-	1.5	1.5	-	-	-
Machinery and equipment	83.4	47.4	32.7	6.6	-57.0%	1.1%	9.8	9.6	10.4	16.2%	0.2%
Specialised military assets	-	-	58.1	-	-	0.4%	-	-	-	-	-
Payments for financial assets	0.3	0.2	0.3	-	-100.0%	-	-	-	-	-	-
Total	3 226.4	3 802.4	3 732.7	4 407.1	11.0%	100.0%	4 790.0	4 893.4	4 482.4	0.6%	100.0%
Proportion of total programme expenditure to vote expenditure	8.0%	8.9%	8.3%	9.3%	-	-	9.9%	9.7%	8.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	167.7	648.9	602.0	1 123.0	88.5%	16.8%	1 484.0	1 463.0	889.6	-7.5%	26.7%
Special defence account	167.7	648.9	602.0	1 123.0	88.5%	16.8%	1 484.0	1 463.0	889.6	-7.5%	26.7%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	301.4	208.6	219.9	226.3	-9.1%	6.3%	270.0	283.7	298.4	9.7%	5.8%
Armaments Corporation of South Africa	301.4	208.6	219.9	226.3	-9.1%	6.3%	270.0	283.7	298.4	9.7%	5.8%

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

Programme 6: Military Health Support

Programme purpose

Provide prepared and supported health capabilities and services for the defence and protection of South Africa.

Objective

- Ensure prepared and supported health capabilities and services by providing:
 - a health support capability of five medical battalion groups and one specialist medical battalion group for deployed and contingency forces per year
 - a comprehensive, multidisciplinary military health service to a projected patient population of 302 000 members per year.

Subprogrammes

- *Strategic Direction* formulates strategy, policies and plans; and provides advice from the Surgeon General's office to prepare and provide the capabilities required by the Chief of the South African National Defence Force.
- *Mobile Military Health Support* provides health support elements for deployed and contingency forces, and provides health services to provincial hospitals and the Department of Health as and when ordered.
- *Area Military Health Service* provides a comprehensive, self-supporting, multidisciplinary geographic military health service through a formation headquarters, which commands and controls nine area military health units, to ensure a healthy military community. The military hospitals also attend to health care activities and provide medical support in the specialist aviation environment.
- *Specialist/Tertiary Health Service* provides a specialist health service to develop and maintain tertiary military health capabilities within the parameters of relevant legislation, as contained in the South African military health service strategy.
- *Military Health Product Support Capability* provides for warehousing pharmaceuticals, sundries, military health mobilisation equipment and unique stock; the procurement of unique military health products, materials and services; and an asset management service, military health product systems and cooperative common military health logistics.
- *Military Health Maintenance Capability* provides general base support services to identified military health service units to sustain and maintain the approved force design and structure.
- *Military Health Training Capability* provides a military health training service to develop and maintain military health training capabilities within the parameters of relevant legislation and policies.

Expenditure trends and estimates

Table 19.13 Military Health Support 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Strategic Direction	207.5	218.3	168.3	207.6	–	4.9%	176.1	177.2	172.6	-6.0%	3.8%
Mobile Military Health Support	109.4	120.8	120.7	124.4	4.4%	2.9%	134.1	160.2	197.3	16.6%	3.2%
Area Military Health Service	1 262.3	1 455.5	1 597.7	1 560.6	7.3%	35.6%	1 676.4	1 820.1	2 058.5	9.7%	36.8%
Specialist/Tertiary Health Service	1 273.5	1 433.3	1 553.4	1 597.0	7.8%	35.5%	1 754.6	1 857.7	2 012.7	8.0%	37.3%
Military Health Product Support Capability	236.3	212.9	134.5	211.0	-3.7%	4.8%	197.5	220.4	219.1	1.3%	4.4%
Military Health Maintenance Capability	280.8	256.4	319.6	307.2	3.0%	7.1%	271.0	271.5	278.9	-3.2%	5.8%
Military Health Training Capability	363.7	355.9	348.9	466.4	8.6%	9.3%	376.9	398.5	432.2	-2.5%	8.7%
Total	3 733.6	4 053.1	4 243.2	4 474.1	6.2%	100.0%	4 586.7	4 905.6	5 371.3	6.3%	100.0%
Change to 2016 Budget estimate				57.3			186.3	327.1	470.0		

Table 19.13 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	3 615.9	3 886.4	4 170.0	4 464.9	7.3%	97.8%	4 521.7	4 801.3	5 262.8	5.6%	98.5%
Compensation of employees	2 700.8	2 865.5	3 136.3	3 421.5	8.2%	73.5%	3 373.7	3 480.5	3 713.9	2.8%	72.3%
Goods and services ¹	915.1	1 021.0	1 033.7	1 043.5	4.5%	24.3%	1 148.1	1 320.9	1 548.9	14.1%	26.2%
of which:											
Computer services	34.8	36.7	35.9	60.0	19.9%	1.0%	61.3	64.1	65.6	3.0%	1.3%
Contractors	55.1	56.2	40.0	59.4	2.5%	1.3%	81.6	82.3	77.6	9.3%	1.6%
Agency and support/outourced services	286.6	362.2	406.1	283.6	-0.4%	8.1%	433.5	509.1	582.2	27.1%	9.4%
Inventory: Medical supplies	85.7	75.1	71.5	110.2	8.8%	2.1%	102.0	155.3	169.9	15.5%	2.8%
Inventory: Medicine	186.5	166.3	154.1	235.1	8.0%	4.5%	155.1	181.9	329.3	11.9%	4.7%
Travel and subsistence	53.7	62.9	79.4	59.6	3.6%	1.5%	69.6	74.7	76.2	8.5%	1.4%
Transfers and subsidies¹	11.5	46.1	26.2	6.2	-18.4%	0.5%	26.9	48.3	77.4	131.5%	0.8%
Departmental agencies and accounts	2.9	15.4	6.7	0.1	-73.0%	0.2%	11.1	30.1	62.7	926.4%	0.5%
Public corporations and private enterprises	-	0.1	-	-	-	-	-	-	-	-	-
Non-profit institutions	0.8	0.8	0.9	0.8	0.3%	-	1.0	1.0	1.0	6.1%	-
Households	7.7	29.9	18.6	5.3	-11.6%	0.4%	14.8	17.2	13.6	36.7%	0.3%
Payments for capital assets	105.5	120.2	46.3	2.9	-69.8%	1.7%	38.1	56.0	31.1	120.2%	0.7%
Buildings and other fixed structures	-	0.2	0.3	-	-100.0%	-	2.6	-	-	-	-
Machinery and equipment	105.4	119.2	46.0	2.9	-69.8%	1.7%	34.7	55.9	31.1	120.2%	0.6%
Specialised military assets	-	0.9	-	-	-	-	0.8	-	-	-	-
Payments for financial assets	0.8	0.4	0.6	-	-100.0%	-	-	-	-	-	-
Total	3 733.6	4 053.1	4 243.2	4 474.1	6.2%	100.0%	4 586.7	4 905.6	5 371.3	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	9.2%	9.5%	9.4%	9.5%	-	-	9.4%	9.7%	10.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2.9	15.4	6.7	-	-100.0%	0.2%	11.1	30.0	62.7	-	0.5%
Communication	1.8	-	-	-	-100.0%	-	-	-	-	-	-
Special defence account	1.2	15.4	6.7	-	-100.0%	0.1%	11.1	30.0	62.7	-	0.5%
Households											
Social benefits											
Current	7.1	9.3	14.3	5.3	-9.1%	0.2%	14.7	16.8	13.6	36.6%	0.3%
Employee social benefits	7.1	9.3	14.3	5.3	-9.1%	0.2%	14.7	16.8	13.6	36.6%	0.3%
Households											
Other transfers to households											
Current	-	20.1	3.9	-	-	0.1%	-	-	-	-	-
Claims against the state	-	20.1	3.9	-	-	0.1%	-	-	-	-	-

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

Programme 7: Defence Intelligence

Programme purpose

Provide defence intelligence and counterintelligence capabilities.

Objective

- Ensure prepared and supported intelligence services on an annual basis by providing an intelligence capability, a counterintelligence capability and a defence foreign relations capability.

Subprogrammes

- *Strategic Direction* provides defence intelligence policy, doctrine and intelligence advice in support of the department's decision-making and policy formulation processes.
- *Operations* provides timely defence prediction, intelligence, and counterintelligence capabilities and services.
- *Defence Intelligence Support Services* provides human resources, logistics, planning, security, labour relations, and training and information support services to the defence intelligence community.

Expenditure trends and estimates

Table 19.14 Defence Intelligence 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Strategic Direction	-	-	-	0.1	86.2%	-	-	-	-	-100.0%	-
Operations	457.8	472.6	459.8	472.5	1.1%	56.0%	465.4	513.4	528.4	3.8%	52.5%
Defence Intelligence Support Services	316.9	347.2	370.3	427.7	10.5%	44.0%	451.9	434.5	473.8	3.5%	47.5%
Total	774.7	819.8	830.1	900.2	5.1%	100.0%	917.3	947.9	1 002.2	3.6%	100.0%
Change to 2016 Budget estimate							0.1	3.6	(3.3)		
Economic classification											
Current payments	324.2	358.7	382.1	443.0	11.0%	45.4%	462.6	449.1	491.1	3.5%	49.0%
Compensation of employees	295.8	327.8	347.9	404.9	11.0%	41.4%	403.6	400.0	441.3	2.9%	43.8%
Goods and services ¹	28.4	30.9	34.2	38.1	10.3%	4.0%	59.0	49.2	49.8	9.4%	5.2%
<i>of which:</i>											
<i>Agency and support/outsourced services</i>	<i>0.1</i>	<i>0.1</i>	<i>0.3</i>	<i>0.2</i>	<i>62.6%</i>	<i>-</i>	<i>12.8</i>	<i>0.3</i>	<i>0.3</i>	<i>7.3%</i>	<i>0.4%</i>
<i>Inventory: Food and food supplies</i>	<i>8.1</i>	<i>10.2</i>	<i>10.4</i>	<i>10.7</i>	<i>9.9%</i>	<i>1.2%</i>	<i>12.0</i>	<i>14.3</i>	<i>14.7</i>	<i>11.0%</i>	<i>1.4%</i>
<i>Inventory: Fuel, oil and gas</i>	<i>2.4</i>	<i>1.9</i>	<i>1.9</i>	<i>2.1</i>	<i>-5.2%</i>	<i>0.2%</i>	<i>3.3</i>	<i>3.4</i>	<i>3.6</i>	<i>19.9%</i>	<i>0.3%</i>
<i>Operating leases</i>	<i>5.4</i>	<i>6.4</i>	<i>7.6</i>	<i>6.4</i>	<i>5.8%</i>	<i>0.8%</i>	<i>6.8</i>	<i>7.0</i>	<i>7.4</i>	<i>4.9%</i>	<i>0.7%</i>
<i>Travel and subsistence</i>	<i>3.7</i>	<i>3.9</i>	<i>6.3</i>	<i>5.4</i>	<i>13.2%</i>	<i>0.6%</i>	<i>8.9</i>	<i>9.1</i>	<i>9.5</i>	<i>21.0%</i>	<i>0.9%</i>
<i>Training and development</i>	<i>1.1</i>	<i>1.6</i>	<i>1.3</i>	<i>2.5</i>	<i>33.3%</i>	<i>0.2%</i>	<i>2.7</i>	<i>2.7</i>	<i>2.9</i>	<i>4.5%</i>	<i>0.3%</i>
Transfers and subsidies¹	445.7	456.5	445.0	456.7	0.8%	54.3%	451.0	494.9	507.0	3.5%	50.7%
Departmental agencies and accounts	441.9	455.8	442.3	452.5	0.8%	53.9%	444.5	489.9	504.1	3.7%	50.2%
Households	3.8	0.7	2.7	4.3	4.4%	0.3%	6.5	4.9	2.8	-12.9%	0.5%
Payments for capital assets	4.8	4.5	3.0	0.6	-51.0%	0.4%	3.6	3.9	4.1	93.7%	0.3%
Machinery and equipment	4.8	4.5	3.0	0.6	-51.0%	0.4%	3.6	3.9	4.1	93.7%	0.3%
Total	774.7	819.8	830.1	900.2	5.1%	100.0%	917.3	947.9	1 002.2	3.6%	100.0%
Proportion of total programme expenditure to vote expenditure	1.9%	1.9%	1.8%	1.9%	-	-	1.9%	1.9%	1.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	441.9	455.8	442.3	452.5	0.8%	53.9%	444.5	489.9	504.1	3.7%	50.2%
Communication	-	-	0.2	0.3	-	-	0.3	0.4	0.4	5.2%	-
Special defence account	441.9	455.8	442.0	452.1	0.8%	53.9%	444.2	489.6	503.8	3.7%	50.2%
Households											
Social benefits											
Current	3.8	0.7	2.7	4.3	4.4%	0.3%	6.5	4.9	2.8	-12.9%	0.5%
Employee social benefits	3.8	0.7	2.7	4.3	4.4%	0.3%	6.5	4.9	2.8	-12.9%	0.5%

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

Programme 8: General Support

Programme purpose

Provide general support capabilities and services to the department.

Objectives

- Provide ongoing general support capabilities and services through effective and efficient centralised common logistical support of ordered commitments in accordance with the defence policy and strategy by providing:
 - appropriate, ready and sustained centralised common matériel management to the department
 - appropriate, ready and sustained centralised facilities management to the department
 - appropriate, ready and sustained centralised common logistic services and movement management to the department
 - sound logistic strategic direction to the department.
- Provide ICT prime systems integration and strategic direction to the department over the medium term by providing:
 - strategic direction and staff support services to the division
 - integrated ICT solutions and enablers for the department
 - an information warfare strategic direction capability to the department

- maintenance and support for information systems in the department.
- Provide a military policing capability to the department by:
 - conducting 124 deliberate crime-prevention operations per year over the medium term
 - investigating 100 per cent of corruption and fraud cases reported per year over the medium term
 - sustaining a provost company for operational deployment on an ongoing basis
 - sustaining 4 regional headquarters, 22 area offices and 22 detachments for crime prevention and investigation of criminal cases over the medium term
 - sustaining 2 military correctional facilities for detention and rehabilitation over the medium term.

Subprogrammes

- *Joint Logistic Services* provides logistics services to the department in terms of warehousing for ammunition, main equipment and stores. It also provides services for the defence works capability, the capital works programme and the defence facility refurbishment programme.
- *Command and Management Information Systems* provides command and management information systems and related services to the department.
- *Military Police* provides a military policing capability to the department.
- *Technology Development* provides for establishing and sustaining selected science and technology capabilities in the defence industry.
- *Departmental Support* provides for the payment of corporate departmental obligations such as transfer payments to public entities, legal fees, external audits and bank charges.

Expenditure trends and estimates

Table 19.15 General Support 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 (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Joint Logistic Services	2 055.1	2 125.7	2 546.7	2 934.4	12.6%	44.8%	2 941.8	3 042.9	3 192.0	2.8%	48.4%
Command and Management Information Systems	955.6	865.7	1 096.5	1 011.2	1.9%	18.2%	1 025.2	1 061.9	1 120.9	3.5%	16.9%
Military Police	498.7	539.6	529.2	603.2	6.5%	10.1%	576.1	584.4	627.6	1.3%	9.6%
Technology Development	348.0	442.3	424.0	516.2	14.1%	8.0%	441.3	437.9	502.6	-0.9%	7.6%
Departmental Support	1 367.2	940.7	880.2	901.4	-13.0%	18.9%	1 092.7	1 167.0	1 237.5	11.1%	17.6%
Total	5 224.6	4 914.1	5 476.6	5 966.4	4.5%	100.0%	6 077.2	6 294.1	6 680.6	3.8%	100.0%
Change to 2016 Budget estimate				55.3			(63.7)	73.5	73.0		
Economic classification											
Current payments	3 205.2	3 314.7	3 893.4	4 506.1	12.0%	69.1%	3 546.4	3 586.9	3 803.2	-5.5%	61.7%
Compensation of employees	1 401.0	1 509.8	1 704.0	2 056.2	13.6%	30.9%	2 037.5	2 068.3	2 204.6	2.3%	33.4%
Goods and services ¹	1 804.2	1 804.9	2 189.4	2 449.9	10.7%	38.2%	1 509.0	1 518.6	1 598.7	-13.3%	28.3%
of which:											
Audit costs: External	67.2	61.8	60.0	73.3	2.9%	1.2%	64.0	68.8	73.4	–	1.1%
Computer services	768.1	727.9	804.1	857.5	3.7%	14.6%	803.4	841.2	880.1	0.9%	13.5%
Contractors	71.7	83.8	90.5	123.4	19.8%	1.7%	159.1	153.1	158.8	8.8%	2.4%
Inventory: Food and food supplies	30.2	24.6	25.6	35.1	5.1%	0.5%	41.7	42.4	52.8	14.6%	0.7%
Travel and subsistence	66.0	67.2	64.9	68.7	1.4%	1.2%	72.2	72.6	76.3	3.5%	1.2%
Training and development	39.0	68.0	117.6	42.9	3.2%	1.2%	80.5	82.7	85.7	26.0%	1.2%
Transfers and subsidies¹	1 649.1	1 302.2	1 254.1	1 318.4	-7.2%	25.6%	1 445.4	1 523.9	1 645.1	7.7%	23.7%
Provinces and municipalities	–	–	–	0.1	–	–	0.1	0.1	0.1	5.0%	–
Departmental agencies and accounts	368.1	445.7	483.2	551.7	14.4%	8.6%	446.8	453.6	523.8	-1.7%	7.9%
Foreign governments and international organisations	303.3	–	–	–	-100.0%	1.4%	–	–	–	–	–
Public corporations and private enterprises	971.6	846.6	760.9	752.3	-8.2%	15.4%	982.9	1 051.5	1 110.3	13.9%	15.6%
Households	6.1	9.9	9.9	14.4	33.1%	0.2%	15.7	18.8	10.8	-9.0%	0.2%

Table 19.15 General Support expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Payments for capital assets	369.8	294.8	329.1	141.9	-27.3%	5.3%	1 085.4	1 183.3	1 232.3	105.6%	14.6%
Buildings and other fixed structures	200.8	62.6	58.1	120.6	-15.6%	2.0%	949.2	1 061.7	1 105.4	109.3%	12.9%
Machinery and equipment	167.6	228.3	271.0	20.9	-50.0%	3.2%	135.8	121.3	126.4	82.2%	1.6%
Specialised military assets	-	3.4	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1.3	0.6	0.1	0.3	-37.7%	-	0.4	0.4	0.4	8.8%	-
Payments for financial assets	0.5	2.3	0.1	-	-100.0%	-	-	-	-	-	-
Total	5 224.6	4 914.1	5 476.6	5 966.4	4.5%	100.0%	6 077.2	6 294.1	6 680.6	3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	12.9%	11.5%	12.2%	12.6%	-	-	12.5%	12.4%	12.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	368.1	445.7	483.2	551.6	14.4%	8.6%	446.8	453.6	523.8	-1.7%	7.9%
Claims against the state	2.1	-	-	-	-100.0%	-	-	-	-	-	-
Special defence account	366.0	445.7	483.2	551.6	14.7%	8.6%	446.8	453.6	523.8	-1.7%	7.9%
Foreign governments and international organisations											
Current	303.3	-	-	-	-100.0%	1.4%	-	-	-	-	-
Claims against the state	303.3	-	-	-	-100.0%	1.4%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	153.6	16.6	-	-	-100.0%	0.8%	-	-	-	-	-
Claims against the state	153.6	16.6	-	-	-100.0%	0.8%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	51.2	-	-	-	-100.0%	0.2%	-	-	-	-	-
Claims against the state	51.2	-	-	-	-100.0%	0.2%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	766.7	829.9	760.9	752.3	-0.6%	14.4%	982.9	1 051.5	1 110.3	13.9%	15.6%
Armaments Corporation of South Africa	766.7	829.9	760.9	752.3	-0.6%	14.4%	982.9	1 051.5	1 110.3	13.9%	15.6%

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

Other departments within the vote

Military Veterans

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	149.8	146.1	-	3.8	162.4	173.1
Socioeconomic Support	307.4	76.3	227.8	3.2	324.4	342.8
Empowerment and Stakeholder Management	164.9	156.5	5.0	3.4	173.3	183.6
Total expenditure estimates	622.1	378.9	232.8	10.4	660.1	699.5

Executive authority: Minister of Defence and Military Veterans
 Accounting officer: Director General of Military Veterans
 Website address: www.dmv.gov.za

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

Department purpose

Formulate policies and standards aimed at providing a comprehensive delivery system to military veterans and their dependants in recognition of their role in the democratisation of South Africa.

Mandate

The Department of Military Veterans derives its mandate from the Military Veterans Act (2011), which requires the department to provide national policy and standards on socioeconomic support to military veterans and to

their dependants, including benefits and entitlement to help realise a dignified, unified, empowered and self-sufficient community of military veterans.

Selected performance indicators

Table 19.16 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total number of military veterans with access to health care services ¹	Socioeconomic Support	Outcome 2: A long and healthy life for all South Africans	4 719	6 795	8 264	14 500	15 000	16 000	17 000
Number of military veterans provided with newly built houses per year ^{2,3}	Socioeconomic Support	Outcome 8: Sustainable human settlements and improved quality of household life	2 ³	- ³	130 ³	1 000	1 000	1 000	1 000
Number of bursaries provided to military veterans and their dependents per year ⁴	Socioeconomic Support	Outcome 1: Quality basic education	200	645	5 482	4 000	4 500	5 000	6 000
Number of military veterans memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 14: A diverse, socially cohesive society with a common national identity	1	2	2	2	2	3	3

1. Increases are mainly due to the approval of the military veterans' benefits regulations, increased marketing of benefits and the recruitment of additional personnel.

2. This indicator has been slightly reworded to align with the department's annual performance plan.

3. Although the department significantly underperformed in the past, a memorandum of understanding signed between the Department of Human Settlements and the Department of Military Veterans, provides for the indicated targets over the medium term. There are ongoing engagements between the Department of Military Veterans and the Department of Human Settlements to expedite the delivery of housing to military veterans.

4. The target for 2015/16 was 600 but the increased prioritisation of education support resulted in an increase in bursary disbursements, leading to actual performance exceeding target. This prompted the upward revision of targets from 2016/17.

Expenditure analysis

In acknowledging the contribution military veterans made to the creation of a democratic South Africa, the department supports the realisation of the National Development Plan's goals of a developmental, capable and ethical state that treats citizens with dignity. This recognition can deepen social cohesion and national unity while redressing the inequities of the past. Over the medium term, the Department of Military Veterans will focus on delivering benefits, including access to health care, housing, and education opportunities, to veterans and their dependants. The department's programmes support the realisation of outcome 1 (quality basic education), outcome 2 (a long and healthy life for all South Africans), outcome 5 (a skilled and capable workforce to support an inclusive growth path) and outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework.

Over the medium term, 75.5 per cent, or R1.5 billion of the department's budget goes to the *Socioeconomic Support* and *Empowerment and Stakeholder Management* programmes. Within these programmes the department expects to deliver 3 000 houses, at a projected cost of R298.5 million, and 15 500 bursaries to military veterans and their dependants, at a projected cost of R212.8 million, over the medium term. A memorandum of understanding with the National Student Financial Aid Scheme and the Department of Basic Education will assist the department in providing access to education. Training and skills development programmes such as driver training, short courses and hard skills offered through accredited service providers, will be granted to 14 500 veterans and their dependants over the medium term. The training is projected to cost R199 million in the *Empowerment and Stakeholder Management* programme.

The department plans to increase access to health care services for military veterans from 14 500 in 2016/17 to 17 000 in 2019/20. This is reflected by a projected 15 per cent increase in spending in the *Health Care and Wellbeing Support* subprogramme in the *Socioeconomic Support* programme over the medium term, which has a budget of R244.7 million.

Expenditure trends

Table 19.17 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Socioeconomic Support														
3. Empowerment and Stakeholder Management														
Programme														
R million	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2013/14	Adjusted appropriation	Audited outcome	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Audited outcome	2016/17	Adjusted appropriation	Revised estimate		
Programme 1	152.8	152.8	77.8	178.2	178.2	143.6	157.5	157.5	131.6	143.7	143.7	143.7	78.6%	78.6%
Programme 2	122.2	122.2	58.4	168.1	168.1	255.2	266.3	266.3	136.2	294.1	294.1	294.1	87.4%	87.4%
Programme 3	76.5	76.5	29.8	157.9	157.9	64.3	158.4	158.4	80.8	159.8	159.8	159.8	60.6%	60.6%
Total	351.4	351.4	165.9	504.2	504.2	463.1	582.2	582.2	348.6	597.6	597.6	597.6	77.4%	77.4%
Change to 2016 Budget estimate														
Economic classification														
Current payments	341.4	341.4	163.0	496.2	496.2	239.3	360.7	360.7	279.5	347.5	347.5	347.5	66.6%	66.6%
Compensation of employees	80.6	80.6	45.0	92.2	92.2	83.6	97.5	97.5	100.6	102.7	102.7	102.7	89.0%	89.0%
Goods and services	260.8	260.8	118.0	404.1	404.1	155.5	263.2	263.2	178.8	244.8	244.8	244.8	59.4%	59.4%
Interest and rent on land	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	218.8	218.5	218.5	57.6	243.6	243.6	243.6	112.5%	112.5%
Departmental agencies and accounts	-	-	-	-	-	175.6	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	43.2	218.5	218.5	57.6	243.6	243.6	243.6	74.5%	74.5%
Payments for capital assets	10.0	10.0	2.9	7.9	7.9	5.1	3.0	3.0	11.6	6.5	6.5	6.5	94.9%	94.9%
Machinery and equipment	10.0	10.0	2.9	7.9	7.9	5.1	3.0	3.0	11.5	5.2	5.2	5.2	94.6%	94.6%
Software and other intangible assets	-	-	-	-	-	-	-	-	-	1.3	1.3	1.3	102.3%	102.3%
Total	351.4	351.4	165.9	504.2	504.2	463.1	582.2	582.2	348.6	597.6	597.6	597.6	77.4%	77.4%

Expenditure estimates

Table 19.18 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Socio Economic Support									
3. Empowerment and Stakeholder Management									
Programme									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
Programme 1	143.7	-2.0%	31.5%	149.8	162.4	173.1	6.4%	24.4%	
Programme 2	294.1	34.0%	47.2%	307.4	324.4	342.8	5.2%	49.2%	
Programme 3	159.8	27.9%	21.2%	164.9	173.3	183.6	4.7%	26.4%	
Total	597.6	19.4%	100.0%	622.1	660.1	699.5	5.4%	100.0%	
Change to 2016 Budget estimate				(12.6)	(13.3)	(14.0)			
Economic classification									
Current payments	347.5	0.6%	65.3%	378.9	419.0	445.0	8.6%	61.7%	
Compensation of employees	102.7	8.4%	21.1%	113.8	122.3	131.5	8.6%	18.2%	
Goods and services	244.8	-2.1%	44.3%	265.1	296.8	313.4	8.6%	43.4%	
Transfers and subsidies	243.6	-	33.0%	232.8	234.2	247.3	0.5%	37.1%	
Households	243.6	-	21.9%	232.8	234.2	247.3	0.5%	37.1%	
Payments for capital assets	6.5	-13.5%	1.7%	10.4	6.9	7.3	3.9%	1.2%	
Machinery and equipment	5.2	-19.6%	1.6%	4.6	4.4	4.6	-3.8%	0.7%	
Heritage assets	-	-	-	3.4	-	-	-	0.1%	
Software and other intangible assets	1.3	-	0.1%	2.4	2.5	2.6	27.5%	0.3%	
Total	597.6	19.4%	100.0%	622.1	660.1	699.5	5.4%	100.0%	

Goods and services expenditure trends and estimates

Table 19.19 Departmental goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R thousand											
Administrative fees	2 300	5 431	3 666	834	-28.7%	1.8%	1 322	150	158	-42.6%	0.2%
Advertising	12 347	2 545	12 715	2 110	-44.5%	4.3%	4 563	1 392	1 471	-11.3%	0.9%
Minor assets	1 621	1 220	1 847	4 659	42.2%	1.3%	7 126	7 608	8 032	19.9%	2.4%
Audit costs: External	1 695	7 466	7 890	5 106	44.4%	3.2%	4 476	4 736	5 001	-0.7%	1.7%
Bursaries: Employees	620	374	526	1 515	34.7%	0.4%	648	651	688	-23.1%	0.3%
Catering: Departmental activities	2 185	4 050	1 933	4 338	25.7%	1.8%	4 762	4 973	5 251	6.6%	1.7%
Communication	3 738	11 064	1 290	5 431	13.3%	3.1%	4 861	10 543	11 133	27.0%	2.9%
Computer services	17 077	28 941	887	3 135	-43.2%	7.2%	16 109	2 098	2 216	-10.9%	2.1%
Consultants: Business and advisory services	16 772	3 267	1 645	13 443	-7.1%	5.0%	3 669	9 094	9 603	-10.6%	3.2%
Infrastructure and planning services	-	-	37	7 500	-	1.1%	561	22 779	24 051	47.5%	4.9%
Legal services	148	-	833	3 950	198.8%	0.7%	1 647	4 388	4 634	5.5%	1.3%
Contractors	1 157	4 389	56 949	30 894	198.9%	13.4%	35 290	63 544	67 103	29.5%	17.6%
Agency and support/outsourced services	12 020	934	380	474	-66.0%	2.0%	1 244	469	495	1.5%	0.2%
Entertainment	42	-	-	50	6.0%	-	43	105	111	30.5%	-
Fleet services (including government motor transport)	494	1 738	1 512	1 298	38.0%	0.7%	3 297	1 364	1 441	3.5%	0.7%
Housing	14 546	-	-	-	-100.0%	2.1%	-	-	-	-	-
Consumable supplies	981	1 916	1 037	3 460	52.2%	1.1%	3 606	5 889	6 219	21.6%	1.7%
Consumables: Stationery, printing and office supplies	1 339	2 917	5 162	3 609	39.2%	1.9%	7 061	4 947	5 225	13.1%	1.9%
Operating leases	271	21 481	15 383	13 836	271.0%	7.3%	18 625	1 743	1 841	-48.9%	3.2%
Rental and hiring	1 826	457	756	190	-53.0%	0.5%	1 736	1 308	1 381	93.7%	0.4%
Property payments	-	1 569	6 131	2 610	-	1.5%	5 557	2 705	2 856	3.0%	1.2%
Travel and subsistence	24 296	44 287	37 310	47 461	25.0%	22.0%	58 975	55 771	58 894	7.5%	19.7%
Training and development	866	3 497	16 535	74 488	341.4%	13.7%	70 944	80 250	84 242	4.2%	27.7%
Operating payments	710	1 818	609	4 100	79.4%	1.0%	85	69	73	-73.9%	0.4%
Venues and facilities	965	6 170	3 807	10 300	120.2%	3.0%	8 848	10 209	11 285	3.1%	3.6%
Total	118 016	155 531	178 840	244 791	27.5%	100.0%	265 055	296 785	313 404	8.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 19.20 Departmental transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	175 550	-	-	-	33.8%	-	-	-	-	-
Household	-	175 550	-	-	-	33.8%	-	-	-	-	-
Households											
Other transfers to households											
Current	-	38 172	51 758	28 975	-	22.9%	32 412	19 888	21 002	-10.2%	10.7%
Household	-	38 172	51 758	28 975	-	22.9%	32 412	19 888	21 002	-10.2%	10.7%
Households											
Social benefits											
Current	-	5 032	5 813	214 627	-	43.4%	200 429	214 278	226 278	1.8%	89.3%
Household	-	5 032	5 813	214 627	-	43.4%	200 429	214 278	226 278	1.8%	89.3%
Total	-	218 754	57 571	243 602	-	100.0%	232 841	234 166	247 280	0.5%	100.0%

Personnel information

Table 19.21 Departmental personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Socioeconomic Support																			
3. Empowerment and Stakeholder Management																			
Number of posts estimated for 31 March 2017			Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual 2015/16			Revised estimate 2016/17			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18		2018/19		2019/20						
			2013/14	2014/15	2015/16	2016/17		2013/14 - 2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20			
Military Veterans																			
Salary level	169	77	208	100.6	0.5	202	102.7	0.5	206	113.8	0.6	203	122.3	0.6	202	131.5	0.7	-	100.0%
1 - 6	38	62	82	17.5	0.2	80	17.7	0.2	80	17.8	0.2	84	20.3	0.2	84	22.0	0.3	1.6%	40.3%
7 - 10	67	9	56	25.0	0.4	55	26.2	0.5	58	30.3	0.5	50	29.8	0.6	49	31.9	0.7	-3.8%	26.1%
11 - 12	39	6	47	35.2	0.7	45	38.8	0.9	46	42.6	0.9	46	46.2	1.0	46	49.9	1.1	0.7%	22.5%
13 - 16	25	-	23	22.9	1.0	22	19.9	0.9	22	23.2	1.1	23	25.9	1.1	23	27.8	1.2	1.5%	11.1%
Programme	169	77	208	100.6	0.5	202	102.7	0.5	206	113.8	0.6	203	122.3	0.6	202	131.5	0.7	-	100.0%
Programme 1	103	51	131	56.8	0.4	125	59.6	0.5	129	63.0	0.5	135	70.5	0.5	135	76.1	0.6	2.6%	64.5%
Programme 2	20	21	38	19.6	0.5	35	16.2	0.5	35	22.8	0.7	31	23.2	0.7	30	24.7	0.8	-5.0%	16.1%
Programme 3	46	5	39	24.2	0.6	42	27.0	0.6	42	28.1	0.7	37	28.5	0.8	37	30.8	0.8	-4.1%	19.4%

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

2. Rand million.

Departmental receipts

Table 19.22 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Departmental receipts	21	3 049	789	328	-	-100.0%	100.0%	62	62	62	-	100.0%
Sales of goods and services produced by department	-	-	-	32	-	-	-	32	32	32	-	51.6%
Other sales	-	-	-	32	-	-	-	32	32	32	-	51.6%
of which:												
Other	-	-	-	32	-	-	-	32	32	32	-	51.6%
Transactions in financial assets and liabilities	21	3 049	789	296	-	-100.0%	100.0%	30	30	30	-	48.4%
Total	21	3 049	789	328	-	-100.0%	100.0%	62	62	62	-	100.0%

Programme 1: Administration

Programme purpose

Provide management and strategic administrative support to the ministry, and overall management of the department.

Expenditure trends and estimates

Table 19.23 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Management	49.3	12.4	8.4	8.4	-44.6%	15.8%	8.8	9.3	9.9	5.9%	5.8%
Corporate Services	-	83.2	68.1	51.7	-	40.9%	66.4	67.6	72.0	11.7%	41.0%
Financial Administration	23.4	11.2	16.4	18.2	-8.1%	13.9%	20.8	22.0	23.6	9.0%	13.4%
Internal Audit	2.7	11.0	12.5	16.1	81.9%	8.5%	10.8	11.4	12.1	-9.1%	8.0%
Strategic Planning, Policy Development and Monitoring and Evaluation	2.4	9.6	9.6	21.1	106.8%	8.6%	16.6	24.1	25.9	7.0%	13.9%
Office Accommodation	-	16.2	16.7	28.3	-	12.3%	26.5	28.0	29.6	1.5%	17.9%
Total	77.8	143.6	131.6	143.7	22.7%	100.0%	149.8	162.4	173.1	6.4%	100.0%
Change to 2016							(5.7)	(4.0)	(4.1)		
Budget estimate											

Table 19.23 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Current payments	74.9	139.8	120.9	140.9	23.4%	95.9%	146.1	158.9	169.3	6.3%	97.8%
Compensation of employees	30.1	47.4	56.8	59.6	25.6%	39.0%	63.0	70.5	76.1	8.5%	42.8%
Goods and services ¹	44.8	92.3	64.1	81.3	22.0%	56.9%	83.1	88.3	93.3	4.7%	55.0%
of which:											
Communication	3.7	11.0	1.3	5.2	11.6%	4.3%	4.9	10.4	11.0	28.4%	5.0%
Computer services	17.1	28.9	0.9	3.1	-43.5%	10.1%	16.1	2.0	2.2	-11.2%	3.7%
Consultants: Business and advisory services	0.1	2.7	1.6	10.9	413.1%	3.1%	1.9	8.5	8.9	-6.6%	4.8%
Infrastructure and planning services	-	-	-	7.5	-	1.5%	0.6	22.8	24.1	47.5%	8.7%
Operating leases	0.2	21.5	15.3	13.6	331.2%	10.2%	18.4	1.5	1.6	-50.7%	5.6%
Travel and subsistence	2.5	4.4	6.2	4.9	24.5%	3.6%	6.3	7.3	7.7	16.8%	4.2%
Interest and rent on land	-	0.1	-	-	-	-	-	-	-	-	-
Transfers and subsidies ¹	-	0.1	0.3	-	-	0.1%	-	-	-	-	-
Households	-	0.1	0.3	-	-	0.1%	-	-	-	-	-
Payments for capital assets	2.8	3.7	10.5	2.8	-0.1%	4.0%	3.8	3.5	3.7	9.6%	2.2%
Machinery and equipment	2.8	3.7	10.5	2.8	-0.1%	4.0%	3.8	3.5	3.7	9.6%	2.2%
Total	77.8	143.6	131.6	143.7	22.7%	100.0%	149.8	162.4	173.1	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	46.9%	31.0%	37.8%	24.1%	-	-	24.1%	24.6%	24.7%	-	-

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

Programme 2: Socioeconomic Support

Programme purpose

Develop and monitor the implementation of legislation, policy frameworks and service delivery cooperation agreements on compensation for injury in military service, counselling, education, health care, public transport, pension and housing benefits to military veterans eligible for such support.

Objectives

- Establish an enabling environment to provide socioeconomic support services to military veterans by:
 - maintaining the credibility and security of the national military veterans' database through consolidating data, updating software and updating the personal files of military veterans on an ongoing basis
 - facilitating access to benefits espoused in section 5 of the Military Veterans Act (2011) for eligible military veterans by 2019/20.
- Advance the delivery of social services to military veterans and their dependants by developing strategic partnerships with other organs of the state and in broader society, where applicable, to ensure that:
 - 3 000 military veterans are provided with newly built houses over the medium term
 - 17 000 military veterans have access to health care services by 2019/20
 - 15 500 eligible military veterans and their dependants across the country are provided with ongoing education support by 2019/20.
- Provide strategic leadership to the socioeconomic sector by conducting ongoing research on pertinent issues affecting military veterans and developing requisite policies; and implementing norms and standards, strategies, guidelines, and frameworks by 2019/20.

Subprogrammes

- *Database and Benefits Management* establishes systems for the seamless transition of servicemen and servicewomen from active military service to civilian life. This subprogramme also consolidates and ensures the credibility and security of the national military veterans' database, and exercises oversight on governance obligations and resources allocated to the unit based on the provisions of the Military Veterans Act (2011).
- *Health Care and Wellbeing Support* facilitates the provision of health care services and wellbeing support to military veterans, including disease prevention initiatives.

- *Socioeconomic Support Management* develops norms and standards for the provision of education, public transport, pension, housing and social relief of distress for military veterans eligible for such support. This subprogramme also establishes strategic partnerships to advance service delivery, tracks delivery by service providers on agreed targets, ensures continuous improvement, and reports on service delivery.

Expenditure trends and estimates

Table 19.24 Socioeconomic Support 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Database and Benefits Management	3.3	12.3	11.6	11.2	50.2%	5.2%	11.0	12.0	12.9	4.9%	3.7%
Health Care and Wellbeing Support	14.5	17.8	67.3	56.9	57.6%	21.0%	76.7	81.7	86.4	15.0%	23.8%
Socioeconomic Support Management	40.5	225.0	57.3	226.0	77.3%	73.8%	219.7	230.7	243.5	2.5%	72.5%
Total	58.4	255.2	136.2	294.1	71.4%	100.0%	307.4	324.4	342.8	5.2%	100.0%
Change to 2016 Budget estimate							(0.3)	(1.1)	(1.3)		
Economic classification											
Current payments	58.3	41.9	82.2	50.4	-4.7%	31.3%	76.3	91.0	96.2	24.0%	24.7%
Compensation of employees	9.5	17.5	19.6	16.2	19.6%	8.4%	22.8	23.2	24.7	15.1%	6.9%
Goods and services ¹	48.9	24.4	62.6	34.2	-11.2%	22.9%	53.5	67.7	71.5	27.8%	17.9%
of which:											
Catering: Departmental activities	0.4	0.5	0.2	0.4	-3.8%	0.2%	0.8	0.9	0.9	37.4%	0.2%
Consultants: Business and advisory services	16.3	0.3	-	2.5	-46.4%	2.6%	1.8	0.6	0.7	-35.3%	0.4%
Contractors	0.2	4.3	55.6	24.5	368.0%	11.4%	34.4	58.7	62.0	36.3%	14.2%
Consumables: Stationery, printing and office supplies	0.1	0.4	1.5	0.4	67.6%	0.3%	1.8	0.5	0.5	9.6%	0.2%
Travel and subsistence	5.1	13.2	4.8	2.6	-20.4%	3.4%	10.9	4.2	4.5	20.2%	1.7%
Training and development	-	-	-	0.4	-	0.1%	1.5	1.4	1.0	30.5%	0.3%
Transfers and subsidies¹	-	213.0	53.4	240.1	-	68.1%	227.8	230.1	243.0	0.4%	74.2%
Departmental agencies and accounts	-	175.6	-	-	-	23.6%	-	-	-	-	-
Households	-	37.4	53.4	240.1	-	44.5%	227.8	230.1	243.0	0.4%	74.2%
Payments for capital assets	0.1	0.3	0.6	3.5	288.5%	0.6%	3.2	3.3	3.5	0.1%	1.1%
Machinery and equipment	0.1	0.3	0.6	2.3	236.9%	0.4%	0.8	0.8	0.9	-27.2%	0.4%
Software and other intangible assets	-	-	-	1.2	-	0.2%	2.4	2.5	2.6	29.2%	0.7%
Total	58.4	255.2	136.2	294.1	71.4%	100.0%	307.4	324.4	342.8	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	35.2%	55.1%	39.1%	49.2%	-	-	49.4%	49.2%	49.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	175.6	-	-	-	23.6%	-	-	-	-	-
Households	-	175.6	-	-	-	23.6%	-	-	-	-	-
Households											
Social benefits											
Current	-	-	1.8	214.6	-	29.1%	200.4	214.3	226.3	1.8%	67.4%
Households	-	-	1.8	214.6	-	29.1%	200.4	214.3	226.3	1.8%	67.4%
Households											
Other transfers to households											
Current	-	37.4	51.6	25.5	-	15.4%	27.4	15.9	16.8	-13.1%	6.7%
Households	-	37.4	51.6	25.5	-	15.4%	27.4	15.9	16.8	-13.1%	6.7%

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

Programme 3: Empowerment and Stakeholder Management

Programme purpose

Manage and facilitate the implementation of military veteran empowerment and stakeholder management programmes.

Objective

- Ensure the empowerment of deserving military veterans by:
 - continuing to develop and implement a fully functional special purpose vehicle that will facilitate business opportunities by 2019/20

- forming partnerships with 20 private-sector companies and other organs of state, and entering into service-level agreements and memorandums of understanding over the medium term
- monitoring and evaluating the implementation of the agreements and memorandums of understanding to ensure that support is provided on an annual basis
- providing 14 500 military veterans with access to relevant training and skills development, and concluding 12 formal agreements with institutions of higher learning for the provision of skills development over the medium term
- facilitating the association of military veterans with the international community through the establishment of relevant exchange programmes by 2019/20
- facilitating the integration of military veterans into the national workforce on an ongoing basis.

Subprogrammes

- *Provincial Offices and Stakeholder Relations* facilitates and coordinates military veteran stakeholder institutions and provides administrative support to secure stakeholders from public and private institutions willing to contribute towards the wellbeing of military veterans.
- *Empowerment and Skills Development* provides skills programmes and related activities to ensure that military veterans contribute positively to mainstream economic activities.
- *Heritage, Memorials, Burials and Honours* provides services to honour the contributions made by military veterans in the struggle for democracy; and ensures that their memorials are adequately secured, articulated in a dignified manner and captured in historical texts.

Expenditure trends and estimates

Table 19.25 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million											
Provincial Offices and Stakeholder Relations	15.6	30.7	38.7	44.2	41.5%	38.6%	49.1	51.9	55.3	7.7%	29.4%
Empowerment and Skills Development	11.7	22.7	30.0	100.7	104.7%	49.3%	94.0	103.1	109.1	2.7%	59.7%
Heritage, Memorials, Burials and Honours	2.4	10.9	12.0	14.9	82.9%	12.0%	21.8	18.2	19.3	9.1%	10.9%
Total	29.8	64.3	80.8	159.8	75.1%	100.0%	164.9	173.3	183.6	4.7%	100.0%
Change to 2016 Budget estimate							(6.6)	(8.2)	(8.6)		
Economic classification											
Current payments	29.8	57.5	76.4	156.2	73.8%	95.6%	156.5	169.2	179.4	4.7%	97.0%
Compensation of employees	5.4	18.7	24.2	27.0	70.5%	22.5%	28.1	28.5	30.8	4.5%	16.8%
Goods and services ¹	24.3	38.8	52.2	129.2	74.5%	73.1%	128.4	140.7	148.6	4.8%	80.3%
of which:											
Minor assets	–	0.1	0.3	3.4	684.1%	1.1%	3.6	3.8	4.0	6.2%	2.2%
Catering: Departmental activities	1.0	1.2	1.0	3.4	48.0%	2.0%	2.5	3.7	3.9	5.1%	2.0%
Consumables: Stationery, printing and office supplies	0.1	0.1	0.8	0.9	156.6%	0.6%	2.9	2.9	3.0	50.3%	1.4%
Travel and subsistence	16.7	26.7	26.3	40.0	33.9%	32.8%	41.8	44.2	46.7	5.3%	25.3%
Training and development	0.6	3.3	15.9	71.3	388.9%	27.2%	66.4	75.1	79.3	3.6%	42.9%
Venues and facilities	0.5	3.0	3.5	6.6	141.1%	4.1%	6.9	7.3	7.7	5.2%	4.2%
Transfers and subsidies¹	–	5.7	3.9	3.5	–	3.9%	5.0	4.0	4.2	6.9%	2.5%
Households	–	5.7	3.9	3.5	–	3.9%	5.0	4.0	4.2	6.9%	2.5%

Table 19.25 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Payments for capital assets	–	1.1	0.5	0.1	98.4%	0.5%	3.4	–	–	-49.6%	0.5%
Machinery and equipment	–	1.1	0.5	0.1	67.4%	0.5%	–	–	–	-40.2%	–
Heritage assets	–	–	–	–	–	–	3.4	–	–	–	0.5%
Software and other intangible assets	–	–	–	0.1	–	–	–	–	–	-100.0%	–
Total	29.8	64.3	80.8	159.8	75.1%	100.0%	165	173	184	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	17.9%	13.9%	23.2%	26.7%	–	–	26.5%	26.2%	26.3%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	–	–	–	3.5	–	1.0%	5.0	4.0	4.2	6.9%	2.5%
Households	–	–	–	3.5	–	1.0%	5.0	4.0	4.2	6.9%	2.5%

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

Entity¹

Armaments Corporation of South Africa

Mandate

The Armaments Corporation of South Africa derives its mandate from the Armscor Act (2003). Its mission is to meet the acquisition, maintenance and disposal needs of the Department of Defence and other clients in terms of defence matériel and related products and services. The corporation maintains strategic capabilities and technologies, and promotes the local defence related industry, ensuring that the South African National Defence Force receives quality equipment to carry out its mandate.

Selected performance indicators

Table 19.26 Armaments Corporation of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current 2016/17	Projections		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Percentage of capital requirements from the Department of Defence converted into orders placed per year	Management of defence matériel acquisition	Outcome 3: All people in South Africa are and feel safe	99.9% (R1.800bn/ R1.802bn)	100% (R1bn)	98% (R1.800bn/ R1.837bn)	95% ¹	95% ¹	95% ¹	95% ¹
Percentage of technology requirements executed per year	Management of strategic facilities: Research and development		98% (R196m/ R200m)	99.7% (R247.3m/ R248m)	99.6% (R223.2m/ R224.1m)	95% ¹	95% ¹	95% ¹	95% ¹
Defence industrial participation credits ² awarded in terms of contractually agreed milestones per year	Management of defence matériel acquisition		R204m	R696m	R103.8m	R135m	R235.6m	R25.1m ³	R86.2m ³

1. The entity cannot predict actual Rand values since it is dependent on capital requirements from the Department of Defence. Performance targets are maintained at the same level in order to align targets with the available budget following Cabinet-approved budget reductions on the Department of Defence.

2. Defence industrial participation credits are contracted with foreign suppliers who have been awarded defence contracts to reciprocate defence business in South Africa. This creates a quantified monetary obligation on the foreign party. In the execution of the contract, and subject to the foreign supplier meeting the defence industrial participation requirements, credits are awarded that reduce the liability.

3. Decline in targets for 2018/19 and 2019/20 is due to the tapering down of most current defence industrial participation agreements based on the contractually agreed milestones of applicable contracts.

Expenditure analysis

The work of the Armaments Corporation of South Africa is in line with outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework. Over the medium term, the corporation plans meet the defence matériel requirements; and the requirements of the Department of Defence in defence technology, research, development, analysis, tests and evaluation. In addition, the corporation will also focus on providing support to the local defence industry and on improving revenue generation.

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

Personnel costs will remain the main driver of expenditure for the corporation over the medium term, accounting for more than R3.7 billion, or 62.5 per cent of total spending. This will support maintaining the percentage of capital requirements from the Department of Defence converted into orders at 95 per cent over the medium term. Technical skills are required to execute projects and programmes for the best defence equipment to be designed and acquired. However, the number of personnel is expected to decrease from 1 758 in 2016/17 to 1 732 in 2019/20, due to some contracts coming to an end, particularly at the Naval Dockyard.

Through its research and development facilities, the corporation will provide services for operational research and comprehensive testing; and the evaluation of defence systems and capabilities, in both the military and civilian environments. Acquiring the latest technologies will enable the corporation to fulfil its mandate effectively and efficiently. Over the medium term, the execution of research, testing, evaluation and defence technology activities will constitute 95 per cent of the total amount of planned activities. The total budget allocated for these activities is R1.4 billion over the medium term.

The corporation's support to the South African defence industry entails facilitating participation in international defence exhibitions and promoting the industry. It also entails managing requests from the private sector to use South African National Defence Force equipment, personnel and facilities for marketing purposes. Approximately R69.5 million will be spent on these activities over the medium term.

The corporation's main source of revenue is a transfer from the Department of Defence, which constitutes 70 per cent of the corporation's total revenue over the medium term. Transfer payments increase at an annual rate of 12.2 per cent, or R431.8 million, over the medium term. However, revenue from transfer payments does not cover the corporation's total operational costs. The corporation plans over the medium term to increase the income earned from the commercialisation of intellectual property, as a way to increase revenue. This will be done through ensuring that at least 10 per cent of royalties from intellectual property-related technologies are provisioned for the corporation in the finalised contracts. The corporation also generates revenue through the sale of goods and services and from interest earned from financial institutions. These funds are used to finance its operations, administrative expenses, training, maintenance of buildings, and other goods and services.

Programmes/objectives/activities

Table 19.27 Armaments Corporation of South Africa 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	358.9	456.9	392.0	413.1	4.8%	26.1%	447.3	474.0	502.5	6.7%	24.0%
Quality assurance	81.6	87.8	118.5	101.9	7.7%	6.2%	112.2	119.7	127.7	7.8%	6.0%
Management of defence matériel acquisition	270.6	291.3	328.3	337.1	7.6%	19.7%	371.3	396.0	422.5	7.8%	19.9%
Logistics support	154.7	173.5	217.7	215.5	11.7%	12.1%	234.6	246.9	259.8	6.4%	12.5%
Management of strategic facilities: Armscor Dockyard	184.0	197.7	250.9	250.5	10.8%	14.1%	275.7	293.9	313.3	7.7%	14.8%
Management of strategic facilities: Research and development	294.5	312.7	371.0	386.2	9.5%	21.8%	424.1	451.1	479.8	7.5%	22.7%
Total	1 344.3	1 519.9	1 678.3	1 704.4	8.2%	100.0%	1 865.1	1 981.6	2 105.6	7.3%	100.0%

Statements of historical financial performance and position

Table 19.28 Armaments Corporation of South Africa statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	960.8	576.9	880.9	690.8	383.4	1 006.7	453.6	453.6	101.8%
Sale of goods and services other than capital assets	838.4	345.5	760.1	400.5	291.3	479.5	353.0	353.0	70.4%
<i>of which:</i>									
<i>Sales by market establishment</i>	838.4	345.5	760.1	400.5	291.3	479.5	353.0	353.0	70.4%
Other non-tax revenue	122.4	231.4	120.8	290.3	92.1	527.2	100.6	100.6	263.7%
Transfers received	1 021.3	870.7	1 101.5	913.3	1 025.9	858.7	1 025.4	1 042.1	88.3%
Total revenue	1 982.1	1 447.6	1 982.4	1 604.1	1 409.3	1 878.4	1 479.0	1 495.7	93.8%
Expenses									
Current expenses	1 960.6	1 323.7	1 981.5	1 502.3	1 636.0	1 678.3	1 704.4	1 704.4	85.3%
Compensation of employees	873.6	813.9	935.5	872.1	1 029.2	940.1	1 049.0	1 049.0	94.5%
Goods and services	1 047.1	453.1	1 006.6	565.9	535.5	673.2	576.5	576.5	71.7%
Depreciation	39.9	56.7	39.5	64.3	71.3	64.9	78.9	78.9	115.4%
Total expenses	1 960.6	1 344.3	1 981.5	1 519.9	1 636.0	1 678.3	1 704.4	1 704.4	85.8%
Surplus/(Deficit)	22.0	103.0	-	84.0	(227.0)	200.0	(225.0)	(209.0)	
Statement of financial position									
Carrying value of assets	266.3	1 340.9	1 347.0	1 300.0	1 396.2	1 596.1	1 284.9	1 654.6	137.2%
<i>of which:</i>									
<i>Acquisition of assets</i>	(67.5)	(75.0)	(35.7)	(24.0)	(54.9)	(25.0)	(82.7)	(104.5)	94.9%
Investments	-	-	-	1.3	-	-	0.1	0.1	1 400.0%
Inventory	6.9	29.3	12.2	8.1	9.6	7.5	10.6	8.0	134.7%
Receivables and prepayments	189.0	120.7	136.9	100.7	106.8	199.9	111.3	211.8	116.4%
Cash and cash equivalents	376.0	699.0	695.6	877.5	760.5	865.8	477.8	615.5	132.4%
Non-current assets held for sale	-	0.2	-	0.1	-	0.5	-	-	-
Defined benefit plan assets	122.0	-	118.3	-	130.0	-	13.8	-	0.0%
Taxation	-	-	-	2.1	-	25.9	-	-	-
Derivatives financial instruments	-	712.5	-	747.7	-	129.1	-	-	-
Total assets	960.2	2 902.6	2 310.0	3 037.5	2 403.1	2 824.8	1 898.5	2 490.0	148.6%
Accumulated surplus/(deficit)	(21.5)	1 833.0	613.8	1 920.0	834.6	608.5	355.2	(208.6)	233.0%
Capital and reserves	633.1	75.0	1 231.6	75.0	1 083.7	1 583.7	1 083.7	2 042.2	93.6%
Deferred income	-	178.9	81.0	128.9	114.0	101.2	85.4	101.2	182.0%
Trade and other payables	224.0	158.5	254.1	214.5	179.1	281.8	224.5	295.2	107.8%
Taxation	-	39.3	-	17.8	-	5.0	-	-	-
Provisions	121.5	617.9	129.6	681.3	191.7	244.6	149.7	260.0	304.4%
Derivatives financial instruments	3.2	-	-	-	-	-	-	-	-
Total equity and liabilities	960.2	2 902.6	2 310.0	3 037.5	2 403.1	2 824.8	1 898.5	2 490.0	148.6%

Statements of estimates of financial performance and position

Table 19.29 Armaments Corporation of South Africa statements of estimates of financial performance and position

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	453.6	-7.7%	41.7%	554.3	602.0	635.9	11.9%	30.0%
Sale of goods and services other than capital assets	353.0	0.7%	24.5%	370.9	389.4	408.9	5.0%	20.5%
<i>of which:</i>								
<i>Sales by market establishment</i>	353.0	0.7%	24.5%	370.9	389.4	408.9	5.0%	20.5%
Other non-tax revenue	100.6	-24.2%	17.2%	183.4	212.6	227.0	31.2%	9.5%
Transfers received	1 042.1	6.2%	58.1%	1 325.4	1 398.8	1 473.9	12.2%	70.0%
Total revenue	1 495.7	1.1%	100.0%	1 879.7	2 000.8	2 109.8	12.1%	100.0%
Expenses								
Current expenses	1 704.4	8.8%	99.3%	1 865.1	1 981.6	2 105.6	7.3%	114.1%
Compensation of employees	1 049.0	8.8%	58.9%	1 162.5	1 243.8	1 330.9	8.3%	62.5%
Goods and services	576.5	8.4%	36.2%	620.8	651.8	684.4	5.9%	33.1%
Depreciation	78.9	11.6%	4.2%	81.9	86.0	90.3	4.6%	4.4%
Total expenses	1 704.4	8.2%	100.0%	1 865.1	1 981.6	2 105.6	7.3%	100.0%
Surplus/(Deficit)	(209.0)	(2)		15.0	19.0	4.0	-126.7%	

Table 19.29 Armaments Corporation of South Africa statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Carrying value of assets	1 654.6	7.3%	53.0%	1 758.7	1 868.0	1 982.7	6.2%	70.7%
of which:								
Acquisition of assets	(104.5)	11.7%	-2.1%	(143.8)	(151.0)	(158.5)	14.9%	-5.4%
Investments	0.1	-	0.0%	0.1	0.1	0.1	-	0.0%
Inventory	8.0	-35.1%	0.5%	8.4	8.8	9.2	4.9%	0.3%
Receivables and prepayments	211.8	20.6%	5.8%	222.4	233.5	245.2	5.0%	8.9%
Cash and cash equivalents	615.5	-4.2%	27.1%	533.5	464.3	437.5	-10.8%	20.1%
Total assets	2 490.0	-5.0%	100.0%	2 523.1	2 574.7	2 674.8	2.4%	100.0%
Accumulated surplus/(deficit)	(208.6)	-148.5%	34.9%	14.6	19.1	4.3	-127.3%	-1.7%
Capital and reserves	2 042.2	200.8%	35.8%	1 833.6	1 848.2	1 867.3	-2.9%	74.1%
Deferred income	101.2	-17.3%	4.5%	88.5	88.0	87.5	-4.7%	3.6%
Trade and other payables	295.2	23.0%	8.6%	310.0	325.5	341.8	5.0%	12.4%
Provisions	260.0	-25.1%	15.7%	276.4	293.9	373.9	12.9%	11.7%
Total equity and liabilities	2 490.0	-5.0%	100.0%	2 523.1	2 574.7	2 674.8	2.4%	100.0%

Personnel information

Table 19.30 Armaments Corporation of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
2015/16			Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20		2016/17 - 2019/20						
Armaments Corporation of South Africa		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	1 758	1 758	1 689	940.1	0.6	1 758	1 049.0	0.6	1 732	1 162.5	0.7	1 732	1 243.8	0.7	1 732	1 330.9	0.8	8.3%	100.0%
1 – 6	447	447	473	72.8	0.2	447	73.0	0.2	437	81.1	0.2	437	86.7	0.2	437	92.8	0.2	8.4%	25.3%
7 – 10	868	868	800	374.3	0.5	868	421.6	0.5	858	468.5	0.5	858	501.3	0.6	858	536.4	0.6	8.4%	49.5%
11 – 12	278	278	257	259.0	1.0	278	298.6	1.1	273	329.2	1.2	273	352.2	1.3	273	376.9	1.4	8.1%	15.8%
13 – 16	163	163	157	228.2	1.5	163	249.4	1.5	162	276.6	1.7	162	296.0	1.8	162	316.7	2.0	8.3%	9.3%
17 – 22	2	2	2	5.9	2.9	2	6.3	3.2	2	7.0	3.5	2	7.5	3.8	2	8.1	4.0	8.4%	0.1%

1. Rand million.

Other entity

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

- The **Castle Control Board** preserves and protects the military and cultural heritage of the Castle of Good Hope in Cape Town. The board's total budget for 2017/18 is R8.5 million and R9.2 million for 2018/19.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
R million										
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project lifecycle)										
Rebuilding of the runway at Air Force Base Waterkloof	Upgrade of runway	Handed over	1 113.6	10.5	9.2	-	-	-	-	-
Refurbishment of SA Army Headquarters in Dequar Road	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Design	-	-	-	-	-	6.0	34.5	118.2
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Construction of mess and living-in complex at the Military Health Training Formation in Thaba Tshwane	Construction of a mess and living-in complex at the Military Health Training Formation in Thaba Tshwane to accommodate 1 200 members	Construction	297.8	52.4	-	-	-	-	-	-
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	2 053.4	-	-	4.8	23.4	94.4	173.3	340.4
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Construction	436.5	-	-	5.4	32.8	1.9	50.0	170.4
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	303.4	-	105.8	155.1	166.8	332.4	379.1	41.0
Construction of medical facilities	Construction of military base health care centres and support capabilities	Construction	-	-	-	10.1	10.1	39.7	44.7	112.6
Small projects (total project cost of less than R250 million over the project life cycle)										
Relocation of air force base	Relocation of Air Force Base Durban to King Shaka International Airport	Pre-feasibility	60.2	-	-	-	-	-	-	-
Demolishing of infrastructure	Demolition of infrastructure	Various	80.3	-	-	-	6.1	0.8	-	-
Construction of new fire station and control tower	Construction of a fire station and control tower	Construction	0.1	-	-	-	-	-	-	-
Refurbishment of 1 Military Hospital	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	1 911.7	143.9	15.3	-	38.2	-	-	-
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	1 080.2	125.4	0.1	5.4	39.0	28.8	11.5	-
Upgrading of kitchens	Construction and upgrade of kitchens at military bases (capital projects)	Identification	73.0	-	4.6	31.3	64.6	125.1	48.3	12.5
Construction of living-in accommodation	Construction of single and married housing units (in the form of houses and flats) to accommodate military personnel	Various	152.8	-	-	-	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	6 399.8	242.8	102.7	293.0	438.2	175.1	270.2	269.7
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Various	853.2	4.8	1.7	3.1	50.0	30.3	11.2	25.7
Construction of office accommodation	Construction of offices and other facilities to accommodate military personnel and equipment	Various	24.2	0.2	-	-	-	-	-	-
Upgrading of infrastructure for disabled members	Upgrade of buildings and pathways through the construction of ramps, installations of water closets and hand wash basins for members with disabilities	Various	8.9	0.4	2.4	0.1	-	-	-	-
Resurface of access roads	Resurfacing and tarring of access roads to military facilities	Various	146.1	-	0.2	0.2	29.2	17.4	2.5	2.0
Fuel tank and pump	Repairs of fuel spillage at Air Force Base Ysterplaat	Identification	1.5	-	-	0.1	-	-	-	-
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitoring systems	Various	374.4	1.3	2.0	0.5	16.4	11.4	1.0	-
Refurbishment of family and single quarters	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	293.6	0.7	-	0.2	4.8	9.9	2.3	0.1
Specialised shipping containers	Construction of buildings to comply with legislation in the storage of ordinance	Various	1.4	-	-	-	-	-	-	-
Training facilities	Construction and upgrades of training facilities	Various	35.1	-	-	-	-	2.6	13.4	5.0
Water and electricity systems	Upgrades of water and electricity supply systems and sewerage reticulation	Various	30.6	2.8	24.4	20.7	40.7	54.6	3.3	0.4
Workshops and stores	Construction of workshops and stores	Various	99.7	7.0	-	-	-	0.5	-	-
Fences and gates	Replacement or erection of fences	Various	144.6	0.5	0.2	-	24.9	16.7	17.4	1.9
Recoverable projects	Upgrades of buildings in military bases	Various	129.4	10.5	0.2	-	11.6	11.2	6.1	11.2
Total			16 105.5	603.4	268.7	530.0	996.7	958.8	1 069.0	1 111.1

Vote 20

Independent Police Investigative Directorate

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	87.1	86.3	0.6	0.2	92.2	98.6
Investigation and Information Management	157.2	157.2	–	–	163.2	174.9
Compliance Monitoring and Stakeholder Management	11.1	11.1	–	–	11.5	12.3
Total expenditure estimates	255.5	254.7	0.6	0.2	267.0	285.8
Executive authority	Minister of Police					
Accounting officer	Executive Director of the Independent Police Investigative Directorate					
Website address	www.ipid.gov.za					

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

Vote purpose

Ensure independent oversight of the South African Police Service and the Municipal Police Services. Conduct independent and impartial investigations of identified criminal offences allegedly committed by members of the South African Police Service and the Municipal Police Services; and make appropriate recommendations.

Mandate

The Independent Police Investigative Directorate exercises its functions in accordance with the Independent Police Investigative Directorate Act (2011). The act gives effect to the provisions of section 206(6) of the Constitution, which provides for the establishment of an independent police complaints body that must investigate any alleged misconduct of, or offence committed by, a member of the police service. The thrust of the directorate's work is to investigate serious and priority crimes allegedly committed by members of the South African Police Service and Municipal Police Services.

The Independent Police Investigative Directorate Act (2011), which came into effect on 1 April 2012, grants the directorate an extended mandate and changes the focus of the directorate's work from a complaints-driven organisation to one that prioritises the investigative function. The act further places stringent obligations on the South African Police Service and Municipal Police Services to report matters that must be investigated by the directorate and ensure the implementation of the disciplinary recommendations of the directorate.

Selected performance indicators

Table 20.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15 ¹	2015/16 ²	2016/17	2017/18	2018/19	2019/20
Percentage of cases registered and allocated within 72 hours of written notification	Investigation and Information Management		87% (4 972/5 745)	73% (4 298/5 879)	93% (5 126/5 519)	91% ^{3,5}	91% ^{3,5}	91% ^{3,5}	91% ^{3,5}
Percentage of investigations of deaths while in police custody that are decision ready	Investigation and Information Management	Outcome 3: All people in South Africa are and feel safe	– ⁴	40% (162/403)	69% (229/333)	62% ^{3,5}	62% ^{3,5}	62% ^{3,5}	62% ^{3,5}
Percentage of investigations of deaths as a result of police action that are decision ready	Investigation and Information Management		– ⁴	22% (164/740)	66% (470/713)	52% ^{3,5}	52% ^{3,5}	52% ^{3,5}	52% ^{3,5}

Table 20.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15 ¹	2015/16 ²	2016/17	2017/18	2018/19	2019/20
Percentage of investigations of rape by a police officer that are decision ready	Investigation and Information Management	Outcome 3: All people in South Africa are and feel safe	– ⁴	36% (67/185)	74% (130/176)	65% ^{3,5}	65% ^{3,5}	65% ^{3,5}	65% ^{3,5}
Percentage of investigations of rape while in police custody that are decision ready	Investigation and Information Management		– ⁴	65% (22/34)	89% (25/28)	65% ^{3,5}	65% ^{3,5}	65% ^{3,5}	65% ^{3,5}
Number of community outreach events conducted per year	Compliance Monitoring and Stakeholder Management	Outcome 12: An efficient, effective and development-orientated public service	337	232	244	108 ⁵	108 ⁵	108 ⁵	108 ⁵

1. The decline in performance in 2014/15 for the percentage of cases registered and allocated within 72 hours of written notification was due to leadership instability in some provinces. The provinces also had no proper performance reporting systems in place. This also affected performance against most of the directorate's strategic indicators in 2014/15.
2. Performance targets were exceeded in 2015/16 due to the implementation of interventions in the directorate to improve performance. These include the establishment of the national specialised investigative team, the deployment of the backlog task team to various provinces and the filling of critical vacant positions in the directorate.
3. No absolute values are provided in 2016/17 and over the medium term as the directorate cannot predict the number of cases it will receive.
4. This is a new indicator the directorate began reporting on in 2014/15. A previous indicator measured the percentage of investigations finalised within 90 days. Due to the complex nature of some investigations, it is not always possible to assign a timeframe for the completion of investigations.
5. Over the medium term, the directorate's performance targets will remain constant in order to align targets with the available budget, using targets for 2016/17 as the baseline.

Expenditure analysis

The Independent Police Investigative Directorate contributes to building safer communities, in line with chapter 12 of the National Development Plan, and outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework. Approximately 70 per cent of the directorate's operational budget is allocated to expenditure on compensation of employees, mostly for investigators, who work to ensure that all people in South Africa live safely in a society free of corruption, and with an independent and fair criminal justice system. The directorate's funded personnel establishment is expected to decrease, from 418 posts to 388 posts. The reduction will keep expenditure within the personnel spending ceiling while maintaining current levels of performance. Spending on goods and services is also expected to decrease, mainly on travel and subsistence, due to cost-containment measures.

Over the medium term, the directorate will focus on reviewing and amending the Independent Police Investigative Directorate Act (2011), following a Constitutional Court ruling in September 2016 in which several sections of the act were declared inconsistent with section 206(6) of the Constitution. The directorate will also focus on strengthening its existing investigative capacity to improve the quality of investigations and recommendations, and holding outreach and training events to raise awareness of its mandate and the act.

Reviewing governing legislation

The review of the act will be undertaken within 24 months from the date of the ruling and is expected to lead to structural changes in the directorate that may have financial implications from 2018/19. These anticipated structural changes include the establishment of ballistics and forensic units to allow for operational independence from the South African Police Service, and the alignment of the directorate's organisational structure with operational requirements. These amendments are expected to lead to more effective case management and investigations. As the financial implications of the structural changes are not yet known, the directorate expects to use existing budgets and capacity, mainly from the legal services unit in the *Investigation and Information Management* programme.

Strengthening investigative capacity

Over the medium term, the directorate aims to provide specialised training to investigators, through intensifying the human resource development and training programme, to allow them to focus on specialised investigations. The *Investigation and Information Management* programme has allocated R4 million over the medium term for, among other initiatives, training and developing investigators. The specialist training of investigators is also expected to improve the overall quality of investigations. This is expected to increase the number of disciplinary convictions secured on investigations referred to the police service, and criminal convictions on cases referred to the National Prosecuting Authority. In 2015/16, the directorate secured 243 disciplinary convictions and 97 criminal convictions. During the same period, 1 297 recommendations were referred to the South African Police Service and 957 recommendations to the National Prosecuting Authority.

The establishment of the national specialised investigative team in 2015/16 has strengthened the directorate's capacity to investigate cases of systematic corruption. The number of corruption cases reported to the directorate increased from 93 in 2014/15 to 112 in 2015/16, while cases of systematic corruption increased from 3 to 11 over the same period. With the help of the backlog task team, which was established in 2015/16 to deal with long-standing cases, the national specialised investigative team played a key role in exceeding the directorate's 2015/16 performance targets in relation to the investigation of deaths in police custody or as a result of police action, and alleged rape by a police officer or while in police custody.

Creating awareness of the directorate's work and governing legislation

The aim of the directorate's public awareness programme is to promote awareness of the directorate's mandate, ensure that members of the public know where to report cases of police misconduct, and ensure that police officials are fully aware of and compliant with the provisions of the act. To this end, the directorate plans to conduct 108 community outreach events in each year over the medium term, and provide training to officials in 180 out of 1 140 police stations. Only the 180 police stations identified to have an increased number of cases reported in 2015/16 have been prioritised for training in line with the available budget. The directorate has observed notable decreases in the number of cases reported in police stations where training was previously provided. For example, at the Nyanga police station in Western Cape, the number of cases reported decreased by 44 per cent, from 34 in 2014/15 to 19 in 2015/16.

Expenditure trends

Table 20.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Investigation and Information Management														
3. Compliance Monitoring and Stakeholder Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	89.7	89.9	76.6	76.7	81.5	81.0	77.7	77.8	75.5	78.0	77.1	77.1	96.3%	95.1%
Programme 2	125.1	125.8	114.3	153.3	149.7	148.0	152.5	152.5	154.4	159.2	156.3	156.3	97.1%	98.1%
Programme 3	2.2	1.3	2.2	4.7	3.6	3.4	4.6	4.5	4.2	8.9	8.7	8.7	91.1%	103.1%
Total	217.0	217.0	193.1	234.7	234.7	232.4	234.8	234.8	234.2	246.1	242.1	242.1	96.7%	97.1%
Change to 2016 Budget estimate											(4.0)			
Economic classification														
Current payments	214.2	213.7	188.9	231.3	230.1	215.8	234.4	231.9	231.2	244.7	241.4	241.4	94.9%	95.7%
Compensation of employees	132.4	131.9	105.0	162.3	137.0	119.5	169.8	159.6	149.6	178.5	169.6	169.6	84.5%	90.9%
Goods and services	81.8	81.8	83.9	68.9	93.1	96.3	64.6	72.3	81.6	66.3	71.8	71.8	118.5%	104.6%
Transfers and subsidies	0.1	0.2	0.3	0.5	0.7	0.7	0.4	0.5	0.6	0.5	0.6	0.6	142.8%	106.6%
Departmental agencies and accounts	0.1	0.1	-	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.5	-	-
Households	-	0.1	0.3	-	0.2	0.3	-	0.2	0.3	-	0.1	0.1	-	178.8%
Payments for capital assets	2.7	3.1	3.9	2.9	3.9	15.9	-	2.4	2.4	0.8	0.2	0.2	346.7%	234.2%
Machinery and equipment	2.7	3.1	3.9	2.9	3.9	15.9	-	2.4	2.4	0.8	0.2	0.2	346.7%	234.2%
Total	217.0	217.0	193.1	234.7	234.7	232.4	234.8	234.8	234.2	246.1	242.1	242.1	96.7%	97.1%

Expenditure estimates

Table 20.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Investigation and Information Management								
3. Compliance Monitoring and Stakeholder Management								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	77.1	-5.0%	34.4%	87.1	92.2	98.6	8.5%	33.8%
Programme 2	156.3	7.5%	63.5%	157.2	163.2	174.9	3.8%	62.0%
Programme 3	8.7	86.8%	2.1%	11.1	11.5	12.3	12.3%	4.2%
Total	242.1	3.7%	100.0%	255.5	267.0	285.8	5.7%	100.0%
Change to 2016 Budget estimate				-	-	-		
Economic classification								
Current payments	241.4	4.1%	97.3%	254.7	266.1	284.9	5.7%	99.7%
Compensation of employees	169.6	8.7%	60.3%	186.2	195.8	210.7	7.5%	72.6%
Goods and services	71.8	-4.3%	37.0%	68.5	70.3	74.3	1.1%	27.1%
Transfers and subsidies	0.6	35.9%	0.2%	0.6	0.7	0.7	5.4%	0.2%
Departmental agencies and accounts	0.5	57.7%	0.1%	0.6	0.7	0.7	8.6%	0.2%
Households	0.1	-19.1%	0.1%	-	-	-	-100.0%	0.0%
Payments for capital assets	0.2	-63.2%	2.5%	0.2	0.2	0.2	6.7%	0.1%
Machinery and equipment	0.2	-63.2%	2.5%	0.2	0.2	0.2	6.7%	0.1%
Total	242.1	3.7%	100.0%	255.5	267.0	285.8	5.7%	100.0%

Goods and services expenditure trends and estimates

Table 20.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Administrative fees	909	850	661	645	-10.8%	0.9%	676	741	766	5.9%	1.0%
Advertising	3 581	2 211	520	179	-63.2%	1.9%	107	109	111	-14.7%	0.2%
Minor assets	1 777	1 618	985	413	-38.5%	1.4%	62	87	63	-46.6%	0.2%
Audit costs: External	2 910	4 201	3 396	3 000	1.0%	4.0%	2 800	2 779	2 779	-2.5%	4.0%
Bursaries: Employees	186	236	125	341	22.4%	0.3%	326	436	422	7.4%	0.5%
Catering: Departmental activities	534	301	220	142	-35.7%	0.4%	130	133	137	-1.2%	0.2%
Communication	3 120	3 579	3 919	3 689	5.7%	4.3%	4 114	4 321	4 458	6.5%	5.8%
Computer services	7 861	13 105	5 637	6 855	-4.5%	10.0%	7 482	6 259	6 947	0.4%	9.7%
Consultants: Business and advisory services	123	999	507	284	32.2%	0.6%	293	295	292	0.9%	0.4%
Legal services	192	701	2 300	402	27.9%	1.1%	5	28	8	-72.9%	0.2%
Contractors	425	795	322	389	-2.9%	0.6%	358	349	356	-2.9%	0.5%
Agency and support/outsourced services	209	84	44	-	-100.0%	0.1%	25	25	-	-	-
Fleet services (including government motor transport)	8 143	8 023	5 726	5 152	-14.2%	8.1%	6 068	6 329	6 455	7.8%	8.4%
Consumable supplies	204	786	839	328	17.2%	0.6%	208	205	198	-15.5%	0.3%
Consumables: Stationery, printing and office supplies	2 272	2 698	1 419	957	-25.0%	2.2%	1 077	1 099	1 076	4.0%	1.5%
Operating leases	19 395	26 562	20 400	18 876	-0.9%	25.6%	19 988	20 771	23 243	7.2%	29.1%
Property payments	6 520	7 770	9 560	10 091	15.7%	10.2%	11 107	11 482	11 714	5.1%	15.6%
Travel and subsistence	22 546	18 062	22 778	16 608	-9.7%	24.0%	10 364	11 506	11 450	-11.7%	17.5%
Training and development	1 252	1 977	524	1 818	13.2%	1.7%	1 914	2 007	2 148	5.7%	2.8%
Operating payments	1 468	1 484	1 722	1 176	-7.1%	1.8%	1 396	1 356	1 632	11.5%	2.0%
Venues and facilities	234	273	13	427	22.2%	0.3%	-	-	-	-100.0%	0.1%
Total	83 861	96 315	81 617	71 772	-5.1%	100.0%	68 500	70 317	74 255	1.1%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 20.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6	361	365	549	350.6%	57.8%	613	667	704	8.6%	98.0%
Communication	6	4	1	14	32.6%	1.1%	11	11	11	-7.7%	1.8%
Safety and Security Sector Education and Training Authority	-	357	364	535	-	56.7%	602	656	693	9.0%	96.1%
Households											
Social benefits											
Current	203	323	180	53	-36.1%	34.3%	-	-	-	-100.0%	2.0%
Employee social benefits	203	323	180	53	-36.1%	34.3%	-	-	-	-100.0%	2.0%
Households											
Other transfers to households											
Current	78	20	78	-	-100.0%	7.9%	-	-	-	-	-
Employee social benefits	-	20	10	-	-	1.4%	-	-	-	-	-
Other transfers	78	-	68	-	-100.0%	6.6%	-	-	-	-	-
Total	287	704	623	602	28.0%	100.0%	613	667	704	5.4%	100.0%

Personnel information

Table 20.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)		
		2015/16		Unit cost	2016/17		Unit cost	2017/18			Unit cost	2018/19			Unit cost	2019/20			Unit cost	
Independent Police Investigative Directorate		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20
Salary level	418	2	375	149.6	0.4	388	169.6	0.4	388	186.2	0.5	388	195.8	0.5	388	210.7	0.5	-	100.0%	
1 – 6	99	-	87	17.2	0.2	90	21.1	0.2	90	24.1	0.3	90	25.4	0.3	90	27.5	0.3	-	23.2%	
7 – 10	241	-	216	72.8	0.3	222	84.9	0.4	222	91.4	0.4	222	95.4	0.4	222	102.5	0.5	-	57.2%	
11 – 12	41	1	36	20.6	0.6	40	25.6	0.6	40	29.4	0.7	40	30.9	0.8	40	33.3	0.8	-	10.3%	
13 – 16	37	1	36	39.0	1.1	36	38.0	1.1	36	41.3	1.1	36	44.1	1.2	36	47.3	1.3	-	9.3%	
Programme	418	2	375	149.6	0.4	388	169.6	0.4	388	186.2	0.5	388	195.8	0.5	388	210.7	0.5	-	100.0%	
Programme 1	123	1	107	43.0	0.4	111	46.4	0.4	111	54.1	0.5	111	58.7	0.5	111	63.1	0.6	-	28.6%	
Programme 2	282	1	256	103.0	0.4	264	115.9	0.4	264	121.9	0.5	264	126.6	0.5	264	136.3	0.5	-	68.0%	
Programme 3	13	-	12	3.6	0.3	13	7.3	0.6	13	10.1	0.8	13	10.5	0.8	13	11.3	0.9	-	3.4%	

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

² Rand million.

Departmental receipts

Table 20.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	321	706	161	307	307	-1.5%	100.0%	201	211	223	-10.1%	100.0%
Sales of goods and services produced by department	148	149	90	95	95	-13.7%	32.2%	92	96	102	2.4%	40.9%
Sales by market establishments	77	66	2	-	-	-100.0%	9.7%	-	-	-	-	-
of which:												
Market establishment: Rental parking: Covered and open	77	66	2	-	-	-100.0%	9.7%	-	-	-	-	-
Administrative fees	71	83	88	92	92	9.0%	22.3%	92	96	102	3.5%	40.6%
of which:												
Service rendered: Commission insurance and garnishees	71	83	88	90	90	8.2%	22.2%	92	96	100	3.6%	40.1%
Sales: Tender documents	-	-	-	2	2	-	0.1%	-	-	2	-	0.4%
Other sales	-	-	-	3	3	-	0.2%	-	-	-	-100.0%	0.3%
of which:												
Request information: Promotion of Access to Information Act (2000)	-	-	-	2	2	-	0.1%	-	-	-	-100.0%	0.2%
Request information: Duplicate certificate	-	-	-	1	1	-	0.1%	-	-	-	-100.0%	0.1%
Sales of scrap, waste, arms and other used current goods	2	1	-	1	1	-20.6%	0.3%	1	1	1	-	0.4%
of which:												
Sales: Scrap	2	1	-	1	1	-20.6%	0.3%	1	1	1	-	0.4%
Interest, dividends and rent on land	11	16	7	4	4	-28.6%	2.5%	14	15	16	58.7%	5.2%
Interest	11	16	7	4	4	-28.6%	2.5%	14	15	16	58.7%	5.2%
Transactions in financial assets and liabilities	160	540	64	207	207	9.0%	64.9%	94	99	104	-20.5%	53.5%
Total	321	706	161	307	307	-1.5%	100.0%	201	211	223	-10.1%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 20.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Department Management	6.4	7.4	11.0	12.3	24.7%	12.0%	13.5	14.5	15.6	8.0%	15.7%
Corporate Services	44.4	44.1	33.9	31.2	-11.1%	49.5%	37.9	39.7	42.6	10.9%	42.7%
Office Accommodation	9.6	10.2	10.6	11.2	5.3%	13.4%	11.8	12.5	13.1	5.5%	13.7%
Internal Audit	2.4	2.8	3.6	4.4	22.8%	4.3%	4.3	4.7	5.0	4.3%	5.2%
Finance Services	13.8	16.5	16.4	17.9	9.1%	20.8%	19.6	20.9	22.2	7.4%	22.7%
Total	76.6	81.0	75.5	77.1	0.2%	100.0%	87.1	92.2	98.6	8.5%	100.0%
Change to 2016				(0.9)			(1.3)	(1.3)	(0.2)		
Budget estimate											
Economic classification											
Current payments	74.7	77.8	74.4	76.4	0.8%	97.8%	86.3	91.4	97.7	8.5%	99.1%
Compensation of employees	31.7	33.7	43.0	46.4	13.5%	49.9%	54.1	58.7	63.1	10.8%	62.6%
Goods and services ¹	43.0	44.1	31.3	30.0	-11.2%	47.9%	32.2	32.8	34.6	4.8%	36.5%
of which:											
Audit costs: External	2.9	4.2	3.4	3.0	1.0%	4.4%	2.8	2.8	2.8	-2.5%	3.2%
Communication	1.2	1.6	1.8	1.2	-1.0%	1.9%	1.8	1.9	1.9	17.5%	1.9%
Computer services	6.7	2.9	2.9	3.1	-22.4%	5.0%	4.6	4.2	4.7	14.6%	4.7%
Operating leases	16.6	20.4	12.2	11.6	-11.3%	19.6%	13.6	14.1	14.8	8.7%	15.2%
Property payments	4.2	3.9	4.1	4.6	2.8%	5.4%	4.5	4.7	4.9	2.5%	5.3%
Travel and subsistence	3.6	3.4	3.2	3.1	-5.1%	4.3%	1.7	1.8	2.0	-13.4%	2.4%

Table 20.8 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20
R million											
Transfers and subsidies¹	–	0.4	0.5	0.6	–	0.4%	0.6	0.7	0.7	7.8%	0.7%
Departmental agencies and accounts	–	0.4	0.4	0.5	–	0.4%	0.6	0.7	0.7	9.0%	0.7%
Households	–	–	0.1	–	–	–	–	–	–	-100.0%	–
Payments for capital assets	1.9	2.8	0.7	0.1	-59.2%	1.8%	0.2	0.2	0.2	10.4%	0.2%
Machinery and equipment	1.9	2.8	0.7	0.1	-59.2%	1.8%	0.2	0.2	0.2	10.4%	0.2%
Payments for financial assets	–	–	–	–	-100.0%	–	–	–	–	–	–
Total	76.6	81.0	75.5	77.1	0.2%	100.0%	87.1	92.2	98.6	8.5%	100.0%
Proportion of total programme expenditure to vote expenditure	39.7%	34.8%	32.2%	31.8%	–	–	34.1%	34.6%	34.5%	–	–

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

Programme 2: Investigation and Information Management

Programme purpose

Coordinate and facilitate the directorate's investigation processes, through the development of policy and strategic frameworks that guide and report on investigations.

Objectives

- Strengthen the directorate's oversight role of the police service by:
 - conducting investigations, as per the Independent Police Investigative Directorate Act (2011), on an ongoing basis
 - making appropriate recommendations on investigations in the various investigation categories, as outlined in section 28 of the Independent Police Investigative Directorate Act (2011), within 30 days of finalising investigations
 - submitting feedback to complainants within 30 days of the closure of an investigation.
- Enhance efficiency in case management by maintaining the proportion of cases registered and allocated within 72 hours of receipt at 91 per cent over the medium term.

Subprogrammes

- Investigation Management* develops and maintains investigation systems, procedures, norms, standards and policies in line with the Independent Police Investigative Directorate Act (2011) and other relevant prescripts.
- Investigation Services* manages and conducts investigations in line with provisions in the Independent Police Investigative Directorate Act (2011).
- Information Management* manages information and knowledge management services through the development and maintenance of a case flow management system and database, and analyses and compiles statistical information.

Expenditure trends and estimates

Table 20.9 Investigation and Information Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20
R million											
Investigation Management	1.6	20.0	10.9	14.6	107.5%	8.2%	12.6	12.4	13.3	-3.2%	8.1%
Investigation Services	108.0	122.5	139.5	137.4	8.3%	88.5%	140.0	145.3	155.7	4.3%	88.7%
Information Management	4.6	5.5	4.1	4.3	-2.6%	3.2%	4.7	5.5	5.9	11.3%	3.1%
Total	114.3	148.0	154.4	156.3	11.0%	100.0%	157.2	163.2	174.9	3.8%	100.0%
Change to 2016 Budget estimate				(2.9)			–	(0.1)	2.5		

Table 20.9 Investigation and Information Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Current payments	112.1	134.9	152.6	156.2	11.7%	97.0%	157.2	163.2	174.9	3.8%	100.0%
Compensation of employees	71.6	83.3	103.0	115.9	17.4%	65.2%	121.9	126.6	136.3	5.5%	76.8%
Goods and services ¹	40.4	51.6	49.7	40.3	-0.1%	31.8%	35.3	36.6	38.6	-1.4%	23.1%
of which:											
Communication	1.9	1.9	2.0	2.4	8.4%	1.4%	2.2	2.3	2.4	0.3%	1.4%
Computer services	1.1	10.1	2.7	3.5	45.8%	3.0%	2.8	1.9	2.1	-15.3%	1.6%
Fleet services (including government motor transport)	7.6	7.5	5.4	4.5	-16.2%	4.3%	5.5	5.7	5.8	9.3%	3.3%
Operating leases	2.8	6.1	8.2	7.3	37.0%	4.3%	6.3	6.7	8.3	4.8%	4.4%
Property payments	2.3	3.9	5.4	5.5	33.6%	3.0%	6.6	6.8	6.8	7.1%	3.9%
Travel and subsistence	18.9	14.5	19.2	13.0	-11.9%	11.4%	8.3	9.4	9.2	-10.8%	6.1%
Transfers and subsidies¹	0.3	0.3	0.2	-	-45.3%	0.1%	-	-	-	-42.4%	-
Departmental agencies and accounts	-	-	-	-	29.4%	-	-	-	-	-11.5%	-
Households	0.3	0.3	0.2	-	-50.5%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	1.9	12.8	1.6	-	-76.2%	2.8%	-	-	-	-100.0%	-
Machinery and equipment	1.9	12.8	1.6	-	-76.2%	2.8%	-	-	-	-100.0%	-
Total	114.3	148.0	154.4	156.3	11.0%	100.0%	157.2	163.2	174.9	3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	59.2%	63.7%	66.0%	64.6%	-	-	61.5%	61.1%	61.2%	-	-

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

Programme 3: Compliance Monitoring and Stakeholder Management

Programme purpose

Safeguard the principles of cooperative governance and stakeholder relations. Monitor and evaluate the relevance and appropriateness of recommendations made to the South African Police Service and Municipal Police Services in terms of the Independent Police Investigative Directorate Act (2011).

Objectives

- Safeguard the principles of cooperative governance and stakeholder management by:
 - monitoring and evaluating the quality of recommendations made to the South African Police Service and Municipal Police Services on an ongoing basis to ensure successful disciplinary and criminal convictions
 - monitoring and reporting on the police service's compliance with reporting obligations in terms of the Independent Police Investigative Directorate Act (2011) on an ongoing basis.
- Maintain relationships with state security agencies, such as the South African Police Service, the National Prosecuting Authority and the Civilian Secretariat for the Police Service, and community stakeholders through ongoing participation in national and provincial engagement forums.

Subprogrammes

- *Compliance Monitoring* monitors and evaluates the quality of recommendations made and responsiveness received on such recommendations from the South African Police Service, Municipal Police Services and the National Prosecuting Authority in compliance with the reporting obligations in terms of the Independent Police Investigative Directorate Act (2011).
- *Stakeholder Management* manages relations and liaises with the directorate's key stakeholders, such as the South African Police Service, the Municipal Police Services, the Civilian Secretariat for the Police Service, the National Prosecuting Authority, the Special Investigating Unit, the Public Protector of South Africa, the State Security Agency and civil society organisations, in line with the requirements of the Independent Police Investigative Directorate Act (2011).

Expenditure trends and estimates

Table 20.10 Compliance Monitoring and Stakeholder 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 (%)	
	2013/14	2014/15	2015/16	2016/17		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million												
Compliance Monitoring	1.8	2.5	4.1	4.1	4.1	30.5%	67.3%	5.6	6.5	6.9	19.6%	52.8%
Stakeholder Management	0.4	0.9	0.1	4.7	4.7	122.0%	32.7%	5.6	5.0	5.4	5.1%	47.2%
Total	2.2	3.4	4.2	8.7	8.7	57.0%	100.0%	11.1	11.5	12.3	12.3%	100.0%
Change to 2016 Budget estimate				(0.2)				1.3	1.4	1.6		
Economic classification												
Current payments	2.1	3.1	4.2	8.7	8.7	60.0%	97.3%	11.1	11.5	12.3	12.3%	99.9%
Compensation of employees	1.7	2.5	3.6	7.3	7.3	63.5%	80.7%	10.1	10.5	11.3	15.5%	89.7%
Goods and services ¹	0.5	0.6	0.6	1.4	1.4	45.5%	16.6%	1.0	1.0	1.0	-9.1%	10.2%
of which:												
Administrative fees	–	–	–	0.1	0.1	174.4%	0.4%	0.2	0.2	0.2	45.8%	1.4%
Communication	–	–	–	0.1	0.1	85.8%	1.1%	0.1	0.1	0.1	0.3%	1.0%
Computer services	–	0.1	0.1	0.2	0.2	–	2.0%	0.1	0.1	0.1	-24.1%	1.2%
Travel and subsistence	–	0.2	0.4	0.6	0.6	162.1%	6.4%	0.3	0.3	0.3	-23.1%	3.3%
Training and development	0.1	–	–	0.1	0.1	4.6%	1.4%	0.1	0.1	0.1	-2.9%	1.0%
Operating payments	–	–	–	0.1	0.1	257.0%	0.5%	0.1	0.1	0.1	11.5%	1.0%
Payments for capital assets	0.1	0.3	0.1	–	–	-100.0%	2.7%	–	–	–	–	0.1%
Machinery and equipment	0.1	0.3	0.1	–	–	-100.0%	2.7%	–	–	–	–	0.1%
Total	2.2	3.4	4.2	8.7	8.7	57.0%	100.0%	11.1	11.5	12.3	12.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.2%	1.5%	1.8%	3.6%	–	–	–	4.4%	4.3%	4.3%	–	–

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

Vote 21

Justice and Constitutional Development

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	2 129.3	2 098.6	15.8	14.9	2 187.2	2 321.0
Court Services	6 276.8	5 377.0	25.7	874.1	6 635.7	7 076.9
State Legal Services	1 221.2	1 186.7	17.8	16.8	1 285.7	1 379.1
National Prosecuting Authority	3 684.3	3 623.7	16.9	43.6	3 836.8	4 116.3
Auxiliary and Associated Services	3 475.2	654.3	2 575.0	245.8	3 698.1	3 905.2
Subtotal	16 786.8	12 940.3	2 651.4	1 195.2	17 643.7	18 798.6
Direct charge against the National Revenue Fund						
Magistrates' salaries	2 140.5	2 074.2	66.3	–	2 264.7	2 435.4
Total expenditure estimates	18 927.3	15 014.5	2 717.6	1 195.2	19 908.4	21 233.9

Executive authority: Minister of Justice and Correctional Services
 Accounting officer: Director General of Justice and Constitutional Development
 Website address: www.justice.gov.za

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

Vote purpose

Uphold and protect the Constitution and the rule of law, and render accessible, fair, speedy and cost-effective administration of justice in the interests of a safer and more secure South Africa.

Mandate

The Department of Justice and Constitutional Development derives its mandate from a number of acts, in addition to the mandate it derives from the Constitution. These acts and the constitutional framework assign functions to the department such as: the establishment of magistrates' courts, and the appointment of magistrates and other judicial officers; the establishment and functioning of the Special Investigating Unit and the National Prosecuting Authority, including the asset forfeiture unit; the conducting of criminal proceedings; the prosecution of organised crime and corruption, and the forfeiture of assets obtained through illicit means; the provision of witness protection to vulnerable and intimidated witnesses and their related persons in judicial proceedings; the establishment and functioning of bodies responsible for legal aid, law reform and rule making; the appointment of masters of the high courts, and the administration of the Guardian's Fund and deceased and insolvent estates; the regulation and provision of legal advisory services to government departments; the promotion, protection and enforcement of certain human rights; the protection of vulnerable groups; the management of third-party funds; and the provision of support to chapter 9 institutions.

Selected performance indicators

Table 21.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of criminal cases on the backlog roll in the lower courts per year	Court Services	Outcome 3: All people in South Africa are and feel safe	27 295	29 480	47 324	31 942	30 344	28 827	27 299
Number of courtrooms adapted in line with the sexual offences model ¹ per year			19	14	14	8	10	12	15
Percentage of letters of appointment issued in deceased estates within 15 days from receipt of all required documents	State Legal Services		94% (100 103/ 106 727)	89% (103 904/ 116 746)	93% (139 500/ 150 000)	92%	92%	93%	94%
Total number of operational Thuthuzela care centres	National Prosecuting Authority		38	44	55 ³	55 ³	55 ³	55 ³	55 ³

Table 21.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Conviction rate ² : - High Courts	National Prosecuting Authority		89% (911/ 1 026)	91% (890/ 978)	89% (910/ 1 021)	87%	87%	87%	87%
- Regional Courts			76% (27 246/ 35 848)	77% (25 591/ 33 430)	78% (24 958/ 31 834)	74%	74%	74%	74%
- District courts			94% (273 641/ 292 279)	94% (268 127/ 284 741)	95% (263 377/ 278 117)	88%	88%	88%	88%
Total number of persons convicted of corruption or offences related to corruption where the amount involved is more than R5m	National Prosecuting Authority National Prosecuting Authority	Outcome 3: All people in South Africa are and feel safe	21	23	48	73	99	125	151
Value of completed forfeiture cases per year ⁴	National Prosecuting Authority		R296.4m	R1.9m	R349.5m	R230m	R245m	R282m	R311m
Value of freezing orders per year ⁴	National Prosecuting Authority		R701.5m	R2.6bn	R778.9m	R1.1bn	R789m	R993.4m	R1bn
Success rate of litigated cases ⁵	National Prosecuting Authority		94% (423/ 449)	94% (204/ 216)	96% (393/ 411)	93%	93%	93%	93%

1. Fluctuations between 2013/14 and 2016/17 are due to a lack of dedicated resources. From 2017/18, the target increases since these courts will be upgraded based on the model specified as per the minimum standards for the establishment of the sexual offences courts, which requires lesser infrastructure specifications and is affordable.

2. Targets for this indicator are determined based on the National Prosecuting Authority's norms and standards and not historical performance.

3. The number remains constant due to the compensation of employees ceiling.

4. Fluctuations in the value of completed forfeiture cases occur depending on when big cases are finalised.

5. The decrease in the annual success rate over the medium term is due to a stronger focus on cases with significant impact that the unit has a higher risk of losing.

Expenditure analysis

The National Development Plan (NDP) sets the long-term goal that, by 2030, South Africans should feel safe at home, at school and at work, and enjoy a community life free of fear. A well-functioning criminal justice system which ensures that suspects are apprehended, prosecuted, and, if found guilty, convicted, incarcerated, rehabilitated and reintegrated into communities is necessary for this goal to be realised. Outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework sets out the overarching strategic approach over the period to build towards this future. The focus of the Department of Justice and Constitutional Development over the medium term will be on: strengthening efforts to transform the justice system through developing and implementing policies that bring about improved access to justice; transforming state legal services to strengthen the capability of the state to manage litigation; protecting vulnerable and marginalised people; and safeguarding personal information.

As the administration of justice is labour intensive, spending on compensation of employees remains the main cost driver in the department over the medium term. Expenditure on this item is expected to increase from R10 billion in 2016/17 to R11.9 billion in 2019/20. However, the number of posts is expected to decrease from 23 976 in 2016/17 to 22 482 in 2019/20 as the department aligns personnel establishment with the lowered compensation ceiling. Through filling only critical posts and sharing services such as support personnel wherever possible, the department expects to accommodate Cabinet-approved cuts on spending on compensation of employees of R429 million in 2017/18 and R671 million in 2018/19 without adversely affecting service delivery.

Improving access to justice

The department's legislative mandate to ensure that every province has a high court is set to be fulfilled in 2017/18, once the construction of the Mpumalanga high court is completed. The total cost of the project is estimated at R945.8 million. Other court infrastructure projects prioritised for completion over the medium term at a total projected cost of R2.8 billion are located in: Port Elizabeth, Cape Town (Justitia building), Mamelodi, Port Shepstone, Plettenberg Bay, Dimbaza, Johannesburg (Booyens magistrate's court), Chatsworth and Bityi. Building more courts will be supplemented by aligning the districts and jurisdiction of magistrates' courts with municipal boundaries to ensure that all people have equitable access to justice wherever they live. Despite the

Cabinet-approved cuts, spending on buildings and other fixed structures is set to grow from R721.1 million in 2016/17 to R855 million in 2019/20, at an average annual rate of 5.8 per cent over the medium term.

Implementing the sexual offences model requires specialised courts that respond to the particular needs of this crime through the provision of infrastructure that is victim friendly. The number of court rooms adapted in line with the model is projected to increase from 8 in 2016/17 to 15 in 2019/20, while the conviction rate on sexual offences is set to remain at no lower than 69 per cent over the same period.

Transforming state legal services

The department plans to transform state legal services by finalising policies that lower the cost of litigation, establish capacity to handle complex legal matters, and establish well-run offices of the state attorney. This includes the appointment of a solicitor general to oversee state litigation. The capacitation of state legal services is expected to increase the number of state attorneys trained in trial advocacy from 100 in 2016/17 to 200 in 2019/20, enabling the department to increase the percentage of high court matters presented by state attorneys from 9 per cent in 2016/17 to 40 per cent in 2019/20. These initiatives will drive expenditure in the *State Legal Services* programme, which is set to grow from R1.1 billion in 2016/17 to R1.4 billion in 2019/20, at an average annual rate of 7 per cent over the medium term.

Protecting vulnerable groups

The department is committed to combatting intolerances such as racism and xenophobic attacks; and protecting vulnerable groups such as women, and lesbian, gay, bisexual, transgender, and intersex persons. Over the medium term, the department plans to roll out the national action plan to combat racism, racial discrimination, xenophobia and related intolerances. The department will conduct provincial dialogues in 70 municipalities each year from 2016/17 to 2019/20. This is expected to increase the percentage of people who are aware of the Constitution from 63 per cent in 2017/18 to 68 per cent in 2019/20. The implementation of these measures is expected to result in an increase in spending of 6.9 per cent, from R74.9 million in 2016/17 to R91.4 million in 2019/20 in the *Constitutional Development* subprogramme over the medium term.

Safeguarding personal information

The Information Regulator, which is to be established in terms of the Protection of Personal Information Act (2013), will deepen the constitutional right of individuals to privacy. The department has set aside R25 million in 2017/18, R27 million in 2018/19 and R28 million in 2019/20 for the establishment of the regulator, resulting in a projected increase in spending in the *Legislative Development and Law Reform* subprogramme of 12.6 per cent over the period. The Information Regulator is mandated with ensuring that institutions safeguard the personal information they hold of individuals and use it only for its intended purpose.

Expenditure trends

Table 21.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration 2. Court Services 3. State Legal Services 4. National Prosecuting Authority 5. Auxiliary and Associated Services														
Programme	2013/14			2014/15			2015/16			2016/17			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million														
Programme 1	1 525.2	1 886.5	1 761.5	1 843.4	1 931.1	1 836.2	1 857.8	1 872.9	1 819.2	2 079.9	2 130.9	2 130.9	103.3%	96.5%
Programme 2	5 337.8	5 116.2	4 754.9	5 495.2	5 333.6	5 235.3	5 526.4	5 579.1	5 667.3	6 121.6	6 061.6	6 061.6	96.6%	98.3%
Programme 3	852.0	876.6	868.1	922.0	964.4	919.0	1 032.2	1 045.7	1 002.2	1 128.0	1 126.5	1 126.5	99.5%	97.6%
Programme 4	3 050.4	3 068.2	3 068.2	3 252.9	3 254.1	3 254.1	3 374.0	3 394.5	3 374.3	3 557.5	3 557.5	3 557.5	100.1%	99.8%
Programme 5	2 834.7	2 711.0	2 596.0	3 070.0	3 091.3	2 973.4	3 193.5	3 118.5	3 108.8	3 162.7	3 164.2	3 164.2	96.6%	98.0%
Subtotal	13 600.1	13 658.5	13 048.6	14 583.5	14 574.5	14 218.0	14 984.0	15 010.8	14 971.8	16 049.7	16 040.7	16 040.7	98.4%	98.3%
Direct charge against the National Revenue Fund	1 954.7	1 789.2	1 510.0	1 901.3	1 874.3	1 622.4	1 880.8	1 830.8	1 721.8	2 040.2	2 010.2	1 880.6	86.6%	89.7%
Magistrates' salaries	1 954.7	1 789.2	1 510.0	1 901.3	1 874.3	1 622.4	1 880.8	1 830.8	1 721.8	2 040.2	2 010.2	1 880.6	86.6%	89.7%
Total	15 554.8	15 447.7	14 558.6	16 484.8	16 448.8	15 840.3	16 864.7	16 841.5	16 693.6	18 089.9	18 050.9	17 921.4	97.0%	97.3%
Change to 2016 Budget estimate										(39.0)				
Current payments	12 288.5	12 325.8	11 739.5	12 939.6	13 028.3	12 475.6	13 304.0	13 494.4	13 271.9	14 367.7	14 415.3	14 285.8	97.9%	97.2%
Compensation of employees	8 325.6	8 325.2	7 919.5	9 005.7	8 992.9	8 523.0	9 307.3	9 365.3	9 250.2	10 070.2	10 040.2	9 910.7	97.0%	96.9%
Goods and services	3 951.4	4 000.6	3 819.9	3 933.9	4 035.4	3 952.6	3 996.7	4 129.1	4 021.6	4 297.5	4 375.1	4 375.1	99.9%	97.8%
Interest and rent on land	11.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 091.2	2 108.2	2 069.5	2 220.8	2 268.7	2 259.2	2 335.3	2 373.1	2 338.1	2 442.5	2 449.9	2 449.9	100.3%	99.1%
Provinces and municipalities	0.2	0.2	0.5	0.3	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	143.3%	130.5%
Departmental agencies and accounts	1 989.8	2 003.1	2 005.0	2 122.2	2 158.0	2 157.2	2 231.4	2 245.2	2 246.4	2 333.2	2 334.7	2 334.7	-	-
Foreign governments and international organisations	5.5	14.5	11.2	5.8	25.1	23.9	14.4	14.4	15.8	15.2	15.2	15.2	161.5%	95.5%
Households	95.6	90.3	52.8	92.5	85.2	77.5	89.0	113.0	75.2	93.6	99.5	99.5	82.3%	78.6%
Payments for capital assets	1 175.1	1 012.2	733.0	1 324.3	1 149.5	1 066.5	1 225.4	972.3	1 063.4	1 279.7	1 181.0	1 181.0	80.8%	93.7%
Buildings and other fixed structures	1 005.1	803.6	398.8	864.3	586.0	722.9	682.0	661.5	739.5	911.1	721.1	721.1	74.6%	93.1%
Machinery and equipment	170.0	208.6	334.1	459.9	563.5	328.7	543.3	260.7	283.5	368.5	459.8	459.8	91.2%	94.2%
Software and other intangible assets	-	-	0.1	-	-	14.9	0.1	50.1	40.5	-	-	-	33 636.4%	110.6%
Payments for financial assets	-	1.5	16.6	-	2.3	39.1	-	1.8	20.2	-	4.6	4.6	-	792.6%
Total	15 554.8	15 447.7	14 558.6	16 484.8	16 448.8	15 840.3	16 864.7	16 841.5	16 693.6	18 089.9	18 050.9	17 921.4	97.0%	97.3%

Expenditure estimates

Table 21.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration 2. Court Services 3. State Legal Services 4. National Prosecuting Authority 5. Auxiliary and Associated Services								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2016/17	2017/18	2018/19		
R million								
Programme 1	2 130.9	4.1%	11.6%	2 129.3	2 187.2	2 321.0	2.9%	11.2%
Programme 2	6 061.6	5.8%	33.4%	6 276.8	6 635.7	7 076.9	5.3%	33.4%
Programme 3	1 126.5	8.7%	6.0%	1 221.2	1 285.7	1 379.1	7.0%	6.4%
Programme 4	3 557.5	5.1%	20.4%	3 684.3	3 836.8	4 116.3	5.0%	19.5%
Programme 5	3 164.2	5.3%	18.2%	3 475.2	3 698.1	3 905.2	7.3%	18.3%
Subtotal	16 040.7	5.5%	89.6%	16 786.8	17 643.7	18 798.6	5.4%	88.8%
Direct charge against the National Revenue Fund	1 880.6	1.7%	10.4%	2 140.5	2 264.7	2 435.4	9.0%	11.2%
Magistrates' salaries	1 880.6	1.7%	10.4%	2 140.5	2 264.7	2 435.4	9.0%	11.2%
Total	17 921.4	5.1%	100.0%	18 927.3	19 908.4	21 233.9	5.8%	100.0%
Change to 2016 Budget estimate				(196.4)	(201.5)	(223.4)		

Table 21.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2018/19	2019/20		
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Current payments	14 285.8	5.0%	79.6%	15 014.5	15 769.3	16 870.0	5.7%	79.4%
Compensation of employees	9 910.7	6.0%	54.8%	10 578.0	11 067.6	11 908.7	6.3%	55.7%
Goods and services	4 375.1	3.0%	24.9%	4 436.4	4 701.7	4 961.2	4.3%	23.7%
Transfers and subsidies	2 449.9	5.1%	14.0%	2 717.6	2 875.3	3 036.5	7.4%	14.2%
Provinces and municipalities	0.5	28.5%	0.0%	0.6	0.6	0.7	9.7%	0.0%
Departmental agencies and accounts	2 334.7	5.2%	13.4%	2 599.6	2 750.3	2 904.4	7.5%	13.6%
Foreign governments and international organisations	15.2	1.7%	0.1%	16.0	16.9	17.9	5.5%	0.1%
Households	99.5	3.3%	0.5%	101.5	107.4	113.6	4.5%	0.5%
Payments for capital assets	1 181.0	5.3%	6.2%	1 195.2	1 263.7	1 327.5	4.0%	6.4%
Buildings and other fixed structures	721.1	-3.5%	4.0%	769.3	819.8	855.0	5.8%	4.1%
Machinery and equipment	459.8	30.1%	2.2%	425.9	444.0	472.5	0.9%	2.3%
Software and other intangible assets	-	-37.5%	0.1%	-	-	-	-100.0%	0.0%
Payments for financial assets	4.6	45.8%	0.1%	-	-	-	-100.0%	0.0%
Total	17 921.4	5.1%	100.0%	18 927.3	19 908.4	21 233.9	5.8%	100.0%

Goods and services expenditure trends and estimates

Table 21.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Administrative fees	25 771	11 260	29 283	33 802	9.5%	0.6%	29 356	31 194	33 514	-0.3%	0.7%
Advertising	31 631	41 685	37 362	42 236	10.1%	0.9%	36 915	38 576	41 857	-0.3%	0.9%
Minor assets	47 295	53 824	50 560	91 115	24.4%	1.5%	76 099	77 040	81 599	-3.6%	1.8%
Audit costs: External	56 891	45 590	38 958	56 738	-0.1%	1.2%	46 022	49 417	52 184	-2.8%	1.1%
Bursaries: Employees	6 823	4 714	3 688	11 352	18.5%	0.2%	6 438	10 526	11 359	-	0.2%
Catering: Departmental activities	9 621	11 879	13 142	13 522	12.0%	0.3%	9 613	10 244	10 714	-7.5%	0.2%
Communication	153 328	140 292	145 524	141 131	-2.7%	3.6%	151 610	160 288	169 723	6.3%	3.4%
Computer services	527 486	736 866	726 872	574 103	2.9%	15.9%	626 216	695 247	724 117	8.0%	14.2%
Consultants: Business and advisory services	35 562	35 634	38 452	52 088	13.6%	1.0%	42 466	44 644	47 281	-3.2%	1.0%
Laboratory services	749	825	1 026	1 404	23.3%	-	1 637	1 667	2 391	19.4%	-
Legal services	154 035	142 590	113 885	113 320	-9.7%	3.2%	111 959	97 845	102 974	-3.1%	2.3%
Contractors	108 787	57 746	70 531	34 109	-32.1%	1.7%	23 769	25 957	27 465	-7.0%	0.6%
Agency and support/outsourced services	185 397	220 951	237 585	321 016	20.1%	6.0%	304 508	299 974	322 731	0.2%	6.8%
Entertainment	13	9	4	8	-14.9%	-	8	8	8	-	-
Fleet services (including government motor transport)	71 119	71 039	64 930	73 644	1.2%	1.7%	81 905	86 528	91 801	7.6%	1.8%
Inventory: Other supplies	-	382	-	-	-	-	-	-	-	-	-
Consumable supplies	11 050	13 547	13 948	19 607	21.1%	0.4%	16 724	18 985	20 207	1.0%	0.4%
Consumables: Stationery, printing and office supplies	262 654	233 942	243 365	226 761	-4.8%	6.0%	247 480	256 344	277 598	7.0%	5.5%
Operating leases	703 269	739 168	726 656	820 794	5.3%	18.5%	851 349	888 958	938 636	4.6%	18.9%
Rental and hiring	1 628	3 411	2 016	3 846	33.2%	0.1%	3 808	4 174	4 419	4.7%	0.1%
Property payments	889 327	805 751	849 677	1 117 494	7.9%	22.6%	1 095 899	1 186 623	1 242 022	3.6%	25.1%
Transport provided: Departmental activity	60	80	93	1 086	162.6%	-	9 792	12 337	10 355	112.1%	0.2%
Travel and subsistence	373 059	396 899	412 768	355 374	-1.6%	9.5%	394 877	416 523	442 341	7.6%	8.7%
Training and development	13 436	14 839	16 109	44 763	49.4%	0.6%	45 177	51 942	55 219	7.2%	1.1%
Operating payments	146 402	146 221	167 490	213 857	13.5%	4.2%	217 016	230 832	244 584	4.6%	4.9%
Venues and facilities	4 525	23 417	17 720	11 967	38.3%	0.4%	5 799	5 782	6 120	-20.0%	0.2%
Total	3 819 918	3 952 561	4 021 644	4 375 137	4.6%	100.0%	4 436 442	4 701 655	4 961 219	4.3%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 21.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)	
	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Provinces and municipalities												
Municipal bank accounts												
Current	541	539	549	520	-1.3%	-	613	641	686	9.7%	-	
Vehicle licences	541	539	549	520	-1.3%	-	613	641	686	9.7%	-	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	2 004 974	2 157 196	2 246 446	2 334 713	5.2%	95.9%	2 599 578	2 750 344	2 904 365	7.5%	95.6%	
Communication	39	27	18	31	-7.4%	-	22	24	27	-4.5%	-	
Safety and Security Sector Education and Training Authority	15 082	7 928	27 176	23 183	15.4%	0.8%	24 531	25 955	27 409	5.7%	0.9%	
Legal Aid South Africa	1 375 442	1 504 708	1 522 986	1 577 171	4.7%	65.6%	1 754 394	1 856 149	1 960 093	7.5%	64.5%	
Special Investigating Unit	295 859	296 813	304 458	316 732	2.3%	13.3%	346 177	366 255	386 765	6.9%	12.8%	
Public Protector of South Africa	199 253	217 584	245 397	264 108	9.8%	10.2%	301 093	318 545	336 384	8.4%	11.0%	
South African Human Rights Commission	119 299	130 136	146 411	153 487	8.8%	6.0%	173 360	183 415	193 686	8.1%	6.4%	
President's Fund	-	-	-	1	-	-	1	1	1	-	-	
Foreign governments and international organisations												
Current	11 193	23 930	15 833	15 222	10.8%	0.7%	16 000	16 928	17 876	5.5%	0.6%	
International Criminal Court	11 193	23 930	15 833	15 222	10.8%	0.7%	16 000	16 928	17 876	5.5%	0.6%	
Households												
Social benefits												
Current	46 626	72 218	49 758	94 984	26.8%	2.9%	100 376	105 757	111 783	5.6%	3.7%	
Employee social benefits	26 230	48 750	34 618	31 846	6.7%	1.6%	34 082	35 618	37 716	5.8%	1.3%	
Direct charge: Employee social benefits	20 396	23 468	15 140	63 138	45.7%	1.3%	66 294	70 139	74 067	5.5%	2.5%	
Households												
Other transfers to households												
Current	6 184	5 298	25 481	4 503	-10.0%	0.5%	1 079	1 671	1 772	-26.7%	0.1%	
Employee social benefits	143	1 062	-	-	-100.0%	-	-	-	-	-	-	-
Claims against the state	-	188	7	1 503	-	-	1 079	1 671	1 772	5.6%	0.1%	
Claims against state	6 041	4 048	25 474	3 000	-20.8%	0.4%	-	-	-	-100.0%	-	
Total	2 069 518	2 259 181	2 338 067	2 449 942	5.8%	100.0%	2 717 646	2 875 341	3 036 482	7.4%	100.0%	

Personnel

Table 21.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of posts estimated for 31 March 2017														Average growth rate (%)	Average Salary level/Total (%)				
Number of funded posts	Number of posts additional to the establishment	Actual 2015/16			Revised estimate 2016/17			Medium-term expenditure estimate						2016/17 - 2019/20					
		Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18		2018/19		2019/20							
Justice and Constitutional Development																			
Salary level	25 518	287	24 318	9 250.2	0.4	23 976	9 910.7	0.4	23 415	10 578.0	0.5	22 572	11 067.6	0.5	22 482	11 908.7	0.5	-2.1%	100.0%
1 - 6	12 690	87	12 367	2 428.2	0.2	11 963	2 549.0	0.2	11 587	2 677.0	0.2	11 113	2 778.6	0.3	11 058	2 992.7	0.3	-2.6%	49.5%
7 - 10	7 320	193	6 739	2 525.9	0.4	6 740	2 779.0	0.4	6 550	2 934.8	0.4	6 359	3 101.9	0.5	6 373	3 369.2	0.5	-1.8%	28.1%
11 - 12	2 765	6	2 634	2 130.0	0.8	2 603	2 294.0	0.9	2 560	2 450.6	1.0	2 443	2 538.6	1.0	2 409	2 708.1	1.1	-2.5%	10.8%
13 - 16	393	1	387	449.7	1.2	375	457.2	1.2	327	426.6	1.3	313	438.2	1.4	309	460.9	1.5	-6.2%	1.4%
Other	2 350	-	2 191	1 716.5	0.8	2 295	1 831.5	0.8	2 391	2 089.0	0.9	2 344	2 210.2	0.9	2 333	2 377.9	1.0	0.5%	10.1%
Programme	25 518	287	24 318	9 250.2	0.4	23 976	9 910.7	0.4	23 415	10 578.0	0.5	22 572	11 067.6	0.5	22 482	11 908.7	0.5	-2.1%	100.0%
Programme 1	1 202	4	1 468	494.3	0.3	1 641	552.3	0.3	1 550	572.7	0.4	1 412	563.9	0.4	1 411	606.8	0.4	-4.9%	6.5%
Programme 2	14 649	33	13 812	3 382.0	0.2	13 334	3 573.4	0.3	13 055	3 797.8	0.3	12 703	4 008.5	0.3	12 619	4 313.1	0.3	-1.8%	55.9%
Programme 3	2 376	10	2 135	831.3	0.4	2 269	960.0	0.4	2 197	1 022.0	0.5	2 092	1 071.5	0.5	2 088	1 152.9	0.6	-2.7%	9.4%
Programme 4	4 942	240	5 008	2 836.0	0.6	4 879	3 007.5	0.6	4 664	3 111.2	0.7	4 463	3 229.2	0.7	4 473	3 474.6	0.8	-2.9%	20.0%
Direct charges	2 349	-	1 895	1 706.6	0.9	1 853	1 817.5	1.0	1 949	2 074.2	1.1	1 902	2 194.5	1.2	1 891	2 361.3	1.2	0.7%	8.2%

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

2. Rand million.

Departmental receipts

Table 21.7 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 (%)	
	2013/14	2014/15	2015/16					2016/17	2013/14 - 2016/17	2017/18			2018/19
R thousand													
Departmental receipts	416 149	337 557	328 627	460 254	370 254	-3.8%	100.0%	390 346	409 863	430 352	5.1%	100.0%	
Tax receipts	290	-	1	-	-	-100.0%	-	-	-	-	-	-	
Sales of goods and services produced by department	73 384	45 434	61 727	63 735	63 735	-4.6%	16.8%	67 239	70 601	74 127	5.2%	17.2%	
Sales by market establishments	6 707	5 863	4 992	6 974	6 974	1.3%	1.7%	7 358	7 726	8 112	5.2%	1.9%	
of which:													
Market establishment: Rental dwelling	5 974	5 863	4 992	6 191	6 191	1.2%	1.6%	6 532	6 859	7 202	5.2%	1.7%	
Market establishment: Rental parking (covered and open)	733	-	-	783	783	2.2%	0.1%	826	867	910	5.1%	0.2%	
Administrative fees	13	11	12	37	37	41.7%	-	38	39	37	-	-	
of which:													
Game licences	5	11	12	9	9	21.6%	-	9	9	9	-	-	
Request for information: Promotion of Access to Information Act (2000)	7	-	-	25	25	52.9%	-	26	27	28	3.8%	-	
Replacement of security cards	1	-	-	3	3	44.2%	-	3	3	-	-100.0%	-	
Other sales	66 664	39 560	56 723	56 724	56 724	-5.2%	15.1%	59 843	62 836	65 978	5.2%	15.3%	
of which:													
Services rendered: Commission on insurance and garnishee	6 885	-	-	6 512	6 512	-1.8%	0.9%	6 870	7 214	7 575	5.2%	1.8%	
Services rendered: Insolvent estates (master office)	50 284	39 560	56 723	38 426	38 426	-8.6%	12.7%	40 539	42 566	44 694	5.2%	10.4%	
Services rendered: Fee for recovery of debt	7 260	-	-	9 860	9 860	10.7%	1.2%	10 402	10 922	11 468	5.2%	2.7%	
Services rendered: Photocopies and faxes	2 163	-	-	1 870	1 870	-4.7%	0.3%	1 973	2 072	2 176	5.2%	0.5%	
Sales of assets less than R5 000	72	-	-	56	56	-8.0%	-	59	62	65	5.1%	-	
Sales of scrap, waste, arms and other used current goods	409	145	434	177	177	-24.4%	0.1%	186	195	204	4.8%	-	
of which:													
Sales: Scrap	24	145	434	153	153	85.4%	0.1%	161	169	177	5.0%	-	
Sales: Waste paper	23	-	-	24	24	1.4%	-	25	26	27	4.0%	-	
Donations received from public corporations and public enterprises	362	-	-	-	-	-100.0%	-	-	-	-	-	-	
Transfers received	-	3 622	5 134	112	112	-	0.6%	118	124	130	5.1%	-	
Fines, penalties and forfeits	274 261	204 892	237 084	318 490	228 490	-5.9%	65.0%	241 057	253 110	265 766	5.2%	61.7%	
Interest, dividends and rent on land	23 656	11 564	5 221	5 506	5 506	-38.5%	3.2%	5 809	6 099	6 404	5.2%	1.5%	
Interest	23 656	11 564	5 221	5 506	5 506	-38.5%	3.2%	5 809	6 099	6 404	5.2%	1.5%	
Sales of capital assets	612	1 999	4 567	2 110	2 110	51.1%	0.6%	2 226	2 337	2 454	5.2%	0.6%	
Transactions in financial assets and liabilities	43 537	69 901	14 459	70 124	70 124	17.2%	13.6%	73 711	77 397	81 267	5.0%	18.9%	
Total	416 149	337 557	328 627	460 254	370 254	-3.8%	100.0%	390 346	409 863	430 352	5.1%	100.0%	

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 21.8 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 (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Ministry	30.8	29.6	32.6	34.9	4.3%	1.7%	36.6	38.1	40.7	5.2%	1.7%
Management	107.9	112.2	156.1	128.0	5.9%	6.7%	141.9	148.9	159.6	7.6%	6.6%
Corporate Services	430.7	441.8	400.6	456.8	2.0%	22.9%	421.9	406.4	433.9	-1.7%	19.6%
Financial Administration	171.7	183.4	159.8	194.6	4.2%	9.4%	202.7	201.2	214.7	3.3%	9.3%
Internal Audit	62.2	66.5	82.2	86.6	11.7%	3.9%	97.5	92.8	99.4	4.7%	4.3%
Office Accommodation	958.2	1 002.7	987.9	1 230.1	8.7%	55.4%	1 228.6	1 299.9	1 372.7	3.7%	58.5%
Total	1 761.5	1 836.2	1 819.2	2 130.9	6.6%	100.0%	2 129.3	2 187.2	2 321.0	2.9%	100.0%
Change to 2016 Budget estimate				51.0			10.4	(10.1)	(10.7)		
Economic classification											
Current payments	1 744.8	1 801.5	1 790.6	2 100.9	6.4%	98.5%	2 098.6	2 157.4	2 289.5	2.9%	98.6%
Compensation of employees	417.6	453.5	494.3	552.3	9.8%	25.4%	572.7	563.9	606.8	3.2%	26.2%
Goods and services ¹	1 327.1	1 348.0	1 296.2	1 548.6	5.3%	73.1%	1 525.8	1 593.5	1 682.8	2.8%	72.4%
of which:											
Advertising	17.1	12.0	24.4	21.3	7.6%	1.0%	18.2	18.6	19.6	-2.7%	0.9%
Audit costs: External	49.9	40.3	35.5	48.0	-1.3%	2.3%	46.0	49.4	52.2	2.8%	2.2%
Communication	17.9	13.7	14.5	17.9	0.1%	0.8%	17.0	18.9	20.0	3.7%	0.8%
Operating leases	679.6	715.5	686.4	767.6	4.1%	37.7%	824.0	860.1	908.2	5.8%	38.3%
Property payments	278.9	287.1	302.4	463.6	18.5%	17.6%	406.7	441.9	466.6	0.2%	20.3%
Travel and subsistence	104.3	110.8	99.6	93.4	-3.6%	5.4%	95.8	101.0	106.2	4.4%	4.5%
Transfers and subsidies¹	7.8	2.3	21.5	15.8	26.5%	0.6%	15.8	16.8	17.7	3.9%	0.8%
Departmental agencies and accounts	5.8	-	20.0	14.6	35.9%	0.5%	15.5	16.4	17.4	5.9%	0.7%
Foreign governments and international organisations	0.8	-	-	-	-100.0%	-	-	-	-	-	-
Households	1.2	2.3	1.5	1.1	-1.3%	0.1%	0.3	0.3	0.3	-35.8%	-
Payments for capital assets	7.3	15.2	6.6	13.8	23.9%	0.6%	14.9	13.0	13.8	-0.1%	0.6%
Machinery and equipment	7.2	15.1	6.6	13.8	24.5%	0.6%	14.9	13.0	13.8	-0.1%	0.6%
Software and other intangible assets	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	1.7	17.2	0.5	0.4	-37.6%	0.3%	-	-	-	-100.0%	-
Total	1 761.5	1 836.2	1 819.2	2 130.9	6.6%	100.0%	2 129.3	2 187.2	2 321.0	2.9%	100.0%
Proportion of total programme expenditure to vote expenditure	13.5%	12.9%	12.2%	13.3%	-	-	12.7%	12.4%	12.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5.8	-	20.0	14.6	35.9%	0.5%	15.5	16.4	17.4	5.9%	0.7%
Safety and Security Sector	5.8	-	20.0	14.6	35.9%	0.5%	15.5	16.4	17.4	5.9%	0.7%
Education and Training Authority											

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

Programme 2: Court Services

Programme purpose

Facilitate the resolution of criminal and civil cases, and family law disputes, by providing accessible, efficient and quality administrative support to the lower courts and managing court facilities.

Objectives

- Ensure an efficient and effective criminal justice system that contributes to the realisation of outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework by:
 - increasing the percentage of public confidence in the criminal justice system from 57 per cent in 2016/17 to 70 per cent in 2019/20
 - developing an integrated criminal justice strategy by 2017/18
 - increasing the number of courtrooms adapted in line with the sexual offences model from 8 in 2016/17 to 15 in 2019/20
 - finalising the court performance standards across the criminal justice system by 2017/18.
- Ensure an efficient and effective victim and witness support system by:
 - increasing the percentage of victims satisfied with the lower court-based support services from 50 per cent in 2016/17 to 60 per cent in 2019/20
 - increasing the number of magisterial districts providing victim support services in terms of the victims charter from 18 in 2016/17 to 36 in 2019/20
 - finalising an integrated victim support strategy by 2017/18.
- Ensure an enhanced and integrated family law service by:
 - increasing the percentage of maintenance matters finalised within 90 days from the date of proper services of process from 50 per cent in 2016/17 to 60 per cent in 2019/20
 - increasing the percentage of family advocate reports filed within six months from the date of opening matters, from 50 per cent in 2016/17 to 60 per cent in 2019/20.
- Increase the access of historically marginalised communities to justice by:
 - increasing the percentage of clients who perceive an increased access to justice services from 56 per cent in 2016/17 to 70 per cent in 2019/20
 - increasing the number of provinces where magisterial districts are aligned with municipal boundaries from 4 in 2016/17 to 9 in 2018/19
 - finalising the policy for the use of official languages in court proceedings by 2017/18.
- Ensure an efficient and effective civil justice system by:
 - increasing the percentage of civil cases mediated from 60 per cent in 2016/17 to 70 per cent in 2019/20
 - increasing the number of additional courts providing court annexed mediation from 12 in 2016/17 to 50 in 2019/20.
- Ensure that transformation in the judicial system is aligned with the Constitution by:
 - finalising the policy framework that forms the basis for the Lower Courts Bill by 2017/18
 - finalising the policy framework on the design of the judicial and court administration model by 2017/18
 - finalising the policy framework to strengthen the interface between branches of the state by 2017/18.

Subprogrammes

- *Lower Courts* funds the activities and operations of various regional and district courts. Regional courts adjudicate serious criminal and civil matters, while district courts adjudicate less serious civil and criminal cases. There are more than 1 886 courtrooms dealing daily with district and regional court cases across the country.
- *Family Advocate* funds family mediations in non-litigation matters, with the goal of settling parental disputes out of court. In litigation matters, the family advocate files court reports, makes recommendations and appears in courts to promote and protect the best interests of children. This subprogramme also deals with

international cases of children who were abducted or retained in foreign countries in terms of the Hague Convention on the Civil Aspects of International Child Abduction.

- *Magistrate's Commission* funds the Magistrate's Commission, which makes recommendations on the appointment and tenure of magistrates.
- *Facilities Management* funds the provision of accommodation for courts and justice service delivery points, including the construction of new and additional accommodation, and the leasing of privately owned premises for use by the department.
- *Administration of Lower Courts* funds the management of courts' administration and performance evaluation functions.

Expenditure trends and estimates

Table 21.9 Court Services 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Lower Courts	3 657.0	3 799.2	4 143.2	4 353.2	6.0%	73.4%	4 599.1	4 856.6	5 193.9	6.1%	72.9%
Family Advocate	148.7	177.9	198.7	211.4	12.4%	3.4%	224.2	234.3	251.6	6.0%	3.5%
Magistrate's Commission	10.1	11.4	13.9	18.1	21.4%	0.2%	17.8	18.7	20.0	3.3%	0.3%
Facilities Management	480.0	760.7	812.4	920.1	24.2%	13.7%	852.8	905.7	945.8	0.9%	13.9%
Administration of Lower Courts	459.0	486.1	499.1	558.9	6.8%	9.2%	583.0	620.5	665.6	6.0%	9.3%
Total	4 754.9	5 235.3	5 667.3	6 061.6	8.4%	100.0%	6 276.8	6 635.7	7 076.9	5.3%	100.0%
Change to 2016 Budget estimate				(60.0)			(186.8)	(191.4)	(212.8)		
Economic classification	4 206.8	4 380.6	4 791.0	5 153.6	7.0%	85.3%	5 377.0	5 681.0	6 075.9	5.6%	85.6%
Current payments											
Compensation of employees	2 867.7	3 097.9	3 382.0	3 573.4	7.6%	59.5%	3 797.8	4 008.5	4 313.1	6.5%	60.2%
Goods and services ¹	1 339.2	1 282.7	1 409.0	1 580.2	5.7%	25.8%	1 579.2	1 672.5	1 762.8	3.7%	25.3%
of which:											
Communication	100.9	97.0	100.3	85.5	-5.4%	1.8%	95.3	99.5	105.5	7.2%	1.5%
Agency and support/outourced services	156.9	152.3	180.1	158.4	0.3%	3.0%	161.2	163.8	173.8	3.1%	2.5%
Consumables: Stationery, printing and office supplies	193.3	173.9	196.6	181.6	-2.1%	3.4%	181.9	187.3	204.7	4.1%	2.9%
Property payments	464.5	418.8	468.7	567.9	6.9%	8.8%	587.6	636.8	661.3	5.2%	9.4%
Travel and subsistence	181.8	186.3	189.7	186.5	0.9%	3.4%	189.3	199.6	211.1	4.2%	3.0%
Operating payments	78.8	76.6	83.1	128.4	17.7%	1.7%	124.9	132.9	141.2	3.2%	2.0%
Transfers and subsidies¹	19.6	31.9	21.8	23.4	6.1%	0.4%	25.7	27.3	29.0	7.3%	0.4%
Provinces and municipalities	0.5	0.5	0.5	0.5	-2.8%	-	0.5	0.6	0.6	10.1%	-
Households	19.1	31.3	21.3	22.9	6.3%	0.4%	25.2	26.7	28.3	7.3%	0.4%
Payments for capital assets	524.9	813.5	835.0	881.8	18.9%	14.1%	874.1	927.5	972.0	3.3%	14.0%
Buildings and other fixed structures	387.6	712.3	739.5	721.1	23.0%	11.8%	769.3	819.8	855.0	5.8%	12.2%
Machinery and equipment	137.2	101.2	95.5	160.7	5.4%	2.3%	104.8	107.7	117.0	-10.0%	1.9%
Software and other intangible assets	-	-	0.1	-	-	-	-	-	-	-	-
Payments for financial assets	3.6	9.3	19.4	2.8	-8.2%	0.2%	-	-	-	-100.0%	-
Total	4 754.9	5 235.3	5 667.3	6 061.6	8.4%	100.0%	6 276.8	6 635.7	7 076.9	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	36.4%	36.8%	37.9%	37.8%	-	-	37.4%	37.6%	37.6%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	19.1	31.1	21.3	21.4	3.9%	0.4%	24.1	25.0	26.6	7.4%	0.4%
Employee social benefits	19.1	31.1	21.3	21.4	3.9%	0.4%	24.1	25.0	26.6	7.4%	0.4%

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

Programme 3: State Legal Services

Programme purpose

Provide legal and legislative services to government. Supervise the registration of trusts, and the administration of deceased and insolvent estates and estates undergoing liquidation. Manage the Guardian's Fund. Prepare and promote legislation. Facilitate constitutional development and undertake research in support of this.

Objectives

- Improve state litigation services by:
 - increasing the percentage of high court matters presented by state attorneys from 9 per cent in 2016/17 to 40 per cent in 2019/20
 - increasing the percentage value of briefs allocated to disadvantaged individuals from 77 per cent in 2016/17 to 80 per cent in 2019/20
 - increasing the percentage reduction in legal fees paid by the state attorney from 20 per cent in 2016/17 to 40 per cent in 2019/20
 - increasing the number of state attorneys trained in trial advocacy from 100 in 2016/17 to 200 in 2019/20.
- Promote broad-based knowledge on and support for the values of equality, human dignity and fundamental human rights and corresponding responsibilities by:
 - continuing with national action plan dialogues in 70 municipalities per year from 2016/17 until 2019/20
 - continuing with sustained and visible anti-xenophobic awareness by conducting six campaigns per year from 2016/17 until 2019/20.
- Implement the Truth and Reconciliation Commission recommendation as approved by Parliament to rehabilitate communities that were subjected to intense acts of violation of human rights and destruction by:
 - increasing the number of buildings that symbolise rehabilitation in the communities from 4 in 2017/18 to 5 in 2019/20
 - increasing the number of people assisted with psychosocial services in the community from 50 in 2016/17 to 90 in 2019/20.
- Ensure the provision of quality court-based social protection services by:
 - increasing the percentage of letters of appointment issued in deceased estates within 15 days from receipt of all required documents, from 92 per cent in 2016/17 to 94 per cent in 2019/20
 - increasing the percentage of liquidation and distribution accounts in large estates (more than R250 000) examined within 15 days from receipt of all required documents, from 93 per cent in 2016/17 to 95 per cent in 2019/20
 - increasing the percentage of beneficiaries in receipt of services within 40 days from receipt of all required documents (Guardian's Fund), from 92 per cent in 2016/17 to 93 per cent in 2019/20
 - increasing the percentage of certificates of appointment issued in all bankruptcy matters within 10 days from receipt of all required documents, from 91 per cent in 2016/17 to 93 per cent in 2019/20
 - increasing the percentage of liquidation and distribution accounts in bankruptcy matters examined within 15 days from receipt of all required documents, from 95 per cent in 2016/17 to 97 per cent in 2019/20
 - increasing the percentage of letters of authority issued in trusts within 14 days from receipt of all required documents, from 90 per cent in 2016/17 to 92 per cent in 2019/20
 - increasing the percentage of new deceased estates registered on the paperless estate administration system from 95 per cent in 2016/17 to 100 per cent in 2019/20.

Subprogrammes

- *State Law Advisors* provides legal advice, representation and legislative drafting services to the executive, all state departments, state-owned enterprises and autonomous government bodies through the Office of the Chief State Law Adviser.
- *Litigation and Legal Services* provides attorney, conveyance and notary services to the executive, all state departments, state-owned enterprises and other government bodies through the offices of the state attorney; and provides legal support to the department and the ministry.
- *Legislative Development and Law Reform* conducts research, and prepares and promotes new and amending legislation.

- *Master of the High Court* funds the master's offices, which supervise the administration of deceased and insolvent estates, trusts, curatorship and the Guardian's Fund.
- *Constitutional Development* conducts research; coordinates the implementation of constitutionally mandated legislation such as the Promotion of Equality and Prevention of Unfair Discrimination Act (2000) and the Promotion of Administrative Justice Act (2000); promotes the Constitution and its values; assists and protects independent institutions supporting constitutional democracy to ensure their independence and effectiveness; and coordinates, promotes and develops programmes in support of social justice and participatory democracy.

Expenditure trends and estimates

Table 21.10 State Legal Services 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 (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million					2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20
State Law Advisors	57.5	56.4	59.0	69.3	6.4%	6.2%	72.9	77.2	83.0	6.2%	6.0%
Litigation and Legal Services	332.8	346.9	395.0	433.4	9.2%	38.5%	474.8	503.5	539.5	7.6%	38.9%
Legislative Development and Law Reform	47.0	51.2	55.9	69.3	13.8%	5.7%	88.5	92.2	98.9	12.6%	7.0%
Master of the High Court	385.0	401.3	436.7	479.5	7.6%	43.5%	504.1	527.2	566.3	5.7%	41.4%
Constitutional Development	45.7	63.2	55.6	74.9	17.9%	6.1%	80.8	85.5	91.4	6.9%	6.6%
Total	868.1	919.0	1 002.2	1 126.5	9.1%	100.0%	1 221.2	1 285.7	1 379.1	7.0%	100.0%
Change to 2016 Budget estimate				(1.5)							
Economic classification											
Current payments	830.0	862.6	968.0	1 092.7	9.6%	95.9%	1 186.7	1 249.4	1 340.8	7.1%	97.1%
Compensation of employees	713.2	749.7	831.3	960.0	10.4%	83.1%	1 022.0	1 071.5	1 152.9	6.3%	83.9%
Goods and services ¹	116.8	112.9	136.8	132.8	4.4%	12.8%	164.6	177.9	187.8	12.3%	13.2%
of which:											
Communication	13.7	13.5	13.9	13.3	-1.0%	1.4%	15.4	16.4	17.3	9.2%	1.2%
Legal services	39.9	39.5	45.1	38.4	-1.2%	4.2%	39.7	42.3	44.6	5.1%	3.3%
Consumables: Stationery, printing and office supplies	13.6	13.1	12.9	12.7	-2.4%	1.3%	15.5	16.8	17.7	11.9%	1.3%
Transport provided: Departmental activity	-	-	-	-	-	-	9.7	12.2	10.2	686.5%	0.6%
Travel and subsistence	23.3	26.3	40.5	30.0	8.8%	3.1%	28.9	29.3	33.4	3.7%	2.4%
Training and development	0.9	0.7	1.8	9.3	117.2%	0.3%	23.3	28.9	30.7	49.0%	1.8%
Transfers and subsidies¹	20.7	36.0	23.6	20.0	-1.2%	2.6%	17.8	18.8	19.9	-0.1%	1.5%
Provinces and municipalities	-	-	-	-	17.6%	-	-	-	-	9.4%	-
Foreign governments and international organisations	10.4	23.9	15.8	15.2	13.4%	1.7%	16.0	16.9	17.9	5.5%	1.3%
Households	10.2	12.1	7.7	4.7	-22.8%	0.9%	1.8	1.9	2.0	-25.0%	0.2%
Payments for capital assets	14.7	8.7	10.6	13.8	-2.3%	1.2%	16.8	17.5	18.5	10.3%	1.3%
Machinery and equipment	14.7	8.7	10.6	13.8	-2.3%	1.2%	16.8	17.5	18.5	10.4%	1.3%
Payments for financial assets	2.7	11.7	-	-	-79.8%	0.4%	-	-	-	-100.0%	-
Total	868.1	919.0	1 002.2	1 126.5	9.1%	100.0%	1 221.2	1 285.7	1 379.1	7.0%	100.0%
Proportion of total programme expenditure to vote expenditure	6.7%	6.5%	6.7%	7.0%	-	-	7.3%	7.3%	7.3%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	10.4	23.9	15.8	15.2	13.4%	1.7%	16.0	16.9	17.9	5.5%	1.3%
International Criminal Court	10.4	23.9	15.8	15.2	13.4%	1.7%	16.0	16.9	17.9	5.5%	1.3%

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

Programme 4: National Prosecuting Authority

Programme purpose

Provide a coordinated prosecuting service that ensures that justice is delivered to the victims of crime through general and specialised prosecutions. Remove the profit from crime. Protect certain witnesses.

Objectives

- Fight corruption through improving the conviction rate in cases that require specialised prosecution by ensuring that between 2016/17 and 2019/20, 151 people are convicted of corruption or offences relating to corruption where the amount involved is more than R5 million.

- Remove the profit from crime by increasing the impact of asset forfeiture by:
 - increasing the value of completed forfeiture cases from R230 million in 2016/17 to R311 million in 2019/20
 - maintaining a success rate of 93 per cent from 2016/17 to 2019/20, while handling more high-value cases where the risk of losing is greater.
- Contribute to the effectiveness of the criminal justice system on an ongoing basis by ensuring that witnesses and related persons are not threatened, harmed or killed.

Subprogrammes

- *National Prosecutions Service* is primarily responsible for general and specialised prosecutions, and the appeals that might follow. These include resolving criminal matters outside of the formal trial process through alternative dispute resolution mechanisms, settling admissions of guilt for minor offences, and considering dockets brought by the police where persons have not been charged.
- *Asset Forfeiture Unit* seizes assets that are the proceeds of crime or have been part of an offence through a criminal or civil process.
- *Office for Witness Protection* provides for temporary protection, support and related services to vulnerable and intimidated witnesses, and related persons, in judicial proceedings in terms of the Witness Protection Act (1998).
- *Support Services* provides corporate support services to the National Prosecuting Authority in terms of finance, human resources, ICT, strategy support, integrity, ethics, security, communication and risk management.

Expenditure trends and estimates

Table 21.11 National Prosecuting Authority expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20		
R million											
National Prosecutions Service	2 225.2	2 413.6	2 625.5	2 799.1	7.9%	75.9%	2 897.0	3 011.3	3 236.4	5.0%	78.6%
Asset Forfeiture Unit	179.8	133.6	133.1	127.1	-10.9%	4.3%	131.9	137.6	147.7	5.1%	3.6%
Office for Witness Protection	146.5	160.7	183.7	169.5	5.0%	5.0%	175.7	184.2	196.3	5.0%	4.8%
Support Services	516.7	546.2	432.0	461.7	-3.7%	14.8%	479.7	503.7	535.9	5.1%	13.0%
Total	3 068.2	3 254.1	3 374.3	3 557.5	5.1%	100.0%	3 684.3	3 836.8	4 116.3	5.0%	100.0%
Change to 2016 Budget estimate											
Economic classification											
Current payments	2 998.3	3 175.4	3 298.9	3 494.3	5.2%	97.8%	3 623.7	3 773.5	4 049.5	5.0%	98.3%
Compensation of employees	2 431.5	2 623.1	2 836.0	3 007.5	7.3%	82.2%	3 111.2	3 229.2	3 474.6	4.9%	84.4%
Goods and services ¹	566.8	552.3	462.9	486.9	-4.9%	15.6%	512.5	544.3	574.8	5.7%	13.9%
of which:											
Computer services	57.9	88.2	38.6	51.8	-3.6%	1.8%	74.4	78.1	81.9	16.5%	1.9%
Consumables: Stationery, printing and office supplies	48.6	35.9	15.4	18.7	-27.3%	0.9%	36.3	38.5	40.7	29.7%	0.9%
Operating leases	23.5	23.4	38.3	52.5	30.7%	1.0%	26.1	27.6	29.1	-17.8%	0.9%
Property payments	144.9	96.7	77.6	84.9	-16.3%	3.0%	99.2	105.4	111.5	9.5%	2.6%
Travel and subsistence	63.7	73.5	82.5	45.0	-11.0%	2.0%	80.8	86.5	91.6	26.7%	2.0%
Operating payments	45.1	58.6	71.3	67.1	14.2%	1.8%	74.0	78.4	82.8	7.2%	2.0%
Transfers and subsidies¹	11.2	16.3	36.8	16.1	13.1%	0.6%	16.9	17.9	18.9	5.5%	0.5%
Departmental agencies and accounts	9.3	7.9	7.2	8.6	-2.6%	0.2%	9.0	9.5	10.0	5.5%	0.2%
Households	1.9	8.4	29.6	7.6	58.8%	0.4%	7.9	8.4	8.9	5.5%	0.2%
Payments for capital assets	54.5	61.5	38.3	45.6	-5.8%	1.5%	43.6	45.4	47.9	1.7%	1.2%
Buildings and other fixed structures	11.2	10.6	-	-	-100.0%	0.2%	-	-	-	-	-
Machinery and equipment	43.3	51.0	38.3	45.6	1.7%	1.3%	43.6	45.4	47.9	1.7%	1.2%
Payments for financial assets	4.3	0.9	0.3	1.4	-30.3%	0.1%	-	-	-	-100.0%	-
Total	3 068.2	3 254.1	3 374.3	3 557.5	5.1%	100.0%	3 684.3	3 836.8	4 116.3	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	23.5%	22.9%	22.5%	22.2%	-	-	21.9%	21.7%	21.9%	-	-

Table 21.11 National Prosecuting Authority expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	9.3	7.9	7.2	8.6	-2.5%	0.2%	9.0	9.5	10.0	5.5%	0.2%
Safety and Security Sector Education and Training Authority	9.3	7.9	7.2	8.6	-2.5%	0.2%	9.0	9.5	10.0	5.5%	0.2%
Households											
Social benefits											
Current	1.9	8.4	8.7	7.6	58.8%	0.2%	7.9	8.4	8.9	5.5%	0.2%
Employee social benefits	1.9	8.4	8.7	7.6	58.8%	0.2%	7.9	8.4	8.9	5.5%	0.2%
Households											
Other transfers to households											
Current	-	-	20.6	-	-	0.2%	-	-	-	-	-
Claims against state	-	-	20.6	-	-	0.2%	-	-	-	-	-

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

Programme 5: Auxiliary and Associated Services

Programme purpose

Provide a variety of auxiliary services associated with the department's purpose. Fund the interdepartmental justice modernisation programme, the President's Fund, and transfer payments to public entities and constitutional institutions.

Objective

- Ensure a functional and integrated electronic criminal justice system by:
 - increasing the total number of government departments and entities connected and exchanging information electronically from 7 in 2016/17 to 9 in 2019/20
 - increasing the number of key performance indicator data uploaded to the integrated justice system data warehouse from 18 in 2016/17 to 28 in 2019/20.

Subprogrammes

- *Legal Aid South Africa* funds Legal Aid South Africa, which provides legal aid to indigent people and legal representation at the state's expense, as set out in the Constitution.
- *Special Investigating Unit* funds the Special Investigating Unit, which provides professional forensic investigating and litigation services to all state institutions at national, provincial and local levels to combat maladministration, corruption and fraud; and protects state assets and public funds.
- *Public Protector of South Africa* funds the Public Protector of South Africa, which investigates any alleged improper conduct in state affairs, public administration, or any sphere of government, as well as any conduct that results in any impropriety or prejudice.
- *South African Human Rights Commission* funds the South African Human Rights Commission, which promotes and monitors the observance of human rights in South Africa.
- *Justice Modernisation* designs and implements information technology infrastructure and networks; and re-engineers, automates and integrates business processes for the administration of civil and criminal justice in the integrated justice system.
- *President's Fund* provides funding for reparations flowing from the findings of the Truth and Reconciliation Commission.

Expenditure trends and estimates

Table 21.12 Auxiliary and Associated Services 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Legal Aid South Africa	1 375.4	1 504.7	1 523.0	1 577.2	4.7%	50.5%	1 754.4	1 856.1	1 960.1	7.5%	50.2%
Special Investigating Unit	295.9	296.8	304.5	316.7	2.3%	10.3%	346.2	366.3	386.8	6.9%	9.9%
Public Protector of South Africa	199.3	217.6	245.4	264.1	9.8%	7.8%	301.1	318.5	336.4	8.4%	8.6%
South African Human Rights Commission	119.3	130.1	146.4	153.5	8.8%	4.6%	173.4	183.4	193.7	8.1%	4.9%
Justice Modernisation	606.1	824.2	889.6	852.7	12.1%	26.8%	900.1	973.8	1 028.3	6.4%	26.4%
Total	2 596.0	2 973.4	3 108.8	3 164.2	6.8%	100.0%	3 475.2	3 698.1	3 905.2	7.3%	100.0%
Change to 2016 Budget estimate				1.5			(20.0)				
Economic classification											
Current payments	470.1	656.6	716.7	626.7	10.1%	20.9%	654.3	713.4	753.0	6.3%	19.3%
Goods and services ¹	470.1	656.6	716.7	626.7	10.1%	20.9%	654.3	713.4	753.0	6.3%	19.3%
of which:											
Minor assets	9.4	3.8	0.7	2.0	-40.6%	0.1%	2.1	2.2	6.3	47.4%	0.1%
Computer services	441.3	619.3	672.8	504.8	4.6%	18.9%	533.2	597.2	621.1	7.2%	15.8%
Contractors	2.3	0.9	-	0.3	-47.8%	-	0.4	0.4	0.4	7.3%	-
Agency and support/outsourced services	6.8	28.3	36.9	114.3	155.7%	1.6%	115.5	110.3	121.7	2.1%	3.2%
Consumables: Stationery, printing and office supplies	-	0.2	5.0	2.6	499.7%	0.1%	2.1	2.2	2.3	-3.5%	0.1%
Training and development	-	0.5	-	0.7	253.7%	-	0.7	0.8	0.8	7.5%	-
Transfers and subsidies¹	1 989.9	2 149.2	2 219.3	2 311.5	5.1%	73.2%	2 575.0	2 724.4	2 876.9	7.6%	73.6%
Departmental agencies and accounts	1 989.9	2 149.2	2 219.3	2 311.5	5.1%	73.2%	2 575.0	2 724.4	2 876.9	7.6%	73.6%
Payments for capital assets	131.7	167.6	172.9	226.0	19.7%	5.9%	245.8	260.4	275.4	6.8%	7.1%
Machinery and equipment	131.7	152.8	132.5	226.0	19.7%	5.4%	245.8	260.4	275.4	6.8%	7.1%
Software and other intangible assets	-	14.8	40.4	-	-	0.5%	-	-	-	-	-
Payments for financial assets	4.4	-	-	-	-100.0%	-	-	-	-	-	-
Total	2 596.0	2 973.4	3 108.8	3 164.2	6.8%	100.0%	3 475.2	3 698.1	3 905.2	7.3%	100.0%
Proportion of total programme expenditure to vote expenditure	19.9%	20.9%	20.8%	19.7%	-	-	20.7%	21.0%	20.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 989.9	2 149.2	2 219.3	2 311.5	5.1%	73.2%	2 575.0	2 724.4	2 876.9	7.6%	73.6%
Legal Aid South Africa	1 375.4	1 504.7	1 523.0	1 577.2	4.7%	50.5%	1 754.4	1 856.1	1 960.1	7.5%	50.2%
Special Investigating Unit	295.9	296.8	304.5	316.7	2.3%	10.3%	346.2	366.3	386.8	6.9%	9.9%
Public Protector of South Africa	199.3	217.6	245.4	264.1	9.8%	7.8%	301.1	318.5	336.4	8.4%	8.6%
South African Human Rights Commission	119.3	130.1	146.4	153.5	8.8%	4.6%	173.4	183.4	193.7	8.1%	4.9%

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

Entities¹

Legal Aid South Africa

Mandate

Legal Aid South Africa was established in terms of section 2 of the Legal Aid South Africa Act (2014) to provide legal aid and legal advice to eligible people at the state's expense. The entity is mandated to ensure access to justice and the realisation of the people's rights to have legal representation as envisaged in the Constitution. To this end, Legal Aid South Africa has identified the following priority groups: children's matters; detained persons, including sentenced prisoners; accused persons who wish to appeal or review a court's decision in a higher court; women, particularly in divorce, maintenance and domestic violence cases; and the landless, especially in eviction cases.

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

Selected performance indicators

Table 21.13 Legal Aid South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of new legal matters approved for legal aid per year ¹ :	Legal aid services and special projects	Outcome 3: All people in South Africa are and feel safe	447 301	448 195	441 056	452 688	454 952	457 227	459 025
- Criminal matters			390 118 (87%)	394 172 (88%)	388 692 (88%)	398 124 (88%)	400 114 (88%)	402 360 (88%)	403 942 (88%)
- Civil matters			57 183 (13%)	54 023 (12%)	52 364 (12%)	54 565 (12%)	54 838 (12%)	54 867 (12%)	55 083 (12%)
Number of finalised legal matters per year ² :	Legal aid services and special projects	Outcome 3: All people in South Africa are and feel safe	433 532	444 630	432 210	449 087	451 333	452 589	453 589
- Criminal matters			383 287 (88%)	388 344 (87%)	376 023 (87%)	392 237 (87%)	392 660 (87%)	393 752 (87%)	394 622 (87%)
- Civil legal matters			50 245 (12%)	56 286 (13%)	56 187 (13%)	56 850 (13%)	58 637 (13%)	58 836 (13%)	58 967 (13%)
Percentage of district courts coverage	Legal aid services and special projects		-3	-3	-3	-3	83%	83%	83%
Percentage of regional courts coverage	Legal aid services and special projects		-3	-3	-3	-3	93%	93%	93%

1. Fluctuations in criminal matters are influenced by the number of cases that go through the criminal justice system, as well as the number of applicants who qualify for legal aid. Fluctuations in civil matters are influenced by the number of cases the National Prosecuting Authority finalises through the use of informal mediations; therefore, these matters do not enter the court system.

2. Fluctuations in criminal matters are influenced by the number of criminal matters approved for legal aid, while fluctuations in civil matters are influenced by the human resource capacity to handle civil matters.

3. No historical data available.

Expenditure analysis

The NDP envisages a South African society which is safe at home, at school and at work and enjoying life free of fear. Achieving this vision requires an effective and efficient criminal justice system that serves all in South Africa fairly and equitably. This is one of the pillars of justice, crime prevention and security, as stated in the 2014-2019 medium-term strategic framework. In support of this objective, Legal Aid South Africa's spending focus over the medium term will be on increasing the number of legal practitioners to accelerate the provision of quality legal aid, particularly on civil matters.

Legal Aid South Africa plans to increase the number of legal practitioners from 2 276 in 2016/17 to 2 288 in 2019/20 to accommodate the court expansion programme undertaken by the Department of Justice and Constitutional Development. The increase in personnel is funded by additional amounts of R18 million in 2015/16, R20 million in 2016/17 and R22 million in 2017/18 provided in the 2015 budget. The increase in legal services capacity will allow Legal Aid South Africa to increase the number of civil matters finalised from 56 850 in 2016/17 to 58 967 in 2019/20 and criminal matters finalised increasing from 392 237 to 394 622 in the same period. As a result of the increase in personnel, spending on the compensation of employees is expected to increase at an annual average rate of 5.6 per cent over the medium term. The additional personnel will mainly be in the legal aid services programme, which is projected to be the largest driver of spending over the medium term. The programme is expected to account for an estimated 80.5 per cent of the approved budget of R5.6 billion over the period.

Programmes/objectives/activities

Table 21.14 Legal Aid South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	244.2	285.0	327.4	320.5	9.5%	19.2%	310.7	307.5	323.6	0.3%	17.3%
Legal aid services	1 071.1	1 126.7	1 226.8	1 323.7	7.3%	77.7%	1 425.8	1 517.2	1 602.2	6.6%	79.9%
Special projects	43.8	53.0	44.1	47.3	2.6%	3.1%	50.4	52.9	55.8	5.7%	2.8%
Total	1 359.1	1 464.7	1 598.3	1 691.4	7.6%	100.0%	1 786.9	1 877.6	1 981.6	5.4%	100.0%

Statements of historical financial performance and position**Table 21.15 Legal Aid South Africa statements of historical financial performance and position**

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	17.5	26.1	19.8	31.2	19.6	32.7	21.5	114.2	260.3%
Other non-tax revenue	17.5	26.1	19.8	31.2	19.6	32.7	21.5	114.2	260.3%
Transfers received	1 360.7	1 377.2	1 465.9	1 504.7	1 523.0	1 523.5	1 577.2	1 577.2	100.9%
Total revenue	1 378.2	1 403.3	1 485.8	1 535.9	1 542.6	1 556.2	1 598.7	1 691.4	103.0%
Expenses									
Current expenses	1 378.2	1 359.1	1 485.8	1 464.7	1 641.2	1 598.3	1 598.7	1 691.4	100.2%
Compensation of employees	1 004.1	1 062.2	1 133.1	1 109.4	1 279.6	1 206.1	1 328.6	1 363.3	99.9%
Goods and services	333.2	276.3	310.4	331.0	330.9	363.6	236.4	296.9	104.7%
Depreciation	40.7	20.1	42.2	23.8	30.7	28.2	33.7	30.8	69.9%
Interest, dividends and rent on land	0.1	0.6	0.1	0.4	-	0.4	-	0.4	488.8%
Total expenses	1 378.2	1 359.1	1 485.8	1 464.7	1 641.2	1 598.3	1 598.7	1 691.4	100.2%
Surplus/(Deficit)	-	44.0	-	71.0	(99.0)	(42.0)	-	-	
Statement of financial position									
Carrying value of assets	88.4	127.1	146.7	156.8	114.5	171.8	114.4	166.2	134.0%
<i>of which:</i>									
<i>Acquisition of assets</i>	(26.0)	(21.3)	(30.6)	(53.5)	(24.3)	(47.7)	(25.7)	(20.8)	134.6%
Investments	-	1.9	3.6	1.8	3.5	1.7	3.4	1.7	67.2%
Inventory	-	1.3	-	1.4	1.2	1.5	1.1	1.6	246.8%
Receivables and prepayments	6.4	41.9	44.8	31.9	44.4	41.7	44.1	39.8	111.1%
Cash and cash equivalents	328.4	386.4	303.3	437.2	386.3	373.6	390.2	289.6	105.6%
Non-current assets held for sale	0.1	-	0.1	-	-	-	-	-	10.6%
Total assets	423.3	558.6	498.5	629.0	549.9	590.3	553.2	498.8	112.4%
Accumulated surplus/(deficit)	205.4	309.3	242.4	380.4	282.5	338.3	275.0	300.6	132.1%
Finance lease	2.3	4.9	3.2	4.1	3.7	1.8	3.6	1.2	94.3%
Trade and other payables	71.5	116.0	104.8	113.1	122.5	105.7	126.5	115.8	105.9%
Provisions	144.1	128.5	148.1	131.4	141.2	144.5	148.0	81.3	83.5%
Total equity and liabilities	423.3	558.6	498.5	629.0	549.9	590.3	553.2	498.8	112.4%

Statements of estimates of financial performance and position**Table 21.16 Legal Aid South Africa statements of estimates of financial performance and position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue									
Non-tax revenue	114.2	63.6%	3.2%	32.5	21.5	21.5	-42.7%	2.7%	
Other non-tax revenue	114.2	63.6%	3.2%	32.5	21.5	21.5	-42.7%	2.7%	
Transfers received	1 577.2	4.6%	96.8%	1 754.4	1 856.1	1 960.1	7.5%	97.3%	
Total revenue	1 691.4	6.4%	100.0%	1 786.9	1 877.6	1 981.6	5.4%	100.0%	
Expenses									
Current expenses	1 691.4	7.6%	100.0%	1 786.9	1 877.6	1 981.6	5.4%	120.8%	
Compensation of employees	1 363.3	8.7%	77.5%	1 444.9	1 515.0	1 603.2	5.6%	80.8%	
Goods and services	296.9	2.4%	20.8%	311.2	331.8	346.4	5.3%	17.5%	
Depreciation	30.8	15.2%	1.7%	30.8	30.8	32.1	1.3%	1.7%	
Interest, dividends and rent on land	0.4	-11.6%	0.0%	-	-	-	-100.0%	0.0%	
Total expenses	1 691.4	7.6%	100.0%	1 786.9	1 877.6	1 981.6	5.4%	100.0%	
Surplus/(Deficit)	-	(1.0)		-	-	-	-		
Statement of financial position									
Carrying value of assets	166.2	9.4%	27.5%	115.0	170.1	175.6	1.8%	28.0%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(20.8)	-0.7%	-6.1%	(35.6)	(48.5)	(44.7)	29.0%	-6.6%	
Investments	1.7	-5.1%	0.3%	1.7	1.7	1.7	-	0.3%	
Inventory	1.6	6.5%	0.3%	1.2	1.6	1.6	-	0.3%	
Receivables and prepayments	39.8	-1.7%	6.9%	43.8	39.3	40.5	0.5%	7.3%	
Cash and cash equivalents	289.6	-9.2%	65.0%	394.1	389.1	368.3	8.3%	64.1%	
Total assets	498.8	-3.7%	100.0%	555.7	601.7	587.6	5.6%	100.0%	
Accumulated surplus/(deficit)	300.6	-0.9%	58.4%	268.0	311.1	296.8	-0.4%	52.7%	
Finance lease	1.2	-38.3%	0.5%	3.4	1.5	1.5	9.8%	0.3%	
Trade and other payables	115.8	-0.1%	20.0%	129.1	126.7	127.8	3.4%	22.3%	
Provisions	81.3	-14.1%	21.2%	155.3	162.4	161.4	25.7%	24.7%	
Total equity and liabilities	498.8	-3.7%	100.0%	555.7	601.7	587.6	5.6%	100.0%	

Personnel information

Table 21.17 Legal Aid South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)	
		2015/16			2016/17			2017/18			2018/19			2019/20					
Legal Aid South Africa		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20		
Salary level	2 748	2 863	2 722	1 206.1	0.4	2 747	1 363.3	0.5	2 720	1 444.9	0.5	2 720	1 515.0	0.6	2 724	1 603.2	0.6	5.6%	100.0%
1 – 6	1 075	1 102	1 101	195.3	0.2	1 074	212.9	0.2	1 057	218.9	0.2	1 057	230.5	0.2	1 061	247.4	0.2	5.1%	38.9%
7 – 10	802	845	705	308.9	0.4	802	394.7	0.5	795	417.1	0.5	795	435.5	0.5	795	461.1	0.6	5.3%	29.2%
11 – 12	746	786	785	553.1	0.7	746	597.7	0.8	744	641.5	0.9	744	675.5	0.9	744	713.3	1.0	6.1%	27.3%
13 – 16	124	129	130	146.3	1.1	124	155.8	1.3	123	164.9	1.3	123	171.1	1.4	123	178.8	1.5	4.7%	4.5%
17 – 22	1	1	1	2.4	2.4	1	2.3	2.3	1	2.4	2.4	1	2.5	2.5	1	2.6	2.6	4.2%	0.0%

1. Rand million.

Other entities

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

- The **Public Protector of South Africa** is mandated to strengthen constitutional democracy by investigating any conduct in state affairs, or in the public administration in any sphere of government, that is alleged or suspected to be improper or to result in any impropriety or prejudice; to report on that conduct; and to take appropriate remedial action. The institution's total budget for 2017/18 is R301.8 million.
- The **South African Human Rights Commission** is an independent statutory body established to support constitutional democracy by promoting, protecting and monitoring matters relating to human rights. The commission's total budget for 2017/18 is R174.1 million.
- The **Special Investigating Unit** investigates and litigates on serious malpractice, maladministration and corruption in connection with the administration of state institutions. The unit is also empowered to institute and conduct civil proceedings in any court of law or special tribunal, in its own name or on behalf of other state institutions. Its total budget for 2017/18 is R627 million.

Additional table : Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
R million										
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Soweto Magistrate's Court (formally referred to as Orlando Magistrate's Court)	Construction of a new building	Site identification	1 264.2	-	-	-	10.2	-	-	19.1
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Nelspruit high court	Construction of a new building for the province	Construction	945.8	60.2	150.4	333.5	60.5	34.0	1.0	-
Polokwane high court	Construction of a new building for the province	Complete	1 011.4	130.2	318.7	72.7	28.2	0.7	1.0	-
Ntuzuma magistrate's office	Construction of a new building	Complete	274.3	9.0	-	-	-	-	-	-
Port Shepstone magistrate's office	Construction of a new building	Construction	362.1	4.9	13.8	61.3	50.0	130.0	-	-
South Gauteng high court	Extension of an existing building	Construction	492.9	62.8	23.1	55.4	33.0	-	-	-
Katlehong magistrate's office	Construction of a new building	Complete	332.2	0.5	8.3	-	-	-	-	-
Booyens magistrate's office	Construction of a new building	Construction	262.4	4.3	-	-	56.6	111.0	22.9	140.5
Durban high court	Expansion of accommodation	Design	618.8	-	-	3.0	25.0	5.0	-	-
Small projects (total project cost of less than R250 million over the project life cycle)										
Accessibility programme (phase 2)	Accessibility of court facilities	On-going	105.9	-	20.6	36.9	15.6	20.7	8.1	13.3
Mamelodi magistrate's office	Construction of a new building	Construction	146.7	0.4	15.6	26.9	34.4	32.5	2.4	34.5
Plettenberg Bay magistrate's office	Construction of a new building	Construction	298.0	19.8	13.6	18.3	42.0	105.0	41.1	43.4
Richards Bay magistrate's office	Construction of a new building	Design	207.1	3.3	3.5	8.4	16.8	2.4	56.5	59.7
Kagiso magistrate's office	Construction of a new building	Hand over	110.6	7.5	6.2	-	-	-	-	-
Jan Kempdorp magistrate's office	Construction of a new building	Design	45.0	-	-	-	5.0	0.1	6.6	5.9
Hankey magistrate's office	Construction of a new building	Handed over	32.2	1.3	-	-	-	-	-	-
Tsakane magistrate's office	Construction of a new building	Handed over	16.2	0.4	0.6	-	-	-	-	-
Nkomazi magistrate's office	Construction of a new building	Construction	0.8	-	-	0.3	-	0.1	1.0	-
Garies magistrate's office	Construction of a new building	Design	86.8	-	-	-	3.0	-	5.3	25.6
Lothair periodical court	Construction of a new building	Design	31.7	0.3	-	-	5.0	0.1	9.7	10.3
Boksburg magistrate's office	Upgrades of electricity systems	Design	243.0	-	-	-	-	0.1	1.0	0.5
Bitiyi periodical court	Construction of a new building	Construction	142.3	0.4	2.1	0.7	20.0	45.5	53.7	20.0
Dimbaza periodical court	Construction of a new building	Construction	110.2	1.1	4.6	26.1	32.9	32.8	6.2	6.5
Supreme Court of Appeal (Bloemfontein)	Extension of an existing building	Handed over	129.8	7.2	0.7	0.8	-	-	-	-
Pietermaritzburg master's office: Old Colonial Building	Extension of an existing building	Design	138.5	1.7	-	-	-	0.3	40.0	-
Butterworth magistrate's office	Extension of an existing building	Handed over	52.5	0.3	-	-	-	-	-	-
Stanger magistrate's office	Extension of an existing building	Handed over	52.8	0.5	1.1	-	-	-	-	-
Soshanguve magistrate's office	Extension of an existing building	Design	53.5	-	-	-	2.0	0.1	20.1	31.3
Port Elizabeth high court	Extension of an existing building	Construction	194.8	5.3	25.7	11.5	31.9	46.2	31.2	42.9
National Prosecuting Authority building (Pietermaritzburg)	Extension of an existing building	Construction	75.0	0.1	-	-	5.0	5.3	21.4	22.6
Humansdorp magistrate's office	Extension of an existing building	Design	19.7	-	-	-	1.5	-	2.2	2.3
Oberholzer magistrate's office	Upgrade of security measures	Construction	8.7	-	-	0.4	0.9	0.6	1.0	-
KwaMbonambi periodical court	Extension of an existing building	Design	61.4	-	-	-	2.0	-	2.8	0.2
Umtata magistrate's office	Extension of an existing building	Design	162.4	8.2	0.9	-	20.0	6.0	22.2	43.5
Cala magistrate's office	Extension of an existing building	Design	12.2	-	-	-	1.5	-	2.2	2.3

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Tarkstad magistrate's office	Extension of an existing building	Handed over	9.4	1.1	6.3	-	-	-	-	-
Schweizer-Reneke magistrate's office	Extension of an existing building	Handed over	11.3	2.1	4.8	0.1	-	-	-	-
Calvinia magistrate's office	Extension of an existing building	Design	17.4	-	-	-	-	-	1.0	-
Nyoni periodical court	Extension of an existing building	Design	23.0	0.5	2.6	0.5	2.0	-	2.8	0.3
Wolmaranstad magistrate's office	Extension of an existing building	Design	29.9	-	-	-	1.0	-	1.6	6.7
Bisho high court	Extension of an existing building	Feasibility	28.3	0.0	12.9	-	1.0	-	0.6	11.5
Mount Ayliff magistrate's office	Extension of an existing building	Design	55.6	-	-	-	1.0	-	1.6	1.7
Barkley East magistrate's office	Extension of an existing building	Design	6.6	-	-	-	1.0	-	1.6	1.7
Whittlesea magistrate's office	Extension of an existing building	Design	68.5	-	1.4	1.0	9.0	-	32.3	25.2
Christiana magistrate's office	Extension of an existing building	Design	18.2	0.2	-	-	1.4	-	2.1	2.2
Fraserburg magistrate's office	Extension of an existing building	Construction	9.6	0.1	-	1.2	1.0	19.6	1.6	1.7
Polokwane magistrate's court	Refurbishment of an existing building	Design	90.0	-	-	-	10.0	-	20.0	-
Umbumbulu magistrate's office	Extension of an existing building	Construction	48.3	1.3	11.3	13.9	5.5	1.7	5.2	5.5
Thohoyandou high court	Extension of an existing building	Construction	1.7	-	-	0.1	1.0	-	-	-
Galvendale magistrate's office	Extension of an existing building	Handed over	54.1	0.9	0.8	-	-	-	-	-
Goodwood magistrate's office	Construction of a new building	Pre-feasibility	451.8	-	-	-	7.0	1.1	0.2	2.3
Tshilwavhusiku magistrate's office	Construction of a new building	Design	100.0	0.1	0.1	0.0	7.0	-	7.4	7.8
Tsineng magistrate's office	Construction of a new building	Site identification	49.2	-	-	-	0.1	-	1.2	0.6
Second Gelvendale magistrate's office	Upgrade of various offices	Handed over	6.8	4.2	1.8	-	-	-	-	-
Odendaalsrus magistrate's office	Extension of an existing building	Feasibility	7.5	-	-	-	-	-	0.0	0.0
Villiers magistrate's office	Extension of an existing building	Feasibility	8.8	-	-	-	0.1	-	0.0	0.0
Bultfontein magistrate's office	Extension of an existing building	Feasibility	1.7	-	-	-	0.1	-	-	-
Bloemfontein high court	Extension of an existing building	Design	1.6	-	-	-	-	-	1.0	-
Kroonstad magistrate's office	Extension of an existing building	Design	2.6	-	-	-	0.1	-	-	-
Welkom magistrate's office	Extension of an existing building	Construction	23.3	-	0.7	4.7	6.6	8.6	1.3	1.3
Caledon magistrate's office	Extension of an existing building	Handed over	19.1	2.8	0.8	0.2	-	-	-	-
Ladismith magistrate's office (Western Cape)	Extension of an existing building	Design	3.1	0.7	0.4	-	1.0	-	0.5	0.5
Grabouw magistrate's office	Extension of an existing building	Design	8.5	2.2	5.7	0.9	0.8	-	-	-
Clanwilliam magistrate's office	Extension of an existing building	Design	9.4	2.8	7.3	1.5	-	-	-	-
Cape Town magistrate's office	Extension of an existing building	Construction	24.2	0.8	12.7	1.1	4.2	-	3.3	3.5
Justitia Building (Cape Town)	Extension of an existing building	Construction	192.7	1.8	7.3	41.6	4.3	55.3	100.2	2.5
Msinga magistrate's office	Extension of an existing building	Design	85.0	0.3	0.4	-	1.7	-	1.9	0.4
Umzimkulu magistrate's office	Extension of an existing building	Design	176.0	12.7	2.3	0.1	3.0	-	3.3	0.4
Ixopo justice cluster	Extension of an existing building	Design	53.1	1.3	0.4	-	3.0	-	2.3	-
Ingwavuma justice cluster	Extension of an existing building	Design	42.6	1.5	-	0.5	2.0	-	2.2	0.2
Kranskop justice cluster	Extension of an existing building	Design	11.3	-	-	-	1.0	-	1.1	0.1
Greytown justice cluster	Extension of an existing building	Design	26.7	-	-	-	1.9	-	2.1	0.1
Bergville justice cluster	Extension of an existing building	Design	37.8	1.2	0.0	-	2.0	-	2.8	0.1
Paulpietersburg justice cluster	Extension of an existing building	Design	37.3	0.3	0.5	0.1	1.6	-	2.3	0.3
Magudu justice cluster	Extension of an existing building	Design	22.6	-	-	0.1	1.7	-	2.4	0.5
Sundumbili magistrate's office	Extension of an existing building	Design	16.5	-	-	-	2.0	-	2.8	2.9
Newcastle magistrate's office	Extension of an existing building	Design	128.6	4.8	0.2	2.2	1.0	-	1.6	0.7
Chatsworth (Durban) magistrate's office	Extension of an existing building	Construction	204.5	6.0	1.0	3.0	2.5	58.1	3.3	13.5
Vulamehlo magistrate's office	Extension of an existing building	Design	40.4	0.8	1.4	-	1.0	-	1.6	1.7

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Pofadder magistrate's office	Extension of an existing building	Design	232.5	–	0.4	1.2	0.5	–	1.1	1.1
Hopetown magistrate's office	Extension of an existing building	Design	34.0	–	–	–	1.0	–	1.6	1.7
Kakamas magistrate's office	Extension of an existing building	Design	95.0	–	0.1	–	8.1	–	20.1	11.2
Keimos magistrate's office	Construction of a new court	Design	19.1	0.0	0.7	–	3.0	–	3.9	4.1
Mankwe magistrate's office	Extension of an existing building	Hand over	2.4	2.3	0.8	–	–	–	–	–
Klerksdorp magistrate's office	Extension of an existing building	Design	29.8	–	0.5	1.4	3.0	–	3.8	4.1
Evander magistrate's office	Extension of an existing building	Design	75.0	1.1	–	1.2	3.5	–	2.1	2.2
Tzaneen magistrate's office	Extension of an existing building	Design	85.0	0.0	–	–	10.0	–	4.5	4.8
Dzanani magistrate's office	Extension of an existing building	Design	182.0	0.2	1.5	0.8	10.0	0.5	11.1	11.7
Naboomspruit magistrate's office	Extension of an existing building	Design	30.8	–	–	0.3	5.0	–	4.5	5.9
Ezibeleni magistrate's office	Extension of an existing building	Design	17.9	0.2	0.1	–	0.8	–	1.1	1.2
King William's Town magistrate's office	Extension of an existing building	Design	6.4	0.6	0.1	0.1	1.5	–	2.2	2.3
Grahamstown magistrate's office	Extension of an existing building	Design	5.1	–	–	–	0.8	–	1.5	1.5
Seymour magistrate's office	Extension of an existing building	Design	22.1	–	0.2	0.0	2.3	–	3.9	4.1
Middelburg magistrate's office (Eastern Cape)	Extension of an existing building	Design	47.4	–	–	0.2	4.0	–	7.8	8.2
Port Elizabeth magistrate's office	Extension of an existing building	Design	58.3	0.1	0.0	–	4.0	–	26.7	28.2
Bedford magistrate's office	Extension of an existing building	Design	12.8	–	–	–	1.3	–	1.5	1.5
Odi magistrate's office	Extension of an existing building	Design	165.7	–	–	–	10.0	–	61.8	81.2
Palace of Justice (Pretoria)	Extension of an existing building	Construction	53.0	–	8.4	1.5	–	2.0	–	–
Rustenburg magistrate's office	Extension of an existing building	Design	182.5	2.8	6.4	1.8	10.5	–	45.6	37.4
Virginia magistrate's office	Extension of an existing building	Design	4.0	–	–	–	–	–	1.0	0.0
Henneman magistrate's office	Extension of an existing building	Design	8.5	–	–	–	–	–	1.0	0.0
Gariep Dam magistrate's office	Extension of an existing building	Design	7.4	–	–	–	–	–	1.0	0.0
Bothaville magistrate's office	Extension of an existing building	Design	5.0	–	–	–	–	–	1.0	0.0
Beaufort West magistrate's office	Installation of central air-conditioning	Construction	4.7	–	–	0.2	3.0	0.0	–	–
Kuilsrivier magistrate's office	Construction of a new building	Feasibility	196.0	–	–	–	5.0	–	–	0.2
Hermanus magistrate's office	Construction of a new building	Design	179.0	–	–	–	5.0	–	–	0.2
Phillippi magistrate's office	Construction of a new building	Feasibility	200.0	–	–	–	5.0	–	–	0.2
Darling magistrate's office	Extension of an existing building	Feasibility	30.0	–	–	–	–	–	–	0.0
Somersetwest magistrate's office	Extension of an existing building	Feasibility	30.0	–	–	–	–	–	–	0.0
Worcester magistrate's office	Extension of an existing building	Feasibility	40.0	–	–	–	–	–	–	0.0
Emzumbe magistrate's office	Installation of air conditioners	Construction	0.8	–	–	–	0.3	–	–	–
Sundumbili magistrate's office	Extensions of an existing building	Design	40.4	–	–	–	–	–	–	0.5
Ulundi magistrate's office	Implementation of security measures	Design	6.4	–	–	–	–	–	–	0.3
Mahlabathini magistrate's office	Implementation of security measures	Design	10.1	–	–	–	–	–	–	0.0
Dannhauser magistrate's office	Implementation of security measures	Design	8.9	–	–	–	–	–	–	0.0
Ubombo magistrate's office	Expansion of accommodation	Design	50.0	–	–	–	–	–	–	0.0
Gingindlovu magistrate's office	Expansion of accommodation	Design	3.5	–	–	–	–	–	–	0.0
Ngome magistrate's office	Construction of a new building	Design	20.0	–	–	–	–	–	–	0.0
Izingolweni magistrate's office	Installation of a generator	Design	1.0	–	–	–	–	–	–	0.0
Louwsburg magistrate's office	Upgrade and refurbishment	Design	0.7	–	–	–	–	–	–	0.0
Vryheid magistrate's office	Installation of air conditioners	Design	1.2	–	–	–	–	–	–	0.0
Verulum magistrate's office	Installation of air conditioners	Design	5.3	–	–	–	–	–	–	0.0

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Colonial Building magistrate's office	Expansion of accommodation	Design	178.1	-	-	-	-	-	-	0.1
Nongoma magistrate's office	Installation of air conditioners	Design	0.5	-	-	-	-	-	-	0.0
Ladysmith magistrate's office	Installation of air conditioners	Design	0.2	-	-	-	-	-	-	0.0
Howick magistrate's office	Implementation of security measures	Design	4.0	-	-	-	-	-	-	0.0
Pongola magistrate's office	Repairs and renovations	Design	1.2	-	-	-	-	-	-	0.0
Durban MTN	Upgrade and refurbishment of building	Design	195.0	-	-	-	-	-	-	0.2
Kudumane magistrate's office	Extension of an existing building	Design	6.8	-	-	-	-	-	-	-
Various magistrate offices: Installation of standby generator	Installation of generators	Design	3.0	-	-	-	10.0	5.0	-	-
Various magistrate offices: Installation of air conditioners	Installation of air conditioners	Design	-	-	-	-	10.0	10.0	5.0	-
Various magistrate offices: Installation of water tanks	Installation of water tanks	Design	-	-	-	-	10.0	10.0	10.0	-
Fort Beaufort magistrate's office	Upgrade of electricity systems	Construction	1.5	-	-	0.8	-	0.2	1.0	-
Jamestown magistrate's office	Extension of an existing building	Design	3.1	-	-	-	-	-	1.0	-
New Brighton magistrate's office	Extension of an existing building	Design	22.7	-	-	-	-	-	1.0	-
Sibasa regional court	Refurbishment of existing building	Design	4.1	-	-	-	-	-	1.0	-
Rouxville magistrate's office	Expansion of accommodation	Construction	10.7	-	-	-	-	0.1	-	0.1
Vanrhynsdorp magistrate's office	Extension of an existing building	Handed over	2.9	-	-	1.1	-	-	-	0.0
Libode magistrate's office	Extension of an existing building	Design	1.2	-	-	-	-	-	1.0	-
Mqanduli magistrate's office	Extension of an existing building	Design	3.9	-	-	-	-	0.1	1.0	15.0
Indwe magistrate's office	Extension of an existing building	Design	10.4	-	-	-	-	-	1.0	-
Elliot magistrate's office	Extension of an existing building	Design	4.7	-	-	0.3	-	-	1.0	-
Vulindlela (Taylors Halt)	Construction of a new building	Site identification	0.6	-	-	-	-	-	-	-
Lichtenburg magistrate's office	Extension of an existing building	Design	200.0	-	-	-	1.0	1.0	10.0	5.0
Vryburg magistrate's office	Extension of an existing building	Design	0.9	-	-	-	-	-	1.0	-
Mount Fletcher magistrate's office	Upgrade and refurbishment of building	Design	1.8	-	-	-	-	-	-	-
Mthatha high court	Upgrade of an existing building	Design	75.3	-	-	-	-	17.5	-	-
Port Saint John's	Extension of an existing building	Design	13.4	-	-	-	-	-	1.0	-
Lady Frere magistrate's office	Extension of an existing building	Design	12.0	-	-	-	-	-	1.0	-
Total			13 334.1	387.6	712.3	739.5	721.1	769.3	819.8	855.0

Vote 22

Office of the Chief Justice and Judicial Administration

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	199.0	165.9	0.0	33.1	213.7	240.5
Superior Court Services	737.5	695.8	1.5	40.2	771.3	813.2
Judicial Education and Support	82.1	74.5	–	7.6	85.9	90.2
Subtotal	1 018.6	936.2	1.5	80.9	1 071.0	1 143.9
Direct charge against the National Revenue Fund						
Judges' salaries	966.1	908.2	57.8	–	1 022.1	1 098.5
Total expenditure estimates	1 984.6	1 844.4	59.3	80.9	2 093.1	2 242.5

Executive authority: Minister of Justice and Correctional Services
 Accounting officer: Secretary General of the Office of the Chief Justice
 Website address: www.judiciary.org.za

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

Vote purpose

Strengthen judicial governance and independence by rendering effective support to the Chief Justice in executing administrative and judicial powers and duties as both head of the judiciary and the Constitutional Court.

Mandate

The mandate of the Office of the Chief Justice is to render support to the chief justice as the head of the judiciary, as provided for in section 165(6) of the Constitution, read together with the Superior Courts Act (2013). The Office of the Chief Justice is also required to: provide and coordinate legal and administrative support to the chief justice; provide communication and relationship management services, and intergovernmental and internal coordination; develop courts administration policies; support the development of judicial policy, and norms and standards; support the judicial function of the Constitutional Court; and support the Judicial Service Commission and South African Judicial Education Institute in the execution of their mandates.

Selected performance indicators

Table 22.1 Performance indicators¹ by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of superior courts performance monitoring reports produced per year	Superior Court Services	Outcome 3: All people in South Africa are and feel safe	1	1	3	5	5	5	5
Percentage of default judgments finalised by registrars per year ²	Superior Court Services		–3	–3	70% (33 252/ 47 814)	65%	80% ⁴	90%	100%
Percentage of taxations of legal costs finalised per year ^{2, 5}	Superior Court Services		–3	–3	84% (17 888/ 21 287)	65%	80% ⁴	90%	100%
Number of judicial education courses conducted per year	Judicial Education and Support		53	60 ⁶	59	70	77	82	87

1. Indicators have changed to reflect performance that is within the control and mandate of the department.

2. Because the exact number of judgments and taxations to be finalised cannot be predicted, targets for these indicators from 2016/17 to 2019/20 are expressed only as percentages.

3. No historical data available.

4. Targets from 2017/18 were increased to more accurately reflect current performance based on 2015/16 audited outcomes.

5. Taxation of legal costs refers to the formal quasi-judicial review of a bill of costs or other determination of costs payable by one litigant to another. The usual reason for taxing a bill of costs is to obtain the right to execute for costs to which the party is already entitled. Taxation is the process of ascertaining specific amounts.

6. This outcome was incorrectly captured as 87 in the 2016 Estimates of National Expenditure. The correct audited outcome is 60 and is captured as such in the department's planning documents and 2015/16 annual report.

Expenditure analysis

Over the medium term, the Office of the Chief Justice will focus on implementing an ICT master systems plan that aims to modernise court processes and systems, and monitoring and reporting on the implementation of norms and standards by courts. The department will also continue to facilitate the appointment and training of judicial officers in support of the National Development Plan's vision to strengthen judicial governance and the rule of law by accelerating reforms towards judiciary-led, independent court administration and by dramatically scaling up judicial training. This is also in line with outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework.

Implementing the ICT master systems plan

The ICT master systems plan sets out the major ICT programmes and projects to be implemented in the department over a five-year period. The plan includes projects aimed at modernising court processes and systems to ensure effective and efficient court administration, and timely reporting on the implementation of the norms and standards by courts. Automating and digitising court systems and processes requires investments in high-speed telecommunications, computers and other technologies. Projects planned for implementation over the medium term include the case e-filing system, case management system and court performance monitoring system. These projects will be implemented in phases, beginning with the e-filing project in 2017/18, set for completion by 2019/20. The project is funded from both the integrated justice system and the department's *Administration* programme, and is allocated a budget of R15 million in 2017/18, rising to R21 million in 2019/20. The remainder of the master systems plan's projects will be funded from the department's administration budget.

Monitoring and supporting reporting on the implementation of court norms and standards

Judicial norms and standards were developed and gazetted in February 2014. The responsibility of the department, in relation to the implementation of norms and standards, includes supporting the chief justice in monitoring and reporting on compliance, while the responsibility of implementation and reporting on court performance lies with the courts. Quarterly reports from the courts are collated and the information is analysed by the department for submission to the chief justice.

Over the medium term, the department will ensure that monitoring systems are strengthened to enable the effective monitoring and evaluation of court performance. In this regard, the department will fund the operationalisation of the Superior Courts Act (2013), as well as create capacity in judge president offices through the appointment of eight additional personnel to coordinate judicial functions and ensure that judicial norms and standards are implemented, monitored and reported on. The department will receive increased funding of R75 million in 2017/18, R34 million in 2018/19 and R42.3 million in 2019/20 in the *Superior Court Services* programme for this work. Excluding direct charges, the *Superior Court Services* programme accounts for 71.8 per cent of the department's total budget of R3.2 billion over the medium term.

Work in this programme is labour intensive, however, due to Cabinet-approved budget reductions, the number of personnel in the *Superior Court Services* programme is expected to decrease from 1 585 in 2017/18 to 1 508 in 2019/20. In spite of this decrease, the programme's baseline still grows strongly, at an annual average rate of 8.3 per cent over the medium term, and will enable the department to increase the percentage of default judgments finalised by registrars and finalise the taxation of legal costs, from a projected 80 per cent in 2017/18 to 100 per cent in 2019/20.

Facilitating appointments and training

The department will continue to support the Judicial Service Commission to recommend candidates for judicial officers by providing the commission with secretariat and administrative support services. All appointments of judicial officers are made public to enhance public trust in the judiciary. Over the medium term, R41.5 million is budgeted for the commission's work under the *Judicial Service Commission* subprogramme in the *Judicial Education and Support* programme.

Judicial officers receive continuous training from the South African Judicial Education Institute. Over the medium term, 246 judicial education courses on new legislation on domestic violence, maintenance,

immigration and other topics will be provided. For facilitating the training of judicial officers, the department receives increases of R18.9 million in 2017/18 and R2 million in 2018/19 in the *Judicial Education and Support* programme. The programme's budget is expected to increase from R83.7 million in 2017/18 to R92 million in 2019/20. The bulk of spending is in the *South African Judicial Education Institute* subprogramme, which accounts for 59.3 per cent of the programme's budget over the medium term.

The department has 2 645 posts, including 243 judicial officers, which are all funded and filled. Judicial officers include justices of the peace and judges. Spending on compensation of employees and related goods and services items such as travel and subsistence, and venues and facilities to provide for the travel obligations of judicial officers to circuit courts are allocated 92 per cent of the department's budget over the medium term. The number of posts is expected to decrease from 2 645 in 2016/17 to 2 559 in 2019/20 due to Cabinet-approved reductions on allocations for spending on compensation of employees, with no anticipated adverse effect on service delivery.

Expenditure trends

Table 22.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration 2. Superior Court Services 3. Judicial Education and Support														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	17.8	15.5	40.7	33.2	36.9	27.5	69.4	99.5	88.8	161.2	145.0	145.0	107.2%	101.7%
Programme 2	477.5	471.0	600.6	505.4	510.6	621.0	640.4	649.5	642.0	640.7	679.1	679.1	112.3%	110.1%
Programme 3	29.0	31.0	37.8	26.5	26.5	31.8	32.6	34.4	36.9	63.2	49.9	49.9	103.4%	110.2%
Subtotal	524.4	517.6	679.1	565.1	574.0	680.2	742.4	783.4	767.7	865.0	874.0	874.0	111.3%	109.2%
Direct charge against the National Revenue Fund	621.2	786.5	788.7	829.0	856.0	872.2	873.7	873.7	887.7	920.1	950.1	950.1	107.9%	100.9%
Judges' salaries	621.2	786.5	788.7	829.0	856.0	872.2	873.7	873.7	887.7	920.1	950.1	950.1	107.9%	100.9%
Total	1 145.5	1 304.1	1 467.7	1 394.1	1 430.0	1 552.5	1 616.2	1 657.1	1 655.4	1 785.0	1 824.0	1 824.0	109.4%	104.6%
Change to 2016 Budget estimate											39.0			
Economic classification														
Current payments	1 101.8	1 247.6	1 312.0	1 336.3	1 345.9	1 415.3	1 547.1	1 576.6	1 501.2	1 702.0	1 681.3	1 681.3	103.9%	101.0%
Compensation of employees	900.4	1 037.5	1 099.8	1 121.0	1 133.8	1 203.5	1 279.5	1 323.8	1 303.7	1 411.9	1 423.4	1 423.4	106.7%	102.3%
Goods and services	201.4	210.1	212.2	215.3	212.1	211.7	267.6	252.8	197.5	290.2	257.9	257.9	90.2%	94.3%
Transfers and subsidies	39.9	48.6	51.7	52.4	67.5	76.1	55.3	53.7	56.2	57.7	83.3	83.3	130.2%	105.6%
Provinces and municipalities	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.1	-	0.1	0.0	0.0	40.4%	53.2%
Households	39.8	48.5	51.7	52.4	67.4	76.0	55.2	53.6	56.2	57.5	83.3	83.3	130.3%	105.7%
Payments for capital assets	3.8	7.9	103.8	5.3	16.6	61.1	13.8	26.9	97.9	25.4	59.4	59.4	666.8%	290.7%
Machinery and equipment	3.8	7.9	103.8	5.3	16.6	60.9	13.8	26.9	97.5	25.4	59.4	59.4	665.5%	290.1%
Software and other intangible assets	-	-	-	-	-	0.2	-	-	0.5	-	-	-	-	-
Payments for financial assets	-	-	0.2	-	-	0.1	-	-	0.0	-	-	-	-	-
Total	1 145.5	1 304.1	1 467.7	1 394.1	1 430.0	1 552.5	1 616.2	1 657.1	1 655.4	1 785.0	1 824.0	1 824.0	109.4%	104.6%

Expenditure estimates

Table 22.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Superior Court Services								
3. Judicial Education and Support								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Programme 1	145.0	110.7%	4.6%	199.0	213.7	240.5	18.4%	9.8%
Programme 2	679.1	13.0%	39.1%	737.5	771.3	813.2	6.2%	36.8%
Programme 3	49.9	17.2%	2.4%	82.1	85.9	90.2	21.8%	3.8%
Subtotal	874.0	19.1%	46.2%	1 018.6	1 071.0	1 143.9	9.4%	50.4%
Direct charge against the National Revenue Fund	950.1	6.5%	53.8%	966.1	1 022.1	1 098.5	5.0%	49.6%
Judges' salaries	950.1	6.5%	53.8%	966.1	1 022.1	1 098.5	5.0%	49.6%
Total	1 824.0	11.8%	100.0%	1 984.6	2 093.1	2 242.5	7.1%	100.0%
Change to 2016				9.6	10.1	10.7		
Budget estimate								
Economic classification								
Current payments	1 681.3	10.5%	90.9%	1 844.4	1 945.7	2 083.1	7.4%	92.8%
Compensation of employees	1 423.4	11.1%	77.4%	1 524.0	1 609.1	1 731.4	6.7%	77.2%
Goods and services	257.9	7.1%	13.5%	320.4	336.6	351.8	10.9%	15.6%
Transfers and subsidies	83.3	19.7%	4.1%	59.3	62.7	67.2	-6.9%	3.3%
Provinces and municipalities	0.0	-4.0%	0.0%	0.1	0.1	0.1	27.6%	0.0%
Households	83.3	19.7%	4.1%	59.2	62.6	67.1	-7.0%	3.3%
Payments for capital assets	59.4	95.6%	5.0%	80.9	84.6	92.2	15.8%	3.9%
Machinery and equipment	59.4	95.6%	4.9%	65.9	68.1	74.0	7.6%	3.3%
Software and other intangible assets	-	-	0.0%	15.0	16.5	18.2	-	0.6%
Total	1 824.0	11.8%	100.0%	1 984.6	2 093.1	2 242.5	7.1%	100.0%

Goods and services expenditure trends and estimates

Table 22.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2013/14 - 2016/17	2017/18	2018/19		
R thousand											
Administrative fees	156	1 593	2 115	4 172	199.0%	0.9%	5 092	5 523	5 890	12.2%	1.6%
Advertising	1 142	799	1 447	1 475	8.9%	0.6%	564	587	631	-24.7%	0.3%
Minor assets	5 443	3 769	6 845	12 494	31.9%	3.2%	15 010	14 567	15 267	6.9%	4.5%
Audit costs: External	-	-	2 311	4 500	-	0.8%	4 625	4 761	4 944	3.2%	1.5%
Bursaries: Employees	-	-	2	1 000	-	0.1%	1 745	2 080	2 231	30.7%	0.6%
Catering: Departmental activities	427	593	911	4 707	122.6%	0.8%	5 595	6 173	6 336	10.4%	1.8%
Communication	16 006	16 232	10 448	13 215	-6.2%	6.4%	16 556	16 488	17 192	9.2%	5.0%
Computer services	4 669	2 026	17 968	20 105	62.7%	5.1%	38 079	41 051	43 293	29.1%	11.3%
Consultants: Business and advisory services	10 808	9 156	9 054	11 514	2.1%	4.6%	13 850	14 664	15 750	11.0%	4.4%
Legal services	2 334	337	1 721	1 684	-10.3%	0.7%	3 978	4 830	4 336	37.1%	1.2%
Science and technological services	-	-	621	-	-	0.1%	-	-	-	-	-
Contractors	1 761	1 492	9 651	4 881	40.5%	2.0%	5 949	5 990	6 330	9.1%	1.8%
Agency and support/outsourced services	11 344	9 421	628	14 067	7.4%	4.0%	6 999	7 723	6 862	-21.3%	2.8%
Entertainment	-	-	13 684	36	-	1.6%	25	25	25	-11.4%	-
Fleet services (including government motor transport)	34 346	27 558	4 705	19 198	-17.6%	9.8%	16 674	17 877	17 728	-2.6%	5.6%
Consumable supplies	1 008	1 148	1 771	2 067	27.0%	0.7%	1 825	1 756	1 959	-1.8%	0.6%
Consumables: Stationery, printing and office supplies	8 173	8 540	12 124	13 975	19.6%	4.9%	15 511	16 337	17 911	8.6%	5.0%
Operating leases	-	28 105	47	10 881	-	4.4%	16 096	15 794	16 534	15.0%	4.7%
Rental and hiring	2	-	-	60	210.7%	-	83	72	76	8.2%	-
Property payments	1 064	323	1 313	2 907	39.8%	0.6%	3 438	3 280	3 387	5.2%	1.0%
Travel and subsistence	101 201	91 917	89 008	90 987	-3.5%	42.4%	98 712	104 577	109 466	6.4%	31.9%
Training and development	1 025	348	1 109	8 273	100.6%	1.2%	9 846	10 183	10 564	8.5%	3.1%
Operating payments	3 436	2 719	4 760	7 447	29.4%	2.1%	11 442	11 967	12 691	19.4%	3.4%
Venues and facilities	7 874	5 661	5 269	8 273	1.7%	3.1%	28 680	30 322	32 380	57.6%	7.9%
Total	212 219	211 737	197 512	257 918	6.7%	100.0%	320 374	336 627	351 783	10.9%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 22.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average Expenditure/Total (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	4	-	1	-	-	8	8	9	108.0%	-
Communication	-	4	-	1	-	-	8	8	9	108.0%	-
Households											
Social benefits											
Current	51 660	76 026	56 173	83 270	17.2%	99.9%	59 240	62 647	67 068	-7.0%	99.9%
Employee social benefits	1 075	2 874	1 313	1 367	8.3%	2.5%	1 421	1 474	2 470	21.8%	2.5%
Direct charge: Judges' salaries	50 585	73 152	54 860	81 903	17.4%	97.5%	57 819	61 173	64 598	-7.6%	97.4%
Households											
Other transfers to households											
Current	-	-	41	-	-	-	-	-	-	-	-
Employee social benefits	-	-	41	-	-	-	-	-	-	-	-
Provinces and municipalities											
Municipal agencies and funds											
Current	31	47	-	38	7.0%	-	67	77	79	27.6%	0.1%
Vehicle licences	31	47	-	38	7.0%	-	67	77	79	27.6%	0.1%
Total	51 691	76 077	56 214	83 309	17.2%	100.0%	59 315	62 732	67 156	-6.9%	100.0%

Personnel information

Table 22.6 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Superior Court Services																			
3. Judicial Education and Support																			
Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20							
Office of the Chief Justice and Judicial Administration		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	2 645	-	2 554	1 303.7	0.5	2 645	1 423.4	0.5	2 644	1 524.0	0.6	2 579	1 609.1	0.6	2 559	1 731.4	0.7	-1.1%	100.0%
1 - 6	1 013	-	979	194.2	0.2	1 013	216.7	0.2	1 029	239.5	0.2	1 017	257.0	0.3	999	271.1	0.3	-0.5%	38.9%
7 - 10	672	-	601	203.3	0.3	672	240.9	0.4	677	263.0	0.4	651	275.1	0.4	649	295.6	0.5	-1.2%	25.4%
11 - 12	68	-	53	36.6	0.7	68	50.3	0.7	74	59.6	0.8	67	58.4	0.9	69	65.2	0.9	0.5%	2.7%
13 - 16	45	-	36	36.8	1.0	45	47.4	1.1	47	53.7	1.1	47	57.7	1.2	50	65.6	1.3	3.6%	1.8%
Other	847	-	885	832.8	0.9	847	868.2	1.0	817	908.2	1.1	797	960.9	1.2	792	1 033.9	1.3	-2.2%	31.2%
Programme	2 645	-	2 554	1 303.7	0.5	2 645	1 423.4	0.5	2 644	1 524.0	0.6	2 579	1 609.1	0.6	2 559	1 731.4	0.7	-1.1%	100.0%
Programme 1	182	-	93	38.0	0.4	182	70.8	0.4	199	83.5	0.4	184	87.2	0.5	216	106.4	0.5	5.9%	7.5%
Programme 2	1 568	-	1 556	421.8	0.3	1 568	463.1	0.3	1 585	511.9	0.3	1 555	539.3	0.3	1 508	568.2	0.4	-1.3%	59.6%
Programme 3	48	-	20	11.1	0.6	48	21.4	0.4	43	20.4	0.5	43	21.6	0.5	43	22.8	0.5	-3.6%	1.7%
Direct charges	847	-	885	832.8	0.9	847	868.2	1.0	817	908.2	1.1	797	960.9	1.2	792	1 033.9	1.3	-2.2%	31.2%

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

2. Rand million.

Departmental receipts

Table 22.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	-	-	778	784	784	-	100.0%	796	810	965	7.2%	100.0%
Sales of goods and services produced by department	-	-	532	580	580	-	71.2%	518	527	642	3.4%	67.6%
Sales by market establishments	-	-	84	62	62	-	9.3%	89	91	120	24.6%	10.8%
of which:												
Rental dwellings	-	-	40	62	62	-	6.5%	45	46	55	-3.9%	6.2%
Rental parking: Covered and open	-	-	44	-	-	-	2.8%	44	45	65	-	4.6%
Administrative fees	-	-	-	2	2	-	0.1%	-	-	-	-100.0%	0.1%
of which:												
Telecommunication services	-	-	-	2	2	-	0.1%	-	-	-	-100.0%	0.1%
Other sales	-	-	448	516	516	-	61.7%	429	436	522	0.4%	56.7%
of which:												
Services rendered: Commission on insurance and garnishees	-	-	319	301	301	-	39.7%	333	338	421	11.8%	41.5%
Services rendered: Photocopies and faxes	-	-	118	113	113	-	14.8%	96	98	101	-3.7%	12.2%
Sales of assets less than R5 000	-	-	11	102	102	-	7.2%	-	-	-	-100.0%	3.0%
Sales of scrap, waste, arms and other used current goods	-	-	1	16	16	-	1.1%	-	-	-	-100.0%	0.5%
of which:												
Sales: Scrap	-	-	1	10	10	-	0.7%	-	-	-	-100.0%	0.3%
Sales: Waste paper	-	-	-	6	6	-	0.4%	-	-	-	-100.0%	0.2%
Fines, penalties and forfeits	-	-	30	92	92	-	7.8%	41	42	52	-17.3%	6.8%
Interest, dividends and rent on land	-	-	21	-	-	-	1.3%	-	-	-	-	-
Interest	-	-	21	-	-	-	1.3%	-	-	-	-	-
Transactions in financial assets and liabilities	-	-	194	96	96	-	18.6%	237	241	271	41.3%	25.2%
Total	-	-	778	784	784	-	100.0%	796	810	965	7.2%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 22.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Management	14.4	9.0	22.0	29.3	26.8%	24.7%	33.8	35.8	37.9	9.0%	17.1%
Corporate Services	14.7	8.5	43.1	70.4	68.4%	45.3%	111.3	120.7	141.7	26.3%	55.6%
Financial Administration	10.3	7.8	14.4	23.3	31.2%	18.5%	26.2	28.2	30.5	9.3%	13.5%
Internal Audit	1.2	2.1	9.4	12.9	118.5%	8.5%	14.3	14.9	15.5	6.5%	7.2%
Office Accommodation	-	-	-	9.2	-	3.0%	13.5	14.1	14.8	17.4%	6.5%
Total	40.7	27.5	88.8	145.0	52.8%	100.0%	199.0	213.7	240.5	18.4%	100.0%
Change to 2016				(16.2)			(3.3)	0.8	15.6		
Budget estimate											

Table 22.8 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20
R million											
Current payments	37.3	25.3	80.3	133.5	52.9%	91.6%	165.9	176.1	200.8	14.6%	84.7%
Compensation of employees	29.5	18.7	38.0	70.8	33.8%	52.0%	83.5	87.2	106.4	14.6%	43.6%
Goods and services ¹	7.8	6.7	42.3	62.7	100.1%	39.6%	82.4	88.8	94.4	14.6%	41.1%
<i>of which:</i>											
<i>Audit costs: External</i>	–	–	2.3	4.5	–	2.3%	4.6	4.8	4.9	3.2%	2.4%
<i>Computer services</i>	2.6	0.8	17.0	18.7	92.2%	13.0%	35.1	37.9	40.0	28.8%	16.5%
<i>Contractors</i>	0.2	0.2	3.3	2.1	106.5%	1.9%	3.3	3.4	3.5	18.4%	1.5%
<i>Operating leases</i>	–	–	–	9.2	–	3.0%	13.6	14.3	15.0	17.8%	6.5%
<i>Travel and subsistence</i>	2.3	3.2	6.1	6.0	37.1%	5.8%	8.0	8.9	9.9	18.2%	4.1%
<i>Training and development</i>	0.1	0.1	0.4	5.5	242.4%	2.0%	6.2	6.5	6.8	7.3%	3.1%
Transfers and subsidies¹	0.0	0.0	0.1	0.1	66.5%	0.1%	0.0	0.0	0.0	-75.9%	–
Households	0.0	0.0	0.1	0.1	66.5%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	3.3	2.1	8.4	11.4	51.0%	8.3%	33.1	37.7	39.6	51.7%	15.3%
Machinery and equipment	3.3	2.1	8.3	11.4	51.0%	8.3%	18.1	21.2	21.4	23.6%	9.0%
Software and other intangible assets	–	–	0.1	–	–	–	15.0	16.5	18.2	–	6.2%
Total	40.7	27.5	88.8	145.0	52.8%	100.0%	199.0	213.7	240.5	18.4%	100.0%
Proportion of total programme expenditure to vote expenditure	6.0%	4.0%	11.6%	16.6%	–	–	19.5%	20.0%	21.0%	–	–

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

Programme 2: Superior Court Services

Programme purpose

Provide court administration services to the superior courts.

Objective

- Ensure the effective and efficient administration of the superior courts by:
 - increasing compliance with quasi-judicial targets from a projected 80 per cent in 2017/18 to 100 per cent in 2019/20
 - monitoring superior court performance, and producing four quarterly performance reports and one annual report per year
 - conducting four training workshops on case management for registrars, statisticians and registrars' clerks per year
 - delivering 98 per cent of all issued warrants of release to correctional facilities within one day of the release granted.

Subprogrammes

- *Administration of Superior Courts* provides administrative and technical support to the superior courts, monitors the overall performance of the superior courts and enhances judicial stakeholder relations.
- *Constitutional Court* funds the activities and operations of the Constitutional Court, which has jurisdiction over constitutional matters and any matter that is of general public importance. The court has 11 judges, including the chief justice.
- *Supreme Court of Appeal* funds the activities and operations of the Supreme Court of Appeal, which adjudicates appeals in any matters arising from the high courts or courts of similar status. The court has 26 judges, including a president and a deputy president.
- *High Courts* funds the activities and operations of the various high court divisions, which have jurisdiction over defined geographical areas. There are currently 14 high courts and 195 high court judges. These courts adjudicate and provide resolutions on criminal and civil disputes and hear any appeals from the lower courts.
- *Specialised Courts* funds the activities and operations of labour and labour appeal courts, the land claims court, the competition appeal court and the electoral court. These courts adjudicate various types of matters excluded from the jurisdiction of the various high court divisions and lower courts.

Expenditure trends and estimates

Table 22.9 Superior Court Services 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 (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million												
Administration of Superior Courts	0.6	9.7	7.6	18.0	204.9%	1.4%	25.7	27.2	28.7	16.8%	3.3%	
Constitutional Court	76.1	72.1	52.3	61.5	-6.8%	10.3%	67.6	70.3	70.9	4.9%	9.0%	
Supreme Court of Appeal	29.8	25.9	23.1	28.4	-1.6%	4.2%	28.0	29.4	30.6	2.5%	3.9%	
High Courts	441.2	463.4	509.4	549.5	7.6%	77.2%	557.4	581.8	617.0	3.9%	76.8%	
Specialised Courts	52.9	49.9	49.5	21.6	-25.8%	6.8%	58.8	62.6	66.0	45.2%	7.0%	
Total	600.6	621.0	642.0	679.1	4.2%	100.0%	737.5	771.3	813.2	6.2%	100.0%	
Change to 2016				38.4			15.7	12.8	12.2			
Budget estimate												
Economic classification												
Current payments	499.1	559.5	551.5	630.7	8.1%	88.1%	695.8	730.4	765.7	6.7%	94.0%	
Compensation of employees	327.2	378.7	421.8	463.1	12.3%	62.6%	511.9	539.3	568.2	7.1%	69.4%	
Goods and services ¹	171.8	180.9	129.7	167.6	-0.8%	25.6%	183.9	191.0	197.5	5.6%	24.7%	
of which:												
Minor assets	5.2	3.3	4.4	12.3	33.4%	1.0%	14.1	13.6	14.2	5.1%	1.8%	
Communication	15.5	16.0	3.4	12.3	-7.3%	1.9%	15.4	15.3	15.9	8.9%	2.0%	
Consultants: Business and advisory services	9.9	8.5	8.0	8.6	-4.7%	1.4%	10.5	11.3	12.3	12.7%	1.4%	
Fleet services (including government motor transport)	34.2	27.5	4.7	19.1	-17.6%	3.4%	16.2	17.3	17.1	-3.7%	2.3%	
Consumables: Stationery, printing and office supplies	7.4	6.9	10.2	9.9	10.0%	1.4%	10.8	11.1	12.1	7.1%	1.5%	
Travel and subsistence	79.0	73.5	67.3	70.4	-3.7%	11.4%	73.9	78.0	81.0	4.8%	10.1%	
Transfers and subsidies¹	1.1	2.9	1.3	1.3	5.5%	0.3%	1.5	1.6	2.6	26.6%	0.2%	
Provinces and municipalities	0.0	0.0	-	0.0	7.0%	-	0.1	0.1	0.1	27.6%	-	
Households	1.0	2.8	1.3	1.2	5.4%	0.2%	1.4	1.5	2.5	26.4%	0.2%	
Payments for capital assets	100.3	58.5	89.2	47.1	-22.3%	11.6%	40.2	39.4	45.0	-1.5%	5.7%	
Machinery and equipment	100.3	58.3	88.9	47.1	-22.3%	11.6%	40.2	39.4	45.0	-1.5%	5.7%	
Software and other intangible assets	-	0.2	0.4	-	-	-	-	-	-	-	-	
Payments for financial assets	0.2	0.1	0.0	-	-100.0%	-	-	-	-	-	-	
Total	600.6	621.0	642.0	679.1	4.2%	100.0%	737.5	771.3	813.2	6.2%	100.0%	
Proportion of total programme expenditure to vote expenditure	88.5%	91.3%	83.6%	77.7%	-	-	72.4%	72.0%	71.1%	-	-	
Details of selected transfers and subsidies												
Households												
Social benefits												
Current	0.7	2.4	1.1	1.0	10.1%	0.2%	1.1	1.2	2.2	30.5%	0.2%	
Employee social benefits	0.7	2.4	1.1	1.0	10.1%	0.2%	1.1	1.2	2.2	30.5%	0.2%	

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

Programme 3: Judicial Education and Support

Programme purpose

Provide education programmes to judicial officers, support services to the Judicial Service Commission, and policy development and research services to the department and the judiciary, for the optimal administration of justice.

Objectives

- Enhance the judicial skills of serving and aspiring judicial officials to perform optimally by increasing the number of judicial education training courses from a projected 77 in 2017/18 to 87 in 2019/20.
- Enhance the governance of the judiciary and the department by providing 85 per cent of requested advisory opinions on policy development and regulatory services within 15 days of receipt in 2017/18, increasing to 100 per cent in 2019/20.

Subprogrammes

- *South African Judicial Education Institute* funds the activities of the South African Judicial Education Institute to provide continuing judicial education for judicial officers and training for aspirant judicial officers.
- *Judicial Policy and Research* provides advisory opinions on policy development, undertakes research and offers legal support services to enhance the functioning of the judiciary.
- *Judicial Service Commission* provides secretariat and administrative support services to the Judicial Service Commission so that it can effectively fulfil its constitutional and legislative mandates.

Expenditure trends and estimates

Table 22.10 Judicial Education and Support 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
South African Judicial Education Institute	31.0	24.2	26.0	30.2	-0.8%	71.3%	49.0	51.5	54.4	21.6%	60.1%
Judicial Policy and Research	1.0	2.1	4.7	11.6	124.1%	12.4%	19.8	20.6	21.3	22.5%	23.8%
Judicial Service Commission	5.7	5.4	6.3	8.1	12.3%	16.3%	13.2	13.8	14.5	21.2%	16.1%
Total	37.8	31.8	36.9	49.9	9.8%	100.0%	82.1	85.9	90.2	21.8%	100.0%
Change to 2016 Budget estimate				(13.2)			(2.8)	(3.5)	(4.2)		
Economic classification											
Current payments	37.6	31.3	36.6	49.0	9.3%	98.8%	74.5	78.4	82.7	19.0%	92.3%
Compensation of employees	5.0	7.1	11.1	21.4	62.5%	28.5%	20.4	21.6	22.8	2.1%	28.0%
Goods and services ¹	32.6	24.2	25.5	27.6	-5.4%	70.3%	54.1	56.8	59.9	29.5%	64.4%
of which:											
Legal services	2.3	0.3	1.7	1.6	-11.8%	3.8%	3.8	4.0	4.1	37.4%	4.4%
Consumables: Stationery, printing and office supplies	0.4	0.9	0.9	2.9	92.6%	3.3%	3.7	4.1	4.5	16.1%	4.9%
Travel and subsistence	19.9	15.2	15.7	14.5	-9.9%	41.8%	16.8	17.7	18.5	8.3%	21.9%
Training and development	0.9	0.3	0.7	2.7	44.8%	2.9%	3.5	3.5	3.5	9.3%	4.3%
Operating payments	0.5	0.2	0.3	1.4	38.1%	1.6%	3.1	3.3	3.4	33.4%	3.6%
Venues and facilities	7.1	5.2	4.3	1.1	-45.8%	11.4%	18.2	19.2	20.7	163.4%	19.2%
Payments for capital assets	0.2	0.5	0.3	0.9	64.2%	1.2%	7.6	7.6	7.5	101.6%	7.7%
Machinery and equipment	0.2	0.5	0.3	0.9	64.2%	1.2%	7.6	7.6	7.5	101.6%	7.7%
Total	37.8	31.8	36.9	49.9	9.8%	100.0%	82.1	85.9	90.2	21.8%	100.0%
Proportion of total programme expenditure to vote expenditure	5.6%	4.7%	4.8%	5.7%			8.1%	8.0%	7.9%		

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

Vote 23

Police

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	18 636.4	16 733.4	690.1	1 213.0	19 782.1	21 144.7
Visible Policing	44 100.0	42 353.6	237.8	1 508.6	47 121.6	50 115.5
Detective Services	17 934.6	17 094.3	91.1	749.2	19 077.7	20 433.8
Crime Intelligence	3 546.0	3 481.8	12.7	51.6	3 765.8	4 046.6
Protection and Security Services	2 808.1	2 725.1	5.4	77.6	2 993.8	3 205.3
Total expenditure estimates	87 025.1	82 388.0	1 037.0	3 600.1	92 741.0	98 945.9
Executive authority	Minister of Police					
Accounting officer	National Commissioner of the South African Police Service					
Website address	www.saps.gov.za					

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

Vote purpose

Prevent, combat and investigate crime, maintain public order, protect and secure the inhabitants of South Africa and their property, and uphold and enforce the law.

Mandate

The South African Police Service derives its powers and functions from section 205 of the Constitution and from the South African Police Service Act (1995). This legislation regulates the police service in terms of its core function, which is to prevent, investigate and combat crime.

Selected performance indicators

Table 23.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17 ¹	2017/18	2018/19	2019/20
Number of serious crimes reported per year ²	Visible Policing	Outcome 3: All people in South Africa are and feel safe	1 826 967	1 820 796	1 788 139	1 736 551	1 717 742	1 651 437	1 587 692
Number of crimes reported for unlawful possession of, and dealing in, drugs per year ³	Visible Policing		260 732	267 034	259 229	314 502	371 833	480 928	622 033
Percentage of crime-related hits ⁴ reacted to as a result of the movement control system screening of:	Visible Policing								
- Wanted persons			100%	100%	100%	100%	100%	100%	100%
- Stolen or robbed vehicles			(3 159)	(2 746)	(2 717)				
			100%	100%	100%	100%	100%	100%	100%
			(3 926)	(3 874)	(3 644)				
Percentage of medium- to high-risk incidents responded to ⁵ in relation to requests received	Visible Policing		100%	100%	100%	100%	100%	100%	100%
Detection rate ⁶ for serious crimes per year	Detective Services		38.14%	37.4%	36.9%	38%	37%	38%	39% ²
			(834 538/ 2 187 956)	(820 598/ 2 194 207)	(805 158/ 2 182 044)				
Percentage of trial-ready case dockets for serious commercial crime-related charges per year ⁷	Detective Services	54.9%	58.8%	58.59%	53%	53%	53%	53%	
		(3 409/ 6 209)	(2 993/ 5 090)	(2 745/ 4 685)					
Percentage of original previous conviction reports for formally charged individuals generated within 15 calendar days per year ⁸	Detective Services	91.88%	93%	97.02%	95%	95%	95%	95%	
		(1 119 843/ 1 218 869)	(1 138 275/ 1 223 005)	(1 123 475/ 1 158 030)					

Table 23.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17 ¹	2017/18	2018/19	2019/20
Number of network operations ⁹ conducted per year	Crime Intelligence	Outcome 3: All people in South Africa are and feel safe	34 534	47 846	859 ⁹	759 ⁹	759 ⁹	759 ⁹	759 ⁹
Percentage of national key points evaluated in compliance with the National Key Points Act (1980) ¹⁰	Protection and Security Services		101% ¹⁰ (199/197)	100% (197)	100.52% ¹⁰ (192/191)	100%	100%	100%	100%

- Figures for 2016/17 are based on the published targets, as indicated in the department's 2016/17 annual performance plan. Some targets were revised since publication in the 2016 Estimates of National Expenditure to align them with the department's 2016/17 annual performance plan. In most cases, targets for 2016/17 were determined using actual performance in 2014/15 as the baseline, as the actual outcome for 2015/16 was not yet known at the time of finalising the 2016/17 annual performance plan.
- This indicator measures serious crimes reported, excluding crime detected as a result of police action. Serious crimes include contact crimes, contact-related crimes, property-related crimes and other serious crimes. As the number of serious crimes reported cannot be predicted, medium-term performance targets for all indicators relating to the reporting, detection and investigation of crime are estimates based on past performance and measures to combat crime to be implemented over the medium term.
- This crime is uncovered as a result of police activities such as roadblocks, cordon and search operations, and intelligence gathering. An increase in reporting for cases of this nature is welcome as it is indicative of more active and effective policing.
- Crime-related hits are tip-offs generated from the movement control system. Reaction to hits includes arrests and confiscations of stolen or robbed vehicles.
- 'Responded to' means when physical and human resources are activated, deployed and mobilised to respond to a specific medium to high risk incident.
- The calculation of the detection rate takes into account the total number of charges referred to court, plus charges withdrawn before court, plus charges closed as unfounded, divided by the total number of charges investigated.
- Due to the unpredictable and complex nature of serious commercial crimes, the medium-term targets for this indicator are constant and based on past average performance.
- Targets over the medium term remain constant as the department is in the process of upgrading the automated fingerprint identification system, which is aging and causing delays and slow response time in terms of fingerprint searches.
- Network operations refer to the planned and purposeful processes of obtaining, assembling and organising information through the exploitation of all types of sources on a target (organisation, group or individual) for further intelligence processing and/or use as evidence. As specific targets are not known, actual figures vary and predictions are based on past average performance. Over the medium term, the definition of network operations will exclude ad hoc operations and enquiries as previously reported, as these are initiated by other environments and do not form part of network operations, resulting in the downward revision of the targets to remain constant over the medium term.
- The total number of national key points varies from year to year as national key points are revised and declared annually. In 2013/14 and 2015/16, the department was requested to evaluate additional national key points that were declared during those years, two in 2013/14 and one in 2015/16. This explains the overachievement when comparing actual performance to the planned targets of 197 and 191 for 2013/14 and 2015/16.

Expenditure analysis

Over the medium term, the South African Police Service will focus on intensifying the implementation of the Back to Basics strategy on policing, which was adopted by Cabinet in August 2015. The strategy aims to improve police performance and conduct by ensuring that every member of the police service does the basics of policing properly and consistently, in line with the regulatory framework for policing. This entails addressing past performance and organisational deficiencies identified in fundamental areas such as discipline and police conduct, police visibility, and the deployment of operational resources. Addressing these deficiencies lays the groundwork for a police service that is responsive to the safety and security needs of society, and which upholds a high standard of conduct and professionalism, in line with the goals in the National Development Plan (NDP) of building safer communities and outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework.

The Back to Basics strategy on policing is made up of nine elements that cut across all of the department's programmes. However, spending on them will mainly take place in the *Visible Policing* and *Detective Services* programmes, which are the department's core service delivery programmes. These two programmes constitute an average of R198.8 billion, or 71.3 per cent, of the total budget over the medium term, with a combined personnel count of 140 657 in 2016/17. Implementing the strategy is expected to improve the department's performance on the prevention, detection and investigation of crime.

Implementing recovery plans

The department has developed recovery plans for visible policing, detective services and service terminations. The plans were developed to identify specific areas of underperformance and the possible causes thereof, and propose interventions to improve performance in these three priority areas. The plans will be implemented using existing personnel and budgets allocated to the *Administration*, *Visible Policing* and *Detective Services* programmes. Implementing the plans is expected to reduce the number of serious crimes reported over the medium term by approximately 4 per cent. It is also expected to increase the number of crimes reported for the unlawful possession of, and dealing in, drugs from 314 502 in 2016/17 to 622 033 in 2019/20, and the detection rate for serious crimes by 1 per cent over the period. Other areas expected to show improvement are the detection rate for contact crimes, crimes dependent on police for detection, and crimes against women and children.

Transforming the police service

Demilitarising and professionalising the police service is a priority in the Back to Basics strategy, as is enforcing integrity and discipline among police officials, guided by the department's code of conduct. The

department has identified one police station in each province for the pilot implementation of the frontline service delivery project, which aims to improve the professional conduct of police officials. The project also aims to ensure that police stations are accessible, and interactions between the police and the public are positive. This requires standardising police services and ensuring that every police station has the basic operational resources and infrastructure required. Implementing the pilot of the project will see standardised signage and branding introduced, police facilities refurbished, and basic policing machinery and equipment acquired. This contributes to the projected increase of R100.8 million, or 4.5 per cent, over the medium term in spending on communication, and 12 per cent, or R789.8 million, over the same period in spending on machinery and equipment.

Enhancing police visibility

Enhancing police visibility entails optimising spending on personnel, vehicles and infrastructure to ensure that the police service is accessible to communities and can make its presence felt. A significant proportion of the department's budget, approximately 76.4 per cent over the medium term, is allocated to spending on compensation of employees. However, to keep spending within the compensation of employees ceiling approved by Cabinet in the 2016 budget, the department plans to reduce personnel numbers from 194 431 in 2016/17 to 191 431 in 2019/20. The reduction in personnel numbers is not expected to reduce the department's overall performance over the medium term, as most of its performance targets in relation to the investigation and detection of crime will remain constant over the medium term.

A total of R2.5 billion is allocated over the MTEF period to the *Administration* programme to build, upgrade and maintain police stations. The department plans to build 63 additional police stations over the period at an estimated cost of R588.3 million. The department also plans to prioritise the replacement of vehicles that have mileage in excess of 200 000 kilometres as these vehicles, which constituted 35 per cent of the total fleet at the end of 2015/16, require significant maintenance each year. An amount of R5.7 billion is allocated over the medium term for transportation equipment, including vehicles, and R4.5 billion is budgeted for fleet maintenance.

The department is developing a plan to expand public order policing to support the implementation of the recommendations of the Marikana Commission of Inquiry. Allocations of R242 million in 2017/18 and R355.8 million in 2018/19 were approved by Cabinet in the 2016 budget for this purpose. This explains the projected increase of 7.9 per cent over the medium term in expenditure in the *Specialised Interventions* subprogramme in the *Visible Policing* programme.

Expenditure trends

Table 23.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Visible Policing														
3. Detective Services														
4. Crime Intelligence														
5. Protection and Security Services														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	14 318.2	14 524.9	14 179.2	15 304.0	15 304.0	15 570.2	16 264.2	16 609.3	16 936.3	17 559.8	17 382.5	17 382.5	101.0%	100.4%
Programme 2	34 570.1	35 015.1	35 149.1	37 008.8	37 043.8	36 700.3	38 855.0	38 444.4	38 321.1	40 675.8	40 865.9	40 865.9	100.0%	99.8%
Programme 3	14 348.5	14 550.9	14 704.0	15 242.7	15 133.0	15 149.7	15 816.0	16 092.4	15 947.3	16 789.6	16 772.5	16 772.5	100.6%	100.0%
Programme 4	2 715.3	2 735.6	2 740.0	2 880.8	2 880.8	2 884.1	3 110.4	3 146.9	3 102.0	3 350.5	3 354.8	3 354.8	100.2%	99.7%
Programme 5	1 964.9	1 964.9	2 019.0	2 070.9	2 145.6	2 202.9	2 331.5	2 427.7	2 414.1	2 609.1	2 609.1	2 609.1	103.0%	101.1%
Total	67 917.1	68 791.4	68 791.4	72 507.2	72 507.2	72 507.2	76 377.1	76 720.8	76 720.8	80 984.9	80 984.9	80 984.9	100.4%	100.0%
Change to 2016 Budget estimate														

Table 23.2 Vote expenditure trends by programme and economic classification

Economic classification	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Current payments	64 212.7	65 084.8	64 818.6	68 924.4	68 766.5	68 576.5	72 604.4	72 903.2	72 714.0	77 007.6	77 152.6	77 152.6	100.2%	99.8%
Compensation of employees	50 358.5	51 231.6	51 241.8	54 210.0	54 449.0	54 332.2	57 884.9	58 277.1	57 478.4	62 070.4	62 038.1	62 038.1	100.3%	99.6%
Goods and services	13 854.2	13 853.2	13 576.8	14 714.4	14 317.5	14 244.3	14 719.6	14 626.1	15 235.7	14 937.1	15 114.4	15 114.4	99.9%	100.4%
Transfers and subsidies	637.3	639.6	812.8	737.1	852.0	899.0	911.9	952.4	990.9	961.0	993.3	993.3	113.8%	107.5%
Provinces and municipalities	28.0	28.0	34.6	33.4	33.4	38.1	37.0	37.0	40.1	40.6	40.6	40.6	110.4%	110.4%
Departmental agencies and accounts	115.5	116.7	93.0	133.8	134.7	134.7	142.0	150.0	155.7	149.4	149.4	149.4	-	-
Non-profit institutions	-	1.0	1.0	1.0	1.0	1.0	-	1.0	1.0	-	-	-	300.0%	100.0%
Households	493.9	493.9	684.3	568.9	682.9	725.2	732.9	764.4	794.1	771.0	803.3	803.3	117.1%	109.6%
Payments for capital assets	3 067.1	3 067.1	3 146.4	2 845.7	2 888.8	3 003.5	2 860.8	2 865.3	3 004.0	3 016.3	2 839.0	2 839.0	101.7%	102.9%
Buildings and other fixed structures	1 036.9	1 036.9	868.1	1 099.9	984.9	884.8	998.7	998.7	1 192.4	1 051.4	874.0	874.0	91.2%	98.1%
Machinery and equipment	2 029.9	2 029.9	2 278.1	1 745.5	1 898.5	2 118.4	1 856.5	1 856.5	1 808.1	1 959.2	1 957.0	1 957.0	107.5%	105.4%
Biological assets	0.3	0.3	0.2	0.3	5.4	0.2	5.5	10.0	3.6	5.7	7.9	7.9	102.1%	50.9%
Payments for financial assets	-	-	13.6	-	-	28.3	-	-	11.9	-	-	-	-	-
Total	67 917.1	68 791.4	68 791.4	72 507.2	72 507.2	72 507.2	76 377.1	76 720.8	76 720.8	80 984.9	80 984.9	80 984.9	100.4%	100.0%

Expenditure estimates

Table 23.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Visible Policing									
3. Detective Services									
4. Crime Intelligence									
5. Protection and Security Services									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	17 382.5	6.2%	21.4%	18 636.4	19 782.1	21 144.7	6.7%	21.4%	
Programme 2	40 865.9	5.3%	50.5%	44 100.0	47 121.6	50 115.5	7.0%	50.7%	
Programme 3	16 772.5	4.9%	20.9%	17 934.6	19 077.7	20 433.8	6.8%	20.6%	
Programme 4	3 354.8	7.0%	4.0%	3 546.0	3 765.8	4 046.6	6.4%	4.1%	
Programme 5	2 609.1	9.9%	3.1%	2 808.1	2 993.8	3 205.3	7.1%	3.2%	
Total	80 984.9	5.6%	100.0%	87 025.1	92 741.0	98 945.9	6.9%	100.0%	
Change to 2016				(227.0)	(213.3)	(253.2)			
Budget estimate									
Economic classification									
Current payments	77 152.6	5.8%	94.7%	82 388.0	87 723.8	94 066.7	6.8%	94.9%	
Compensation of employees	62 038.1	6.6%	75.3%	66 196.8	70 655.4	76 025.2	7.0%	76.4%	
Goods and services	15 114.4	2.9%	19.5%	16 191.3	17 068.4	18 041.5	6.1%	18.5%	
Transfers and subsidies	993.3	15.8%	1.2%	1 037.0	1 098.8	1 167.0	5.5%	1.2%	
Provinces and municipalities	40.6	13.2%	0.1%	43.8	47.0	56.0	11.4%	0.1%	
Departmental agencies and accounts	149.4	8.6%	0.2%	166.1	178.2	189.6	8.3%	0.2%	
Households	803.3	17.6%	1.0%	827.1	873.6	921.3	4.7%	1.0%	
Payments for capital assets	2 839.0	-2.5%	4.0%	3 600.1	3 918.4	3 712.2	9.4%	3.9%	
Buildings and other fixed structures	874.0	-5.5%	1.3%	891.5	924.9	958.7	3.1%	1.0%	
Machinery and equipment	1 957.0	-1.2%	2.7%	2 696.5	2 987.2	2 746.8	12.0%	2.9%	
Biological assets	7.9	212.0%	0.0%	12.0	6.3	6.7	-5.4%	0.0%	
Total	80 984.9	5.6%	100.0%	87 025.1	92 741.0	98 945.9	6.9%	100.0%	

Goods and services expenditure trends and estimates

Table 23.4 Vote goods and services expenditure trends and estimates

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand												
Administrative fees	59 788	47 951	57 394	61 970	1.2%	0.4%	65 399	69 186	73 056	5.6%	0.4%	
Advertising	32 295	26 581	39 821	29 634	-2.8%	0.2%	31 447	33 271	35 133	5.8%	0.2%	
Minor assets	226 229	260 213	239 949	242 897	2.4%	1.7%	277 284	294 348	311 243	8.6%	1.7%	
Audit costs: External	32 858	34 638	33 266	38 774	5.7%	0.2%	40 906	43 280	45 704	5.6%	0.3%	
Bursaries: Employees	6 970	8 609	8 252	8 555	7.1%	0.1%	8 769	9 032	9 538	3.7%	0.1%	
Catering: Departmental activities	38 106	40 115	39 531	33 740	-4.0%	0.3%	35 243	37 288	39 375	5.3%	0.2%	
Communication	707 442	696 107	714 118	712 996	0.3%	4.9%	739 784	771 302	813 779	4.5%	4.6%	
Computer services	2 550 149	2 787 020	3 149 413	2 915 795	4.6%	19.6%	3 212 779	3 362 794	3 561 055	6.9%	19.7%	
Consultants: Business and advisory services	20 160	26 569	27 402	30 337	14.6%	0.2%	27 340	23 596	24 915	-6.4%	0.2%	
Infrastructure and planning services	22	427	73	-	-100.0%	-	-	-	-	-	-	
Laboratory services	5 501	5 004	4 407	5 910	2.4%	-	6 206	6 566	6 934	5.5%	-	
Legal services	291 323	340 204	293 913	319 801	3.2%	2.1%	341 258	361 051	381 270	6.0%	2.1%	
Contractors	302 802	413 170	568 491	419 226	11.5%	2.9%	468 471	490 949	527 450	8.0%	2.9%	
Agency and support/outourced services	262 192	235 979	344 667	322 866	7.2%	2.0%	314 161	332 602	350 547	2.8%	2.0%	
Entertainment	2 166	1 361	1 412	1 952	-3.4%	-	2 050	2 168	2 287	5.4%	-	
Fleet services (including government motor transport)	3 902 382	3 739 357	3 753 107	3 834 790	-0.6%	26.2%	4 060 768	4 297 227	4 522 145	5.6%	25.2%	
Inventory: Clothing material and accessories	146 018	253 073	245 436	251 680	19.9%	1.5%	269 616	285 187	301 157	6.2%	1.7%	
Inventory: Other supplies	86 170	135 963	63 499	104 108	6.5%	0.7%	122 869	124 143	129 705	7.6%	0.7%	
Consumable supplies	318 883	341 867	492 570	427 666	10.3%	2.7%	450 819	475 797	502 586	5.5%	2.8%	
Consumables: Stationery, printing and office supplies	362 477	391 508	310 834	384 305	2.0%	2.5%	415 358	436 497	461 342	6.3%	2.6%	
Operating leases	2 308 227	2 386 867	2 577 256	2 729 279	5.7%	17.2%	2 897 167	3 082 500	3 273 055	6.2%	18.0%	
Property payments	929 175	976 382	1 044 282	1 086 908	5.4%	6.9%	1 144 125	1 210 491	1 278 279	5.6%	7.1%	
Transport provided: Departmental activity	2 617	1 033	1 317	1 880	-10.4%	-	1 976	2 091	2 208	5.5%	-	
Travel and subsistence	754 917	867 739	917 885	929 256	7.2%	6.0%	986 312	1 031 893	1 089 368	5.4%	6.1%	
Training and development	81 868	75 034	95 245	60 479	-9.6%	0.5%	83 100	87 985	92 947	15.4%	0.5%	
Operating payments	100 934	121 739	177 231	131 277	9.2%	0.9%	157 883	164 962	172 424	9.5%	0.9%	
Venues and facilities	45 092	29 755	34 880	28 355	-14.3%	0.2%	30 183	32 218	34 025	6.3%	0.2%	
Total	13 576 763	14 244 265	15 235 651	15 114 436	3.6%	100.0%	16 191 273	17 068 424	18 041 527	6.1%	100.0%	

Transfers and subsidies expenditure trends and estimates

Table 23.5 Vote transfers and subsidies trends and estimates

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand												
Provinces and municipalities												
Municipal bank accounts												
Current	34 593	38 106	40 051	40 567	5.5%	4.1%	43 815	46 973	56 012	11.4%	4.4%	
Vehicle licences	34 593	38 106	40 051	40 567	5.5%	4.1%	43 815	46 973	56 012	11.4%	4.4%	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	92 962	134 702	155 682	149 440	17.1%	14.4%	166 081	178 214	189 640	8.3%	15.9%	
Safety and Security Sector Education and Training Authority	31 984	34 904	42 498	38 848	6.7%	4.0%	41 408	43 630	45 569	5.5%	3.9%	
Civilian Secretariat for the Police Service	60 978	99 798	113 184	110 592	22.0%	10.4%	124 673	134 584	144 071	9.2%	12.0%	
Non-profit institutions												
Current	1 000	1 000	1 000	-	-100.0%	0.1%	-	-	-	-	-	
Education Trust	1 000	1 000	1 000	-	-100.0%	0.1%	-	-	-	-	-	
Households												
Social benefits												
Current	345 940	383 028	417 914	421 899	6.8%	42.4%	432 494	456 078	480 396	4.4%	41.7%	
Employee social benefits	345 940	383 028	417 914	421 899	6.8%	42.4%	432 494	456 078	480 396	4.4%	41.7%	
Households												
Other transfers to households												
Current	338 328	342 167	376 219	381 408	4.1%	38.9%	394 635	417 524	440 906	5.0%	38.0%	
Claims against the state	291 778	302 144	334 899	328 017	4.0%	34.0%	338 574	358 211	378 271	4.9%	32.7%	
Detainee medical expenses	46 550	40 023	41 320	53 391	4.7%	4.9%	56 061	59 313	62 635	5.5%	5.4%	
Total	812 823	899 003	990 866	993 314	6.9%	100.0%	1 037 025	1 098 789	1 166 954	5.5%	100.0%	

Personnel information

Table 23.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
Number of posts estimated for 31 March 2017																	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						2016/17 - 2019/20				
		2015/16			2016/17			2017/18		2018/19		2019/20						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Police	194 431	194 730	57 478.4	0.3	194 431	62 038.1	0.3	193 431	66 196.8	0.3	192 431	70 655.4	0.4	191 431	76 025.2	0.4	-0.5%	100.0%
Salary level																		
1 – 6	129 589	131 435	29 636.9	0.2	129 589	31 662.6	0.2	129 339	34 004.4	0.3	129 089	36 624.2	0.3	128 839	39 381.5	0.3	-0.2%	67.0%
7 – 10	61 739	60 385	25 031.2	0.4	61 739	27 130.5	0.4	60 989	28 686.3	0.5	60 239	30 246.6	0.5	59 489	32 566.1	0.5	-1.2%	31.4%
11 – 12	2 226	2 141	1 890.3	0.9	2 226	2 141.7	1.0	2 226	2 321.4	1.0	2 226	2 513.8	1.1	2 226	2 717.1	1.2	–	1.2%
13 – 16	875	767	915.7	1.2	875	1 099.0	1.3	875	1 180.0	1.3	875	1 265.8	1.4	875	1 355.3	1.5	–	0.5%
Other	2	2	4.2	2.1	2	4.4	2.2	2	4.6	2.3	2	4.9	2.5	2	5.2	2.6	–	–
Programme	194 431	194 730	57 478.4	0.3	194 431	62 038.1	0.3	193 431	66 196.8	0.3	192 431	70 655.4	0.4	191 431	76 025.2	0.4	-0.5%	100.0%
Programme 1	37 285	37 285	10 279.6	0.3	37 285	11 194.7	0.3	37 135	11 930.3	0.3	36 985	12 766.6	0.3	36 835	13 736.5	0.4	-0.4%	19.2%
Programme 2	101 749	102 731	30 067.5	0.3	101 749	32 304.5	0.3	101 087	34 466.2	0.3	100 425	36 797.8	0.4	99 763	39 624.8	0.4	-0.7%	52.2%
Programme 3	38 908	38 766	12 241.4	0.3	38 908	13 207.0	0.3	38 720	14 111.9	0.4	38 532	15 028.6	0.4	38 344	16 148.4	0.4	-0.5%	20.0%
Programme 4	9 657	9 146	2 819.3	0.3	9 657	3 054.0	0.3	9 657	3 227.7	0.3	9 657	3 427.9	0.4	9 657	3 688.3	0.4	–	5.0%
Programme 5	6 832	6 802	2 070.5	0.3	6 832	2 277.9	0.3	6 832	2 460.7	0.4	6 832	2 634.4	0.4	6 832	2 827.1	0.4	–	3.5%

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

2. Rand million.

Departmental receipts

Table 23.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	386 341	389 406	478 192	497 993	497 993	8.8%	100.0%	356 004	376 378	393 848	-7.5%	100.0%
Sales of goods and services produced by department	153 412	179 121	205 250	211 808	211 808	11.4%	42.8%	158 870	163 670	168 919	-7.3%	43.3%
Administrative fees	23 255	26 206	34 942	38 990	38 990	18.8%	7.0%	28 850	30 650	32 730	-5.7%	8.1%
of which:												
Firearm licences	23 255	26 206	34 942	38 990	38 990	18.8%	7.0%	28 850	30 650	32 730	-5.7%	8.1%
Other sales	130 157	152 915	170 308	172 818	172 818	9.9%	35.7%	130 020	133 020	136 189	-7.6%	35.2%
of which:												
House rentals	31 844	32 753	31 157	30 138	30 138	-1.8%	7.2%	30 500	30 500	30 500	0.4%	7.5%
Commission on insurance	54 444	58 971	62 144	65 722	65 722	6.5%	13.8%	60 000	62 000	64 000	-0.9%	15.5%
Other	43 869	61 191	77 007	76 958	76 958	20.6%	14.8%	39 520	40 520	41 689	-18.5%	12.2%
Sales of scrap, waste, arms and other used current goods	12 388	33 045	32 370	25 010	25 010	26.4%	5.9%	15 500	16 800	18 100	-10.2%	4.6%
of which:												
Sales of scrap, waste and other used goods	12 388	33 045	32 370	25 010	25 010	26.4%	5.9%	15 500	16 800	18 100	-10.2%	4.6%
Fines, penalties and forfeits	50 563	18 929	11 184	1 573	1 573	-68.5%	4.7%	4 480	6 420	8 150	73.0%	1.3%
Interest, dividends and rent on land	769	1 210	1 128	1 133	1 133	13.8%	0.2%	865	925	985	-4.6%	0.2%
Interest	769	1 210	1 128	1 133	1 133	13.8%	0.2%	865	925	985	-4.6%	0.2%
Sales of capital assets	3 757	15 541	62 650	83 100	83 100	180.7%	9.4%	42 900	44 500	46 100	-17.8%	13.3%
Transactions in financial assets and liabilities	165 452	141 560	165 610	175 369	175 369	2.0%	37.0%	133 389	144 063	151 594	-4.7%	37.2%
Total	386 341	389 406	478 192	497 993	497 993	8.8%	100.0%	356 004	376 378	393 848	-7.5%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the South African Police Service; and provide for the functions of the Civilian Secretariat for the Police Service.

Expenditure trends and estimates

Table 23.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Ministry	24.3	30.1	39.0	72.7	44.0%	0.3%	63.4	53.1	56.3	-8.2%	0.3%
Management	59.8	66.1	59.7	72.3	6.5%	0.4%	76.7	81.4	87.0	6.4%	0.4%
Corporate Services	14 034.1	15 374.2	16 724.4	17 127.0	6.9%	98.7%	18 371.6	19 513.0	20 857.4	6.8%	98.6%
Civilian Secretariat	61.0	99.8	113.2	110.6	22.0%	0.6%	124.7	134.6	144.1	9.2%	0.7%
Total	14 179.2	15 570.2	16 936.3	17 382.5	7.0%	100.0%	18 636.4	19 782.1	21 144.7	6.7%	100.0%
Change to 2016 Budget estimate				(177.3)			(38.3)	(32.5)	(35.5)		
Economic classification											
Current payments	12 539.4	13 800.2	14 755.8	15 572.8	7.5%	88.4%	16 733.4	17 784.0	19 051.6	7.0%	89.9%
Compensation of employees	8 701.8	9 390.8	10 279.6	11 194.7	8.8%	61.8%	11 930.3	12 766.6	13 736.5	7.1%	64.5%
Goods and services ¹	3 837.6	4 409.5	4 476.2	4 378.1	4.5%	26.7%	4 803.1	5 017.4	5 315.1	6.7%	25.4%
of which:											
Computer services	2 114.6	2 494.8	2 572.7	2 435.8	4.8%	15.0%	2 698.8	2 819.9	2 987.8	7.0%	14.2%
Legal services	291.3	340.2	293.9	318.7	3.0%	1.9%	341.3	361.1	381.3	6.2%	1.8%
Contractors	87.2	155.7	140.4	125.6	12.9%	0.8%	154.5	155.4	173.1	11.3%	0.8%
Fleet services (including government motor transport)	308.3	296.6	275.6	253.9	-6.3%	1.8%	296.5	314.2	331.7	9.3%	1.6%
Inventory: Clothing material and accessories	96.0	172.6	236.1	251.7	37.9%	1.2%	264.3	279.6	295.2	5.5%	1.4%
Travel and subsistence	213.3	200.7	229.0	234.3	3.2%	1.4%	235.1	239.7	253.2	2.6%	1.3%
Transfers and subsidies¹	529.0	589.5	652.7	654.2	7.3%	3.8%	690.1	732.3	774.4	5.8%	3.7%
Provinces and municipalities	5.8	6.9	6.9	7.2	7.5%	-	7.4	7.8	8.2	4.6%	-
Departmental agencies and accounts	93.0	134.7	155.7	149.4	17.1%	0.8%	166.1	178.2	189.6	8.3%	0.9%
Households	430.3	447.8	490.1	497.5	5.0%	2.9%	516.7	546.3	576.6	5.0%	2.8%
Payments for capital assets	1 097.1	1 152.2	1 515.9	1 155.6	1.7%	7.7%	1 213.0	1 265.8	1 318.7	4.5%	6.4%
Buildings and other fixed structures	867.0	881.6	1 190.3	874.0	0.3%	6.0%	891.5	924.9	958.7	3.1%	4.7%
Machinery and equipment	229.9	270.4	322.0	273.6	6.0%	1.7%	309.4	334.6	353.3	8.9%	1.7%
Biological assets	0.2	0.2	3.6	7.9	221.4%	-	12.0	6.3	6.7	-5.4%	-
Payments for financial assets	13.6	28.3	11.9	-	-100.0%	0.1%	-	-	-	-	-
Total	14 179.2	15 570.2	16 936.3	17 382.5	7.0%	100.0%	18 636.4	19 782.1	21 144.7	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	20.6%	21.5%	22.1%	21.5%	-	-	21.4%	21.3%	21.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	93.0	134.7	155.7	149.4	17.1%	0.8%	166.1	178.2	189.6	8.3%	0.9%
Safety and Security Sector Education and Training Authority	32.0	34.9	42.5	38.8	6.7%	0.2%	41.4	43.6	45.6	5.5%	0.2%
Civilian Secretariat for the Police Service	61.0	99.8	113.2	110.6	22.0%	0.6%	124.7	134.6	144.1	9.2%	0.7%
Households											
Social benefits											
Current	142.6	147.7	155.5	169.5	5.9%	1.0%	178.1	188.1	198.3	5.4%	1.0%
Employee social benefits	142.6	147.7	155.5	169.5	5.9%	1.0%	178.1	188.1	198.3	5.4%	1.0%
Households											
Other transfers to households											
Current	287.6	300.0	334.5	328.0	4.5%	2.0%	338.6	358.2	378.3	4.9%	1.8%
Claims against the state	287.6	300.0	334.5	328.0	4.5%	2.0%	338.6	358.2	378.3	4.9%	1.8%

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

Programme 2: Visible Policing

Programme purpose

Enable police stations to institute and preserve safety and security, and provide for specialised interventions and the policing of South Africa's borders.

Objective

- Provide a proactive and responsive policing service to discourage and prevent serious crime by:
 - reducing the number of serious crimes reported from 1 788 139 in 2015/16 to 1 587 692 in 2019/20, by addressing contributors to crime such as illegal firearms, illicit drugs and illegal liquor outlets; enhancing partnership policing, crime prevention operations in identified hotspots; providing enhanced training for detectives and forensic specialists
 - increasing the number of reported crimes for the unlawful possession of, and dealing in, drugs from 259 229 in 2015/16 to 622 033 in 2019/20 through focused crime prevention and intelligence-led police operations
 - reacting to 100 per cent of crime-related hits over the medium term through the screening of wanted persons and circulated stolen vehicles crossing South African borders, using the movement control system
 - responding to 100 per cent of medium- to high-risk incidents over the medium term by maintaining public order through effective crowd management and the provision of a rapid response capability for intervening in incidents that require specialised skills and equipment.

Subprogrammes

- *Crime Prevention* provides for basic crime prevention and visible policing services provided at police stations, including community service centres.
- *Border Security* provides for the policing of South African borders.
- *Specialised Interventions* provides for interventions in medium- to high-risk operations, including the air wing, the special task force, crime combating units and the protection of valuable and dangerous cargo.
- *Facilities* provides for office accommodation budgets and related expenditure devolved to the department by the Department of Public Works.

Expenditure trends and estimates

Table 23.9 Visible Policing 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 (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Crime Prevention	27 764.4	28 860.6	30 011.8	31 989.9	4.8%	78.5%	34 351.0	36 618.5	39 227.1	7.0%	78.0%
Border Security	1 550.7	1 625.0	1 695.6	1 818.5	5.5%	4.4%	1 961.8	2 103.6	2 256.3	7.5%	4.5%
Specialised Interventions	2 747.0	2 967.4	3 115.0	3 357.0	6.9%	8.1%	3 873.9	4 240.9	4 222.6	7.9%	8.6%
Facilities	3 087.0	3 247.2	3 498.7	3 700.4	6.2%	9.0%	3 913.3	4 158.6	4 409.5	6.0%	8.9%
Total	35 149.1	36 700.3	38 321.1	40 865.9	5.2%	100.0%	44 100.0	47 121.6	50 115.5	7.0%	100.0%
Change to 2016 Budget estimate				190.2			(137.1)	269.3	(96.7)		
Economic classification											
Current payments	33 945.6	35 797.5	37 338.7	39 764.8	5.4%	97.2%	42 353.6	45 149.9	48 446.5	6.8%	96.4%
Compensation of employees	27 299.2	28 893.5	30 067.5	32 304.5	5.8%	78.5%	34 466.2	36 797.8	39 624.8	7.0%	78.6%
Goods and services ¹	6 646.4	6 904.0	7 271.2	7 460.3	3.9%	18.7%	7 887.4	8 352.1	8 821.7	5.7%	17.8%
of which:											
Communication	344.0	343.4	354.7	358.7	1.4%	0.9%	370.7	381.0	402.3	3.9%	0.8%
Contractors	176.3	185.7	286.0	228.4	9.0%	0.6%	244.7	261.7	276.4	6.6%	0.6%
Fleet services (including government motor transport)	2 204.6	2 137.8	2 128.1	2 165.7	-0.6%	5.7%	2 284.1	2 415.0	2 533.3	5.4%	5.2%
Operating leases	2 224.0	2 312.6	2 498.4	2 649.9	6.0%	6.4%	2 809.5	2 989.8	3 175.3	6.2%	6.4%
Property payments	919.0	964.7	1 031.4	1 071.8	5.3%	2.6%	1 126.1	1 191.4	1 258.2	5.5%	2.6%
Travel and subsistence	245.7	360.7	308.9	346.8	12.2%	0.8%	355.3	375.8	397.4	4.6%	0.8%
Transfers and subsidies¹	194.8	205.0	220.6	226.5	5.1%	0.6%	237.8	251.2	270.8	6.1%	0.5%
Provinces and municipalities	18.9	20.2	21.7	21.8	4.8%	0.1%	24.4	26.5	34.4	16.5%	0.1%
Non-profit institutions	1.0	1.0	1.0	–	-100.0%	–	–	–	–	–	–
Households	174.9	183.9	197.9	204.7	5.4%	0.5%	213.5	224.7	236.3	4.9%	0.5%
Payments for capital assets	1 008.7	697.8	761.8	874.6	-4.6%	2.2%	1 508.6	1 720.5	1 398.2	16.9%	3.0%
Buildings and other fixed structures	0.7	0.4	1.2	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	1 008.0	697.3	760.5	874.6	-4.6%	2.2%	1 508.6	1 720.5	1 398.2	16.9%	3.0%
Total	35 149.1	36 700.3	38 321.1	40 865.9	5.2%	100.0%	44 100.0	47 121.6	50 115.5	7.0%	100.0%
Proportion of total programme expenditure to vote expenditure	51.1%	50.6%	49.9%	50.5%	–	–	50.7%	50.8%	50.6%	–	–

Table 23.9 Visible Policing expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20			
R million											
Households											
Social benefits											
Current	124.9	142.3	156.3	151.3	6.6%	0.4%	157.4	165.4	173.7	4.7%	0.4%
Employee social benefits	124.9	142.3	156.3	151.3	6.6%	0.4%	157.4	165.4	173.7	4.7%	0.4%
Households											
Other transfers to households											
Current	49.9	41.6	41.5	53.4	2.3%	0.1%	56.1	59.3	62.6	5.5%	0.1%
Claims against the state	3.4	1.6	0.2	–	-100.0%	–	–	–	–	–	–
Detainee medical expenses	46.5	40.0	41.3	53.4	4.7%	0.1%	56.1	59.3	62.6	5.5%	0.1%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	18.9	20.2	21.7	21.8	4.8%	0.1%	24.4	26.5	34.4	16.5%	0.1%
Vehicle licences	18.9	20.2	21.7	21.8	4.8%	0.1%	24.4	26.5	34.4	16.5%	0.1%

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

Programme 3: Detective Services

Programme purpose

Enable the investigative work of the South African Police Service, including providing support to investigators in terms of forensic evidence and criminal records.

Objective

- Contribute to the successful prosecution of offenders by:
 - increasing the detection rate for serious crime from 36.9 per cent in 2015/16 to 39 per cent in 2019/20 through the provision of specialised training to detectives and enhancing dedicated specialised capabilities in different detective services units
 - maintaining the percentage of trial ready case dockets for serious commercial crime-related charges at 53 per cent over the medium term through the timeous submission of case dockets for prosecution
 - generating 95 per cent of original previous conviction reports for formally charged individuals within 15 calendar days by 2019/20.

Subprogrammes

- Crime Investigations* provides for detectives at police stations who investigate general and serious crimes, including crimes against women and children.
- Criminal Record Centre* provides for an effective and credible criminal record centre in respect of crime scene management or processing, and provides criminal records and related information.
- Forensic Science Laboratory* funds forensic science laboratories, which provide specialised evidence-related technical analysis and support to investigators.
- Specialised Investigations* provides for the prevention, combating and investigation of national priority offences, including the investigation of organised crime syndicates, serious and violent crime, commercial crime, and corruption.

Expenditure trends and estimates

Table 23.10 Detective Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20			
R million											
Crime Investigations	9 728.4	10 115.1	10 626.0	11 175.1	4.7%	66.6%	11 991.5	12 762.5	13 678.1	7.0%	66.8%
Criminal Record Centre	1 924.9	2 015.8	2 043.9	2 268.7	5.6%	13.2%	2 441.7	2 597.7	2 784.8	7.1%	13.6%
Forensic Science Laboratory	1 779.1	1 736.6	1 916.9	1 897.6	2.2%	11.7%	1 972.5	2 100.0	2 237.9	5.7%	11.1%
Specialised Investigations	1 271.6	1 282.2	1 360.5	1 431.1	4.0%	8.5%	1 528.8	1 617.5	1 733.0	6.6%	8.5%
Total	14 704.0	15 149.7	15 947.3	16 772.5	4.5%	100.0%	17 934.6	19 077.7	20 433.8	6.8%	100.0%
Change to 2016 Budget estimate				(17.1)			(119.8)	(162.4)	(184.4)		

Table 23.10 Detective Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Current payments	13 693.0	13 994.2	15 243.0	16 014.9	5.4%	94.2%	17 094.3	18 180.1	19 474.9	6.7%	95.3%
Compensation of employees	11 043.8	11 506.7	12 241.4	13 207.0	6.1%	76.7%	14 111.9	15 028.6	16 148.4	6.9%	78.8%
Goods and services ¹	2 649.3	2 487.5	3 001.5	2 807.9	2.0%	17.5%	2 982.3	3 151.4	3 326.5	5.8%	16.5%
of which:											
Communication	165.4	168.7	187.9	178.9	2.7%	1.1%	184.6	195.3	206.2	4.8%	1.0%
Computer services	434.0	289.6	573.0	476.6	3.2%	2.8%	510.3	539.0	569.1	6.1%	2.8%
Fleet services (including government motor transport)	1 209.2	1 134.3	1 173.8	1 232.3	0.6%	7.6%	1 279.5	1 355.8	1 432.8	5.2%	7.1%
Consumable supplies	193.6	205.5	342.8	280.4	13.2%	1.6%	297.8	314.1	332.0	5.8%	1.6%
Consumables: Stationery, printing and office supplies	109.3	101.0	88.5	111.0	0.5%	0.7%	121.0	126.9	134.0	6.5%	0.7%
Travel and subsistence	153.2	152.8	190.5	177.1	4.9%	1.1%	203.3	213.7	224.9	8.3%	1.1%
Transfers and subsidies¹	71.0	86.4	93.6	90.1	8.3%	0.5%	91.1	96.2	101.6	4.1%	0.5%
Provinces and municipalities	8.2	8.9	9.6	9.6	5.3%	0.1%	9.9	10.4	11.0	4.5%	0.1%
Households	62.8	77.5	84.0	80.5	8.7%	0.5%	81.1	85.9	90.7	4.0%	0.5%
Payments for capital assets	940.0	1 069.1	610.7	667.5	-10.8%	5.3%	749.2	801.4	857.3	8.7%	4.1%
Buildings and other fixed structures	0.4	2.3	0.7	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	939.7	1 066.8	610.0	667.5	-10.8%	5.2%	749.2	801.4	857.3	8.7%	4.1%
Total	14 704.0	15 149.7	15 947.3	16 772.5	4.5%	100.0%	17 934.6	19 077.7	20 433.8	6.8%	100.0%
Proportion of total programme expenditure to vote expenditure	21.4%	20.9%	20.8%	20.7%	-	-	20.6%	20.6%	20.7%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	62.2	77.0	83.9	80.5	9.0%	0.5%	81.1	85.9	90.7	4.0%	0.5%
Employee social benefits	62.2	77.0	83.9	80.5	9.0%	0.5%	81.1	85.9	90.7	4.0%	0.5%

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

Programme 4: Crime Intelligence

Programme purpose

Manage crime intelligence and analyse crime information, and provide technical support for investigations and crime prevention operations.

Objective

- Contribute to combating crime on an ongoing basis by:
 - conducting 759 network operations in support of crime prevention, investigation and prosecution over the medium term
 - increasing tactical and operational intelligence products in support of policing activities.

Subprogrammes

- *Crime Intelligence Operations* provides for intelligence based criminal investigations.
- *Intelligence and Information Management* provides for the analysis of crime intelligence patterns that will facilitate crime detection in support of crime prevention and crime investigation.

Expenditure trends and estimates

Table 23.11 Crime Intelligence 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Crime Intelligence Operations	1 121.8	1 210.9	1 268.5	1 369.6	6.9%	41.1%	1 441.1	1 532.2	1 645.0	6.3%	40.7%
Intelligence and Information Management	1 618.2	1 673.2	1 833.6	1 985.2	7.1%	58.9%	2 104.9	2 233.6	2 401.6	6.6%	59.3%
Total	2 740.0	2 884.1	3 102.0	3 354.8	7.0%	100.0%	3 546.0	3 765.8	4 046.6	6.4%	100.0%
Change to 2016 Budget estimate				4.3			(15.1)	(14.6)	(14.1)		

Table 23.11 Crime Intelligence expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
R million											
Current payments	2 690.2	2 838.2	3 054.3	3 298.4	7.0%	98.3%	3 481.8	3 696.8	3 972.6	6.4%	98.2%
Compensation of employees	2 457.3	2 615.1	2 819.3	3 054.0	7.5%	90.6%	3 227.7	3 427.9	3 688.3	6.5%	91.1%
Goods and services ¹	232.9	223.1	235.0	244.4	1.6%	7.7%	254.1	268.9	284.2	5.2%	7.1%
of which:											
Communication	27.6	28.0	29.5	31.2	4.2%	1.0%	31.6	33.5	35.4	4.3%	0.9%
Fleet services (including government motor transport)	117.6	108.9	103.5	119.1	0.4%	3.7%	124.2	131.5	139.1	5.3%	3.5%
Consumables: Stationery, printing and office supplies	9.1	11.6	10.7	13.0	12.9%	0.4%	13.7	14.5	15.3	5.5%	0.4%
Operating leases	24.1	15.0	16.2	12.2	-20.4%	0.6%	17.6	18.5	19.5	17.1%	0.5%
Travel and subsistence	27.6	35.5	46.5	45.7	18.3%	1.3%	40.2	42.5	44.9	-0.6%	1.2%
Operating payments	9.7	8.2	12.9	7.5	-8.2%	0.3%	12.7	13.5	14.4	24.3%	0.3%
Transfers and subsidies¹	13.7	14.8	17.0	16.3	6.0%	0.5%	12.7	13.4	14.2	-4.6%	0.4%
Provinces and municipalities	0.9	1.2	1.1	1.0	3.9%	-	1.2	1.2	1.3	7.4%	-
Households	12.8	13.7	16.0	15.3	6.1%	0.5%	11.5	12.2	12.9	-5.6%	0.4%
Payments for capital assets	36.1	31.1	30.7	40.1	3.6%	1.1%	51.6	55.6	59.9	14.3%	1.4%
Buildings and other fixed structures	-	-	0.1	-	-	-	-	-	-	-	-
Machinery and equipment	36.1	31.1	30.6	40.1	3.6%	1.1%	51.6	55.6	59.9	14.3%	1.4%
Total	2 740.0	2 884.1	3 102.0	3 354.8	7.0%	100.0%	3 546.0	3 765.8	4 046.6	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	4.0%	4.0%	4.0%	4.1%	-	-	4.1%	4.1%	4.1%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	12.7	13.5	15.9	15.3	6.2%	0.5%	11.5	12.2	12.9	-5.6%	0.4%
Employee social benefits	12.7	13.5	15.9	15.3	6.2%	0.5%	11.5	12.2	12.9	-5.6%	0.4%

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

Programme 5: Protection and Security Services

Programme purpose

Provide protection and security services to all identified dignitaries and government interests.

Objective

- Minimise security violations by:
 - protecting all identified local and foreign dignitaries while in transit, without any security breaches, on an ongoing basis
 - protecting the locations in which dignitaries, including persons related to the president and deputy president, are present, without security breaches, on an ongoing basis
 - auditing 50.8 per cent of strategic installations per year over the medium term
 - evaluating 100 per cent of national key points annually over the medium term.

Subprogrammes

- *VIP Protection Services* provides for the protection of the president, deputy president, former presidents, their spouses, and other identified dignitaries while in transit.
- *Static and Mobile Security* provides for the protection of other local and foreign dignitaries and the places in which all dignitaries, including persons related to the president and the deputy president, are present.
- *Government Security Regulator* provides for security regulations and evaluations, the administration of national key points, and strategic installations.
- *Operational Support* provides administrative support to the programme, including personnel development.

Expenditure trends and estimates

Table 23.12 Protection and Security Services 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 (%)
	2013/14	2014/15	2015/16	2016/17				2013/14 - 2016/17	2017/18	2018/19		
R million												
VIP Protection Services	876.4	977.9	1 158.1	1 275.2	13.3%	46.4%	1 407.0	1 502.3	1 611.8	8.1%	49.9%	
Static and Mobile Security	863.0	909.7	913.0	955.8	3.5%	39.4%	997.9	1 063.3	1 133.8	5.9%	35.7%	
Government Security Regulator	90.9	107.6	113.6	124.1	10.9%	4.7%	132.9	141.0	151.5	6.9%	4.7%	
Operational Support	188.7	207.7	229.3	254.0	10.4%	9.5%	270.2	287.2	308.2	6.7%	9.6%	
Total	2 019.0	2 202.9	2 414.1	2 609.1	8.9%	100.0%	2 808.1	2 993.8	3 205.3	7.1%	100.0%	
Change to 2016							83.3	82.6	79.4			
Budget estimate												
Economic classification												
Current payments	1 950.2	2 146.4	2 322.2	2 501.7	8.7%	96.5%	2 725.1	2 913.1	3 121.1	7.7%	96.9%	
Compensation of employees	1 739.7	1 926.2	2 070.5	2 277.9	9.4%	86.7%	2 460.7	2 634.4	2 827.1	7.5%	87.8%	
Goods and services ¹	210.6	220.2	251.7	223.8	2.0%	9.8%	264.4	278.6	294.0	9.5%	9.1%	
of which:												
Minor assets	2.5	3.7	3.4	4.0	17.3%	0.1%	4.3	4.6	4.9	6.7%	0.2%	
Communication	7.5	8.2	8.4	9.7	8.7%	0.4%	10.1	10.7	11.3	5.2%	0.4%	
Contractors	2.0	2.3	0.8	2.8	11.3%	0.1%	3.0	3.1	3.3	6.2%	0.1%	
Fleet services (including government motor transport)	62.7	61.8	72.2	63.9	0.6%	2.8%	76.3	80.7	85.2	10.1%	2.6%	
Consumables: Stationery, printing and office supplies	5.1	5.8	6.1	6.3	6.7%	0.3%	6.6	7.0	7.3	5.5%	0.2%	
Travel and subsistence	115.0	118.0	143.1	125.3	2.9%	5.4%	152.5	160.3	169.0	10.5%	5.2%	
Transfers and subsidies¹	4.3	3.3	7.0	6.3	13.5%	0.2%	5.4	5.7	6.0	-1.6%	0.2%	
Provinces and municipalities	0.8	0.9	0.8	1.0	8.6%	-	1.0	1.1	1.1	5.5%	-	
Households	3.5	2.4	6.2	5.3	14.5%	0.2%	4.3	4.6	4.8	-3.0%	0.2%	
Payments for capital assets	64.4	53.2	84.9	101.2	16.2%	3.3%	77.6	75.1	78.2	-8.2%	2.9%	
Buildings and other fixed structures	-	0.5	-	-	-	-	-	-	-	-	-	
Machinery and equipment	64.4	52.8	84.9	101.2	16.2%	3.3%	77.6	75.1	78.2	-8.2%	2.9%	
Total	2 019.0	2 202.9	2 414.1	2 609.1	8.9%	100.0%	2 808.1	2 993.8	3 205.3	7.1%	100.0%	
Proportion of total programme expenditure to vote expenditure	2.9%	3.0%	3.1%	3.2%	-	-	3.2%	3.2%	3.2%	-	-	
Details of selected transfers and subsidies												
Households												
Social benefits												
Current	3.4	2.3	6.0	5.3	16.6%	0.2%	4.3	4.6	4.8	-3.0%	0.2%	
Employee social benefits	3.4	2.3	6.0	5.3	16.6%	0.2%	4.3	4.6	4.8	-3.0%	0.2%	

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

Other departments within the vote

Civilian Secretariat for the Police Service

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets		
MTEF allocation						
Administration	48.1	47.3	0.1	0.7	51.7	55.4
Intersectoral Coordination and Strategic Partnerships	24.9	24.6	-	0.3	27.0	28.9
Legislation and Policy Development	28.1	27.8	-	0.4	30.2	32.3
Civilian Oversight, Monitoring and Evaluations	23.6	23.3	-	0.3	25.6	27.5
Total expenditure estimates	124.7	123.0	0.1	1.6	134.6	144.1

Executive authority: Minister of Police
 Accounting officer: Secretary of Police
 Website address: www.policesecretariat.gov.za

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

Department purpose

Provide strategic advice and support to the Minister of Police. Exercise civilian oversight over the South African Police Service to ensure a transformed and accountable police service that reflects the values of a developmental state.

Mandate

The Civilian Secretariat for the Police Service was established in terms of the Civilian Secretariat for Police Service Act (2011) and section 208 of the Constitution, which provides for the establishment of a civilian secretariat for the police service to function under the direction of the Minister of Police. In terms of the act, the secretariat's mandate is to conduct civilian oversight over the police service and provide policy and strategic support to the minister, including administrative support in relation to the minister's international obligations. The act also mandates the secretariat to monitor the implementation of the Domestic Violence Act (1998) by the South African Police Service.

Selected performance indicators

Table 23.13 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total number of provinces implementing community policing forum guidelines	Intersectoral Coordination and Strategic Partnerships	Outcome 3: All people in South Africa are and feel safe	- ¹	9	9	9	9	9	9
Number of research reports on policing approved by the Secretary of Police per year ²	Legislation and Policy Development		- ²	- ²	1	2	2	2	2
Number of policies on policing submitted to the Minister of Police for approval per year ³	Legislation and Policy Development		0 ³	0 ³	3	2	2	2	2
Number of bills on policing submitted to the Minister of Police for approval per year ⁴	Legislation and Policy Development		3	0 ⁴	0 ⁴	4	1	1	1
Number of oversight visits to police stations conducted per year ⁵	Civilian Oversight, Monitoring and Evaluations		529	585	14	20	22	24	26
Number of compliance reports on the implementation of the Domestic Violence Act (1998) by the South African Police Service approved by the Secretary of Police per year ⁶	Civilian Oversight, Monitoring and Evaluations		2	3	3	3	3	3	3

1. Due to inconsistencies observed when measuring this indicator in 2013/14, the indicator was not included in the department's 2013/14 annual performance plan, hence no performance outcome.

2. This indicator was previously not included in the Estimates of National Expenditure but reported on in the department's annual performance plan from 2015/16. This indicator has now been identified as one of the department's strategic indicators for inclusion in the Estimates of National Expenditure. Targets for 2016/17 and over the medium-term remain constant as the department plans to produce a minimum of two research reports per year.

3. No policies were finalised in 2013/14 and 2014/15 as the department was conducting research in support of policies being developed. The department finalised one more policy than planned in 2015/16, the draft white paper on policing. However, medium-term targets remain constant as they are aligned with the anticipated performance given the lengthy consultation process from past experiences, which is part of the development of policies. Wording of the indicator has been amended to be more specific so that the measurement for policies developed is submission to the Minister of Police for approval.

4. No bills were developed in 2014/15 and 2015/16 due to the deferment of the bills planned for these years to the outer years, as well as due to delays caused by other factors such as the delayed finalisation of the draft white paper on policing and the need for further research. The department anticipates that the Critical Infrastructure Protection Bill, the Firearms Control Amendment Bill, the Protection of Constitutional Democracy against Terrorism and Related Activities Amendment Bill, and the Animal Movement and Animal Produce Bill will be finalised in 2016/17, hence the increased target for this year relative to the medium term. Wording of the indicator has been amended to be more specific so that the measurement for bills developed is the submission to the Minister of Police for approval.

5. The actual outcome for 2013/14 and 2014/15 includes oversight visits conducted by provincial departments of safety on behalf of the department, hence the increased number of visits. From 2015/16, the department only accounts for oversight visits directly conducted by the secretariat, hence the reduced targets. The underachievement in 2015/16 was a result of the reprioritisation of funds initially budgeted for oversight visits to fund the We Are One campaign to condemn the xenophobic attacks that occurred in South Africa in April 2015.

6. This indicator has been amended to focus on compliance reports and not audit reports, as previously reported on. The targets for compliance reports in relation to the implementation of the Domestic Violence Act (1998) remain constant as they have been aligned with the number of reports (three per year), to be submitted to Parliament as per agreement with the police portfolio committee.

Expenditure analysis

The NDP says that crime prevention and detection should be done through an integrated approach between state and non-state institutions, with active involvement from civil society. The Civilian Secretariat for the Police Service aligns itself with this vision through overseeing the South African Police Service. In doing so, it forms strategic partnerships and collaborates with various community groups and government organisations on safety and crime prevention.

Over the medium term, the secretariat will focus on assessing provinces' compliance with community policing forum guidelines; conducting a census in all police stations to assess service delivery by the South African Police Service; and finalising the implementation plans for the white papers on policing, and safety and security. These priorities will be implemented within the secretariat's three core service delivery programmes: *Intersectoral Coordination and Strategic Partnerships*, *Legislation and Policy Development*, and *Civilian Oversight, Monitoring and Evaluations*, which together constitute an estimated 61.5 per cent, or R248.2 million, of the department's total medium-term budget.

Due to the labour-intensive nature of the secretariat's oversight functions, an estimated 72.1 per cent of its budget in the period ahead is allocated to compensation of employees. The secretariat will maintain its funded

personnel establishment at 139 employees over the medium term to contain spending within the compensation of employees ceiling, and to absorb the effects of the R3.2 million budget cut on compensation of employees over the period. As a result, over the medium term, travel and subsistence represents the second-largest spending item, at 9.4 per cent of total expenditure, as existing personnel will be expected to conduct work in provinces with capacity constraints. This accounts for the estimated increase of 10.1 per cent in expenditure on travel and subsistence over the medium term. As a cost-saving strategy, the secretariat will strengthen its partnerships with provincial departments of safety to ensure that, where legally permissible, they assume greater responsibility for some of the department's oversight functions at the provincial level.

Monitoring compliance

The *Intersectoral Coordination and Strategic Partnerships* programme manages and encourages national dialogue on community safety and crime prevention. It executes this mandate through partnerships and collaboration with external stakeholders such as the South African Police Service; the Independent Police Investigative Directorate; community, traditional and religious leaders; and provincial departments of community safety. Over the medium term, the secretariat will aim to visit 50 community policing forums in all provinces to assess their compliance with the guidelines. The nature of work performed by this programme is travel intensive as it is carried out across the country. As a result, R12 million is allocated for travel and subsistence in this programme over the period.

Assessing service delivery

Over the medium term, the secretariat will conduct a census in all police stations in partnership with provinces with the aim of collecting accurate, reliable and comprehensive baseline information on service delivery by the police service, as well as on the implementation of, and compliance with, policing regulations. Thereafter, the secretariat plans to conduct 72 oversight visits to police stations to monitor the implementation of recommendations made during the census. This accounts for the estimated increase in expenditure of 6.2 per cent for travel and subsistence in the *Civilian Oversight, Monitoring and Evaluations* programme.

Implementing plans for white papers

In April 2016, Cabinet approved the white papers on policing and safety and security for implementation. Over the medium term, the focus of the *Policy Development and Research* subprogramme in the *Legislation and Policy Development* programme will be on finalising the development of the implementation plans for the white papers. Key to the development of the implementation plans will be consultation with stakeholders outside of the department who are also expected to comply with the white papers. This partially explains the anticipated increase in spending on communications and travel and subsistence over the medium term, which are set to increase at average annual rates of 8 per cent and 6.5 per cent.

The *Policy Development and Research* subprogramme is also presently undertaking research on key policy proposals emanating from the white paper on policing, which includes developing a framework for establishing a national policing board and a concept document on the development of a framework for a single police service. It is anticipated that this research will be concluded and approved by the Secretary of Police before the end of 2016/17.

Expenditure trends

Table 23.14 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Intersectoral Coordination and Strategic Partnerships														
3. Legislation and Policy Development														
4. Civilian Oversight, Monitoring and Evaluations														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	34.7	34.7	26.8	28.3	32.4	31.2	36.5	41.8	41.0	42.9	42.9	42.9	99.6%	93.4%
Programme 2	16.5	16.5	10.5	20.4	19.5	23.7	22.5	23.9	26.6	22.2	22.2	22.2	101.6%	101.1%
Programme 3	14.9	14.9	11.6	26.3	28.4	13.2	23.4	24.8	24.3	24.4	24.4	24.4	82.6%	79.5%
Programme 4	18.7	18.7	12.2	24.7	19.5	14.3	22.7	22.7	20.0	21.1	21.1	21.1	77.5%	82.4%
Total	84.8	84.8	61.0	99.8	99.8	82.4	105.1	113.2	111.9	110.6	110.6	110.6	91.4%	89.6%
Change to 2016 Budget estimate														
Economic classification														
Current payments	84.1	84.1	58.9	98.8	98.8	82.1	103.2	111.3	110.5	108.8	108.9	108.9	91.2%	89.4%
Compensation of employees	58.3	58.3	42.9	71.5	69.4	60.9	68.3	68.3	65.3	79.4	79.4	79.4	89.5%	90.3%
Goods and services	25.8	25.8	15.9	27.3	29.4	21.2	34.9	43.0	45.2	29.4	29.4	29.4	95.1%	87.5%
Transfers and subsidies	-	-	-	-	-	-	0.2	0.2	-	0.2	0.2	0.2	49.8%	51.5%
Departmental agencies and accounts	-	-	-	-	-	-	0.2	0.2	-	0.2	0.1	0.1	-	-
Households	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	100.0%
Payments for capital assets	0.7	0.7	2.1	0.9	1.0	0.3	1.7	1.7	1.4	1.5	1.5	1.5	111.6%	110.2%
Machinery and equipment	0.7	0.7	2.1	0.9	1.0	0.3	1.6	1.6	1.4	1.5	1.5	1.5	114.4%	113.0%
Software and other intangible assets	-	-	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1	0.1	32.3%	32.3%
Total	84.8	84.8	61.0	99.8	99.8	82.4	105.1	113.2	111.9	110.6	110.6	110.6	91.4%	89.6%

Expenditure estimates

Table 23.15 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Intersectoral Coordination and Strategic Partnerships									
3. Legislation and Policy Development									
4. Civilian Oversight, Monitoring and Evaluations									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	42.9	7.3%	38.8%	48.1	51.7	55.4	8.9%	38.5%	
Programme 2	22.2	10.4%	22.7%	24.9	27.0	28.9	9.2%	20.1%	
Programme 3	24.4	18.0%	20.1%	28.1	30.2	32.3	9.8%	22.4%	
Programme 4	21.1	4.0%	18.5%	23.6	25.6	27.5	9.2%	19.0%	
Total	110.6	9.3%	100.0%	124.7	134.6	144.1	9.2%	100.0%	
Change to 2016 Budget estimate				(1.4)	(1.5)	(1.6)			
Economic classification									
Current payments	108.9	9.0%	98.5%	123.0	132.8	142.2	9.3%	98.6%	
Compensation of employees	79.4	10.9%	67.9%	88.8	97.5	104.9	9.7%	72.1%	
Goods and services	29.4	4.4%	30.5%	34.2	35.3	37.3	8.2%	26.5%	
Transfers and subsidies	0.2	245.4%	0.1%	0.1	0.1	0.1	-14.4%	0.1%	
Departmental agencies and accounts	0.1	-	-	0.1	0.1	0.1	9.8%	0.1%	
Households	0.1	-	-	-	-	-	-100.0%	-	
Payments for capital assets	1.5	33.1%	1.5%	1.6	1.7	1.8	5.1%	1.3%	
Machinery and equipment	1.5	31.5%	1.4%	1.5	1.6	1.7	5.1%	1.2%	
Software and other intangible assets	0.1	-	-	0.1	0.1	0.1	4.7%	-	
Total	110.6	9.3%	100.0%	124.7	134.6	144.1	9.2%	100.0%	

Goods and services expenditure trends and estimates

Table 23.16 Departmental goods and services expenditure trends and estimates

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R thousand											
Administrative fees	–	98	12	93	–	0.2%	109	122	55	-16.1%	0.3%
Advertising	982	2 452	3 571	1 164	5.8%	7.3%	383	399	420	-28.8%	1.7%
Minor assets	350	216	456	1 825	73.4%	2.5%	2 790	2 890	3 125	19.6%	7.8%
Audit costs: External	–	–	1 967	936	–	2.6%	763	845	852	-3.1%	2.5%
Bursaries: Employees	–	239	287	215	–	0.7%	316	358	407	23.7%	1.0%
Catering: Departmental activities	3 052	2 403	1 491	2 709	-3.9%	8.6%	3 082	3 238	3 419	8.1%	9.1%
Communication	984	1 381	1 740	2 212	31.0%	5.7%	2 453	2 616	2 762	7.7%	7.4%
Computer services	1 219	–	9 014	4 513	54.7%	13.2%	6 393	6 206	6 553	13.2%	17.4%
Consultants: Business and advisory services	342	793	1 878	1 148	49.7%	3.7%	960	980	1 035	-3.4%	3.0%
Legal services	3	–	–	60	171.4%	0.1%	99	105	111	22.8%	0.3%
Contractors	221	84	641	1 049	68.1%	1.8%	1 145	1 202	1 273	6.7%	3.4%
Fleet services (including government motor transport)	–	–	124	112	–	0.2%	118	125	132	5.6%	0.4%
Inventory: Clothing material and accessories	–	5	–	12	–	–	–	–	–	-100.0%	–
Inventory: Food and food supplies	27	27	22	136	71.4%	0.2%	–	–	–	-100.0%	0.1%
Inventory: Fuel, oil and gas	155	202	21	25	-45.6%	0.4%	26	27	28	3.8%	0.1%
Inventory: Materials and supplies	74	53	–	137	22.8%	0.2%	36	–	–	-100.0%	0.1%
Inventory: Other supplies	133	–	–	–	-100.0%	0.1%	–	–	–	–	–
Consumable supplies	–	45	94	282	–	0.4%	329	277	292	1.2%	0.9%
Consumables: Stationery, printing and office supplies	969	733	1 364	916	-1.9%	3.6%	1 002	1 055	1 114	6.7%	3.0%
Operating leases	476	501	686	235	-21.0%	1.7%	1	1	1	-83.8%	0.2%
Transport provided: Departmental activity	–	288	637	–	–	0.8%	–	–	–	–	–
Travel and subsistence	6 114	8 072	15 651	10 071	18.1%	35.7%	12 158	12 724	13 428	10.1%	35.5%
Training and development	392	335	1 461	560	12.6%	2.5%	607	716	759	10.7%	1.9%
Operating payments	447	290	836	716	17.0%	2.0%	737	753	812	4.3%	2.2%
Venues and facilities	–	2 938	3 253	285	–	5.8%	651	689	727	36.6%	1.7%
Total	15 940	21 155	45 206	29 411	22.7%	100.0%	34 158	35 328	37 305	8.2%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 23.17 Departmental transfers and subsidies trends and estimates

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R thousand											
Provinces and municipalities											
Municipal bank accounts											
Current	3	5	5	7	32.6%	9.1%	6	6	6	-5.0%	4.4%
Vehicle Licences	3	5	5	7	32.6%	9.1%	6	6	6	-5.0%	4.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	–	93	–	42.5%	104	114	123	9.8%	76.8%
Safety and Security Education and Training Authority	–	–	–	93	–	42.5%	104	114	123	9.8%	76.8%
Households											
Social benefits											
Current	–	–	–	106	–	48.4%	–	–	–	-100.0%	18.8%
Employee Social benefits	–	–	–	106	–	48.4%	–	–	–	-100.0%	18.8%
Total	3	5	5	206	309.5%	100.0%	110	120	129	-14.4%	100.0%

Personnel information

Table 23.18 Departmental personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Intersectoral Coordination and Strategic Partnerships																			
3. Legislation and Policy Development																			
4. Civilian Oversight, Monitoring and Evaluations																			
Number of posts estimated for 31 March 2017			Number and cost ² of personnel posts filled / planned for on funded establishment													Number			
Number of funded posts	Number of posts additional to the establishment																Average growth rate (%)	Average: Salary level/Total (%)	
		Actual			Revised estimate			Medium-term expenditure estimate						2016/17 - 2019/20					
		2015/16		2016/17		2017/18		2018/19		2019/20									
Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Civilian Secretariat																			
Salary level	111	12	110	65.3	0.6	139	79.4	0.6	139	88.8	0.6	139	97.5	0.7	139	104.9	0.8	-	100.0%
1 - 6	21	6	24	4.5	0.2	34	6.2	0.2	34	7.3	0.2	34	8.2	0.2	34	8.8	0.3	-	24.5%
7 - 10	40	4	40	19.2	0.5	51	24.6	0.5	51	27.8	0.5	51	30.3	0.6	51	32.7	0.6	-	36.7%
11 - 12	21	2	20	15.0	0.7	24	18.6	0.8	24	20.8	0.9	24	22.8	1.0	24	24.7	1.0	-	17.3%
13 - 16	29	-	26	26.5	1.0	30	30.1	1.0	30	33.0	1.1	30	36.1	1.2	30	38.6	1.3	-	21.6%
Programme	111	12	110	65.3	0.6	139	79.4	0.6	139	88.8	0.6	139	97.5	0.7	139	104.9	0.8	-	100.0%
Programme 1	51	5	51	27.5	0.5	68	33.3	0.5	68	37.3	0.5	68	40.9	0.6	68	44.0	0.6	-	48.9%
Programme 2	21	1	20	13.2	0.7	21	15.4	0.7	21	17.2	0.8	21	18.9	0.9	21	20.3	1.0	-	15.1%
Programme 3	23	3	20	13.1	0.7	25	16.4	0.7	25	18.3	0.7	25	20.1	0.8	25	21.6	0.9	-	18.0%
Programme 4	16	3	19	11.5	0.6	25	14.4	0.6	25	16.0	0.6	25	17.6	0.7	25	18.9	0.8	-	18.0%

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

2. Rand million.

Departmental receipts

Table 23.19 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	-	2	-	22	22	-	100.0%	24	26	28	8.4%	100.0%
Sales of goods and services produced by department	-	2	-	22	22	-	100.0%	24	26	28	8.4%	100.0%
Sales by market establishments of which:												
Services rendered:												
Commission on insurance and garnishee	-	2	-	22	22	-	100.0%	24	26	28	8.4%	100.0%
Total	-	2	-	22	22	-	100.0%	24	26	28	8.4%	100.0%

Programmes

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 23.20 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Department Management	8.1	9.2	11.7	8.4	1.0%	26.4%	9.3	10.1	10.8	8.8%	19.5%
Corporate Services	9.9	8.8	10.2	13.5	11.0%	29.9%	15.0	16.3	17.5	9.2%	31.5%
Finance Administration	8.8	10.5	15.7	16.8	24.1%	36.5%	19.5	20.6	22.0	9.4%	39.8%
Internal Audit	-	2.7	3.3	4.2	-	7.2%	4.3	4.7	5.0	6.1%	9.2%
Total	26.8	31.2	41.0	42.9	17.0%	100.0%	48.1	51.7	55.4	8.9%	100.0%
Change to 2016 Budget estimate							(0.5)	(0.6)	(0.7)		

Table 23.20 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Current payments	25.0	31.0	40.4	42.1	19.0%	97.6%	47.3	50.9	54.5	9.0%	98.3%
Compensation of employees	18.6	26.3	27.5	33.3	21.4%	74.6%	37.3	40.9	44.0	9.7%	78.5%
Goods and services ¹	6.4	4.7	12.9	8.8	11.4%	23.1%	10.0	10.0	10.5	6.2%	19.8%
of which:											
Audit costs: External	–	–	1.0	0.9	–	1.3%	0.8	0.8	0.9	-3.1%	1.7%
Communication	0.7	0.5	0.8	0.7	1.2%	1.9%	0.7	0.8	0.8	5.6%	1.5%
Computer services	–	–	4.1	2.3	–	4.5%	4.0	3.7	3.9	19.9%	7.1%
Consumables: Stationery, printing and office supplies	0.9	0.3	0.4	0.5	-15.0%	1.5%	0.6	0.6	0.6	5.5%	1.2%
Travel and subsistence	1.5	1.4	3.9	1.1	-9.7%	5.5%	1.1	1.1	1.2	2.1%	2.3%
Training and development	0.4	0.3	0.4	0.6	12.6%	1.1%	0.6	0.7	0.8	10.7%	1.3%
Transfers and subsidies¹	–	–	–	0.1	248.5%	0.1%	0.1	0.1	0.1	0.5%	0.2%
Departmental agencies and accounts	–	–	–	0.1	–	0.1%	0.1	0.1	0.1	9.8%	0.2%
Payments for capital assets	1.8	0.2	0.6	0.7	-28.8%	2.3%	0.7	0.7	0.8	4.6%	1.4%
Machinery and equipment	1.8	0.2	0.6	0.7	-28.8%	2.3%	0.7	0.7	0.8	4.6%	1.4%
Total	26.8	31.2	41.0	42.9	17.0%	100.0%	48.1	51.7	55.4	8.9%	100.0%
Proportion of total programme expenditure to vote expenditure	44.0%	37.8%	36.6%	38.8%	–	–	38.5%	38.4%	38.4%	–	–

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

Programme 2: Intersectoral Coordination and Strategic Partnerships

Programme purpose

Manage and encourage national dialogue on community safety and crime prevention.

Expenditure trends and estimates

Table 23.21 Intersectoral Coordination and Strategic Partnerships 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Intergovernmental, Civil Society and Public-Private Partnerships	8.3	21.3	23.9	19.7	33.4%	88.3%	22.2	24.1	25.7	9.3%	89.0%
Community Outreach	2.1	2.4	2.7	2.5	4.8%	11.7%	2.8	3.0	3.2	8.6%	11.0%
Total	10.5	23.7	26.6	22.2	28.6%	100.0%	24.9	27.0	28.9	9.2%	100.0%
Change to 2016 Budget estimate							(0.3)	(0.3)	(0.3)		
Economic classification											
Current payments	10.5	23.7	26.4	21.9	27.9%	99.4%	24.6	26.7	28.6	9.3%	98.8%
Compensation of employees	7.7	13.6	13.2	15.4	26.1%	60.2%	17.2	18.9	20.3	9.7%	69.7%
Goods and services ¹	2.8	10.1	13.2	6.5	32.7%	39.3%	7.4	7.8	8.3	8.4%	29.1%
of which:											
Minor assets	–	0.1	–	0.2	–	0.4%	0.2	0.2	0.3	5.3%	0.9%
Catering: Departmental activities	1.3	1.6	1.2	1.9	14.3%	7.2%	2.2	2.3	2.4	7.9%	8.5%
Communication	0.1	0.4	0.2	0.5	100.5%	1.4%	0.5	0.6	0.6	5.6%	2.1%
Consultants: Business and advisory services	–	–	–	0.2	–	0.2%	0.2	0.2	0.2	5.6%	0.7%
Travel and subsistence	1.4	3.2	4.5	2.3	18.8%	13.7%	3.8	4.0	4.2	22.5%	13.8%
Operating payments	–	–	0.2	0.2	63.3%	0.6%	0.2	0.2	0.2	5.6%	0.9%
Payments for capital assets	–	–	0.2	0.3	–	0.5%	0.3	0.3	0.3	5.6%	1.1%
Machinery and equipment	–	–	0.2	0.3	–	0.5%	0.3	0.3	0.3	5.6%	1.1%
Total	10.5	23.7	26.6	22.2	28.6%	100.0%	24.9	27.0	28.9	9.2%	100.0%
Proportion of total programme expenditure to vote expenditure	17.1%	28.8%	23.7%	20.1%	–	–	20.0%	20.1%	20.1%	–	–

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

Programme 3: Legislation and Policy Development

Programme purpose

Develop policy and legislation for the police sector and conduct research on policing and crime.

Expenditure trends and estimates

Table 23.22 Legislation and Policy Development 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Policy Development and Research	8.3	7.2	13.4	12.3	14.1%	56.1%	14.3	15.4	16.5	10.2%	50.7%
Legislation	3.3	6.0	10.9	12.1	54.5%	43.9%	13.9	14.8	15.9	9.3%	49.3%
Total	11.6	13.2	24.3	24.4	28.3%	100.0%	28.1	30.2	32.3	9.8%	100.0%
Change to 2016 Budget estimate							(0.3)	(0.3)	(0.4)		
Economic classification											
Current payments	11.3	13.1	24.0	24.1	28.7%	98.4%	27.8	29.8	31.9	9.9%	98.7%
Compensation of employees	8.4	10.5	13.1	16.4	24.7%	65.7%	18.3	20.1	21.6	9.7%	66.3%
Goods and services ¹	2.9	2.6	10.9	7.7	39.2%	32.7%	9.5	9.8	10.3	10.2%	32.4%
of which:											
Minor assets	–	–	0.3	1.2	478.2%	2.0%	2.0	2.0	2.2	23.0%	6.4%
Catering: Departmental activities	0.7	0.1	0.2	0.6	-6.1%	2.0%	0.7	0.7	0.7	9.7%	2.3%
Communication	0.1	0.2	0.4	0.5	79.9%	1.7%	0.6	0.6	0.7	8.0%	2.1%
Computer services	–	–	2.3	0.4	–	3.7%	0.5	0.5	0.5	5.9%	1.7%
Contractors	–	–	0.1	0.7	179.5%	1.2%	0.8	0.8	0.9	6.5%	2.9%
Travel and subsistence	1.4	1.7	2.8	3.7	39.0%	12.9%	4.1	4.2	4.5	6.5%	14.3%
Payments for capital assets	0.3	0.1	0.4	0.3	6.2%	1.5%	0.4	0.4	0.4	5.6%	1.3%
Machinery and equipment	0.3	0.1	0.4	0.3	6.2%	1.5%	0.4	0.4	0.4	5.6%	1.3%
Total	11.6	13.2	24.3	24.4	28.3%	100.0%	28.1	30.2	32.3	9.8%	100.0%
Proportion of total programme expenditure to vote expenditure	19.0%	16.0%	21.8%	22.1%	–	–	22.6%	22.5%	22.4%	–	–

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

Programme 4: Civilian Oversight, Monitoring and Evaluations

Programme purpose

Oversee, monitor and report on the performance of the South African Police Service.

Expenditure trends and estimates

Table 23.23 Civilian Oversight, Monitoring and Evaluations 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Police Performance, Conduct and Compliance	6.4	10.4	15.9	15.2	33.6%	70.9%	17.4	19.1	20.5	10.4%	73.9%
Policy and Programme Evaluations	1.9	3.3	3.1	4.8	35.5%	19.4%	5.1	5.3	5.6	5.8%	21.3%
Information Management	3.9	0.6	1.0	1.0	-35.2%	9.6%	1.1	1.2	1.3	6.9%	4.8%
Total	12.2	14.3	20.0	21.1	20.1%	100.0%	23.6	25.6	27.5	9.2%	100.0%
Change to 2016 Budget estimate							(0.3)	(0.2)	(0.2)		
Economic classification											
Current payments	12.2	14.3	19.7	20.8	19.6%	99.2%	23.3	25.4	27.1	9.3%	98.8%
Compensation of employees	8.2	10.5	11.5	14.4	20.5%	66.1%	16.0	17.6	18.9	9.7%	68.5%
Goods and services ¹	4.0	3.8	8.2	6.4	17.6%	33.1%	7.3	7.7	8.2	8.4%	30.3%
of which:											
Minor assets	–	–	–	0.2	–	0.3%	0.2	0.3	0.3	18.9%	1.0%
Communication	0.2	0.2	0.3	0.5	44.7%	1.7%	0.6	0.6	0.7	12.3%	2.4%
Computer services	1.2	–	1.7	1.8	13.5%	7.0%	1.9	2.0	2.1	5.4%	7.9%
Consultants: Business and advisory services	–	0.5	–	0.4	–	1.3%	0.4	0.4	0.5	5.5%	1.7%
Travel and subsistence	1.9	1.8	4.6	3.0	16.5%	16.7%	3.1	3.4	3.6	6.2%	13.4%
Venues and facilities	–	0.2	0.2	0.1	–	0.8%	0.6	0.6	0.6	79.4%	2.0%
Payments for capital assets	–	–	0.3	0.3	–	0.8%	0.3	0.3	0.3	5.3%	1.2%
Machinery and equipment	–	–	0.3	0.2	–	0.8%	0.2	0.2	0.3	5.5%	0.9%
Software and other intangible assets	–	–	–	0.1	–	0.1%	0.1	0.1	0.1	4.7%	0.2%
Total	12.2	14.3	20.0	21.1	20.1%	100.0%	23.6	25.6	27.5	9.2%	100.0%
Proportion of total programme expenditure to vote expenditure	19.9%	17.4%	17.9%	19.0%	–	–	18.9%	19.1%	19.1%	–	–

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

Entity

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

- The **Private Security Industry Regulatory Authority** was established in terms of section 2 of the Private Security Industry Regulation Act (2001), which replaced the Security Officers Act (1987). The entity is mandated to regulate the private security industry, and to exercise effective control over the practice of the occupation of security service providers in the public and national interest as well as in the interest of the private security industry itself. The entity's total budget for 2017/18 is R248.6 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Departmental infrastructure										
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Parow forensic laboratory	Construction of a forensic laboratory	Handed over	659.8	1.0	4.0	0.2	–	–	–	–
Telkom Towers	Construction of office accommodation	Complete	694.3	–	–	544.0	295.7	–	–	–
Small projects (total project cost of less than R250 million over the project life cycle)										
Police stations	Construction of new and re-established police stations	Various	5 247.6	653.2	345.0	516.1	558.6	684.5	705.9	715.6
Member and office accommodation	Construction of living quarters and offices	Construction	832.1	47.6	134.6	70.0	118.1	124.0	131.2	142.8
Small infrastructure projects	Repairs and renovation of infrastructure	Construction	326.2	136.4	3.3	13.7	31.1	32.6	34.5	44.7
Forensic science laboratory	Repairs and renovation of infrastructure	Handed over	2.2	0.1	0.0	0.1	0.4	0.4	0.4	0.5
Shooting ranges	Construction of facilities to improve shooting competency of police officers	Construction	232.9	–	1.8	29.0	43.1	45.2	47.8	49.9
Training facilities	Construction of facilities to improve police personnel capabilities	Construction	422.5	29.8	235.0	19.4	1.6	1.7	1.8	1.9
Mobile homes and storage facilities	Implementation of basic services for accommodation and storage	Various	57.9	–	161.1	–	2.9	3.0	3.2	3.5
Total			8 475.4	868.1	884.8	1 192.4	1 051.4	891.5	924.9	958.7

Vote 24

Agriculture, Forestry and Fisheries

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	902.5	848.9	19.1	34.5	945.7	954.3
Agricultural Production, Health and Food Safety	2 197.2	683.5	1 511.4	2.3	2 305.9	2 446.4
Food Security and Agrarian Reform	1 946.8	272.2	1 638.1	36.5	2 035.8	2 302.8
Trade Promotion and Market Access	261.7	138.6	122.8	0.3	274.2	291.7
Forestry and Natural Resources Management	1 016.7	758.0	221.3	37.4	1 073.4	1 044.2
Fisheries	482.2	220.2	262.0	–	504.5	537.3
Total expenditure estimates	6 807.0	2 921.5	3 774.6	111.0	7 139.4	7 576.8

Executive authority Minister of Agriculture, Forestry and Fisheries
 Accounting officer Director General of Agriculture, Forestry and Fisheries
 Website address www.daff.gov.za

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

Vote purpose

Lead, support and promote agricultural, forestry and fisheries resources management through policies, strategies and programmes to enhance sustainable use, and achieve economic growth, job creation, food security, rural development and transformation.

Mandate

The mandate of the Department of Agriculture, Forestry and Fisheries includes value chains, inputs, production and consumption in the agriculture, forestry and fishery sectors. The department's mandate is derived from a range of legislation, including the Sea Fisheries Act (1988), the National Forests Act (1988), the Agricultural Products Standards Act (1990), and the Conservation of Agricultural Resources Act (1993).

Selected performance indicators

Table 24.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of animal and plant improvement schemes for prioritised value-chain commodities monitored per year	Agricultural Production, Health and Food Safety	Outcome 7: Comprehensive rural development and land reform	– ¹	4	4	4	4	4	4
Number of surveillances on plant diseases conducted per year	Agricultural Production, Health and Food Safety		1	1	1	1	1	1	1
Number of surveillances on animal diseases conducted per year	Agricultural Production, Health and Food Safety		2	2	2	2	2	2	1
Number of mobile veterinary clinics provided to improve animal health in rural areas per year	Agricultural Production, Health and Food Safety		27	41	18	32	– ²	– ²	– ²
Number of veterinary graduates deployed for the compulsory veterinary services programme per year	Agricultural Production, Health and Food Safety		– ¹	– ¹	126	140	150	150	170
Number of subsistence and smallholder producers supported per year	Food Security and Agrarian Reform		56 000 ³	156 500	145 000	145 000	145 000	145 000	145 000

Table 24.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of hectares in underutilised areas cultivated in communal areas per year	Food Security and Agrarian Reform	Outcome 7: Comprehensive rural development and land reform	154 211 ha	107 151 ha	120 000 ha	120 000 ha	120 000 ha	120 000 ha	120 000 ha
Number of jobs created through the comprehensive agricultural support programme and Ilima/Letsema funded projects per year	Food Security and Agrarian Reform	Outcome 4: Decent employment through inclusive growth	- ¹	10 000	10 000	15 000	20 000	20 000	20 000
Number of agro-processing entrepreneurs trained in processing norms and standards per year	Trade Promotion and Market Access	Outcome 7: Comprehensive rural development and land reform	- ¹	- ¹	- ¹	12	14	18	18
Number of hectares of land restored through reforestation and land rehabilitation per year	Forestry and Natural Resources Management	Outcome 10: Protect and enhance our environmental assets and natural resources	40 941 ha	30 500 ha	30 500 ha	16 300 ha	16 300 ha	16 300 ha	16 300 ha
Number of jobs created through the refurbishment of category B and C plantations in the expanded public works programme per year	Forestry and Natural Resources Management	Outcome 4: Decent employment through inclusive growth	1 987	2 400	2 400	1 575	1 575	1 575	1 575
Number of hectares of temporary unplanted areas planted per year	Forestry and Natural Resources Management	Outcome 10: Protect and enhance our environmental assets and natural resources	12 925 ha	2 300 ha	2 300 ha	1 725 ha	1 725 ha	1 725 ha	1 725 ha
Number of full-time-equivalent LandCare jobs created per year	Forestry and Natural Resources Management	Outcome 4: Decent employment through inclusive growth	1 431	900 ⁵	800	800	800	800	800
Number of job opportunities created in the Working for Fisheries programme per year ⁴	Fisheries	Outcome 4: Decent employment through inclusive economic growth	1 431	1 250	535 ⁵	600	558	558	558

1. No historical data available.

2. No target for 2017/18 to 2019/20 as no more mobile clinics will be procured since rural areas have been fully capacitated with animal clinics.

3. In 2013/14 it was measured as number of households.

4. Previously reported by the Marine Living Resources Fund.

5. The decrease is a result of budget reprioritisation and less allocations for the programme.

Expenditure analysis

Over the medium term, the Department of Agriculture, Forestry and Fisheries will focus on improving food security, creating decent jobs, and sustainably increasing the contribution of the agriculture, forestry and fisheries sectors to GDP. Through pursuing these objectives, the department contributes to the realisation of the goal of the National Development Plan (NDP) to eliminate poverty and reduce inequality by 2030, and outcome 4 (decent employment through inclusive growth), outcome 7 (comprehensive rural development and land reform) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework.

Improving food security

Over the medium term, the department plans to support around 435 000 subsistence and smallholder farmers through: providing farm equipment, fencing, fertilisers, seedlings and other essentials; disbursing a grant through the comprehensive agricultural support programme; and repairing flood-damaged infrastructure. The department will support the agri-park initiative, in collaboration with the Department of Rural Development and Land Reform. The initiative aims to establish and maintain producer support infrastructure such as markets and agro-processing facilities; create networks and provide logistical services for producers and input suppliers; and coordinate activities for producer support and development to create jobs and develop rural economies. Through the R5.3 billion *comprehensive agriculture support programme grant*, the department will play a crucial role in supporting smallholder farmers who will supply produce to agri-park initiatives across South Africa. The department will also provide support to farmers by putting 1 million hectares of land into production, and provide farmers with advisory services and training on the basic components of food security.

The department plans to increase financial support to emerging producers by R370 million over the medium term, which will be accessed through the Land and Agricultural Development Bank of South Africa.

This amount has been reprioritised from funding for provincial conditional grants, and will provide loans to qualifying producers. The loans will improve producers' access to production inputs (such as fertilisers, seeds, seedlings and chemicals) and farm infrastructure, to increase the participation of emerging producers in the agriculture, forestry and fisheries sectors.

The department plans to spend R241 million on an agricultural census in collaboration with Statistics South Africa. The census will create a registry of subsistence, smallholder and commercial farmers, and gather baseline information. The gathered information will be used to properly target support to farmers, avoid duplicating support to emerging farmers, and allow for a proper ratio of extension officers to ensure the productivity of emerging farmers.

The department aims to deploy at least 150 veterinarians each year over the medium term, to strengthen primary animal health care, support smallholder animal production, and contribute to productivity and food security. This initiative will be supported by an allocation of R403 million over the medium term, in the *Agricultural Production, Health and Food Safety* programme.

Creating decent employment

The department plans to support the production of commodities such as red meat, poultry, fruit, vegetables, wine and wheat. This is expected to contribute to job creation, food security, growth and the export-import trade balance. To contribute to the creation of 60 000 job opportunities over the medium term, the department plans to spend more than R1.7 billion on the *Ilima/Letsema projects grant*, which is transferred to provinces for food production initiatives.

The department's *LandCare programme grant* promotes sustainable land and soil management practices, and the prevention of land degradation and desertification in rural areas, thereby contributing to job creation through the establishment of more arable farmland. Over the medium term, the programme is projected to create 4 725 local jobs through refurbishing forested and deforested plantations; and 2 400 full-time-equivalent local jobs through rehabilitating 48 900 hectares of land by reducing the spread of invasive alien plants, erecting fencing and protecting agricultural land from degradation. About R233.7 million will be allocated towards the *LandCare programme grant* over the medium term.

The ocean economy Operation Phakisa is expected to increase the production of fish from 4 000 tonnes per year to 20 000 tonnes per year, over the medium term. This is expected to create 2 500 direct new jobs and 15 000 jobs in the fisheries value chain by 2020. Over the medium term the department will spend R121 million in the *Aquaculture* subprogramme in the *Fisheries* programme to support Operation Phakisa initiatives. An additional 1 674 jobs in the fisheries sector are expected to be created over the medium term, in the expanded public works programme through the Working for Fisheries project, which is implemented by the Marine Living Resources Fund. An additional amount of R29.7 million over the period has been allocated to support this.

Contributing to GDP

The impact of the nationwide drought has had a devastating effect on the agriculture sector and its value chain. The Minister of Finance, in collaboration with the department and the private sector, is working on initiatives to ensure higher agricultural production, efficient water licensing, the facilitation of agricultural exports, and increased efficiency to increase agriculture's contribution to GDP. Crop and livestock production decreased sharply in 2016/17. Maize production, for example, decreased by 24 per cent, from 7.54 million tonnes in 2015/16 to 5.7 million tonnes in 2016/17. Higher yields are expected in 2017/18 as the drought is predicted to end.

The department expects to spend R644 million on infrastructure projects over the medium term, R75.4 million of which is allocated for the maintenance and erection of fences along the borders of the Kruger National Park. The erection of these fences plays a critical role in the management of the incidence and the spread of foot-and-mouth disease, which has a negative impact on the export of red meat products.

Expenditure trends

Table 24.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration 2. Agricultural Production, Health and Food Safety 3. Food Security and Agrarian Reform 4. Trade Promotion and Market Access 5. Forestry and Natural Resources Management 6. Fisheries														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	663.9	670.9	681.6	694.6	718.9	738.4	729.9	739.4	785.8	788.1	781.4	781.4	103.8%	102.6%
Programme 2	2 066.1	2 036.5	2 000.9	2 199.8	2 187.1	2 183.7	2 134.8	2 144.5	2 143.0	1 953.4	1 944.6	1 944.6	99.0%	99.5%
Programme 3	1 597.7	1 599.3	1 590.1	1 711.1	1 711.7	1 656.3	1 930.3	1 919.4	1 906.8	1 889.7	1 888.7	1 888.7	98.8%	98.9%
Programme 4	231.6	258.2	256.3	294.2	298.3	307.0	238.2	233.9	236.8	297.6	304.0	304.0	104.0%	100.9%
Programme 5	1 184.5	1 183.6	1 144.7	1 364.9	1 348.7	1 303.6	906.6	906.2	862.3	945.6	1 137.7	1 137.7	101.1%	97.2%
Programme 6	434.0	433.7	437.7	427.8	427.8	439.8	443.3	465.3	465.9	458.6	458.6	458.6	102.2%	100.9%
Total	6 178.0	6 182.3	6 111.3	6 692.4	6 692.4	6 628.9	6 383.0	6 408.8	6 400.5	6 333.0	6 515.0	6 515.0	100.3%	99.4%
Change to 2016 Budget estimate											182.0			
Economic classification														
Current payments	2 428.4	2 401.6	2 274.6	2 562.4	2 516.3	2 397.0	2 594.1	2 540.2	2 479.2	2 724.6	2 846.2	2 846.2	97.0%	97.0%
Compensation of employees	1 656.0	1 603.3	1 525.0	1 697.9	1 698.4	1 661.6	1 737.8	1 763.0	1 761.1	2 055.4	1 992.6	1 992.6	97.1%	98.3%
Goods and services	770.4	797.2	749.2	863.3	816.5	735.1	854.8	775.6	718.1	668.2	852.5	852.5	96.8%	94.2%
Interest and rent on land	2.1	1.2	0.4	1.2	1.4	0.3	1.5	1.5	-	1.0	1.1	1.1	29.6%	33.4%
Transfers and subsidies	3 651.1	3 633.5	3 635.1	4 028.4	4 040.7	4 025.7	3 692.7	3 691.6	3 701.5	3 487.6	3 501.7	3 501.7	100.0%	100.0%
Provinces and municipalities	2 148.5	2 152.9	2 149.7	2 390.1	2 390.1	2 363.3	2 189.2	2 172.6	2 172.7	2 203.5	2 203.7	2 203.7	99.5%	99.7%
Departmental agencies and accounts	1 313.1	1 269.6	1 251.9	1 354.6	1 354.6	1 338.3	1 132.5	1 138.1	1 125.4	1 113.7	1 110.2	1 110.2	-	-
Foreign governments and international organisations	33.7	45.9	46.4	34.7	38.7	38.8	29.5	32.4	31.9	34.5	42.4	42.4	120.5%	100.1%
Public corporations and private enterprises	137.8	139.4	140.1	220.2	222.0	222.3	312.9	314.7	314.8	98.3	98.3	98.3	100.8%	100.1%
Non-profit institutions	16.2	20.3	17.5	26.9	26.8	24.4	26.7	25.9	23.7	17.2	17.0	17.0	94.9%	91.7%
Households	1.8	5.4	29.5	1.9	8.4	38.6	1.9	7.9	33.0	20.2	30.0	30.0	506.9%	253.4%
Payments for capital assets	98.5	147.1	200.2	101.6	135.4	206.0	96.2	176.9	218.5	120.8	167.2	167.2	189.8%	126.4%
Buildings and other fixed structures	38.4	37.7	55.7	42.7	41.3	48.0	42.5	48.6	40.3	67.4	78.3	78.3	116.4%	108.0%
Machinery and equipment	59.2	107.6	143.0	58.2	93.9	157.5	53.2	128.2	178.0	53.3	88.5	88.5	253.4%	135.6%
Biological assets	0.7	0.5	0.1	0.8	0.2	-	0.5	0.2	-	0.1	0.1	0.1	8.5%	18.6%
Software and other intangible assets	0.2	1.3	1.4	-	0.1	0.4	-	-	0.2	0.1	0.3	0.3	778.6%	142.2%
Payments for financial assets	-	-	1.4	-	-	0.2	-	-	1.4	-	-	-	-	-
Total	6 178.0	6 182.3	6 111.3	6 692.4	6 692.4	6 628.9	6 383.0	6 408.8	6 400.5	6 333.0	6 515.0	6 515.0	100.3%	99.4%

Expenditure estimates

Table 24.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration 2. Agricultural Production, Health and Food Safety 3. Food Security and Agrarian Reform 4. Trade Promotion and Market Access 5. Forestry and Natural Resources Management 6. Fisheries									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2016/17	2013/14 - 2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20	
Programme 1	781.4	5.2%	11.6%	902.5	945.7	954.3	6.9%	12.8%	
Programme 2	1 944.6	-1.5%	32.2%	2 197.2	2 305.9	2 446.4	8.0%	31.7%	
Programme 3	1 888.7	5.7%	27.4%	1 946.8	2 035.8	2 302.8	6.8%	29.2%	
Programme 4	304.0	5.6%	4.3%	261.7	274.2	291.7	-1.4%	4.0%	
Programme 5	1 137.7	-1.3%	17.3%	1 016.7	1 073.4	1 044.2	-2.8%	15.2%	
Programme 6	458.6	1.9%	7.0%	482.2	504.5	537.3	5.4%	7.1%	
Total	6 515.0	1.8%	100.0%	6 807.0	7 139.4	7 576.8	5.2%	100.0%	
Change to 2016 Budget estimate				100.8	140.4	141.7			

Table 24.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Current payments	2 846.2	5.8%	39.0%	2 920.1	3 002.4	3 159.3	3.5%	42.5%
Compensation of employees	1 992.6	7.5%	27.1%	2 105.8	2 177.3	2 343.2	5.6%	30.7%
Goods and services	852.5	2.3%	11.9%	814.4	825.2	816.1	-1.4%	11.8%
Interest and rent on land	1.1	-2.7%	-	-	-	-	-100.0%	-
Transfers and subsidies	3 501.7	-1.2%	57.9%	3 774.6	4 014.0	4 288.0	7.0%	55.6%
Provinces and municipalities	2 203.7	0.8%	34.6%	2 242.8	2 382.2	2 542.8	4.9%	33.4%
Departmental agencies and accounts	1 110.2	-4.4%	18.8%	1 300.3	1 375.0	1 451.9	9.4%	18.7%
Foreign governments and international organisations	42.4	-2.6%	0.6%	36.3	37.6	39.7	-2.2%	0.6%
Public corporations and private enterprises	98.3	-11.0%	3.0%	150.8	173.8	206.8	28.1%	2.2%
Non-profit institutions	17.0	-5.8%	0.3%	19.8	20.1	20.4	6.2%	0.3%
Households	30.0	77.4%	0.5%	24.6	25.3	26.5	-4.0%	0.4%
Payments for capital assets	167.2	4.3%	3.1%	111.0	121.6	127.9	-8.5%	1.9%
Buildings and other fixed structures	78.3	27.6%	0.9%	63.8	72.1	76.0	-1.0%	1.0%
Machinery and equipment	88.5	-6.3%	2.2%	47.0	49.3	51.7	-16.4%	0.8%
Biological assets	0.1	-41.7%	-	0.1	0.1	0.1	8.9%	-
Software and other intangible assets	0.3	-41.3%	-	0.1	0.1	0.1	-41.1%	-
Total	6 515.0	1.8%	100.0%	6 805.7	7 138.0	7 575.3	5.2%	100.0%

Goods and services expenditure trends and estimates

Table 24.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	
Administrative fees	3 247	3 547	10 647	7 153	30.1%	0.8%	5 665	6 178	6 521	-3.0%	0.8%
Advertising	22 189	26 480	8 104	9 807	-23.8%	2.2%	11 234	14 962	12 418	8.2%	1.5%
Minor assets	6 676	6 851	7 178	9 552	12.7%	1.0%	13 726	7 730	8 160	-5.1%	1.2%
Audit costs: External	9 918	10 362	10 816	12 044	6.7%	1.4%	14 303	14 181	16 031	10.0%	1.7%
Bursaries: Employees	2 678	2 724	2 417	4 884	22.2%	0.4%	6 571	5 666	5 986	7.0%	0.7%
Catering: Departmental activities	1 297	813	740	942	-10.1%	0.1%	344	362	382	-26.0%	0.1%
Communication	26 559	27 791	29 115	23 531	-4.0%	3.5%	25 032	24 872	25 705	3.0%	3.0%
Computer services	43 298	35 424	11 530	22 099	-20.1%	3.7%	43 823	44 555	45 557	27.3%	4.7%
Consultants: Business and advisory services	33 953	20 540	22 985	12 547	-28.2%	2.9%	8 201	8 146	8 598	-11.8%	1.1%
Infrastructure and planning services	13 045	6 957	3 708	11 455	-4.2%	1.2%	-	-	-	-100.0%	0.3%
Laboratory services	568	232	219	2 756	69.3%	0.1%	209	217	229	-56.4%	0.1%
Legal services	3 739	8 519	5 334	3 770	0.3%	0.7%	1 931	2 016	2 129	-17.3%	0.3%
Contractors	23 610	24 249	9 505	27 415	5.1%	2.8%	21 914	18 997	19 887	-10.1%	2.7%
Agency and support/outsourced services	53 348	30 695	24 636	32 193	-15.5%	4.6%	150 163	163 348	115 846	53.2%	14.0%
Entertainment	503	776	306	370	-9.7%	0.1%	428	461	477	8.8%	0.1%
Fleet services (including government motor transport)	18 507	18 459	21 936	15 931	-4.9%	2.4%	21 047	18 931	22 014	11.4%	2.4%
Inventory: Clothing material and accessories	-	-	823	891	-	0.1%	3 160	3 377	3 600	59.3%	0.3%
Inventory: Farming supplies	14 607	7 708	17 959	231 046	151.0%	8.9%	14 921	15 681	16 940	-58.1%	8.4%
Inventory: Food and food supplies	389	474	1 132	1 530	57.9%	0.1%	2 750	2 300	2 500	17.8%	0.3%
Inventory: Fuel, oil and gas	54	266	952	826	148.2%	0.1%	1 882	2 209	2 581	46.2%	0.2%
Inventory: Learner and teacher support material	51	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	-	36	922	254	-	-	1 654	871	918	53.5%	0.1%
Inventory: Medical supplies	-	-	31	1 352	-	-	1 501	1 501	1 585	5.4%	0.2%
Inventory: Medicine	6 142	970	49	2 053	-30.6%	0.3%	4 463	4 834	5 267	36.9%	0.5%
Inventory: Other supplies	1	121	1 123	612	749.0%	0.1%	3 105	2 910	3 022	70.3%	0.3%
Consumable supplies	41 620	42 602	20 814	25 022	-15.6%	4.3%	40 572	32 361	33 793	10.5%	4.0%
Consumables: Stationery, printing and office supplies	12 601	10 707	8 826	16 779	10.0%	1.6%	22 458	20 844	23 979	12.6%	2.5%
Operating leases	85 732	84 510	90 460	51 038	-15.9%	10.2%	39 670	29 068	29 153	-17.0%	4.5%
Rental and hiring	5 027	69	10	886	-43.9%	0.2%	1 908	2 019	2 133	34.0%	0.2%
Property payments	112 589	144 315	155 660	145 766	9.0%	18.3%	165 837	178 624	188 627	9.0%	20.5%
Transport provided: Departmental activity	-	-	-	8	-	-	15	20	21	37.9%	-
Travel and subsistence	119 279	128 554	131 940	113 078	-1.8%	16.1%	114 496	127 310	137 030	6.6%	14.9%
Training and development	34 675	39 370	30 372	34 523	-0.1%	4.5%	43 396	44 609	47 653	11.3%	5.1%
Operating payments	15 500	20 289	18 420	19 924	8.7%	2.4%	18 689	16 136	17 025	-5.1%	2.2%
Venues and facilities	37 831	30 685	69 393	10 458	-34.9%	4.9%	9 307	9 869	10 338	-0.4%	1.2%
Total	749 233	735 095	718 062	852 495	4.4%	100.0%	814 375	825 165	816 105	-1.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 24.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Provinces and municipalities											
Provincial revenue funds											
Current	2 148 594	2 362 161	2 171 450	2 202 452	0.8%	59.8%	2 241 689	2 381 106	2 541 649	4.9%	60.1%
Ilima/Letsema projects grant	438 456	460 625	466 713	491 363	3.9%	12.5%	522 139	552 423	583 359	5.9%	13.8%
Comprehensive agricultural support programme grant: Infrastructure	905 746	929 529	1 167 779	1 148 115	8.2%	27.9%	1 112 138	1 164 764	1 350 208	5.6%	30.7%
Comprehensive agricultural support programme grant: Extension recovery planning service	339 927	352 708	343 873	346 149	0.6%	9.3%	337 906	355 649	380 544	3.2%	9.1%
Comprehensive agricultural support programme grant: Upgrading of provincial agricultural colleges	55 388	57 701	69 473	70 826	8.5%	1.7%	56 831	74 461	79 673	4.0%	1.8%
Land care programme grant: Poverty relief and infrastructure development	105 823	67 837	65 011	69 265	-13.2%	2.1%	73 604	77 873	82 234	5.9%	1.9%
Comprehensive agricultural support programme grant: Disasters (flood damaged infrastructure)	303 254	493 761	58 601	76 734	-36.8%	6.3%	139 071	155 936	65 631	-5.1%	2.8%
Provinces and municipalities											
Municipal bank accounts											
Current	1 107	1 188	1 273	1 233	3.7%	-	1 104	1 130	1 157	-2.1%	-
Vehicle licences	607	688	773	633	1.4%	-	504	530	557	-4.2%	-
National Arbor City Awards	500	500	500	600	6.3%	-	600	600	600	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 150 318	1 230 590	1 012 771	991 601	-4.8%	29.5%	1 175 725	1 243 263	1 312 763	9.8%	30.3%
Communication	27	26	27	28	1.2%	-	29	30	32	4.6%	-
Public Service Sector Education and Training Authority	-	-	370	-	-	-	-	-	-	-	-
Primary Agriculture Sector Education and Training Authority	1 672	901	937	1 175	-11.1%	-	1 207	1 248	1 343	4.6%	-
National Research Foundation	7 000	15 000	20 841	15 697	30.9%	0.4%	17 310	18 647	19 691	7.8%	0.5%
Fibre Processing and Manufacturing Sector Education and Training Authority	-	446	429	462	-	-	464	480	517	3.8%	-
Agricultural Research Council	848 655	921 456	691 484	694 570	-6.5%	21.2%	850 232	899 534	949 896	11.0%	21.8%
Perishable Products Export Control Board	600	600	600	600	-	-	600	600	600	-	-
National Agricultural Marketing Council	33 819	36 005	34 635	35 005	1.2%	0.9%	41 917	44 348	46 831	10.2%	1.1%
Small Enterprise Development Agency	2 000	1 825	1 825	305	-46.6%	-	-	-	-	-100.0%	-
Water Research Commission	3 000	3 000	3 000	2 000	-12.6%	0.1%	2 000	2 000	2 000	-	0.1%
Marine Living Resources Fund	253 545	251 331	258 623	241 759	-1.6%	6.8%	261 966	276 376	291 853	6.5%	6.9%
Capital	101 599	107 695	112 649	118 619	5.3%	3.0%	124 551	131 775	139 155	5.5%	3.3%
Agricultural Research Council	101 599	107 695	112 649	118 619	5.3%	3.0%	124 551	131 775	139 155	5.5%	3.3%
Foreign governments and international organisations											
Current	46 445	38 784	31 911	42 445	-3.0%	1.1%	36 276	37 575	39 679	-2.2%	1.0%
Consultative Group on International Agricultural Research	3 971	7 140	6 375	7 146	21.6%	0.2%	7 000	7 100	7 498	1.6%	0.2%
International Union for the Protection of New Varieties of Plants	524	638	677	794	14.9%	-	745	750	792	-0.1%	-
Commonwealth Agricultural Bureau International	209	263	276	337	17.3%	-	300	310	327	-1.0%	-
International Commission of Agricultural Engineering	-	32	-	20	-	-	20	20	21	1.6%	-
Food and Agriculture Organisation of the United Nations	30 999	24 600	21 029	30 267	-0.8%	0.7%	24 640	25 800	27 245	-3.4%	0.7%
Foreign rates and taxes	304	329	306	273	-3.5%	-	411	418	441	17.3%	-
International Fund for Agricultural Development	3 000	2 163	-	-	-100.0%	-	-	-	-	-	-
International Cotton Advisory Council	223	769	301	389	20.4%	-	285	290	306	-7.7%	-
International Dairy Federation	50	50	50	50	-	-	50	50	53	2.0%	-
International Grains Council	188	200	215	199	1.9%	-	230	235	248	7.6%	-
International Seed Testing Association	76	94	97	120	16.4%	-	175	160	169	12.1%	-
International Organisation of Vine and Wine	642	807	789	978	15.1%	-	800	810	855	-4.4%	-
World Organisation for Animal Health	1 222	1 349	1 624	1 667	10.9%	-	1 425	1 430	1 510	-3.2%	-
Organisation for Economic Cooperation and Development	58	342	161	194	49.6%	-	185	190	201	1.2%	-
Food and Agriculture Organisation of the United Nations: African Solidarity Trust Fund	2 000	-	-	-	-100.0%	-	-	-	-	-	-
International Union of Forestry Research Organisations	21	8	11	11	-19.4%	-	10	12	13	5.7%	-
Centre for Coordination of Agricultural Research and Development for Southern Africa	2 958	-	-	-	-100.0%	-	-	-	-	-	-

Table 24.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Other transfers to public corporations											
Current	138 398	221 976	314 714	98 333	-10.8%	5.2%	150 828	173 776	206 789	28.1%	4.0%
Onderstepoort Biological Products	96 500	127 500	268 400	–	-100.0%	3.3%	–	–	–	–	–
Ncera Farms	5 020	5 420	5 622	5 935	5.7%	0.1%	6 246	6 608	6 978	5.5%	0.2%
Land and Agricultural Development Bank of South Africa	33 347	85 348	36 762	88 232	38.3%	1.6%	140 166	162 496	194 876	30.2%	3.8%
Forest Sector Charter Council	3 531	3 708	3 930	4 166	5.7%	0.1%	4 416	4 672	4 935	5.8%	0.1%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	1 713	322	86	1	-91.6%	–	1	1	1	–	–
Claims against the state	713	322	85	–	-100.0%	–	–	–	–	–	–
National Woolgrowers' Association	1 000	–	–	–	-100.0%	–	–	–	–	–	–
Red Meat Industry Forum	–	–	1	1	–	–	1	1	1	–	–
Non-profit institutions											
Current	17 518	24 362	23 685	16 984	-1.0%	0.6%	19 775	20 056	20 350	6.2%	0.5%
Deciduous Fruit Producers' Trust	7 649	10 000	10 000	12 100	16.5%	0.3%	14 410	14 410	14 410	6.0%	0.4%
Annual Beef Cattle Improvement Scheme Awards	–	200	–	–	–	–	–	–	–	–	–
Citrus Growers' Association of Southern Africa	–	–	986	–	–	–	–	–	–	–	–
Forestry South Africa	5 788	6 024	4 418	4 684	-6.8%	0.1%	4 965	5 246	5 540	5.8%	0.1%
Centre for International Forestry Research	–	100	–	–	–	–	–	–	–	–	–
Food and Trees for Africa	–	200	200	200	–	–	400	400	400	26.0%	–
Lima Rural Development Foundation	4 081	7 838	8 081	–	-100.0%	0.1%	–	–	–	–	–
Households											
Social benefits											
Current	10 776	19 268	14 131	8 120	-9.0%	0.4%	686	758	801	-53.8%	0.1%
Employee social benefits	10 776	19 268	14 131	8 120	-9.0%	0.4%	686	758	801	-53.8%	0.1%
Households											
Other transfers to households											
Current	18 674	19 332	18 852	21 862	5.4%	0.5%	23 955	24 521	25 698	5.5%	0.6%
Bursaries for non-employees	1 325	1 391	1 391	1 400	1.9%	–	1 500	1 600	1 690	6.5%	–
Claims against the state	64	626	511	–	-100.0%	–	–	–	–	–	–
Agricultural colleges	1 508	788	1 905	1 500	-0.2%	–	1 800	1 800	1 900	8.2%	–
Female entrepreneur of the year awards	1 050	600	550	100	-54.3%	–	1 000	500	500	71.0%	–
National Student Financial Aid Scheme	14 727	15 927	14 495	18 862	8.6%	0.4%	19 655	20 621	21 608	4.6%	0.5%
Total	3 635 142	4 025 678	3 701 522	3 501 650	-1.2%	100.0%	3 774 590	4 013 961	4 288 042	7.0%	100.0%

Personnel information

Table 24.6 Vote personnel numbers and cost by salary level and programme¹

Programmes													
1. Administration													
2. Agricultural Production, Health and Food Safety													
3. Food Security and Agrarian Reform													
4. Trade Promotion and Market Access													
5. Forestry and Natural Resources Management													
6. Fisheries													
Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment										Number	
		Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)
		2015/16	Unit cost	2016/17	Unit cost	2017/18	2018/19	2019/20	2016/17 - 2019/20				
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost		
Agriculture, Forestry and Fisheries													
Programme	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 1	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 2	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 3	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 4	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 5	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 6	–	–	–	–	–	–	–	–	–	–	–	–	–

1. The department did not provide the relevant personnel data.

2. Rand million.

Departmental receipts

Table 24.7 Departmental receipts by economic classification

R thousand	Audited outcome				Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	809 584	191 652	212 414	227 198	227 198	-34.5%	100.0%	241 533	256 749	272 923	6.3%	100.0%	
Sales of goods and services produced by department	153 690	163 186	185 974	212 403	212 403	11.4%	49.6%	225 793	240 018	255 139	6.3%	93.5%	
Sales by market establishments	2 953	2 370	2 347	2 047	2 047	-11.5%	0.7%	2 185	2 322	2 468	6.4%	0.9%	
of which:													
Dwellings	2 452	1 959	1 748	1 719	1 719	-11.2%	0.5%	1 827	1 942	2 064	6.3%	0.8%	
Rental parking: Covered and open	289	313	322	319	319	3.3%	0.1%	339	360	383	6.3%	0.1%	
Wool and skin	212	98	277	9	9	-65.1%	-	19	20	21	32.6%	-	
Administrative fees	114 491	129 749	149 966	153 464	153 464	10.3%	38.0%	163 132	173 410	184 334	6.3%	67.5%	
of which:													
Farm feeds registration	6 295	6 485	12 600	10 047	10 047	16.9%	2.5%	10 680	11 353	12 068	6.3%	4.4%	
Plant breeders right	2 543	2 834	3 713	5 530	5 530	29.6%	1.0%	5 878	6 249	6 642	6.3%	2.4%	
Stock remedy	1 020	8 045	1 260	1 048	1 048	0.9%	0.8%	1 114	1 184	1 259	6.3%	0.5%	
Inspection fees: Statutory services	70 245	73 190	85 216	92 511	92 511	9.6%	22.3%	98 339	104 535	111 120	6.3%	40.7%	
Other	34 388	39 195	47 177	44 328	44 328	8.8%	11.5%	47 121	50 089	53 245	6.3%	19.5%	
Other sales	36 246	31 067	33 661	56 892	56 892	16.2%	11.0%	60 476	64 286	68 337	6.3%	25.0%	
of which:													
Service rendered: Boarding services (private)	1 687	1 736	1 285	1 852	1 852	3.2%	0.5%	1 969	2 093	2 225	6.3%	0.8%	
Service rendered: Commission insurance	1 368	1 425	1 432	1 446	1 446	1.9%	0.4%	1 537	1 634	1 737	6.3%	0.6%	
Service rendered: Course fees	1 079	1 036	1 823	1 879	1 879	20.3%	0.4%	1 997	2 123	2 257	6.3%	0.8%	
Laboratory services: Plant	963	629	905	955	955	-0.3%	0.2%	1 015	1 079	1 147	6.3%	0.4%	
Other	31 149	26 241	28 216	50 760	50 760	17.7%	9.5%	53 958	57 357	60 971	6.3%	22.3%	
Sales of scrap, waste, arms and other used current goods	28	44	53	659	659	186.6%	0.1%	713	758	805	6.9%	0.3%	
of which:													
Waste paper	28	44	53	12	12	-24.6%	-	25	27	28	32.6%	-	
Sales scrap	-	-	-	647	647	-	-	688	731	777	6.3%	0.3%	
Transfers received	173	727	355	420	420	34.4%	0.1%	446	475	504	6.3%	0.2%	
Fines, penalties and forfeits	49	33	270	46	46	-2.1%	-	49	52	55	6.1%	-	
Interest, dividends and rent on land	8 236	6 727	5 143	4 634	4 634	-17.4%	1.7%	4 926	5 236	5 566	6.3%	2.0%	
Interest	6 992	5 565	4 111	3 600	3 600	-19.9%	1.4%	3 827	4 068	4 324	6.3%	1.6%	
Rent on land	1 244	1 162	1 032	1 034	1 034	-6.0%	0.3%	1 099	1 168	1 242	6.3%	0.5%	
Sales of capital assets	757	1 034	1 720	1 348	1 348	21.2%	0.3%	1 433	1 523	1 619	6.3%	0.6%	
Transactions in financial assets and liabilities	646 651	19 901	18 899	7 688	7 688	-77.2%	48.1%	8 173	8 687	9 235	6.3%	3.4%	
Total	809 584	191 652	212 414	227 198	227 198	-34.5%	100.0%	241 533	256 749	272 923	6.3%	100.0%	

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 24.8 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 (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million												
Ministry	28.6	38.0	39.6	39.5		11.4%	4.9%	42.5	44.3	47.3	6.2%	4.8%
Department Management	18.9	22.9	19.2	27.7		13.6%	3.0%	28.9	30.0	32.2	5.2%	3.3%
Financial Administration	133.1	158.6	163.1	187.7		12.1%	21.5%	195.6	204.0	221.2	5.6%	22.6%
Internal Audit	5.0	4.0	5.0	8.5		19.6%	0.8%	9.6	10.0	10.7	8.1%	1.1%
Corporate Services	170.3	170.0	162.9	173.1		0.6%	22.6%	179.8	186.3	199.5	4.8%	20.6%
Stakeholder Relations, Communication and Legal Services	92.8	90.4	117.5	75.6		-6.6%	12.6%	77.9	80.9	86.7	4.7%	9.0%
Policy, Planning, Monitoring and Evaluation	65.9	72.1	79.5	81.7		7.4%	10.0%	173.8	187.3	144.4	20.9%	16.4%
Office Accommodation	167.1	182.4	199.0	187.5		3.9%	24.6%	194.3	202.8	212.4	4.2%	22.2%
Total	681.6	738.4	785.8	781.4		4.7%	100.0%	902.5	945.7	954.3	6.9%	100.0%
Change to 2016 Budget estimate				(6.7)				99.3	105.9	58.1		

Table 24.8 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million					2013/14 -	2016/17				2016/17 -	2019/20
Current payments	657.2	701.2	743.1	719.5	3.1%	94.4%	848.9	884.3	889.8	7.3%	93.3%
Compensation of employees	311.6	362.0	380.5	427.4	11.1%	49.6%	452.1	467.0	502.5	5.5%	51.6%
Goods and services ¹	345.7	339.2	362.6	292.1	-5.5%	44.8%	396.8	417.3	387.3	9.9%	41.7%
of which:											
Audit costs: External	9.9	9.8	9.9	12.0	6.7%	1.4%	14.3	14.2	16.0	10.0%	1.6%
Computer services	42.7	30.2	9.8	18.2	-24.7%	3.4%	16.3	17.1	18.0	-0.5%	1.9%
Agency and support/outourced services	8.0	3.4	2.7	4.8	-16.0%	0.6%	98.3	108.7	60.0	132.7%	7.6%
Operating leases	76.8	74.9	84.3	46.4	-15.5%	9.5%	36.2	25.6	25.5	-18.1%	3.7%
Property payments	92.7	111.0	117.0	113.5	7.0%	14.5%	139.8	152.7	161.2	12.4%	15.8%
Travel and subsistence	26.7	32.1	39.2	40.7	15.0%	4.6%	34.5	37.9	40.6	-0.1%	4.3%
Transfers and subsidies¹	9.2	18.8	24.2	18.8	26.8%	2.4%	19.1	20.4	21.6	4.8%	2.2%
Provinces and municipalities	0.1	-	-	-	-1.4%	-	-	-	-	-4.4%	-
Departmental agencies and accounts	8.7	16.4	22.6	17.4	25.9%	2.2%	19.0	20.4	21.6	7.5%	2.2%
Public corporations and private enterprises	0.2	0.1	0.1	-	-100.0%	-	-	-	-	-	-
Households	0.3	2.3	1.5	1.4	67.8%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	15.0	18.5	18.1	43.1	42.1%	3.2%	34.5	41.0	42.9	-0.2%	4.5%
Buildings and other fixed structures	3.5	6.4	6.0	34.4	115.2%	1.7%	30.8	37.3	39.2	4.5%	4.0%
Machinery and equipment	10.5	12.1	12.2	8.6	-6.6%	1.4%	3.7	3.6	3.7	-24.7%	0.5%
Software and other intangible assets	1.1	-	-	0.2	-44.5%	-	0.1	0.1	0.1	-34.1%	-
Payments for financial assets	0.1	-	0.3	-	-100.0%	-	-	-	-	-	-
Total	681.6	738.4	785.8	781.4	4.7%	100.0%	902.5	945.7	954.3	6.9%	100.0%
Proportion of total programme expenditure to vote expenditure	11.2%	11.1%	12.3%	12.0%	-	-	13.3%	13.2%	12.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8.7	16.3	22.2	17.3	26.0%	2.2%	19.0	20.4	21.6	7.5%	2.2%
Primary Agriculture Sector Education and Training Authority	1.7	0.9	0.9	1.2	-11.1%	0.2%	1.2	1.2	1.3	4.6%	0.1%
National Research Foundation	7.0	15.0	20.8	15.7	30.9%	2.0%	17.3	18.6	19.7	7.8%	2.0%
Fibre Processing and Manufacturing Sector Education and Training Authority	-	0.4	0.4	0.5	-	-	0.5	0.5	0.5	3.8%	0.1%

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

Programme 2: Agricultural Production, Health and Food Safety

Programme purpose

Manage the risks associated with animal diseases, plant pests and genetically modified organisms. Register products used in agriculture. Promote food safety and create an enabling environment for increased and sustainable agricultural production.

Objectives

- Promote productivity for prioritised value chains by:
 - implementing six animal improvement schemes, such as Kaonafatso ya Dikgomo, a programme that assists resource-poor farmers; and the poultry scheme, which assists resource poor poultry farmers to identify and manage risks associated with poultry diseases, by 2019/20
 - implementing six plant improvement schemes and three seed schemes, which encourage smallholder farmers to work together in the conservation of heat-resistant cultivars, and in managing and eradicating plant pests such as fruit flies by 2019/20.
- Enforce an agricultural animal disease regulatory framework to reduce the level of disease outbreaks, and reduce interception at export channels in production areas to a minimum level by:
 - conducting two planned animal risk surveillance exercises on peste des petits ruminants (goat plague), African horse sickness and avian influenza per year over the medium term
 - conducting three planned disease risk surveillances on the exotic fruit fly by 2019/20.

- Implement regulatory compliance and monitoring interventions to prevent plant and animal pest and disease outbreaks through quarantine inspections, surveillance and testing by 2019/20.
- Ensure access to primary animal health care services through the implementation of the animal diseases and management plan, and compulsory community services, by deploying 470 veterinary graduates to rural areas by 2019/20.
- Promote animal and plant conservation by implementing national plans to conserve the diversity of the genetic resources of plants and animals for food and agricultural production, through the conservation of two on-site genetic resources in the natural populations of plant and animal species (one animal, one plant) per year over the medium term.

Subprogrammes

- *Management* oversees and manages the programme.
- *Inspection and Laboratory Services* provides leadership, guidance and support to ensure compliance with agricultural legislation and regulatory frameworks; and oversees the effective implementation of risk management strategies and plans for regulated agricultural products.
- *Plant Production and Health* focuses on increasing agricultural productivity with the emphasis on a sustainable plant production system, the efficient use of genetic resources for food and agriculture, and the management of risks associated with plant pests, diseases and genetically modified organisms.
- *Animal Production and Health* improves livestock production, and the health and safety of animal products. This entails implementing strategies, projects and programmes for animal production, health and public health that are founded on effective animal health and production management principles, an informed extension service and sustainable natural resources management.
- *Agriculture Research* manages monthly transfers to the Agricultural Research Council.

Expenditure trends and estimates

Table 24.9 Agricultural Production, Health and Food Safety expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Management	2.4	1.6	2.2	2.8	5.3%	0.1%	2.9	3.0	3.2	4.9%	0.1%
Inspection and Laboratory Services	296.6	317.5	322.5	332.9	3.9%	15.3%	372.7	384.8	412.4	7.4%	16.9%
Plant Production and Health	507.0	536.4	543.9	575.4	4.3%	26.1%	610.8	644.3	681.0	5.8%	28.2%
Animal Production and Health	244.7	299.1	470.5	220.5	-3.4%	14.9%	236.2	242.7	260.9	5.8%	10.8%
Agriculture Research	950.3	1 029.2	803.9	813.0	-5.1%	43.5%	974.6	1 031.1	1 088.9	10.2%	43.9%
Total	2 000.9	2 183.7	2 143.0	1 944.6	-0.9%	100.0%	2 197.2	2 305.9	2 446.4	8.0%	100.0%
Change to 2016 Budget estimate				(8.8)			14.0	13.3	12.7		
Economic classification											
Current payments	461.3	490.6	509.0	614.1	10.0%	25.1%	683.5	705.4	757.3	7.2%	31.0%
Compensation of employees	361.3	401.7	444.4	563.9	16.0%	21.4%	607.0	626.9	674.6	6.2%	27.8%
Goods and services ¹	100.0	88.9	64.6	50.1	-20.6%	3.7%	76.6	78.5	82.7	18.1%	3.2%
of which:											
Communication	3.9	4.0	4.0	3.7	-1.5%	0.2%	4.2	4.3	4.5	6.8%	0.2%
Computer services	0.1	0.4	0.2	0.5	101.2%	-	25.1	25.1	25.1	278.4%	0.9%
Inventory: Medicine	6.1	0.9	-	2.0	-31.1%	0.1%	3.9	4.8	5.2	37.7%	0.2%
Property payments	2.6	3.8	3.3	4.2	17.6%	0.2%	5.1	5.2	5.5	9.5%	0.2%
Travel and subsistence	27.7	29.4	25.5	14.6	-19.3%	1.2%	16.6	17.1	19.0	9.3%	0.8%
Operating payments	4.5	5.1	3.8	4.2	-2.7%	0.2%	4.0	4.1	4.3	1.1%	0.2%
Transfers and subsidies¹	1 494.9	1 629.2	1 551.3	1 317.3	-4.1%	72.4%	1 511.4	1 598.2	1 686.9	8.6%	68.7%
Provinces and municipalities	438.6	460.7	466.9	491.4	3.9%	22.5%	522.1	552.4	583.4	5.9%	24.2%
Departmental agencies and accounts	950.3	1 029.2	804.1	813.2	-5.1%	43.5%	974.8	1 031.3	1 089.1	10.2%	43.9%
Public corporations and private enterprises	97.6	127.7	268.4	-	-100.0%	6.0%	-	-	-	-	-
Non-profit institutions	7.6	10.2	10.0	12.1	16.5%	0.5%	14.4	14.4	14.4	6.0%	0.6%
Households	0.8	1.4	1.9	0.6	-8.8%	0.1%	0.1	0.1	0.1	-47.9%	-
Payments for capital assets	43.5	63.8	82.4	13.2	-32.8%	2.5%	2.3	2.2	2.2	-44.7%	0.2%
Machinery and equipment	43.4	63.8	82.4	13.2	-32.8%	2.5%	2.3	2.2	2.2	-44.7%	0.2%
Software and other intangible assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	1.2	0.1	0.4	-	-100.0%	-	-	-	-	-	-
Total	2 000.9	2 183.7	2 143.0	1 944.6	-0.9%	100.0%	2 197.2	2 305.9	2 446.4	8.0%	100.0%
Proportion of total programme expenditure to vote expenditure	32.7%	32.9%	33.5%	29.8%	-	-	32.3%	32.3%	32.3%	-	-

Table 24.9 Agricultural Production, Health and Food Safety expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
							2016/17 - 2019/20				
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	848.7	921.5	691.5	694.6	-6.5%	38.2%	850.2	899.5	949.9	11.0%	38.2%
Agricultural Research Council	848.7	921.5	691.5	694.6	-6.5%	38.2%	850.2	899.5	949.9	11.0%	38.2%
Capital	101.6	107.7	112.6	118.6	5.3%	5.3%	124.6	131.8	139.2	5.5%	5.8%
Agricultural Research Council	101.6	107.7	112.6	118.6	5.3%	5.3%	124.6	131.8	139.2	5.5%	5.8%
Non-profit institutions											
Current	7.6	10.0	10.0	12.1	16.5%	0.5%	14.4	14.4	14.4	6.0%	0.6%
Deciduous Fruit Producers' Trust	7.6	10.0	10.0	12.1	16.5%	0.5%	14.4	14.4	14.4	6.0%	0.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	96.5	127.5	268.4	-	-100.0%	6.0%	-	-	-	-	-
Onderstepoort Biological Products	96.5	127.5	268.4	-	-100.0%	6.0%	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	438.5	460.6	466.7	491.4	3.9%	22.5%	522.1	552.4	583.4	5.9%	24.2%
Ilimal/Letsema projects grant	438.5	460.6	466.7	491.4	3.9%	22.5%	522.1	552.4	583.4	5.9%	24.2%

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

Programme 3: Food Security and Agrarian Reform

Programme purpose

Facilitate and promote food security and agrarian reform programmes and initiatives.

Objectives

- Coordinate the implementation of the national policy on food and nutrition security by:
 - providing production inputs such as seeds and fertilisers to increase the number of households benefiting from food production initiatives to 200 000 by 2019/20
 - cultivating 600 000 hectares of underutilised land in communal areas and land reform projects for food production by 2019/20.
- Improve delivery capacity in support of sustainable growth in the sector by:
 - implementing sector capacity-development policies such as the national agriculture, forestry and fisheries training and education strategy, and national policy on extension and advisory services
 - placing 150 graduates and 100 extension support practitioners in prioritised value-chain commodities such as maize and soya beans by 2019/20
 - provide strategic leadership and support, such as research, training and extension services, to targeted subsistence and smallholder producers in the agriculture, forestry and fisheries sectors by transforming all agricultural colleges into agricultural training institutions by 2019/20.
- Coordinate comprehensive support systems and programmes provided to producers by:
 - developing and implementing the national policy on comprehensive producer development support over the medium term
 - providing support to 145 000 smallholder producers per year until 2019/20.

Subprogrammes

- *Management* oversees and manages the programme
- *Food Security* provides national frameworks to promote the sustainable household food security programme by improving the production systems of subsistence and smallholder producers in the agriculture, forestry and fishery sectors; and facilitates the provision of inputs, implements and infrastructure support.

- *Sector Capacity Development* provides education and training to promote the transformation of colleges of agriculture into centres of excellence. This is achieved by the implementation of the agriculture, forestry and fisheries national education and training strategy; the development of agriculture training institutes as centres of excellence; and the implementation of a coordinated plan to track sector transformation in line with government objectives.
- *National Extension Support Services* develops and coordinates the implementation of national extension policies, and norms and standards on the transfer of technology. This subprogramme also provides strategic leadership and guidance for the planning, coordination and implementation of extension and advisory services in the sector.

Expenditure trends and estimates

Table 24.10 Food Security and Agrarian Reform expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Management	4.8	2.5	4.0	2.9	-15.8%	0.2%	3.3	3.4	3.7	8.6%	0.2%
Food Security	1 025.4	1 037.5	1 270.8	1 269.3	7.4%	65.4%	1 348.2	1 435.3	1 660.9	9.4%	69.9%
Sector Capacity Development	191.0	232.8	260.2	247.2	9.0%	13.2%	227.8	210.5	224.8	-3.1%	11.1%
National Extension Support Services	368.8	383.5	371.8	369.3	-	21.2%	367.4	386.6	413.4	3.8%	18.8%
Total	1 590.1	1 656.3	1 906.8	1 888.7	5.9%	100.0%	1 946.8	2 035.8	2 302.8	6.8%	100.0%
Change to 2016 Budget estimate				(1.0)			(71.2)	(54.8)	91.7		
Economic classification											
Current payments	200.0	214.1	229.3	237.0	5.8%	12.5%	272.2	250.1	267.8	4.2%	12.6%
Compensation of employees	112.3	120.9	131.1	152.7	10.8%	7.3%	162.7	168.5	181.6	6.0%	8.1%
Goods and services ¹	87.7	93.3	98.1	84.4	-1.3%	5.2%	109.4	81.6	86.2	0.7%	4.4%
of which:											
Communication	1.6	1.8	2.0	2.1	10.0%	0.1%	2.8	2.0	2.1	0.4%	0.1%
Consumable supplies	4.8	6.3	4.2	5.7	6.2%	0.3%	12.9	0.6	0.7	-50.1%	0.2%
Consumables: Stationery, printing and office supplies	0.6	1.1	0.8	2.6	65.9%	0.1%	7.2	1.7	1.8	-12.0%	0.2%
Travel and subsistence	18.3	16.9	18.8	17.3	-1.9%	1.0%	23.5	30.1	31.2	21.8%	1.2%
Training and development	24.5	26.7	22.8	24.2	-0.4%	1.4%	32.5	33.0	35.4	13.5%	1.5%
Operating payments	1.4	2.7	1.6	3.8	40.1%	0.1%	3.8	1.4	1.5	-27.1%	0.1%
Transfers and subsidies¹	1 326.3	1 366.0	1 606.9	1 594.3	6.3%	83.7%	1 638.1	1 747.0	1 994.2	7.7%	85.3%
Provinces and municipalities	1 301.4	1 340.3	1 581.4	1 565.3	6.3%	82.2%	1 507.1	1 595.1	1 810.7	5.0%	79.3%
Departmental agencies and accounts	0.6	0.6	0.6	0.6	-0.1%	-	0.6	0.6	0.6	-	-
Public corporations and private enterprises	5.3	5.5	5.6	5.9	3.6%	0.3%	106.2	126.6	157.0	197.9%	4.8%
Households	18.9	19.7	19.2	22.4	5.8%	1.1%	24.1	24.7	25.9	4.9%	1.2%
Payments for capital assets	63.9	76.2	70.3	57.4	-3.5%	3.8%	36.5	38.7	40.8	-10.7%	2.1%
Buildings and other fixed structures	46.6	41.6	34.3	35.4	-8.7%	2.2%	33.0	34.8	36.8	1.3%	1.7%
Machinery and equipment	17.0	34.2	35.9	22.0	9.0%	1.5%	3.5	3.8	4.0	-43.1%	0.4%
Biological assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	0.3	0.4	0.1	-	-61.8%	-	-	-	-	-100.0%	-
Payments for financial assets	-	-	0.3	-	-	-	-	-	-	-	-
Total	1 590.1	1 656.3	1 906.8	1 888.7	5.9%	100.0%	1 946.8	2 035.8	2 302.8	6.8%	100.0%
Proportion of total programme expenditure to vote expenditure	26.0%	25.0%	29.8%	29.0%	-	-	28.6%	28.5%	30.4%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	18.6	18.7	18.3	21.9	5.5%	1.1%	24.0	24.5	25.7	5.5%	1.2%
Bursaries for non-employees	1.3	1.4	1.4	1.4	1.9%	0.1%	1.5	1.6	1.7	6.5%	0.1%
Agricultural colleges	1.5	0.8	1.9	1.5	-0.2%	0.1%	1.8	1.8	1.9	8.2%	0.1%
Female entrepreneur of the year awards	1.1	0.6	0.6	0.1	-54.3%	-	1.0	0.5	0.5	71.0%	-
National Student Financial Aid Scheme	14.7	15.9	14.5	18.9	8.6%	0.9%	19.7	20.6	21.6	4.6%	1.0%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	5.0	5.4	5.6	5.9	5.7%	0.3%	106.2	126.6	157.0	197.9%	4.8%
Ncera Farms	5.0	5.4	5.6	5.9	5.7%	0.3%	6.2	6.6	7.0	5.5%	0.3%
Land and Agricultural Development Bank of South Africa	-	-	-	-	-	-	100.0	120.0	150.0	-	4.5%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	1 301.1	1 339.9	1 581.1	1 565.1	6.4%	82.2%	1 506.9	1 594.9	1 810.4	5.0%	79.2%
Comprehensive agricultural support programme grant: Infrastructure	905.7	929.5	1 167.8	1 148.1	8.2%	58.9%	1 112.1	1 164.8	1 350.2	5.6%	58.4%
Comprehensive agricultural support programme grant: Extension recovery planning service	339.9	352.7	343.9	346.1	0.6%	19.6%	337.9	355.6	380.5	3.2%	17.4%
Comprehensive agricultural support programme grant: Upgrading of provincial agricultural colleges	55.4	57.7	69.5	70.8	8.5%	3.6%	56.8	74.5	79.7	4.0%	3.4%

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

Programme 4: Trade Promotion and Market Access

Programme purpose

Promote economic development, trade and market access for agricultural, forestry and fisheries products; and foster international relations for the sector.

Objectives

- Increase market access to the processing of agriculture, forestry and fisheries by 2019/20 by:
 - certifying and accrediting 50 smallholder producers' access to markets by 2019/20
 - providing training to 50 agro-processing entrepreneurs on norms and standards for agro-processing by 2020
 - monitoring the implementation of the AgriBEE Sector Charter and Forestry Sector Transformation Charter over the medium term.
- Provide technical sector leadership in trade negotiations and implement trade agreements to improve market access to high value markets by 2019/20.
- Implement the building of national skills capabilities in international market research by providing marketing skills transfers to small and medium agro-processing entrepreneurs by 2019/20.

Subprogrammes

- *Management* oversees and manages the programme.
- *International Relations and Trade* facilitates and coordinates international relations and trade through negotiations, and the development and implementation of appropriate policies and programmes.
- *Cooperatives and Rural Enterprise Development* facilitates and supports the development of businesses to ensure the transformation of the agriculture, forestry and fisheries sector.
- *Agro-processing and Marketing* develops and implements support programmes to promote market access and value addition for agriculture, forestry and fisheries products.

Expenditure trends and estimates

Table 24.11 Trade Promotion and Market Access 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Management	1.4	2.6	3.1	5.1	54.9%	1.1%	5.1	5.3	5.7	3.5%	1.9%
International Relations and Trade	134.5	133.8	114.0	123.3	-2.9%	45.8%	121.8	127.2	135.6	3.2%	44.9%
Cooperatives and Rural Enterprise Development	60.5	112.6	64.3	118.8	25.2%	32.3%	70.9	74.5	79.1	-12.7%	30.3%
Agro-processing and Marketing	60.0	57.9	55.3	56.8	-1.8%	20.8%	63.9	67.2	71.3	7.9%	22.9%
Total	256.3	307.0	236.8	304.0	5.8%	100.0%	261.7	274.2	291.7	-1.4%	100.0%
Change to 2016				6.4			(3.1)	(1.2)	(1.3)		
Budget estimate											
Economic classification											
Current payments	135.3	139.4	125.8	132.8	-0.6%	48.3%	138.6	144.8	155.0	5.3%	50.5%
Compensation of employees	79.5	97.8	94.4	101.4	8.5%	33.8%	106.0	109.2	117.5	5.0%	38.4%
Goods and services ¹	55.8	41.6	31.5	31.3	-17.5%	14.5%	32.6	35.6	37.5	6.1%	12.1%
of which:											
Communication	0.9	1.1	1.0	1.3	12.2%	0.4%	1.2	1.3	1.4	1.8%	0.5%
Agency and support/outsourced services	12.7	4.7	1.7	0.9	-58.4%	1.8%	10.8	11.3	12.0	135.4%	3.1%
Consumables: Stationery, printing and office supplies	1.0	0.5	0.6	1.0	-0.4%	0.3%	1.0	1.1	1.2	6.3%	0.4%
Operating leases	8.7	9.4	6.0	1.9	-39.7%	2.4%	2.6	2.6	2.7	12.9%	0.9%
Travel and subsistence	10.9	11.5	11.4	11.5	1.9%	4.1%	11.6	13.2	13.8	6.3%	4.4%
Operating payments	2.7	5.0	6.8	3.0	3.4%	1.6%	2.0	2.2	2.3	-8.9%	0.8%
Transfers and subsidies¹	119.2	166.7	110.3	170.4	12.6%	51.3%	122.8	129.1	136.3	-7.2%	49.4%
Departmental agencies and accounts	35.8	37.8	36.5	35.3	-0.5%	13.2%	41.9	44.3	46.8	9.9%	14.9%
Foreign governments and international organisations	46.4	38.8	31.9	42.4	-3.0%	14.5%	36.3	37.6	39.7	-2.2%	13.8%
Public corporations and private enterprises	36.9	89.1	40.7	92.4	35.8%	23.5%	44.6	47.2	49.8	-18.6%	20.7%
Non-profit institutions	-	-	1.0	-	-	0.1%	-	-	-	-	-
Households	-	1.0	0.3	0.2	62.7%	0.1%	-	-	-	-100.0%	-

Table 24.11 Trade Promotion and Market Access expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Payments for capital assets	1.8	0.9	0.6	0.9	-21.7%	0.4%	0.3	0.3	0.3	-26.4%	0.2%
Machinery and equipment	1.8	0.9	0.6	0.9	-21.7%	0.4%	0.3	0.3	0.3	-26.4%	0.2%
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
Total	256.3	307.0	236.8	304.0	5.8%	100.0%	261.7	274.2	291.7	-1.4%	100.0%
Proportion of total programme expenditure to vote expenditure	4.2%	4.6%	3.7%	4.7%	-	-	3.8%	3.8%	3.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	35.8	37.8	36.5	35.3	-0.5%	13.2%	41.9	44.3	46.8	9.9%	14.9%
National Agricultural Marketing Council	33.8	36.0	34.6	35.0	1.2%	12.6%	41.9	44.3	46.8	10.2%	14.9%
Small Enterprise Development Agency	2.0	1.8	1.8	0.3	-46.6%	0.5%	-	-	-	-100.0%	-
Foreign governments and international organisations											
Current	46.4	38.7	31.9	42.4	-3.0%	14.4%	36.2	37.5	39.6	-2.2%	13.8%
Consultative Group on International Agricultural Research	4.0	7.1	6.4	7.1	21.6%	2.2%	7.0	7.1	7.5	1.6%	2.5%
International Union for the Protection of New Varieties of Plants	0.5	0.6	0.7	0.8	14.9%	0.2%	0.7	0.8	0.8	-0.1%	0.3%
Commonwealth Agricultural Bureau International	0.2	0.3	0.3	0.3	17.3%	0.1%	0.3	0.3	0.3	-1.0%	0.1%
Food and Agriculture Organisation of the United Nations	31.0	24.6	21.0	30.3	-0.8%	9.7%	24.6	25.8	27.2	-3.4%	9.5%
Foreign rates and taxes	0.3	0.3	0.3	0.3	-3.5%	0.1%	0.4	0.4	0.4	17.3%	0.1%
International Fund for Agricultural Development	3.0	2.2	-	-	-100.0%	0.5%	-	-	-	-	-
International Cotton Advisory Council	0.2	0.8	0.3	0.4	20.4%	0.2%	0.3	0.3	0.3	-7.7%	0.1%
International Grains Council	0.2	0.2	0.2	0.2	1.9%	0.1%	0.2	0.2	0.2	7.6%	0.1%
International Seed Testing Association	0.1	0.1	0.1	0.1	16.4%	-	0.2	0.2	0.2	12.1%	0.1%
International Organisation of Vine and Wine	0.6	0.8	0.8	1.0	15.1%	0.3%	0.8	0.8	0.9	-4.4%	0.3%
World Organisation for Animal Health	1.2	1.3	1.6	1.7	10.9%	0.5%	1.4	1.4	1.5	-3.2%	0.5%
Organisation for Economic Cooperation and Development	0.1	0.3	0.2	0.2	49.6%	0.1%	0.2	0.2	0.2	1.2%	0.1%
Food and Agriculture Organisation of the United Nations: African Solidarity Trust Fund	2.0	-	-	-	-100.0%	0.2%	-	-	-	-	-
Centre for Coordination of Agricultural Research and Development for Southern Africa	3.0	-	-	-	-100.0%	0.3%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations	36.9	89.1	40.7	92.4	35.8%	23.5%	44.6	47.2	49.8	-18.6%	20.7%
Land and Agricultural Development Bank of South Africa	33.3	85.3	36.8	88.2	38.3%	22.1%	40.2	42.5	44.9	-20.2%	19.1%
Forest Sector Charter Council	3.5	3.7	3.9	4.2	5.7%	1.4%	4.4	4.7	4.9	5.8%	1.6%

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

Programme 5: Forestry and Natural Resources Management

Programme purpose

Develop and facilitate the implementation of policies and targeted programmes to ensure proper management of forests, and the sustainable use and protection of land and water. Manage agricultural risks and disasters.

Objectives

- Ensure the conservation, protection, rehabilitation and sustainable management of forests by:
 - replanting 5 175 hectares in temporary unplanted areas by 2019/20
 - obtaining certification for three plantations from the Forestry Stewardship Council, which is responsible for monitoring and evaluating the standard of state plantations, by 2019/20
 - conducting environmental impact assessments to enable small, medium and micro enterprises to obtain afforestation licences by 2019/20
 - implementing the agro-forestry strategy by 2019/20
 - revitalising 1 250 hectares on irrigation schemes per year

- restoring and rehabilitating 48 900 hectares of agricultural land, and 1 500 hectares of state indigenous forests and woodlands by 2019/20.
- Ensure adaptation to climate change through the implementation of an effective climate change mitigation plan to improve the adaptability and productivity of livestock and plant species by 2019/20 by:
 - implementing and reviewing the climate change mitigation and adaptation plan for agriculture, forestry and fisheries
 - reducing emissions nationally from the forests degradation and deforestation strategy.

Subprogrammes

- *Management* oversees and manages the programme.
- *Forestry Operations* ensures sustainable management of state forests and other assets, such as state nurseries, in order to optimise social and economic benefits in rural areas and to promote sector growth throughout South Africa.
- *Forestry Oversight and Regulation* provides leadership, advice and direction in the formulation of forestry development and regulation policies, strategies and frameworks; and ensures the effective promotion and development of small scale and commercial forestry.
- *Natural Resources Management* facilitates the development of infrastructure and the sustainable use of natural resources through an enabling framework for the sustainable management of woodlands and indigenous forests, and the efficient development and revitalisation of irrigation schemes and water use. This subprogramme also facilitates climate change mitigation and adaptation, risk and disaster management; and promotes, regulates and coordinates the sustainable use of natural resources (land and water).

Expenditure trends and estimates

Table 24.12 Forestry and Natural Resources 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 (%)		
	2013/14	2014/15	2015/16		2016/17	2013/14	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20
R million												
Management	4.3	6.0	25.4	4.1	-1.5%	0.9%	3.6	3.8	4.1	-0.4%	0.4%	
Forestry Operations	468.2	454.8	440.2	464.1	-0.3%	41.1%	479.5	499.9	535.7	4.9%	46.3%	
Forestry Oversight and Regulation	48.4	49.3	52.9	56.1	5.1%	4.6%	61.7	64.5	68.7	7.0%	5.9%	
Natural Resources Management	623.8	793.5	343.7	613.4	-0.6%	53.4%	471.9	505.2	435.7	-10.8%	47.4%	
Total	1 144.7	1 303.6	862.3	1 137.7	-0.2%	100.0%	1 016.7	1 073.4	1 044.2	-2.8%	100.0%	
Change to 2016 Budget estimate				192.1			55.4	70.8	(26.2)			
Economic classification												
Current payments	642.9	663.7	664.9	926.1	12.9%	65.1%	758.0	791.1	845.5	-3.0%	77.7%	
Compensation of employees	482.5	491.2	503.7	530.5	3.2%	45.1%	557.7	577.6	621.5	5.4%	53.5%	
Goods and services ¹	160.0	172.2	161.3	394.6	35.1%	20.0%	198.9	212.2	222.5	-17.4%	24.1%	
of which:												
Contractors	19.0	19.5	6.0	20.2	2.1%	1.5%	15.8	16.4	17.4	-4.9%	1.6%	
Agency and support/outsourced services	15.7	19.8	17.7	23.6	14.6%	1.7%	38.0	41.6	41.9	21.1%	3.4%	
Inventory: Farming supplies	9.8	6.5	16.2	229.5	185.6%	5.9%	12.7	14.1	15.3	-59.4%	6.4%	
Consumable supplies	28.0	25.4	10.9	14.8	-19.2%	1.8%	23.7	29.0	29.9	26.5%	2.3%	
Property payments	15.4	20.7	13.5	22.2	12.9%	1.6%	20.2	20.1	21.2	-1.6%	2.0%	
Travel and subsistence	35.6	38.7	37.0	29.0	-6.6%	3.2%	28.2	29.1	32.3	3.7%	2.8%	
Interest and rent on land	0.4	0.3	–	1.1	44.0%	–	1.3	1.4	1.5	12.4%	0.1%	
Transfers and subsidies¹	431.4	593.3	150.0	159.0	-28.3%	30.0%	221.3	242.8	157.2	-0.4%	18.3%	
Provinces and municipalities	409.7	562.3	124.3	146.9	-29.0%	27.9%	213.5	234.6	148.7	0.4%	17.4%	
Departmental agencies and accounts	3.0	3.0	3.0	2.0	-12.6%	0.2%	2.0	2.0	2.0	–	0.2%	
Public corporations and private enterprises	0.1	–	–	–	-100.0%	–	–	–	–	–	–	
Non-profit institutions	9.9	14.2	12.7	4.9	-20.9%	0.9%	5.4	5.6	5.9	6.7%	0.5%	
Households	8.8	13.8	9.9	5.3	-15.5%	0.8%	0.5	0.5	0.5	-53.2%	0.2%	
Payments for capital assets	70.3	46.7	47.0	52.6	-9.3%	4.9%	37.4	39.5	41.6	-7.5%	4.0%	
Buildings and other fixed structures	–	0.1	–	8.5	728.2%	0.2%	–	–	–	-100.0%	0.2%	
Machinery and equipment	70.3	46.6	47.0	43.9	-14.5%	4.7%	37.3	39.3	41.4	-1.9%	3.8%	
Biological assets	–	–	–	0.1	–	–	0.1	0.1	0.1	8.9%	–	
Software and other intangible assets	–	–	–	0.1	–	–	–	–	–	-100.0%	–	
Payments for financial assets	0.1	–	0.4	–	-100.0%	–	–	–	–	–	–	
Total	1 144.7	1 303.6	862.3	1 137.7	-0.2%	100.0%	1 016.7	1 073.4	1 044.2	-2.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	18.7%	19.7%	13.5%	17.5%	–	–	14.9%	15.0%	13.8%	–	–	

Table 24.12 Forestry and Natural Resources Management expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3.0	3.0	3.0	2.0	-12.6%	0.2%	2.0	2.0	2.0	-	0.2%
Water Research Commission	3.0	3.0	3.0	2.0	-12.6%	0.2%	2.0	2.0	2.0	-	0.2%
Non-profit institutions											
Current	9.9	14.1	12.7	4.9	-20.9%	0.9%	5.4	5.6	5.9	6.7%	0.5%
Forestry South Africa	5.8	6.0	4.4	4.7	-6.8%	0.5%	5.0	5.2	5.5	5.8%	0.5%
Food and Trees for Africa	-	0.2	0.2	0.2	-	-	0.4	0.4	0.4	26.0%	-
Lima Rural Development Foundation	4.1	7.8	8.1	-	-100.0%	0.4%	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	409.1	561.6	123.6	146.0	-29.1%	27.9%	212.7	233.8	147.9	0.4%	17.3%
Land care programme grant: Poverty relief and infrastructure development	105.8	67.8	65.0	69.3	-13.2%	6.9%	73.6	77.9	82.2	5.9%	7.1%
Comprehensive agricultural support programme grant: Disasters (flood damaged infrastructure)	303.3	493.8	58.6	76.7	-36.8%	21.0%	139.1	155.9	65.6	-5.1%	10.2%

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

Programme 6: Fisheries

Programme purpose

Promote the development, management, monitoring and sustainable use of marine living resources and the development of the fisheries sector.

Objectives

- Ensure increased production and productivity in prioritised areas, and value chains by:
 - supporting 24 Operation Phakisa aquaculture projects by 2019/20
 - conducting two new research studies on genetics and nutrition for aquaculture species by 2019/20.
- Lead and coordinate government food security initiatives by:
 - developing sector-specific policies and allocating rights to nine fishing sectors by 2019/20
 - allocating rights to registered small-scale fisheries cooperatives by 2019/20
 - implementing the cooperative development and support programme by 2019/20.
- Ensure the conservation, protection, rehabilitation and recovery of depleted and degraded natural resources by:
 - developing recovery plans in prioritised areas of fish stocks such as abalone, west coast rock lobsters and deep water hake by 2019/20
 - compiling one research report to indicate the levels of fish stock to ensure the sustainability of resources and the industry by 2019/20
 - conducting 4 548 compliance and enforcement measures in the four prioritised fisheries sectors (abalone, west coast rock lobster, line fish and deep water hake) over the medium term.

Subprogrammes

- *Management* oversees and manages the programme.
- *Aquaculture* ensures growth and economic development of the aquaculture and fisheries industries for sustainable livelihoods by providing public support and an integrated platform for the management of aquaculture.
- *Monitoring Control and Surveillance* ensures the protection and promotion of sustainable use of marine living resources by intensifying enforcement and compliance.

- *Marine Resources Management* ensures the sustainable, equitable and orderly utilisation of and access to marine living resources through improved management and regulation.
- *Fisheries Research and Development* ensures the promotion of the sustainable development of fisheries resources and ecosystems by conducting and supporting appropriate research.
- *Marine Living Resources Fund* receives transfers for the management and sustainable use of marine living resources to supplement the revenue received from levies on fish and fish products, permits, licences and application fees, and proceeds from the sale of confiscated fish and fish products.

Expenditure trends and estimates

Table 24.13 Fisheries 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Management	0.7	3.2	2.1	3.0	59.4%	0.5%	3.1	3.2	3.5	4.7%	0.6%
Aquaculture	35.8	30.0	33.8	37.8	1.8%	7.6%	38.5	39.8	42.8	4.3%	8.0%
Monitoring Control and Surveillance	72.6	78.1	87.2	84.9	5.4%	17.9%	86.2	89.2	96.0	4.2%	18.0%
Marine Resources Management	18.0	19.2	20.3	22.3	7.4%	4.4%	22.7	23.5	25.3	4.3%	4.7%
Fisheries Research and Development	57.0	58.1	63.8	68.8	6.5%	13.7%	69.8	72.3	77.8	4.2%	14.6%
Marine Living Resources Fund	253.5	251.3	258.6	241.8	-1.6%	55.8%	262.0	276.4	291.9	6.5%	54.1%
Total	437.7	439.8	465.9	458.6	1.6%	100.0%	482.2	504.5	537.3	5.4%	100.0%
Change to 2016 Budget estimate							6.4	6.5	6.8		
Economic classification											
Current payments	177.9	188.0	207.0	216.7	6.8%	43.8%	220.2	228.1	245.4	4.2%	45.9%
Compensation of employees	177.9	188.0	207.0	216.7	6.8%	43.8%	220.2	228.1	245.4	4.2%	45.9%
Transfers and subsidies¹	254.1	251.7	258.8	241.9	-1.6%	55.9%	262.0	276.4	291.9	6.5%	54.1%
Departmental agencies and accounts	253.5	251.3	258.6	241.8	-1.6%	55.8%	262.0	276.4	291.9	6.5%	54.1%
Households	0.6	0.4	0.2	0.1	-43.2%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	5.7	-	-	-	-100.0%	0.3%	-	-	-	-	-
Buildings and other fixed structures	5.7	-	-	-	-100.0%	0.3%	-	-	-	-	-
Total	437.7	439.8	465.9	458.6	1.6%	100.0%	482.2	504.5	537.3	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	7.2%	6.6%	7.3%	7.0%	-	-	7.1%	7.1%	7.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	253.5	251.3	258.6	241.8	-1.6%	55.8%	262.0	276.4	291.9	6.5%	54.1%
Marine Living Resources Fund	253.5	251.3	258.6	241.8	-1.6%	55.8%	262.0	276.4	291.9	6.5%	54.1%

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

Entities¹

Agricultural Research Council

Mandate

The Agricultural Research Council was established by the Agricultural Research Act (1990) and is the main agricultural research institution in South Africa. In terms of the act, the council's primary mandate is to conduct research and development, and effect the transfer of technology in order to promote agriculture and industry, contribute to a better quality of life, and facilitate and ensure conservation of natural resources.

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

Selected performance indicators

Table 24.14 Agricultural Research Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of peer reviewed scientific publications in crop production per year	Crop production, improvement and protection	Outcome 7: Comprehensive rural development and land reform	90	110	94	97	87	90	90
Number of cultivars registered per year	Crop production, improvement and protection		13	12	12	16	13	6	6
Number of diagnostic and analytical services rendered per year	Crop production, improvement and protection		833	922	664	587	589	594	594
Number of peer reviewed scientific publications in animal health per year	Animal health, improvement and protection		75	92	90	91	95	100	100
Number of farmers participating in animal improvement schemes per year	Animal health, improvement and protection		- ¹	- ¹	400	350	370	380	380
Number of peer reviewed scientific publications in natural resource management per year	Natural resource management	Outcome 10: Protect and enhance our environmental assets and natural resources	54	109	79	85	78	80	80
Number of peer reviewed scientific publications in mechanisations and engineering per year	Mechanisation and engineering	Outcome 7: Comprehensive rural development and land reform	- ¹	3	7	8	9	10	10
Number of peer reviewed scientific publications in agro-processing per year	Agro-processing, food technology and safety		22	15	35	45	47	45	45
Number of food technologies registered per year	Agro-processing, food technology and safety		- ¹	1	0 ²	3	6	3	0 ²
Number of peer reviewed scientific publications in smallholder agricultural development per year	Smallholder agricultural development		1	0 ²	4	9	8	8	8
Number of smallholder farmers participating in the Kaonafatso ya Dikgomo training scheme per year	Smallholder agricultural development		- ¹	- ¹	7 500	8 000	8 500	9 000	9 000

1. No historical data available.

2. Target was not achieved in these years because of no new discoveries.

Expenditure analysis

The Agricultural Research Council's spending focus over the medium term will be on generating knowledge and technologies that will enhance the efficiencies of crop production, animal production and health, the management of natural resources, and research and development. The council will also focus on maintaining national assets and providing diagnostic and analytical services on behalf of the Department of Agriculture, Forestry and Fisheries and industry stakeholders. This focus is linked to outcome 4 (decent employment through inclusive economic growth) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework.

Over the medium term, the council will spend its total budget of R4 billion on supporting 1 130 farmers participating in animal health improvement schemes, conducting 1 777 diagnostic and analytical services, and producing 238 peer-reviewed scientific publications in natural resource management. In response to climate change the council is working on 25 research studies into new crop cultivars that will be registered. The new cultivars are expected to benefit rural South Africa and the Southern African Development Community region. The council's staff complement will remain constant at 3 297 over the medium term in order to contain growth in expenditure on compensation of employees, which constitutes R2.7 billion or 68.3 per cent of total expenditure.

The council's main revenue stream over the medium term will be transfers of R2.8 billion received from the Department of Agriculture, Forestry and Fisheries, and the Department of Science and Technology, constituting about 66 percent of total revenue. Other income, of R1.5 billion, will be generated by sales of publications, research material and technology to supplement transfers received.

Programmes/objectives/activities**Table 24.15 Agricultural Research Council expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	165.1	172.5	171.0	172.2	1.4%	13.2%	189.3	197.7	208.7	6.6%	14.6%
Crop production, improvement and protection	287.2	292.9	360.5	337.0	5.5%	24.7%	319.7	337.2	351.6	1.4%	25.6%
Animal health, improvement and protection	283.9	288.9	299.0	301.5	2.0%	22.8%	284.4	300.1	316.9	1.7%	22.8%
Natural resource management	213.0	175.7	160.3	181.6	-5.2%	14.2%	159.7	171.0	180.6	-0.2%	13.2%
Mechanisation and engineering	14.9	14.3	15.9	20.2	10.7%	1.3%	18.8	19.9	21.0	1.2%	1.5%
Agro-processing, food technology and safety	60.6	59.7	53.8	65.6	2.7%	4.7%	56.5	59.9	63.3	-1.2%	4.7%
Smallholder agricultural development	59.2	137.2	145.1	125.4	28.4%	9.0%	145.1	155.4	164.1	9.4%	11.2%
Agricultural economics and commercialisation	32.4	31.1	48.6	60.7	23.2%	3.3%	52.7	55.8	59.0	-0.9%	4.3%
Training and extension	18.5	17.7	25.3	26.4	12.6%	1.7%	27.5	29.0	30.7	5.1%	2.2%
Other projects	92.2	135.0	37.6	-	-100.0%	5.1%	-	-	-	-	-
Total	1 226.9	1 325.0	1 317.2	1 290.5	1.7%	100.0%	1 253.7	1 326.0	1 395.7	2.6%	100.0%

Statements of historical financial performance and position**Table 24.16 Agricultural Research Council statements of historical financial performance and position**

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2016/17	2013/14 - 2016/17
Revenue									
Non-tax revenue	356.8	496.9	391.2	439.1	413.6	461.5	437.4	445.3	115.2%
Sale of goods and services other than capital assets	332.0	447.3	364.8	386.5	386.7	411.7	409.9	409.9	110.8%
of which:									
Sales by market establishment	332.0	447.3	364.8	386.5	386.7	411.7	409.9	409.9	110.8%
Other non-tax revenue	24.8	49.5	26.4	52.6	27.0	49.8	27.5	35.4	177.3%
Transfers received	888.4	865.8	956.8	919.3	744.7	782.3	752.6	739.5	98.9%
Total revenue	1 245.3	1 362.6	1 348.0	1 358.4	1 158.3	1 243.7	1 190.0	1 184.7	104.2%
Expenses									
Current expenses	1 128.6	1 226.9	1 269.1	1 325.0	1 075.7	1 317.2	1 103.0	1 290.5	112.7%
Compensation of employees	663.5	685.2	738.9	760.4	779.3	766.9	818.3	818.3	101.0%
Goods and services	431.6	511.2	496.7	517.7	261.4	509.8	247.7	432.0	137.1%
Depreciation	33.5	30.4	33.5	47.0	35.0	40.4	37.0	40.2	113.6%
Interest, dividends and rent on land	-	0.1	-	-	-	-	-	-	1 234.2%
Total expenses	1 128.6	1 226.9	1 269.1	1 325.0	1 075.7	1 317.2	1 103.0	1 290.5	112.7%
Surplus/(Deficit)	117.0	136.0	79.0	33.0	83.0	(73.0)	87.0	(106.0)	
Statement of financial position									
Carrying value of assets	1 116.0	880.1	992.3	944.3	991.8	1 006.4	1 104.0	1 104.0	93.6%
of which:									
Acquisition of assets	(109.1)	(146.4)	(150.4)	(111.1)	(141.0)	(103.3)	(87.0)	(87.0)	91.9%
Investments	2.0	4.3	2.0	5.3	4.3	5.0	4.3	4.3	148.9%
Inventory	13.2	18.9	13.9	12.4	14.7	7.5	15.4	15.4	94.8%
Receivables and prepayments	86.8	122.2	93.6	121.4	98.8	213.7	103.3	151.5	159.2%
Cash and cash equivalents	128.0	480.2	401.5	508.2	316.9	301.5	285.7	187.6	130.5%
Total assets	1 346.1	1 505.8	1 503.4	1 591.6	1 426.4	1 534.1	1 512.8	1 462.8	105.3%
Accumulated surplus/(deficit)	917.2	855.6	875.8	870.0	888.9	796.6	975.9	739.0	89.2%
Capital and reserves	111.3	2.4	2.4	2.6	2.4	2.6	2.4	2.4	8.4%
Capital reserve fund	-	109.6	109.6	112.0	109.6	112.0	109.6	112.0	135.5%
Deferred income	74.3	192.6	192.6	192.6	192.6	192.6	192.6	192.6	118.1%
Trade and other payables	174.1	228.6	248.0	275.2	163.9	316.2	164.2	348.8	155.8%
Taxation	-	7.8	-	12.8	-	5.7	-	-	-
Provisions	69.1	109.1	75.0	126.4	69.1	108.4	68.1	68.1	146.5%
Total equity and liabilities	1 346.1	1 505.8	1 503.4	1 591.6	1 426.4	1 534.1	1 512.8	1 462.8	105.3%

Statements of estimates of financial performance and position

Table 24.17 Agricultural Research Council statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate				2017/18	2018/19	2019/20	2016/17 - 2019/20	
R million	2016/17	2013/14 - 2016/17						
Revenue								
Non-tax revenue	445.3	-3.6%	35.9%	462.5	489.1	512.2	4.8%	35.1%
Sale of goods and services other than capital assets	409.9	-2.9%	32.2%	434.5	460.5	481.8	5.5%	32.9%
of which:								
Sales by market establishment	409.9	-2.9%	32.2%	434.5	460.5	481.8	5.5%	32.9%
Other non-tax revenue	35.4	-10.6%	3.6%	28.0	28.6	30.3	-5.0%	2.3%
Transfers received	739.5	-5.1%	64.1%	882.5	933.5	985.6	10.1%	64.9%
Total revenue	1 184.7	-4.6%	100.0%	1 345.0	1 422.6	1 497.8	8.1%	100.0%
Expenses								
Current expenses	1 290.5	1.7%	100.0%	1 253.7	1 326.0	1 395.7	2.6%	109.5%
Compensation of employees	818.3	6.1%	58.7%	859.2	902.1	952.7	5.2%	67.1%
Goods and services	432.0	-5.5%	38.2%	353.5	380.7	397.6	-2.7%	29.7%
Depreciation	40.2	9.8%	3.1%	41.0	43.1	45.4	4.1%	3.2%
Total expenses	1 290.5	1.7%	100.0%	1 253.7	1 326.0	1 395.7	2.6%	100.0%
Surplus/(Deficit)	(106.0)	(2)		91.0	97.0	102.0	-198.7%	
Statement of financial position								
Carrying value of assets	1 104.0	7.8%	64.7%	1 155.7	1 210.5	1 278.3	5.0%	74.0%
of which:								
Acquisition of assets	(87.0)	-15.9%	-7.3%	(91.3)	(95.9)	(101.3)	5.2%	-5.9%
Investments	4.3	0.0%	0.3%	4.3	4.3	4.6	1.8%	0.3%
Inventory	15.4	-6.5%	0.9%	16.5	16.5	17.4	4.2%	1.0%
Receivables and prepayments	151.5	7.4%	10.0%	176.0	104.0	109.8	-10.2%	8.5%
Cash and cash equivalents	187.6	-26.9%	24.1%	235.8	286.9	333.7	21.2%	16.1%
Total assets	1 462.8	-1.0%	100.0%	1 588.2	1 622.2	1 743.7	6.0%	100.0%
Accumulated surplus/(deficit)	739.0	-4.8%	53.5%	830.3	926.9	1 029.0	11.7%	54.7%
Capital and reserves	2.4	-	0.2%	2.4	2.4	2.5	1.8%	0.2%
Capital reserve fund	112.0	0.7%	7.3%	112.0	112.0	112.0	-	7.0%
Deferred income	192.6	-	12.7%	192.6	192.6	203.4	1.8%	12.2%
Trade and other payables	348.8	15.1%	19.2%	379.0	316.3	320.9	-2.7%	21.4%
Provisions	68.1	-14.6%	6.7%	71.9	71.9	76.0	3.7%	4.5%
Total equity and liabilities	1 462.8	-1.0%	100.0%	1 588.2	1 622.2	1 743.7	6.0%	100.0%

Personnel information

Table 24.18 Agricultural Research Council personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
		2015/16	Unit cost		2016/17	Unit cost		2017/18	Unit cost		2018/19	Unit cost				2019/20	Unit cost	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20	
Agricultural Research Council																		
Salary level	3 297	3 297	766.9	0.2	3 297	818.3	0.2	3 297	859.2	0.3	3 297	902.1	0.3	3 297	952.7	0.3	5.2%	100.0%
1 – 6	1 974	1 974	210.6	0.1	1 974	225.4	0.1	1 974	236.6	0.1	1 974	248.5	0.1	1 974	262.4	0.1	5.2%	59.9%
7 – 10	1 061	1 061	360.2	0.3	1 061	387.0	0.4	1 061	406.4	0.4	1 061	426.7	0.4	1 061	450.6	0.4	5.2%	32.2%
11 – 12	182	182	111.7	0.6	182	117.2	0.6	182	123.1	0.7	182	129.3	0.7	182	136.5	0.7	5.2%	5.5%
13 – 16	77	77	77.6	1.0	77	81.5	1.1	77	85.6	1.1	77	89.9	1.2	77	94.9	1.2	5.2%	2.3%
17 – 22	3	3	6.8	2.3	3	7.1	2.4	3	7.5	2.5	3	7.8	2.6	3	8.3	2.8	5.2%	0.1%

1. Rand million.

Other entities

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

- The **Marine Living Resources Fund** was established in terms of the Marine Living Resources Act (1998). The fund's mandate is to manage the development and sustainable use of South Africa's marine resources, and to protect the integrity and quality of the marine ecosystem. The fund's total budget for 2017/18 is R450.7 million.
- The **National Agricultural Marketing Council** was established in terms of sections 3 and 4 of the Marketing of Agricultural Products Act (1996). The council is mandated to investigate the establishment,

continuation, amendment or revocation of statutory measures affecting the marketing of agricultural products; and evaluate the desirability, necessity or efficiency of these statutory measures. It is also mandated to, if necessary, propose alternatives to the establishment, continuation, amendment or repeal of a statutory measure, and to report to and advise the minister accordingly. The entity's total budget for 2017/18 is R41.9 million.

- **Ncera Farms** is a schedule 3B public company, with the Department of Agriculture, Forestry and Fisheries as the sole shareholder. The company's mandate is to provide extension, mechanical, and training and agricultural support services to the farmers settled on Ncera farmland and neighbouring communities. The entity's total budget for 2017/18 is R6.4 million.
- **Onderstepoort Biological Products** was established as a public company in terms of the Onderstepoort Biological Products Incorporation Act (1999), with government as the sole shareholder. The company's mandate is to prevent and control animal diseases that impact on food security, human health and livelihoods through the continued development and efficient manufacturing of innovative animal related pharmaceuticals (including vaccines) and related products. The entity's total budget for 2017/18 is R140.2 million.
- The **Perishable Products Export Control Board** is an independent service provider of quality assurance, food safety, and cold chain management services, for producers and exporters of perishable food products. It is mandated by government in terms of the Perishable Products Export Control Act (1983), which broadly requires the board to ensure the orderly export of perishables and monitor the proper maintenance of a continuous cold chain for exports. It also derives its mandate from the Agricultural Products Standards Act (1990), which broadly requires the board to monitor the minimum quality standards of perishable exports, as required by government and bilateral agreements with importing countries. The entity's total budget for 2017/18 is R350.6 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
R million										
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
Drilling of boreholes	Siting, drilling and testing of boreholes for small-scale farmers identified in priority projects by provinces	Various	200.0	10.4	10.6	8.9	9.4	9.2	9.7	10.3
Foot-and-mouth disease border fence	Repairs and construction of foot-and-mouth disease fences in priority areas identified by the animal health directorate	Various	250.0	23.7	29.5	25.4	25.6	23.8	25.1	26.5
KwaZulu-Natal: Durban	Site-clearance	Feasibility	17.7	0.1	0.1	-	-	-	-	-
Upington	Upgrade of offices and storerooms and construction of evaporation pan and laboratory	Feasibility	8.4	0.4	-	-	-	1.9	2.8	2.9
Grooffontein Agricultural Development Institute	Minor upgrade and repairs of institute	Handed over	1.9	0.9	0.1	-	-	-	-	-
Western Cape: Cape Town	Building of sniffer dog kennels	Feasibility	7.7	-	-	-	2.6	1.0	2.0	2.1
Gauteng: Pretoria reception	Upgrade of reception areas at: Agriculture Place, Harvest House and Sefala	Design	2.1	0.8	-	0.1	0.4	-	-	-
Limpopo: Mutale municipal district	Construction of a seed bank: Mutale (Project on-hold pending the finalisation of site-clearance for construction)	On hold	4.4	-	0.2	-	0.7	1.3	1.1	1.1
Eastern Cape: Sterkspruit	Construction of a seed bank: Mthatha (Project on-hold pending the finalisation of site-clearance for construction)	On hold	4.4	-	0.1	-	0.5	0.5	3.0	0.3
Western Cape: Stellenbosch (plant health laboratory)	Alterations of Polka Draai Road entrance in terms of traffic regulations	On hold	1.0	-	-	-	0.2	0.4	0.4	-
Mpumalanga: Skukuza alterations	Upgrade of existing buildings and laboratories	Design	6.7	0.3	0.1	2.3	3.7	-	0.3	-
Western Cape: Stellenbosch	Upgrade of electrical substation	Construction	0.4	-	-	0.4	-	-	-	-
Gauteng: Harvest House	Revamping of the parking area at Harvest House	Design	2.6	-	0.4	0.1	0.2	1.9	-	-
Western Cape: Cape Town	Design and construction of minor capital projects along South Africa's coastline	Design	1.2	-	0.4	0.3	0.5	-	-	-
KwaZulu-Natal: Durban	Construction of an animal quarantine station	Design	48.7	-	3.0	2.0	7.3	9.5	13.5	13.1
Western Cape: Stellenbosch Lab	Upgrade and maintenance of building and laboratory facility (glasshouses and tunnels)	Design	24.4	-	2.6	0.1	15.3	3.0	3.4	-
Gauteng: Roodeplaat stop sea line	Repairs and installation of the infrastructure at the Plant Genetic Resources Centre	Design	0.3	0.3	-	-	-	-	-	-
Western Cape: Cape Town Coastline	Repairs and maintenance of fisheries harbours along the coastline	Design	2.3	-	-	-	1.3	1.0	-	-
Western Cape: Cape Town	Upgrade of student centre and laboratories at Sea Point	Pre-feasibility	5.8	-	-	-	-	-	-	-
Western Cape: Stellenbosch	Rehabilitation of two irrigation dams including repairs of dam wall	Identification	0.2	-	-	-	-	0.1	0.1	0.1
Western Cape: Stellenbosch sewerage	Upgrade of sewerage system	Pre-feasibility	0.3	-	-	-	-	0.3	-	-
Gauteng: Maizeboard	Maizeboard: Repairs and maintenance	Construction	0.1	-	-	0.1	-	0.0	-	-
Various maintenance and repair projects	Maintenance and repairs	Identification	11.5	1.9	-	-	3.1	4.5	1.0	1.0
Spitskop Conservation Area	Maintenance and repair of existing soil conservation structures	Various	8.4	8.4	-	-	-	-	-	-
Gauteng: Roodeplaat plant genetic centre	Upgrade of Plant Genetic Centre: Roodeplaat	Complete	3.5	-	0.1	0.1	0.3	3.0	-	-
Gauteng Kempton Park Animal quarantine station	Repairs and maintenance of animal quarantine station	Feasibility	8.1	-	-	-	-	3.1	2.4	2.6
Western Cape: Milnerton	Upgrade of animal quarantine station	Complete	4.7	-	-	-	0.5	0.2	4.0	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Eastern Cape: Gauteng Agricultural Development Institute	Upgrade of Infrastructure at Grootfontein Agriculture Development Institute	Feasibility	29.8	–	–	0.6	0.7	3.0	6.3	19.2
Eastern Cape: Sterkspruit	Site clearance of seed bank at Sterkspruit	Feasibility	0.6	–	–	–	0.1	–	0.3	0.2
Gauteng: Sefala Roof	Sefala building replacement of roof water proofing structures	Construction	3.4	–	–	–	–	3.4	–	–
Gauteng: Maizeboard	Maizeboard: Repairs and maintenance	Hand over	0.7	–	–	–	–	0.3	0.2	0.2
Sectoral Colleges	Upgrading	Identification	0.4	–	–	–	0.4	–	–	–
Woodlands	Upgrading	Identification	0.1	–	–	–	0.1	–	–	–
Prevention and mitigation of disasters	Upgrading	Identification	8.4	–	–	–	8.4	–	–	–
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Animal production, health and improvement	Facilitation of vaccine for foot-and-mouth disease	Complete	149.1	–	–	–	–	–	–	–
Comprehensive agricultural support programme grant: Flood damaged infrastructure	Repairs of damaged infrastructure and soil rehabilitation	Various	1 845.0	303.3	493.8	58.6	76.7	139.1	155.9	65.6
Onderstepoort Biological Products	Building and facilitation of vaccine production	Various	492.4	96.5	127.5	268.4	–	–	–	–
Small projects (total project cost of less than R250 million over the project life cycle)										
Agriculture Research Council: Maintenance of infrastructure	Maintenance of building (for research and development)	Various	120.3	14.6	15.5	16.2	17.1	17.9	19.0	20.0
Total			3 276.6	461.5	684.0	383.5	175.2	228.4	250.4	165.2

Vote 25

Economic Development

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	80.7	80.2	–	0.5	79.4	84.6
Growth Path and Social Dialogue	35.6	35.1	–	0.6	39.6	42.4
Investment, Competition and Trade	681.0	24.5	656.2	0.2	725.8	777.2
Total expenditure estimates	797.2	139.8	656.2	1.2	844.7	904.3

Executive authority: Minister of Economic Development
 Accounting officer: Director General of Economic Development
 Website address: www.economic.gov.za

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

Vote purpose

Promote economic development policy formulation and planning for the benefit of all South Africans.

Mandate

The Economic Development Department was established in 2009 and has assumed responsibilities relating to the creation of decent employment through inclusive growth. This includes the implementation of certain aspects of the National Development Plan (NDP), the new growth path and the national infrastructure plan, as captured in outcome 4 (decent employment through inclusive growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework.

The department is also responsible for five public entities, three of which are regulatory bodies and two are development finance institutions. The entities are: the Competition Commission, the Competition Tribunal, the International Trade Administration Commission of South Africa, the Industrial Development Corporation and the Small Enterprise Finance Agency.

In line with these responsibilities, the department's mandate includes the administration of the following legislation:

- the Industrial Development Act (1940)
- the Competition Act (1998)
- the International Trade Administration Act (2002)
- the Infrastructure Development Act (2014).

Selected performance indicators

Table 25.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of analytical and public policy advocacy reports on socioeconomic development and the new growth path produced per year ¹	Growth Path and Social Dialogue	Outcome 4: Decent employment through inclusive growth	– ²	6	5	4	4	4	3 ³
Number of spatial, local and provincial initiatives to promote employment, empowerment and development per year	Growth Path and Social Dialogue		– ²	6	8	10	10	10	10
Number of quarterly Cabinet-level progress reports on strategic integrated projects per year	Investment, Competition and Trade		71	72	72	60	72	72	72

Table 25.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of infrastructure projects unblocked ⁴ , fast-tracked or facilitated per year	Investment, Competition and Trade	Outcome 4: Decent employment through inclusive growth	8	14	22	8	8	8	8
Number of Cabinet and presidential infrastructure coordinating committee strategic decisions on infrastructure implemented per year ¹	Investment, Competition and Trade		-2	5	8	4	4	4	4
Number of ministerial and departmental oversight engagements with the Industrial Development Corporation held per year ²	Investment, Competition and Trade		6	4	8	4	4	4	4
Number of agricultural, manufacturing and trade initiatives unblocked per year ¹	Investment, Competition and Trade		-2	13	16	12	12	14	14
Number of case studies and monitoring reports produced on the funding allocations on township enterprises by development finance institutions and government departments per year ¹	Investment, Competition and Trade		-2	4	3	4	4	4	4
Number of ministerial/parliamentary monitoring reports on development finance institutions funding impact produced per year ¹	Investment, Competition and Trade		-2	4	6	4	4	4	4
Number of ministerial and departmental oversight engagements with trade and competition authorities held per year ¹	Investment, Competition and Trade		-2	-2	7	4	4	5	5

1. Indicators reworded to make them specific, measurable, assignable, realistic and time related.

2. No historical data available.

3. Target decreases over the medium term to align with implementation.

4. Unblocking is a core departmental activity. It entails making processes required to implement projects smoother and minimising unnecessary delays.

Expenditure analysis

The Economic Development Department aims to drive the priorities of job creation, inclusive economic growth and industrialisation, and support the implementation of economic policy. These priorities are captured in outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework. Over the medium term, the department will focus on supporting provinces in their economic planning, facilitating interventions in infrastructure initiatives, and providing support to development finance institutions and regulatory bodies.

The department expects to transfer 82.2 per cent of its total budget over the MTEF period to its public entities, which implement the policies it develops. The bulk of the department's operational budget is largely spent on compensation of employees for the skilled personnel required to drive its policy and coordination interventions. The department's allocation for spending on compensation of employees has been reduced by R1 million in 2017/18, R1 million in 2018/19 and R1.1 million in 2019/20, as part of Cabinet-approved reductions to the compensation ceiling. The department's allocations for spending on goods and services, and payments for capital assets were reduced by R1.2 million and R73 000 by 2019/20.

Supporting provinces' economic planning

Over the medium term, the department aims to support provinces and selected municipalities, particularly in Mpumalanga, Limpopo, KwaZulu-Natal and Gauteng, with economic planning. The support is to be provided through a number of spatial, local and provincial economic development initiatives. The department currently supports initiatives for economic development through the coordination of private-sector participation in technical and vocational education and training, specifically in Mpumalanga, and provincial oversight visits in collaboration with the National Council of Provinces. Over the MTEF period, the department expects to support 30 economic development initiatives to promote employment, empowerment and development in all provinces. Support to provinces on economic planning is budgeted for in the *Growth Path and Social Dialogue* programme. The increase in activities over the medium term, such as support for the implementation of the youth employment accord, is expected to increase spending in the programme at an average annual rate of 11 per cent, from R31 million in 2016/17 to R42.4 million in 2019/20.

Facilitating interventions in infrastructure initiatives

The department provides secretariat support to the Presidential Infrastructure Coordinating Commission, which monitors and drives the implementation of the national infrastructure plan. Over the medium term, the secretariat's work accounts for R44.6 million of spending in the *Investment, Competition and Trade* programme, which has a total budget of R2.2 billion. The department expects to provide 72 quarterly progress reports per year to Cabinet on the strategic integrated projects, and to unblock, fast-track or facilitate 24 national infrastructure projects over the medium term. This is expected to involve smoothing and minimising delays in processes for water-use licence applications, air emission licences, environmental impact assessments, and developing and promoting an infrastructure project pipeline.

The strategic integrated project steering committee was established in the department to unblock, fast-track, localise and lead the implementation of the Saldanha-Northern Cape development corridor, one of the 18 identified strategic infrastructure projects overseen by the commission. As the chair of the Saldanha-Northern Cape development corridor (strategic integrated project 5) the department will drive the corridor's implementation over the medium term. The Saldanha-Northern Cape development corridor promotes integrated rail and port expansion and back-of-port industrial capacity, strengthens maritime support capacity for oil and gas along the African West Coast, and expands iron ore mining production and beneficiation. Through the Industrial Development Corporation, the department will continue to facilitate and coordinate quarterly meetings on strategic integrated projects.

Strategic support to development finance institutions and regulatory bodies

Over the medium term, the department plans to undertake 14 engagements with trade and competition regulatory bodies to monitor progress in implementing their annual performance plans, and improve administrative efficiencies within the institutions. The department will monitor progress on the various market enquiries planned for conclusion in 2017/18, and that the conditions in the Coca-Cola, Anheuser-Busch InBev, Clicks and Edcon mergers are implemented as agreed. It will periodically report on the impact of the conditions in terms of employment creation and development. The department plans to engage in 40 unblocking initiatives over the medium term, ranging from easing regulatory challenges to ensuring municipal services are made available for new and existing investments.

The department oversees and provides strategic direction to the Industrial Development Corporation and regulatory bodies reporting to it. This work is managed through the *Investment, Competition and Trade* programme, in which expenditure is expected to increase at an average annual rate of 12.4 per cent, from R546.9 million in 2016/17 to R777.2 million in 2019/20. This growth takes into account Cabinet-approved additional funding of R150.4 million to the Competition Commission for capacity building, R45 million to the Industrial Development Corporation for the Presidential Infrastructure Coordinating Commission's technical unit and technical project management team, and R95 million for the Steel Development Fund.

Expenditure trends

Table 25.2 Vote expenditure trends by programme and economic classification

Programme	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Programme 1	63.6	95.8	91.3	79.5	94.9	87.4	83.2	83.2	83.1	79.2	89.2	88.1	114.6%	96.4%
Programme 2	44.1	36.3	35.6	38.3	20.9	22.0	27.9	27.9	26.7	36.0	33.1	31.0	78.8%	97.7%
Programme 3	663.8	639.4	644.5	579.1	581.1	585.5	774.7	774.7	773.9	559.4	552.3	546.9	99.0%	100.1%
Total	771.5	771.5	771.4	696.9	696.9	694.9	885.8	885.8	883.7	674.7	674.7	666.0	99.6%	99.6%
Change to 2016 Budget estimate												-		

Table 25.2 Vote expenditure trends by programme and economic classification

Economic classification	2013/14			2014/15			2015/16			2016/17			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million														
Current payments	151.0	157.0	139.7	160.8	132.0	116.3	150.3	140.9	128.4	143.0	142.5	133.9	85.7%	90.6%
Compensation of employees	98.0	72.4	70.9	107.8	76.9	75.7	96.1	87.8	79.4	94.0	94.0	85.4	78.6%	94.0%
Goods and services	53.0	84.5	68.8	53.0	55.0	40.6	54.2	53.1	49.0	49.0	48.5	48.5	98.9%	85.8%
Transfers and subsidies	612.6	612.6	628.1	533.9	560.5	575.9	733.2	742.3	750.4	528.8	528.8	528.8	103.1%	101.6%
Departmental agencies and accounts	381.6	381.6	273.6	291.3	291.6	306.8	326.8	330.8	338.8	315.7	315.7	315.7	-	-
Public corporations and private enterprises	231.0	231.0	354.0	242.6	268.8	268.8	406.4	411.4	411.4	213.1	213.1	213.1	114.1%	110.9%
Non-profit institutions	-	-	-	-	-	0.1	-	-	0.1	-	-	-	-	-
Households	-	-	0.5	-	-	0.2	-	0.1	0.2	-	-	-	-	1 066.7%
Payments for capital assets	7.9	1.9	3.6	2.2	4.4	2.7	2.2	2.6	4.9	2.9	3.4	3.4	96.0%	118.7%
Machinery and equipment	6.3	1.9	2.5	1.7	4.0	2.7	1.8	2.1	3.4	2.5	3.3	3.3	96.3%	105.4%
Software and other intangible assets	1.6	0.0	1.1	0.5	0.5	-	0.5	0.5	1.6	0.4	0.1	0.1	94.8%	252.4%
Total	771.5	771.5	771.4	696.9	696.9	694.9	885.8	885.8	883.7	674.7	674.7	666.0	99.6%	99.6%

Expenditure estimates

Table 25.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Growth Path and Social Dialogue									
3. Investment, Competition and Trade									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2016/17	2017/18	2018/19			2019/20
R million									
Programme 1	88.1	-2.7%	11.6%	80.7	79.4	84.6	-1.3%	10.4%	
Programme 2	31.0	-5.1%	3.8%	35.6	39.6	42.4	11.0%	4.6%	
Programme 3	546.9	-5.1%	84.6%	681.0	725.8	777.2	12.4%	85.0%	
Total	666.0	-4.8%	100.0%	797.2	844.7	904.3	10.7%	100.0%	
Change to 2016 Budget estimate				83.0	93.7	109.4			
Economic classification									
Current payments	133.9	-5.2%	17.2%	139.8	138.2	147.7	3.3%	17.4%	
Compensation of employees	85.4	5.6%	10.3%	90.1	90.8	97.7	4.6%	11.3%	
Goods and services	48.5	-16.9%	6.9%	49.7	47.4	50.0	1.0%	6.1%	
Transfers and subsidies	528.8	-4.8%	82.3%	656.2	703.4	753.3	12.5%	82.2%	
Departmental agencies and accounts	315.7	-6.1%	40.9%	387.5	421.7	453.3	12.8%	49.1%	
Public corporations and private enterprises	213.1	-2.6%	41.4%	268.8	281.8	300.0	12.1%	33.1%	
Payments for capital assets	3.4	21.0%	0.5%	1.2	3.1	3.3	-1.2%	0.3%	
Machinery and equipment	3.3	20.3%	0.4%	0.8	2.6	2.8	-5.4%	0.3%	
Software and other intangible assets	0.1	48.3%	0.1%	0.4	0.5	0.5	64.7%	0.0%	
Total	666.0	-4.8%	100.0%	797.2	844.7	904.3	10.7%	100.0%	

Goods and services expenditure trends and estimates

Table 25.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administrative fees	662	523	794	548	-6.1%	1.2%	586	628	663	6.6%	1.2%
Advertising	20 087	6 138	2 705	142	-80.8%	14.1%	1 520	1 343	1 418	115.3%	2.3%
Minor assets	225	62	174	120	-18.9%	0.3%	128	138	145	6.5%	0.3%
Audit costs: External	3 210	3 037	2 669	2 781	-4.7%	5.7%	3 477	3 721	3 640	9.4%	7.0%
Bursaries: Employees	123	97	209	120	-0.8%	0.3%	132	144	152	8.2%	0.3%
Catering: Departmental activities	1 396	410	1 351	887	-14.0%	2.0%	1 378	1 476	1 559	20.7%	2.7%
Communication	2 340	1 471	1 130	1 769	-8.9%	3.2%	2 105	2 253	2 380	10.4%	4.3%
Computer services	1 102	1 612	326	930	-5.5%	1.9%	1 215	1 299	1 372	13.8%	2.5%
Consultants: Business and advisory services	4 166	372	833	1 809	-24.3%	3.5%	1 750	1 957	1 989	3.2%	3.8%
Legal services	6 764	3 355	6 636	14 045	27.6%	14.9%	4 020	4 253	4 491	-31.6%	13.7%

Table 25.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
Contractors	705	237	460	673	-1.5%	1.0%	1 901	742	782	5.1%	2.1%
Agency and support/outsourced services	129	202	21	208	17.3%	0.3%	223	238	252	6.6%	0.5%
Entertainment	24	9	-	22	-2.9%	-	23	25	26	5.7%	-
Fleet services (including government motor transport)	976	1 085	917	644	-12.9%	1.8%	907	971	1 026	16.8%	1.8%
Inventory: Clothing material and accessories	7	429	-	12	19.7%	0.2%	155	166	176	144.8%	0.3%
Inventory: Materials and supplies	10	4	-	11	3.2%	-	12	8	8	-10.1%	-
Inventory: Medical supplies	-	-	-	-	-	-	-	4	4	-	-
Consumable supplies	329	100	98	153	-22.5%	0.3%	164	176	186	6.7%	0.3%
Consumables: Stationery, printing and office supplies	1 730	1 035	703	1 616	-2.2%	2.5%	1 741	1 864	1 968	6.8%	3.7%
Operating leases	9 238	9 185	10 924	10 604	4.7%	19.3%	12 816	9 247	10 055	-1.8%	21.8%
Rental and hiring	310	10	90	122	-26.7%	0.3%	131	141	148	6.7%	0.3%
Property payments	56	-	-	40	-10.6%	-	43	47	49	7.0%	0.1%
Transport provided: Departmental activity	69	1	55	23	-30.7%	0.1%	25	27	28	6.8%	0.1%
Travel and subsistence	11 840	9 561	11 295	7 657	-13.5%	19.5%	10 700	11 667	12 321	17.2%	21.6%
Training and development	323	221	348	980	44.8%	0.9%	1 037	1 098	1 159	5.8%	2.2%
Operating payments	1 546	1 068	987	1 336	-4.7%	2.4%	1 431	1 529	1 614	6.5%	3.0%
Venues and facilities	1 428	343	6 263	1 237	-4.7%	4.5%	2 098	2 245	2 370	24.2%	4.1%
Total	68 795	40 567	48 988	48 489	-11.0%	100.0%	49 718	47 407	49 981	1.0%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 25.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	273 603	306 820	338 848	315 657	4.9%	49.7%	387 460	421 685	453 307	12.8%	59.7%
Public Service Sector Education and Training Authority	-	323	-	-	-	-	-	-	-	-	-
Competition Commission	176 888	198 212	231 045	208 541	5.6%	32.8%	258 354	281 788	305 576	13.6%	39.9%
Competition Tribunal	16 945	19 911	19 102	20 115	5.9%	3.1%	30 041	35 086	37 051	22.6%	4.6%
International Trade Administration Commission	79 770	88 374	88 701	87 001	2.9%	13.8%	99 065	104 811	110 680	8.4%	15.2%
Public corporations and private enterprises											
Subsidies on products and production											
Current	9 000	-	-	-	-100.0%	0.4%	-	-	-	-	-
Small Enterprise Finance Agency	9 000	-	-	-	-100.0%	0.4%	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	344 979	268 845	411 397	213 124	-14.8%	49.9%	268 780	281 759	300 018	12.1%	40.3%
Small Enterprise Finance Agency	236 979	268 845	406 397	213 124	-3.5%	45.3%	223 780	236 759	250 018	5.5%	35.0%
Industrial Development Corporation	108 000	-	5 000	-	-100.0%	4.6%	45 000	45 000	50 000	-	5.3%
Non-profit institutions											
Current	-	60	-	-	-	-	-	-	-	-	-
Non-profit organisations	-	60	-	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	303	211	150	-	-100.0%	-	-	-	-	-	-
Households	303	211	150	-	-100.0%	-	-	-	-	-	-
Households											
Other transfers to households											
Current	190	9	1	-	-100.0%	-	-	-	-	-	-
Households	190	9	1	-	-100.0%	-	-	-	-	-	-
Total	628 075	575 945	750 396	528 781	-5.6%	100.0%	656 240	703 444	753 325	12.5%	100.0%

Personnel information

Table 25.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment										Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate				Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		2016/17		2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	
Economic Development		138	79.4	0.6	129	85.4	0.7	127	90.1	0.7	126	90.8	0.7	126	97.7	0.8	
Salary level																	
1 – 6	18	1	19	3.0	0.2	18	3.1	0.2	18	3.7	0.2	18	3.6	0.2	18	3.9	0.2
7 – 10	40	–	40	12.3	0.3	40	15.9	0.4	40	15.1	0.4	40	16.2	0.4	40	16.6	0.4
11 – 12	35	–	35	23.7	0.7	33	25.6	0.8	33	28.5	0.9	33	27.6	0.8	33	30.6	0.9
13 – 16	44	–	44	37.6	0.9	36	37.2	1.0	34	39.1	1.2	33	40.5	1.2	33	43.6	1.3
Other	1	–	2	2.9	1.4	2	3.6	1.8	2	3.7	1.8	2	2.8	1.4	2	3.0	1.5
Programme	138	2	140	79.4	0.6	129	85.4	0.7	127	90.1	0.7	126	90.8	0.7	126	97.7	0.8
Programme 1	78	2	80	41.7	0.5	75	44.7	0.6	75	44.9	0.6	75	42.7	0.6	75	46.0	0.6
Programme 2	29	–	29	22.3	0.8	28	25.8	0.9	28	29.5	1.1	28	32.3	1.2	28	34.8	1.2
Programme 3	31	–	31	15.4	0.5	26	14.8	0.6	24	15.6	0.7	23	15.8	0.7	23	17.0	0.7

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

2. Rand million.

Departmental receipts

Table 25.7 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
R thousand												
Departmental receipts	1 097 542	930 728	726 791	908 376	908 376	-6.1%	100.0%	921 338	950 825	997 391	3.2%	100.0%
Sales of goods and services produced by department	23	85	35	20	20	-4.6%	–	21	22	30	14.5%	–
Sales by market establishments	23	85	35	14	14	-15.3%	–	21	22	30	28.9%	–
of which:												
Rental: Parking	23	85	35	14	14	-15.3%	–	21	22	30	28.9%	–
Other sales	–	–	–	6	6	–	–	–	–	–	-100.0%	–
of which:												
Commission on insurance garnishee	–	–	–	6	6	–	–	–	–	–	-100.0%	–
Fines, penalties and forfeits	1 037 454	880 361	676 495	858 159	858 159	-6.1%	94.2%	901 067	930 500	977 025	4.4%	97.1%
Interest, dividends and rent on land	50 229	50 237	50 278	50 150	50 150	-0.1%	5.5%	20 200	20 250	20 280	-26.1%	2.9%
Interest	229	237	278	150	150	-13.2%	–	200	250	280	23.1%	–
Dividends	50 000	50 000	50 000	50 000	50 000	–	5.5%	20 000	20 000	20 000	-26.3%	2.9%
of which:												
Dividends from the Industrial Development Corporation	50 000	50 000	50 000	50 000	50 000	–	5.5%	20 000	20 000	20 000	-26.3%	2.9%
Transactions in financial assets and liabilities	9 836	45	(17)	47	47	-83.2%	0.3%	50	53	56	6.0%	–
Total	1 097 542	930 728	726 791	908 376	908 376	-6.1%	100.0%	921 338	950 825	997 391	3.2%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 25.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million											
Ministry	21.0	19.8	20.2	21.4	0.6%	23.5%	27.5	25.3	27.1	8.2%	30.4%
Office of the Director General	10.8	12.6	14.6	11.3	1.5%	14.0%	10.1	10.4	11.2	-0.4%	12.9%
Corporate Management Services	46.1	42.2	36.6	43.1	-2.2%	47.9%	31.7	30.1	32.0	-9.5%	41.0%
Financial Management	13.4	12.8	11.8	13.4	0.1%	14.6%	11.4	13.5	14.4	2.3%	15.8%
Total	91.3	87.4	83.1	89.2	-0.8%	100.0%	80.7	79.4	84.6	-1.7%	100.0%
Change to 2016 Budget estimate				10.0			(0.0)	(0.0)	(0.0)		
Economic classification											
Current payments	88.7	74.5	80.0	86.2	-1.0%	93.8%	80.2	77.0	82.2	-1.6%	97.5%
Compensation of employees	38.1	39.5	41.7	45.8	6.3%	47.0%	44.9	42.7	46.0	0.1%	53.7%
Goods and services ¹	50.6	35.0	38.3	40.4	-7.3%	46.8%	35.3	34.3	36.2	-3.5%	43.8%
of which:											
Audit costs: External	3.2	3.0	2.7	2.8	-4.7%	3.3%	3.5	3.7	3.6	9.4%	4.1%
Communication	1.7	1.3	1.1	1.3	-8.1%	1.5%	1.6	1.7	1.8	11.6%	2.0%
Legal services	2.5	3.4	6.6	13.9	78.2%	7.5%	4.0	4.3	4.5	-31.4%	8.0%
Consumables: Stationery, printing and office supplies	1.3	1.0	0.6	1.3	-1.1%	1.2%	1.3	1.4	1.5	6.5%	1.7%
Operating leases	9.2	9.2	10.9	10.6	4.7%	11.4%	12.8	9.2	10.1	-1.8%	12.8%
Travel and subsistence	7.3	7.1	9.0	5.4	-9.8%	8.2%	6.5	6.8	7.2	10.0%	7.7%
Transfers and subsidies¹	0.2	10.5	0.1	-	-100.0%	3.1%	-	-	-	-	-
Departmental agencies and accounts	-	10.4	-	-	-	3.0%	-	-	-	-	-
Households	0.2	0.1	0.1	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	2.4	2.4	3.0	3.1	8.8%	3.1%	0.5	2.3	2.4	-7.4%	2.5%
Machinery and equipment	2.4	2.4	3.0	3.0	7.9%	3.1%	0.4	2.3	2.4	-6.9%	2.4%
Software and other intangible assets	0.0	-	0.1	0.1	58.3%	0.1%	0.0	0.0	0.1	-22.8%	0.1%
Total	91.3	87.4	83.1	89.2	-0.8%	100.0%	80.7	79.4	84.6	-1.7%	100.0%
Proportion of total programme expenditure to vote expenditure	11.8%	12.6%	9.4%	13.2%	-	-	10.1%	9.4%	9.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	10.1	-	-	-	2.9%	-	-	-	-	-
Competition Commission	-	10.1	-	-	-	2.9%	-	-	-	-	-

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

Programme 2: Growth Path and Social Dialogue

Programme purpose

Strengthen the economic development capacity of government. Align economic development policies aimed at broadening participation in the economy to create decent work opportunities.

Objectives

- Coordinate job drivers, sector/spatial projects and the implementation of the new growth path for job creation, inclusive growth, industrialisation and social inclusion by ensuring regular reviews of systemic obstacles over the medium term.
- Increase employment at the sectoral and workplace levels through the facilitation of social dialogue and the implementation of social accords; and support productivity, innovation and entrepreneurship by engaging in public policy forums over the medium term.

Subprogrammes

- *Growth Path and Job Drivers* monitors and supports the unblocking of job drivers in the new growth path as central to the implementation of the NDP, and engages with the relevant structures.

- *Social Dialogue, Productivity and Innovation* supports social dialogue to address workplace, sectoral and national economic requirements.

Expenditure trends and estimates

Table 25.9 Growth Path and Social Dialogue 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Growth Path and Job Drivers	23.9	12.8	16.8	21.5	-3.5%	63.8%	25.7	24.9	26.7	7.5%	65.5%
Social Dialogue, Productivity and Innovation	11.7	9.3	9.9	11.6	-0.3%	36.2%	9.9	14.7	15.8	10.8%	34.5%
Total	35.6	22.0	26.7	33.1	-2.4%	100.0%	35.6	39.6	42.4	8.7%	100.0%
Change to 2016 Budget estimate				(2.9)			-	-	(0.0)		
Economic classification											
Current payments	25.3	21.8	24.9	32.9	9.2%	89.4%	35.1	39.0	41.8	8.3%	98.7%
Compensation of employees	17.7	18.4	22.3	27.9	16.3%	73.5%	29.5	32.3	34.8	7.6%	82.6%
Goods and services ¹	7.6	3.4	2.7	5.1	-12.5%	15.9%	5.5	6.7	7.1	11.9%	16.2%
of which:											
Catering: Departmental activities	1.0	0.2	0.5	0.4	-22.7%	1.8%	0.6	0.6	0.7	14.0%	1.5%
Computer services	0.5	1.2	0.0	0.5	-1.1%	2.0%	0.7	0.7	0.8	12.7%	1.8%
Consultants: Business and advisory services	0.4	-	0.3	0.3	-10.9%	0.8%	0.1	0.5	0.6	29.1%	0.9%
Travel and subsistence	2.2	1.2	1.1	1.4	-13.8%	5.0%	1.7	2.2	2.3	17.7%	5.0%
Operating payments	0.7	0.1	0.1	0.4	-21.3%	1.1%	0.4	0.4	0.4	6.5%	1.0%
Venues and facilities	1.1	0.3	0.2	1.0	-4.1%	2.2%	1.1	1.2	1.2	6.6%	3.0%
Transfers and subsidies¹	9.1	0.1	0.1	-	-100.0%	7.9%	-	-	-	-	-
Public corporations and private enterprises	9.0	-	-	-	-100.0%	7.7%	-	-	-	-	-
Households	0.1	0.1	0.1	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	1.2	0.1	1.7	0.1	-50.4%	2.7%	0.6	0.6	0.6	61.9%	1.3%
Machinery and equipment	0.1	0.1	0.2	0.1	13.7%	0.5%	0.2	0.2	0.2	6.8%	0.4%
Software and other intangible assets	1.1	-	1.5	-	-100.0%	2.2%	0.4	0.4	0.4	-	0.8%
Total	35.6	22.0	26.7	33.1	-2.4%	100.0%	35.6	39.6	42.4	8.7%	100.0%
Proportion of total programme expenditure to vote expenditure	4.6%	3.2%	3.0%	4.9%	-	-	4.5%	4.7%	4.7%	-	-
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	9.0	-	-	-	-100.0%	7.7%	-	-	-	-	-
Small Enterprise Finance Agency	9.0	-	-	-	-100.0%	7.7%	-	-	-	-	-

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

Programme 3: Investment, Competition and Trade

Programme purpose

Coordinate infrastructure development. Provide oversight and coordinate policy regarding identified development finance institutions and economic regulatory bodies.

Objectives

- Promote investments, expand industrial funding and entrepreneurship, and improve the performance of development finance institutions by ensuring that these institutions support the development of industrial and small, medium and micro enterprises over the medium term.
- Promote competition, trade and other economic regulation by ensuring the promotion of the effective management of competition authorities and trade administration over the medium term.
- Coordinate infrastructure development over the medium term by:
 - providing regular reports required on each strategic infrastructure project
 - unblocking specific projects
 - providing secretariat support to the Presidential Infrastructure Coordinating Commission.

Subprogrammes

- *Development Investment, Industrial Funding and Entrepreneurship* focuses on unblocking productive investments and overseeing the development finance institutions that fall under the department.
- *Competition, Trade and other Economic Regulation* focuses on strengthening the economic regulators and overseeing the regulatory bodies that fall under the department.
- *Infrastructure Development Coordination* provides support to the Presidential Infrastructure Coordinating Commission in line with the Infrastructure Development Act (2014).

Expenditure trends and estimates

Table 25.10 Investment, Competition and Trade expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Development Investment, Industrial Funding and Entrepreneurship	347.7	273.6	415.5	220.9	-14.0%	49.2%	258.1	271.2	289.8	9.5%	38.0%
Competition, Trade and other Economic Regulation	277.5	302.1	343.1	319.5	4.8%	48.6%	391.6	425.9	457.8	12.7%	58.3%
Infrastructure Development Coordination	19.4	9.8	15.3	11.9	-14.9%	2.2%	31.3	28.7	29.6	35.3%	3.7%
Total	644.5	585.5	773.9	552.3	-5.0%	100.0%	681.0	725.8	777.2	12.1%	100.0%
Change to 2016 Budget estimate				(7.1)			83.0	93.7	109.4		
Economic classification											
Current payments	25.7	19.9	23.4	23.4	-3.1%	3.6%	24.5	22.1	23.6	0.3%	3.4%
Compensation of employees	15.1	17.7	15.4	20.3	10.5%	2.7%	15.6	15.8	17.0	-5.8%	2.5%
Goods and services ¹	10.6	2.2	8.0	3.1	-33.9%	0.9%	8.9	6.4	6.7	29.4%	0.9%
of which:											
<i>Advertising</i>	0.1	–	2.2	0.0	-9.0%	0.1%	1.4	–	–	-100.0%	0.1%
<i>Consultants: Business and advisory services</i>	2.7	0.0	–	0.9	-30.1%	0.1%	1.0	0.7	0.7	-9.5%	0.1%
<i>Contractors</i>	0.0	0.1	0.0	0.3	101.8%	–	1.5	0.4	0.4	4.6%	0.1%
<i>Travel and subsistence</i>	2.3	1.3	1.2	0.9	-28.0%	0.2%	2.5	2.7	2.9	49.2%	0.3%
<i>Operating payments</i>	0.4	0.1	0.1	0.4	0.2%	–	0.4	0.5	0.5	6.5%	0.1%
<i>Venues and facilities</i>	0.2	0.0	3.6	0.0	-83.5%	0.1%	1.0	1.1	1.1	939.1%	0.1%
Transfers and subsidies¹	618.8	565.4	750.2	528.8	-5.1%	96.4%	656.2	703.4	753.3	12.5%	96.5%
Departmental agencies and accounts	273.6	296.4	338.8	315.7	4.9%	47.9%	387.5	421.7	453.3	12.8%	57.7%
Public corporations and private enterprises	345.0	268.8	411.4	213.1	-14.8%	48.4%	268.8	281.8	300.0	12.1%	38.9%
Non-profit institutions	–	0.1	–	–	–	–	–	–	–	–	–
Households	0.2	0.1	–	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	–	0.1	0.2	0.2	–	–	0.2	0.2	0.2	6.8%	–
Machinery and equipment	–	0.1	0.2	0.2	–	–	0.2	0.2	0.2	6.8%	–
Total	644.5	585.5	773.9	552.3	-5.0%	100.0%	681.0	725.8	777.2	12.1%	100.0%
Proportion of total programme expenditure to vote expenditure	83.6%	84.2%	87.6%	81.9%	–	–	85.4%	85.9%	85.9%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	273.6	296.4	338.8	315.7	4.9%	47.9%	387.5	421.7	453.3	12.8%	57.7%
Competition Commission	176.9	188.1	231.0	208.5	5.6%	31.5%	258.4	281.8	305.6	13.6%	38.5%
Competition Tribunal	16.9	19.9	19.1	20.1	5.9%	3.0%	30.0	35.1	37.1	22.6%	4.5%
International Trade Administration Commission	79.8	88.4	88.7	87.0	2.9%	13.5%	99.1	104.8	110.7	8.4%	14.7%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	345.0	268.8	411.4	213.1	-14.8%	48.4%	268.8	281.8	300.0	12.1%	38.9%
Small Enterprise Finance Agency	237.0	268.8	406.4	213.1	-3.5%	44.0%	223.8	236.8	250.0	5.5%	33.8%
Industrial Development Corporation	108.0	–	5.0	–	-100.0%	4.4%	45.0	45.0	50.0	–	5.1%

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

Entity¹

Industrial Development Corporation

Mandate

The Industrial Development Corporation is a national development finance institution established in terms of the Industrial Development Act (1940) with the objective of leading industrial capacity development. This entails aligning its priorities with those identified in terms of government policies and programmes related to industrial development, including relevant elements of the NDP, the new growth path and the industrial policy action plan.

Selected performance indicators

Table 25.11 Industrial Development Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Value of funding disbursed per year	Administration	Outcome 4: Decent employment through inclusive growth	R11.2bn	R10.9bn	R11.4bn	R13.3bn	R18.5bn	R20.5bn	R22.3bn
Number of jobs expected to be created or saved per year	Administration		19 689	20 388	18 010	17 607	22 000	24 000	27 000
Actual number of jobs created or saved in South Africa	Administration		20 366	20 000	17 959	20 000	20 000	20 000	20 000
Value of funding to black industrialists per year	Administration		– ¹	R2.1bn	R4.5bn	R2.3bn	R5.5bn	R5.5bn	R5.5bn
Funding for localisation initiatives per year	Administration		– ¹	R2.8bn	R4.5bn	R2.1bn	R4.4bn	R5.1bn	R5.7bn
Turnaround time for non-complex transactions	Administration	Outcome 12: An efficient, effective and development-oriented public service	18 days	14 days	16.5 days	16.5 days	15 days	15 days	15 days

1. No historical data available.

Expenditure analysis

Over the medium term, the Industrial Development Corporation will continue to focus on the development of industrial capacity that is balanced with long-term sustainability. This is in line with outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework, which acknowledges the NDP's identification of developmental finance institutions playing a critical role in promoting industrial policy through providing appropriate support mechanisms for identified industries in partnership with the private sector.

The corporation's strategy is aimed at strengthening industrialisation efforts by focusing on value chains in sectors that have significant potential for economic growth, some of which include agro-processing and agriculture, metals and mining, chemicals and pharmaceuticals, and clothing and textiles. The corporation will drive the development of industrial capacity through direct investments in individual companies, and indirectly by acting as a catalyst for the creation or revitalisation of industries and the creation of employment in related businesses.

The corporation aims to increase its funding approvals and disbursements over the medium term, from R13.3 billion in 2016/17 to R22.3 billion in 2019/20. The highest portion of capital will be allocated to priority value chains such as metals and mining, chemicals and pharmaceuticals, and agro-processing and agriculture. Investments in these sectors account for 81.7 per cent of the corporation's total expenditure over the medium term. The number of jobs to be created or saved will increase to 17 607 with a total of 73 000 jobs targeted over the medium term.

The black industrialist programme, which facilitates the participation of black industrialists in productive sectors of the economy, remains a focus area for the corporation over the MTEF period. The programme seeks to facilitate the participation of black industrialists in the productive sectors of the economy. Since the programme's inception in 2015, R4.5 billion funding has been approved for black industrialists. The corporation aims to disburse approximately R16.5 billion over the medium term.

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

Revenue is primarily generated from interest income on loans, accounting for 50 per cent of the corporation's total revenue over the medium term. Other revenue streams include equity investments and income from fees. Total revenue is expected to increase at an average rate of 4.6 per cent over the medium term, from R23.3 billion in 2016/17 to R26.7 billion in 2019/20, mainly as a result of increased interest income from higher-value loans granted and an increase in dividend income from equity investments.

Programmes/objectives/activities

Table 25.12 Industrial Development 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 (%)
	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Administration	18 378.0	20 478.0	19 185.0	21 780.1	5.8%	100.0%	22 636.8	23 667.3	24 952.0	4.6%	100.0%
Total	18 378.0	20 478.0	19 185.0	21 780.1	5.8%	100.0%	22 636.8	23 667.3	24 952.0	4.6%	100.0%

Statements of historical financial performance and position

Table 25.13 Industrial Development Corporation statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2013/14 - 2016/17	
Revenue									
Non-tax revenue	18 546.0	19 790.0	20 697.7	21 443.2	19 967.9	19 531.6	23 110.0	23 110.0	101.9%
Sale of goods and services other than capital assets	6 500.0	13 908.0	13 629.7	14 005.2	14 615.9	13 932.6	15 670.0	15 670.0	114.1%
of which:									
Administrative fees	–	545.0	710.1	707.0	684.8	467.0	–	–	123.2%
Sales by market establishment	–	–	–	–	33.1	–	–	–	–
Other sales	6 500.0	13 363.0	12 919.6	13 298.2	13 898.0	13 465.6	15 670.0	15 670.0	113.9%
Other non-tax revenue	12 046.0	5 882.0	7 068.0	7 438.0	5 352.0	5 599.0	7 440.0	7 440.0	82.6%
Transfers received	339.0	231.0	242.6	242.6	407.1	406.4	–	213.1	110.6%
Total revenue	18 885.0	20 021.0	21 011.1	22 131.0	20 375.0	19 938.0	23 063.0	23 276.1	102.4%
Expenses									
Current expenses	11 018.8	17 740.0	19 269.9	20 309.0	20 297.6	18 692.0	21 447.8	21 447.8	108.5%
Compensation of employees	1 919.9	843.0	887.8	885.2	926.0	840.0	975.9	887.4	73.4%
Goods and services	7 800.4	15 337.0	17 112.5	17 423.9	16 431.5	15 812.0	17 663.8	17 752.3	112.4%
Depreciation	383.5	534.0	495.5	598.0	576.2	723.0	618.2	618.2	119.3%
Interest, dividends and rent on land	915.0	1 026.0	774.2	1 402.0	2 363.9	1 317.0	2 190.0	2 190.0	95.1%
Transfers and subsidies	55.5	–	–	–	–	–	–	–	–
Total expenses	11 227.8	18 378.0	19 755.2	20 478.0	20 577.9	19 185.0	21 780.1	21 780.1	108.8%
Surplus/(Deficit)	7 657.0	1 643.0	1 256.0	1 653.0	(203.0)	753.0	1 283.0	1 496.0	
Statement of financial position									
Carrying value of assets	5 241.0	9 401.0	5 646.0	10 557.0	10 540.6	11 456.0	11 168.9	11 168.9	130.6%
of which:									
Acquisition of assets	(1 630.3)	(1 549.0)	(1 728.1)	(1 268.0)	(1 675.3)	(2 548.0)	(1 757.8)	(1 757.8)	104.9%
Investments	95 231.0	92 363.0	92 652.0	73 179.0	97 751.3	71 704.0	103 052.3	103 052.3	87.6%
Inventory	2 100.0	3 854.0	2 310.0	3 853.0	4 249.0	3 599.0	4 461.5	4 461.5	120.2%
Loans	23 500.0	20 818.0	33 608.0	22 412.0	17 985.0	23 928.0	16 408.7	16 408.7	91.3%
Receivables and prepayments	1 450.0	3 813.0	1 595.0	3 702.0	4 203.8	3 305.0	4 414.0	4 414.0	130.6%
Cash and cash equivalents	3 636.0	7 877.0	5 655.4	8 257.0	10 152.0	6 865.0	9 810.0	9 810.0	112.2%
Taxation	120.0	396.0	132.0	325.0	433.5	422.0	461.2	461.2	139.9%
Derivatives financial instruments	–	71.0	–	4.0	–	69.0	–	–	–
Total assets	131 278.0	138 593.0	141 598.4	122 289.0	145 315.3	121 348.0	149 776.5	149 776.5	93.7%
Accumulated surplus/(deficit)	37 719.0	37 415.0	39 763.4	39 187.0	40 269.9	39 717.0	42 537.3	42 537.3	99.1%
Capital and reserves	55 320.0	69 569.0	55 485.4	50 735.0	69 856.5	45 100.0	66 249.8	66 249.8	93.8%
Borrowings	25 876.0	21 456.0	33 938.0	24 049.0	23 991.7	28 022.0	29 233.9	29 233.9	90.9%
Trade and other payables	2 286.0	3 560.0	2 514.6	3 748.0	3 924.9	3 727.0	4 121.1	4 121.1	118.0%
Taxation	9 500.0	5 528.0	9 310.0	3 372.0	6 094.6	3 340.0	6 399.4	6 399.4	59.5%
Provisions	300.0	1 015.0	530.0	1 124.0	1 119.0	1 357.0	1 175.0	1 175.0	149.5%
Managed funds (e.g. poverty alleviation fund)	57.0	24.0	57.0	18.0	30.0	26.0	30.0	30.0	56.3%
Derivatives financial instruments	–	26.0	–	56.0	28.7	59.0	30.1	30.1	291.2%
Total equity and liabilities	131 058.0	138 593.0	141 598.4	122 289.0	145 315.3	121 348.0	149 776.5	149 776.5	93.7%

Statements of estimates of financial performance and position

Table 25.14 Industrial Development Corporation statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2016/17	2013/14 - 2016/17	2017/18		
R million									
Revenue									
Non-tax revenue		23 110.0	5.3%	98.2%	25 546.8	25 089.3	26 343.8	4.5%	99.0%
Sale of goods and services other than capital assets		15 670.0	4.1%	67.5%	16 555.8	17 331.0	18 197.6	5.1%	67.0%
of which:									
Administrative fees		–	-100.0%	2.1%	313.0	794.7	834.5	–	1.9%
Sales by market establishment		–	–	–	–	14.8	15.5	–	0.0%
Other sales		15 670.0	5.5%	65.4%	16 242.8	16 521.5	17 347.6	3.4%	65.1%
Other non-tax revenue		7 440.0	8.1%	30.8%	8 991.0	7 758.3	8 146.2	3.1%	32.0%
Transfers received		213.1	-2.6%	1.3%	223.8	293.6	308.3	13.1%	1.0%
Total revenue		23 276.1	5.1%	100.0%	25 770.6	25 382.9	26 652.1	4.6%	100.0%
Expenses									
Current expenses		21 447.8	6.5%	97.9%	22 287.9	23 301.0	24 567.3	4.6%	135.3%
Compensation of employees		887.4	1.7%	4.3%	817.2	870.3	926.9	1.5%	3.8%
Goods and services		17 752.3	5.0%	83.1%	18 522.1	19 334.7	20 389.6	4.7%	81.7%
Depreciation		618.2	5.0%	3.1%	649.1	681.5	715.6	5.0%	2.9%
Interest, dividends and rent on land		2 190.0	28.8%	7.3%	2 299.5	2 414.5	2 535.2	5.0%	10.1%
Total expenses		21 780.1	5.8%	100.0%	22 636.8	23 667.3	24 952.0	4.6%	100.0%
Surplus/(Deficit)		1 496.0	(0.0)		3 134.0	1 716.0	1 700.0	4.4%	
Statement of financial position									
Carrying value of assets		11 168.9	5.9%	8.1%	11 834.7	8 643.0	9 127.0	-6.5%	5.9%
of which:									
Acquisition of assets		(1 757.8)	4.3%	-1.4%	(1 844.4)	(1 951.4)	(2 064.6)	5.5%	-1.1%
Investments		103 052.3	3.7%	63.6%	106 088.5	173 022.6	182 711.8	21.0%	77.8%
Inventory		4 461.5	5.0%	3.0%	4 684.6	3 665.9	3 871.2	-4.6%	2.4%
Loans		16 408.7	-7.6%	16.0%	17 592.9	1 791.3	1 891.6	-51.3%	6.0%
Receivables and prepayments		4 414.0	2.9%	2.9%	4 634.7	4 092.4	4 321.5	-0.7%	2.5%
Cash and cash equivalents		9 810.0	7.6%	6.2%	9 688.0	6 803.3	7 184.3	-9.9%	4.9%
Non-current assets held for sale		–	–	–	–	12.6	13.3	–	0.0%
Taxation		461.2	5.2%	0.3%	490.7	727.3	768.1	18.5%	0.3%
Total assets		149 776.5	2.6%	100.0%	155 014.0	198 758.4	209 888.9	11.9%	100.0%
Accumulated surplus/(deficit)		42 537.3	4.4%	30.0%	45 438.7	22 364.6	23 617.0	-17.8%	20.1%
Capital and reserves		66 249.8	-1.6%	43.3%	65 265.9	98 607.2	104 129.2	16.3%	46.4%
Capital reserve fund		–	–	–	–	326.2	344.4	–	0.1%
Borrowings		29 233.9	10.9%	19.4%	31 967.4	60 310.9	63 688.3	29.6%	25.2%
Finance lease		–	–	–	–	14.9	15.7	–	0.0%
Trade and other payables		4 121.1	5.0%	2.9%	4 327.2	3 868.0	4 084.6	-0.3%	2.4%
Taxation		6 399.4	5.0%	3.4%	6 719.3	12 071.5	12 747.5	25.8%	5.2%
Provisions		1 175.0	5.0%	0.9%	1 233.7	762.3	805.0	-11.8%	0.6%
Managed funds (e.g. poverty alleviation fund)		30.0	7.7%	0.0%	30.0	–	–	-100.0%	0.0%
Derivatives financial instruments		30.1	5.0%	0.0%	31.6	433.0	457.2	147.7%	0.1%
Total equity and liabilities		149 776.5	2.6%	100.0%	155 014.0	198 758.4	209 888.9	11.9%	100.0%

Personnel information

Table 25.15 Industrial Development Corporation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20							
Industrial Development Corporation		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	861	861	850	840.0	1.0	861	887.4	1.0	861	817.2	0.9	861	870.3	1.0	861	926.9	1.1	1.5%	100.0%
1 – 6	219	219	35	10.7	0.3	219	67.5	0.3	219	69.5	0.3	219	74.0	0.3	219	78.8	0.4	5.3%	25.4%
7 – 10	333	333	294	162.9	0.6	333	288.1	0.9	333	264.6	0.8	333	281.8	0.8	333	300.1	0.9	1.4%	38.7%
11 – 12	289	289	241	296.1	1.2	289	465.7	1.6	289	419.8	1.5	289	447.1	1.5	289	476.1	1.6	0.7%	33.6%
13 – 16	8	8	265	320.3	1.2	8	17.4	2.2	8	19.7	2.5	8	21.0	2.6	8	22.4	2.8	8.8%	0.9%
17 – 22	12	12	15	49.9	3.3	12	48.6	4.1	12	43.6	3.6	12	46.4	3.9	12	49.5	4.1	0.6%	1.4%

1. Rand million.

Other entities

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

- The **Competition Commission** is a statutory body constituted in terms of the Competition Act (1998). It is empowered to investigate, control and evaluate restrictive business practices, including the abuse of dominant positions and mergers; and to promote the advocacy of competition issues to achieve equity and efficiency in the South African economy. The commission's total budget for 2017/18 is R320.5 million.
- The **Competition Tribunal** was established in 1999 in terms of the Competition Act (1998). All large corporate mergers and allegations of restrictive practices are brought before the tribunal by the Competition Commission and interested parties for adjudication. The tribunal's total budget for 2017/18 is R47 million.
- The **International Trade Administration Commission of South Africa** is mandated to manage an efficient and effective trade administration system. It was established in terms of the International Trade Administration Act (2002). The commission's total budget for 2017/18 is R100.8 million.
- The **Small Enterprise Finance Agency** was established in 2012 and combines the operations of Khula Enterprise Finance, the South African Micro-Finance Apex Fund and the Industrial Development Corporation's small business operations. The agency's total budget for 2017/18 is R638.9 million.

Vote 26

Energy

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	239.5	231.8	3.5	4.3	245.9	264.0
Energy Policy and Planning	46.7	46.7	–	–	49.5	52.5
Petroleum and Petroleum Products Regulation	81.8	81.8	–	–	85.5	90.9
Electrification and Energy Programme and Project Management	6 184.0	61.0	6 123.0	–	6 432.4	7 791.7
Nuclear Energy	786.9	36.2	750.7	–	821.4	882.2
Clean Energy	774.5	100.4	674.1	–	835.2	869.5
Total expenditure estimates	8 113.5	557.9	7 551.2	4.3	8 469.9	9 950.8

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

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

Vote purpose

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

Mandate

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

- Key among these are:
 - the National Energy Act (2008)
 - the Petroleum Products Act (1977)
 - the Electricity Regulation Act (2006).
- The National Energy Act (2008) sets out the core aspects of the department's mandate and is the enabling legislation that empowers the Minister of Energy to:
 - ensure that diverse energy resources are available in sustainable quantities and at affordable prices in the South African economy to support economic growth and poverty alleviation, while taking into account environmental considerations
 - plan for the increased generation and consumption of renewable energy, a contingency energy supply, the holding of strategic energy feedstock and carriers, adequate investment in appropriate upkeep, and access to energy infrastructure
 - collect data and information regarding energy demand, supply and generation
 - promote electricity regulation, energy research and the efficient generation and consumption of energy.

The department is also mandated to regulate the petroleum industry at the manufacturing, wholesale and retail levels through the implementation of the Petroleum Products Act (1977). The Petroleum and Liquid Fuels Charter is annexed to the Petroleum Products Amendment Act (2003), and outlines the department's strategy to effect transformation in the industry.

In terms of its policy mandate, the department is working with a range of documents and legislation that support the long-term vision for South Africa to use as much renewable energy as possible; create the necessary conditions to stimulate an efficient electricity market; and position South Africa to become globally competitive in the use of innovative technology for the design, manufacture and deployment of state-of-the-art nuclear energy systems, power reactors and nuclear fuel cycle systems.

Selected performance indicators

Table 26.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of new petroleum retail site inspections per year	Petroleum and Petroleum Products Regulation		1 945	2 070	1 956	1 500	1 500	1 500	1 500
Number of additional households electrified per year	Electrification and Energy Programme and Project Management		292 714	233 455	231 012	240 000	235 000	238 000	250 000
Number of new bulk substations built per year	Electrification and Energy Programme and Project Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	2	5	2	3	3	3	3
Number of additional substations upgraded per year	Electrification and Energy Programme and Project Management		2	15	6	3	4	4	4
Kilometres of new medium-voltage power lines constructed per year	Electrification and Energy Programme and Project Management		370km	440km	224km	90km	95km	100km	100km
Kilometres of existing medium-voltage power lines upgraded per year	Electrification and Energy Programme and Project Management		283km	12.3km	–	90km	95km	90km	90km
Number of non-grid connections per year	Electrification and Energy Programme and Project Management	Outcome 9: Responsive, accountable, effective and efficient developmental local government	14 059	14 030	20 000	20 000	20 000	20 000	20 000
Number of new operational integrated energy centres established per year	Electrification and Energy Programme and Project Management	Departmental mandate	2	1	1	1	1	1	1
Number of terawatt hours (TWh) of energy savings realised and verified from energy efficiency and demand side management projects per year	Clean Energy	Outcome 10: Protect and enhance our environmental assets and natural resources	1.2 TWh	0.5 TWh	–	0.5 TWh	0.5 TWh	0.5 TWh	0.5 TWh
Number of solar water heating units installed in residential and commercial sectors per year	Clean Energy		46 954	31 190	5 000	38 375	42 000	48 000	51 000

Expenditure analysis

Over the medium term, the Department of Energy will focus on the security of energy resources and energy supply, including through increasing household access to electricity, enhancing energy efficiency, diversifying the energy generation mix, establishing the National Radioactive Waste Disposal Institute, and improving the quality and security of petroleum fuels. These focus areas support the realisation of the vision of the National Development Plan (NDP), that by 2030, South Africa will have an adequate supply of electricity and liquid fuels to maintain economic activity and prevent economic disruptions. The plan also envisages economic growth, development and social equity through expanded access to energy services that are environmentally sustainable.

Increasing household access to electricity

The department's spending focus over the medium term is set to remain largely on household electrification. To this end, an additional R1 billion has been allocated in 2019/20 to support the *Integrated National Electrification Programme* subprogramme, which electrifies households through grid and non-grid connections, and builds and upgrades substations and electricity networks.

An estimated 723 000 grid and 60 000 non-grid connections to households are expected to be made over the medium term, funded by transfers to implementing municipalities, non-grid service providers and Eskom. Due to the additional allocation, transfers to municipalities are expected to increase from R2.1 billion in 2017/18 to R3.3 billion in 2019/20, and transfers to Eskom from R3.8 billion in 2017/18 to R4.2 billion in 2019/20. The cost of connections is expected to increase over the medium term as the integrated national electrification programme shifts to deep rural areas, requiring more expensive hardware and covering larger geographic areas. Spending on household electrification, budgeted for in the *Integrated National Electrification Programme* subprogramme in the *Electrification and Energy Programme and Project Management programme*, is expected to increase from R5.7 billion in 2016/17 to R7.7 billion by 2019/20, at an average annual rate of 11 per cent.

Non-grid electrification projects using solar energy will be extended countrywide, and will be implemented in areas where extending the grid would not be cost-effective. This method of delivery provides better value for money and, over time, allows for a greater number of connections to be made due to the relative lower cost per connection. To provide more non-grid connections, spending on non-grid electrification projects is expected to increase from R171.8 million in 2016/17 to R212.9 million in 2019/20, at an average annual rate of 7.4 per cent, in the *Integrated National Electrification Programme* subprogramme. Over the medium term, funding of R13.4 million in this subprogramme has been earmarked for the oversight, monitoring and evaluation of non-grid electrification projects.

Enhancing energy efficiency

Over the medium term, the department will accelerate the implementation of the revised solar water heater programme as part of the load reduction strategy to reduce reliance on the national grid. Recent changes to the programme will allow the industry value chain to mature through revised localisation targets and the development of small businesses. Spending on the solar water heater programme is set to increase from R478 million in 2017/18 to R534.1 million in 2019/20, and 141 000 solar water heater units are expected to be produced and installed. This includes spending on the transportation and warehousing of solar water heating systems. The initiative is funded through the *Energy Efficiency* subprogramme in the *Clean Energy* programme.

The department's *energy efficiency and demand side management conditional grant* provides subsidies to municipalities to reduce energy consumption through energy efficient public lighting, and the retrofitting of energy efficient technologies in municipal buildings. Over the medium term, subsidies of R645.3 million are set to be transferred to municipalities, saving an estimated 0.5 TWh of energy per year.

Diversifying energy

The department will continue to promote the optimal use of South Africa's renewable energy resources to ensure the country's sustainable energy agenda is adhered to. This includes expanding the independent power producers procurement programme. Renewable energy is an integral part of South Africa's low-emissions development strategy, and is vital to addressing the challenges of climate change, access to energy, and energy security. To meet the needs of the economy without compromising government's commitment to sustainable development, the department is pursuing a balanced mix of energy that includes clean and renewable resources, as informed by the 2016 integrated resource plan. The plan has been released for public comment and is expected to be implemented over the medium term.

The newly developed integrated energy plan optimises the relationship between the supply of electricity, gas and liquid fuels for meeting energy demand in the period up to 2050. Whereas detailed electricity supply options are outlined in the integrated resource plan, the integrated energy plan focuses on liquid fuels (mainly in the transportation sector), including addressing whether new oil refining capacity is required. It also discusses piped gas, gas storage and liquefied natural gas infrastructure, considering regional gas options in terms of imports from Mozambique and Botswana, as well as local shale gas. Spending on these plans is in the *Energy Policy and Planning* programme, amounting to an estimated R52.5 million by 2019/20.

Establishing the National Radioactive Waste Disposal Institute

An amount of R99.3 million over the medium term has been reprioritised from the *Integrated National Electrification Programme* subprogramme to provide operational funding for the National Radioactive Waste Disposal Institute, which has a mandate to manage the disposal of radioactive waste nationally. The institute has signed a service-level agreement with the South African Nuclear Energy Corporation. It will adopt the corporation's policies, procedures and internal controls, as well as finance, payroll and supply chain management systems, to ensure it operates within an effective, efficient and transparent system of financial and risk management, and internal control.

Improving the quality and security of petroleum fuels

The department plans to undertake 4 500 inspections of petroleum retail sites over the medium term to ensure that petroleum fuel meets regulated quality standards. Spending in the *Petroleum and Petroleum Products Regulation* programme is expected to increase from R81.8 million in 2017/18 to R90.9 million in 2019/20, mostly driven by inflation-related adjustments.

An allocation of R956 000 was reprioritised to the *Petroleum and Petroleum Products Regulation* programme in 2017/18 for the development and implementation of the fuel supply monitoring system. The department manages the export and import of petroleum products, monitors fuel stock levels, and coordinates corrective actions to avoid distribution shortages. The system will allow for the monitoring and verification of information from the industry, providing the department with access to the status of fuel levels and fuel availability at any given time across the country. This will assist the department in being proactive in ensuring that fuel disruptions are kept to a minimum.

Expenditure trends

Table 26.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Energy Policy and Planning														
3. Petroleum and Petroleum Products Regulation														
4. Electrification and Energy Programme and Project Management														
5. Nuclear Energy														
6. Clean Energy														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	221.0	219.6	232.6	244.1	257.3	257.2	242.6	246.6	277.8	240.1	244.8	244.8	106.8%	104.5%
Programme 2	51.2	47.2	47.8	52.6	57.6	41.7	45.1	44.1	38.1	46.7	43.5	41.6	86.5%	88.0%
Programme 3	49.7	68.8	25.8	82.7	84.5	64.5	74.4	73.4	69.0	77.9	77.5	77.5	83.2%	77.9%
Programme 4	3 942.8	3 952.5	3 958.5	4 199.2	4 208.6	4 181.0	5 778.3	5 813.8	5 820.5	5 699.9	5 705.2	5 582.9	99.6%	99.3%
Programme 5	710.0	708.8	722.5	850.5	843.8	845.4	654.4	653.9	655.0	863.6	880.1	799.5	98.2%	97.9%
Programme 6	1 623.6	1 506.3	1 489.9	1 986.5	1 986.0	830.3	687.3	435.8	281.8	616.9	599.4	593.6	65.0%	70.6%
Total	6 598.2	6 503.2	6 477.1	7 415.6	7 437.8	6 220.1	7 482.1	7 267.6	7 142.1	7 545.2	7 550.6	7 340.0	93.6%	94.5%
Change to 2016 Budget estimate											5.4			
Economic classification														
Current payments	468.8	460.3	414.8	518.3	530.7	473.6	492.6	508.8	509.3	739.0	714.5	638.7	91.8%	92.0%
Compensation of employees	247.6	242.6	228.5	291.9	286.0	264.3	289.5	289.5	296.0	310.8	318.3	318.3	97.1%	97.4%
Goods and services	221.3	217.7	186.2	226.4	244.7	209.3	203.1	219.3	213.3	428.2	396.2	320.4	86.1%	86.2%
Transfers and subsidies	6 124.2	6 034.3	6 050.6	6 892.1	6 901.9	5 742.7	6 985.5	6 754.8	6 628.4	6 802.1	6 832.0	6 697.1	93.7%	94.7%
Provinces and municipalities	1 815.5	1 815.5	1 815.5	1 241.6	1 241.6	1 241.6	2 158.2	2 158.2	2 158.2	2 131.9	2 131.9	2 131.9	100.0%	100.0%
Departmental agencies and accounts	202.5	202.5	202.5	196.4	197.3	197.2	87.3	87.1	87.1	38.2	62.5	62.5	-	-
Foreign governments and international organisations	13.6	13.6	38.9	12.1	12.1	21.3	16.6	19.6	29.6	17.4	17.4	17.4	179.7%	171.1%
Public corporations and private enterprises	4 092.3	4 002.3	3 993.4	5 441.7	5 450.6	4 278.7	4 723.0	4 489.5	4 349.8	4 612.4	4 617.8	4 482.9	90.6%	92.2%
Households	0.4	0.4	0.3	0.4	0.4	4.0	0.4	0.4	3.7	2.2	2.4	2.4	310.9%	296.5%
Payments for capital assets	5.2	8.7	11.7	5.2	5.2	3.8	4.0	4.0	4.4	4.1	4.1	4.1	129.9%	109.1%
Machinery and equipment	5.2	8.7	11.3	5.2	5.2	3.8	4.0	4.0	4.4	4.1	4.1	4.1	128.0%	107.5%
Software and other intangible assets	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-
Total	6 598.2	6 503.2	6 477.1	7 415.6	7 437.8	6 220.1	7 482.1	7 267.6	7 142.1	7 545.2	7 550.6	7 340.0	93.6%	94.5%

Expenditure estimates

Table 26.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Energy Policy and Planning									
3. Petroleum and Petroleum Products Regulation									
4. Electrification and Energy Programme and Project Management									
5. Nuclear Energy									
6. Clean Energy									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	244.8	3.7%	3.7%	239.5	245.9	264.0	2.5%	2.9%	
Programme 2	41.6	-4.1%	0.6%	46.7	49.5	52.5	8.0%	0.6%	
Programme 3	77.5	4.1%	0.9%	81.8	85.5	90.9	5.4%	1.0%	
Programme 4	5 582.9	12.2%	71.9%	6 184.0	6 432.4	7 791.7	11.8%	76.7%	
Programme 5	799.5	4.1%	11.1%	786.9	821.4	882.2	3.3%	9.7%	
Programme 6	593.6	-26.7%	11.8%	774.5	835.2	869.5	13.6%	9.1%	
Total	7 340.0	4.1%	100.0%	8 113.5	8 469.9	9 950.8	10.7%	100.0%	
Change to 2016 Budget estimate				(15.5)	(16.5)	982.6			
Economic classification									
Current payments	638.7	11.5%	7.5%	557.9	611.3	626.4	-0.6%	7.2%	
Compensation of employees	318.3	9.5%	4.1%	318.2	331.9	357.0	3.9%	3.9%	
Goods and services	320.4	13.7%	3.4%	239.7	279.4	269.4	-5.6%	3.3%	
Transfers and subsidies	6 697.1	3.5%	92.4%	7 551.2	7 854.1	9 319.6	11.6%	92.8%	
Provinces and municipalities	2 131.9	5.5%	27.0%	2 290.3	2 419.5	3 555.0	18.6%	30.7%	
Departmental agencies and accounts	62.5	-32.4%	2.0%	129.4	113.9	147.3	33.1%	1.3%	
Foreign governments and international organisations	17.4	8.6%	0.4%	17.9	18.9	20.0	4.8%	0.2%	
Public corporations and private enterprises	4 482.9	3.9%	62.9%	5 111.2	5 301.3	5 596.7	7.7%	60.5%	
Households	2.4	89.5%	-	2.4	0.5	0.5	-41.7%	0.0%	
Payments for capital assets	4.1	-22.1%	0.1%	4.3	4.5	4.8	5.3%	0.1%	
Machinery and equipment	4.1	-22.1%	0.1%	4.3	4.5	4.8	5.3%	0.1%	
Total	7 340.0	4.1%	100.0%	8 113.5	8 469.9	9 950.8	10.7%	100.0%	

Goods and services expenditure trends and estimates

Table 26.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand					2013/14 - 2016/17						
Administrative fees	4 023	4 453	5 664	3 290	-6.5%	1.7%	3 635	3 764	3 975	6.5%	1.2%
Advertising	15 970	8 652	13 785	7 189	-23.4%	4.5%	7 299	7 448	7 854	3.0%	2.5%
Minor assets	389	367	1 036	2 814	93.4%	0.5%	3 367	3 976	4 182	14.1%	1.2%
Audit costs: External	4 460	3 578	4 233	3 804	-5.2%	1.6%	4 472	3 915	4 135	2.8%	1.4%
Bursaries: Employees	696	761	610	755	2.7%	0.3%	785	821	867	4.7%	0.3%
Catering: Departmental activities	2 641	1 032	1 961	1 829	-11.5%	0.7%	2 042	2 173	2 295	7.9%	0.7%
Communication	6 853	7 846	7 613	5 894	-4.9%	2.8%	5 836	6 095	6 435	3.0%	2.0%
Computer services	7 975	10 264	9 839	6 125	-8.4%	3.4%	6 115	6 397	6 758	3.3%	2.1%
Consultants: Business and advisory services	25 387	43 780	25 828	256 350	116.1%	35.0%	97 719	130 711	112 369	-24.0%	50.4%
Legal services	504	846	924	441	-4.4%	0.3%	458	490	517	5.4%	0.2%
Contractors	2 041	1 743	2 560	928	-23.1%	0.7%	1 451	1 547	1 634	20.8%	0.5%
Agency and support/outsourced services	995	270	3 305	7 877	99.3%	1.2%	9 909	10 348	10 928	11.5%	3.3%
Entertainment	69	22	1	91	9.7%	-	197	231	244	38.9%	0.1%
Fleet services (including government motor transport)	304	1 130	1 586	708	32.6%	0.4%	689	724	766	2.7%	0.2%
Consumable supplies	795	1 582	1 042	1 730	29.6%	0.5%	2 563	2 775	2 932	19.2%	0.8%
Consumables: Stationery, printing and office supplies	3 911	4 119	4 653	5 296	10.6%	1.8%	3 520	4 139	4 369	-6.2%	1.5%
Operating leases	26 709	27 145	34 063	30 932	5.0%	11.8%	34 080	36 097	38 118	7.2%	11.8%
Rental and hiring	28	15	93	200	92.6%	-	395	412	436	29.7%	0.1%
Property payments	6 181	3 849	4 082	188	-68.8%	1.4%	779	815	861	66.1%	0.2%
Transport provided: Departmental activity	345	1	238	40	-51.2%	0.1%	-	-	-	-100.0%	-
Travel and subsistence	58 034	56 344	65 249	41 981	-10.2%	22.0%	37 004	38 185	40 354	-1.3%	13.3%
Training and development	4 003	5 665	4 664	3 888	-1.0%	1.8%	4 049	4 216	4 452	4.6%	1.4%
Operating payments	2 817	6 171	4 898	6 433	31.7%	2.0%	5 239	5 510	5 820	-3.3%	1.9%
Venues and facilities	11 110	19 706	15 373	7 422	-12.6%	5.3%	8 073	8 649	9 094	7.0%	2.8%
Total	186 240	209 341	213 300	396 205	28.6%	100.0%	239 676	279 438	269 395	-12.1%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 26.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2016/17	2013/14	2016/17	2017/18	2018/19		
R thousand											
Provinces and municipalities											
Municipal bank accounts											
Current	180 718	136 905	177 899	185 625	0.9%	2.7%	203 236	215 024	227 065	6.9%	2.6%
Energy efficiency and demand side management grant	180 718	136 905	177 899	185 625	0.9%	2.7%	203 236	215 024	227 065	6.9%	2.6%
Capital	1 634 772	1 104 658	1 980 340	1 946 246	6.0%	26.4%	2 087 048	2 204 477	3 327 928	19.6%	30.3%
Integrated national electrification programme grant	1 314 772	1 104 658	1 980 340	1 946 246	14.0%	25.1%	2 087 048	2 204 477	3 327 928	19.6%	30.3%
Integrated national electrification programme: Approach to distribution asset management	320 000	-	-	-	-100.0%	1.3%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	131 156	85 828	86 762	62 148	-22.0%	1.4%	128 976	113 417	146 881	33.2%	1.4%
Energy and Water Sector Education and Training Authority	-	812	792	985	-	-	1 047	1 108	1 170	5.9%	-
National Nuclear Regulator	48 012	33 331	21 109	40 538	-5.5%	0.6%	38 155	16 068	42 629	1.7%	0.4%
National Radioactive Waste Disposal Institute	19 800	-	-	-	-100.0%	0.1%	30 000	33 000	36 300	-	0.3%
South African National Energy Development Institute	63 344	51 685	64 861	20 625	-31.2%	0.8%	59 774	63 241	66 782	47.9%	0.7%
Capital	71 348	111 366	378	398	-82.3%	0.7%	418	442	467	5.5%	-
National Nuclear Regulator	348	366	378	398	4.6%	-	418	442	467	5.5%	-
South African National Energy Development Institute	71 000	111 000	-	-	-100.0%	0.7%	-	-	-	-	-
Foreign governments and international organisations											
Current	(7)	4 272	1 679	660	-555.1%	-	700	741	782	5.8%	-
International Energy Forum	-	282	366	-	-	-	-	-	-	-	-
African Petroleum Producers Association	-	2 312	-	-	-	-	-	-	-	-	-
International Atomic Energy Agency	(7)	1 678	1 313	-	-100.0%	-	-	-	-	-	-
Generation IV International Forum	-	-	-	660	-	-	700	741	782	5.8%	-
Capital	38 910	17 003	27 885	16 715	-24.5%	0.4%	17 207	18 205	19 224	4.8%	0.2%
International Atomic Energy Agency	38 910	17 003	27 885	16 715	-24.5%	0.4%	17 207	18 205	19 224	4.8%	0.2%
Public corporations and private enterprises											
Subsidies on products and production											
Current	460 373	491 881	498 777	513 461	3.7%	7.8%	574 000	607 292	641 300	7.7%	7.4%
South African Nuclear Energy Corporation	460 373	491 881	498 777	513 461	3.7%	7.8%	574 000	607 292	641 300	7.7%	7.4%
Capital	2 272 836	3 216 834	3 694 824	3 612 211	16.7%	50.7%	3 936 325	4 057 432	4 283 196	5.8%	50.4%
Eskom	2 141 027	2 948 037	3 613 243	3 526 334	18.1%	48.4%	3 846 154	3 962 031	4 182 453	5.9%	49.2%
South African Nuclear Energy Corporation	131 809	268 797	81 581	85 877	-13.3%	2.2%	90 171	95 401	100 743	5.5%	1.2%
Public corporations and private enterprises											
Subsidies on products and production											
Capital	1 260 220	570 000	156 179	492 135	-26.9%	9.8%	600 919	636 582	672 230	11.0%	7.6%
Various institutions	110 320	70 000	156 179	171 809	15.9%	2.0%	189 828	201 649	212 941	7.4%	2.5%
Various institutions: Solar water heater project	1 149 900	500 000	-	320 326	-34.7%	7.8%	411 091	434 933	459 289	12.8%	5.2%
Households											
Social benefits											
Current	269	3 253	2 945	351	9.3%	-	368	389	411	5.4%	-
Employee social benefits	269	3 253	2 945	351	9.3%	-	368	389	411	5.4%	-
Households											
Other transfers to households											
Current	-	710	711	2 009	-	-	2 044	65	69	-67.5%	-
Bursaries for non-employees	-	-	-	1 790	-	-	1 983	-	-	-100.0%	-
Employee ex-gratia payments	-	710	711	58	-	-	61	65	69	6.0%	-
Households: Bursaries (non-employees)	-	-	-	161	-	-	-	-	-	-100.0%	-
Total	6 050 595	5 742 710	6 628 379	6 831 959	4.1%	100.0%	7 551 241	7 854 066	9 319 553	10.9%	100.0%

Personnel information

Table 26.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)		
		2015/16			2016/17			2017/18			2018/19			2019/20						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			2016/17 - 2019/20	
Energy																				
Salary level	541	17	587	296.0	0.5	592	318.3	0.5	548	318.2	0.6	538	331.9	0.6	530	357.0	0.7	-3.6%	100.0%	
1 – 6	107	3	120	30.0	0.2	120	28.1	0.2	107	26.5	0.2	102	25.6	0.3	99	26.9	0.3	-6.2%	19.4%	
7 – 10	260	7	278	106.9	0.4	278	115.3	0.4	262	121.5	0.5	258	126.2	0.5	253	133.7	0.5	-3.1%	47.6%	
11 – 12	91	6	97	66.6	0.7	102	76.0	0.7	94	74.0	0.8	93	78.1	0.8	93	87.4	0.9	-3.0%	17.3%	
13 – 16	81	1	90	88.3	1.0	90	94.6	1.1	83	91.9	1.1	83	97.3	1.2	83	104.0	1.3	-2.7%	15.4%	
Other	2	–	2	4.2	2.1	2	4.3	2.2	2	4.3	2.2	2	4.6	2.3	2	5.1	2.5	–	0.4%	
Programme	541	17	587	296.0	0.5	592	318.3	0.5	548	318.2	0.6	538	331.9	0.6	530	357.0	0.7	-3.6%	100.0%	
Programme 1	259	11	289	138.7	0.5	290	144.3	0.5	261	138.9	0.5	251	141.4	0.6	248	153.7	0.6	-5.1%	47.6%	
Programme 2	49	1	50	31.5	0.6	51	34.8	0.7	51	35.3	0.7	51	37.6	0.7	50	39.9	0.8	-0.7%	9.2%	
Programme 3	114	1	120	52.6	0.4	123	56.8	0.5	115	60.9	0.5	115	64.7	0.6	112	68.8	0.6	-3.1%	21.1%	
Programme 4	68	4	72	41.8	0.6	72	45.7	0.6	68	44.2	0.7	68	47.1	0.7	67	50.3	0.8	-2.4%	12.5%	
Programme 5	28	–	29	17.0	0.6	29	19.4	0.7	29	21.2	0.7	29	22.5	0.8	29	24.3	0.8	–	5.3%	
Programme 6	23	–	27	14.3	0.5	27	17.3	0.6	24	17.7	0.7	24	18.6	0.8	24	20.1	0.8	-3.9%	4.5%	

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

2. Rand million.

Departmental receipts

Table 26.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	6 472	5 277	805 987	5 975	5 975	-2.6%	95.7%	6 054	6 170	6 309	1.8%	100.0%
Sales of goods and services produced by department	2 758	3 132	3 885	3 820	3 820	11.5%	1.6%	3 808	3 914	4 027	1.8%	63.5%
Sales by market establishments	132	139	141	154	154	5.3%	0.1%	146	149	156	0.4%	2.5%
of which:												
Sales by market establishment: Parking	132	139	141	154	154	5.3%	0.1%	146	149	156	0.4%	2.5%
Administrative fees	2 536	2 896	3 631	3 550	3 550	11.9%	1.5%	3 550	3 650	3 750	1.8%	59.2%
of which:												
Administrative fees: Petroleum licence fees	2 536	2 896	3 631	3 550	3 550	11.9%	1.5%	3 550	3 650	3 750	1.8%	59.2%
Other sales	90	97	113	116	116	8.8%	–	112	115	121	1.4%	1.9%
of which:												
Other sales: Gamishees, photocopy, faxes	90	97	113	116	116	8.8%	–	112	115	121	1.4%	1.9%
Sales of scrap, waste, arms and other used current goods	2	1	–	–	–	-100.0%	–	2	2	2	–	–
of which:												
Sales: Waste paper	2	1	–	–	–	-100.0%	–	2	2	2	–	–
Transfers received	3 270	1 587	1 059	1 750	1 750	-18.8%	0.9%	1 750	1 750	1 750	–	28.6%
Interest, dividends and rent on land	24	47	489	130	130	75.6%	0.1%	29	30	32	-37.3%	0.9%
Interest	24	47	489	130	130	75.6%	0.1%	29	30	32	-37.3%	0.9%
Sales of capital assets	–	–	111	–	–	–	–	–	–	–	–	–
Transactions in financial assets and liabilities	418	510	800 443	275	275	-13.0%	93.1%	465	474	498	21.9%	7.0%
National Revenue Fund receipts	37 000	–	–	–	–	-100.0%	4.3%	–	–	–	–	–
of which:												
Electricity Distribution Industry Holdings	37 000	–	–	–	–	-100.0%	4.3%	–	–	–	–	–
Total	43 472	5 277	805 987	5 975	5 975	-48.4%	100.0%	6 054	6 170	6 309	1.8%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 26.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Ministry	35.5	41.8	42.3	29.6	-5.9%	14.7%	25.3	26.3	28.1	-1.8%	11.0%
Departmental Management	43.3	45.8	52.6	56.2	9.1%	19.5%	58.1	60.6	64.9	4.9%	24.1%
Finance Administration	27.2	29.4	33.3	34.2	7.9%	12.3%	36.1	36.4	39.7	5.1%	14.7%
Audit Services	4.6	6.8	6.7	7.8	19.4%	2.5%	6.1	6.3	6.8	-4.5%	2.7%
Corporate Services	122.0	109.1	110.8	86.9	-10.7%	42.3%	80.8	81.0	87.4	0.2%	33.8%
Office Accommodation	-	24.4	32.1	30.1	-	8.6%	33.3	35.2	37.2	7.4%	13.7%
Total	232.6	257.2	277.8	244.8	1.7%	100.0%	239.5	245.9	264.0	2.5%	100.0%
Change to 2016				4.7			(11.0)	(13.3)	(12.7)		
Budget estimate											
Economic classification											
Current payments	221.1	248.4	268.6	237.5	2.4%	96.4%	231.8	239.8	257.6	2.7%	97.2%
Compensation of employees	112.6	131.5	138.8	144.3	8.6%	52.1%	138.9	141.4	153.7	2.1%	58.2%
Goods and services ¹	108.4	116.9	129.8	93.3	-4.9%	44.3%	92.9	98.4	103.9	3.7%	39.1%
of which:											
Audit costs: External	4.5	3.6	4.2	3.8	-5.2%	1.6%	3.7	3.9	4.1	2.8%	1.6%
Computer services	7.4	10.2	9.8	6.0	-6.6%	3.3%	5.7	6.0	6.3	1.4%	2.4%
Consultants: Business and advisory services	3.5	5.1	4.0	4.9	11.8%	1.7%	4.2	4.5	4.7	-1.4%	1.8%
Operating leases	26.3	26.7	33.2	30.9	5.5%	11.6%	34.1	36.1	38.1	7.2%	14.0%
Travel and subsistence	29.9	27.8	32.5	19.5	-13.2%	10.8%	17.2	17.4	18.3	-2.1%	7.3%
Training and development	3.1	5.6	4.6	3.8	7.1%	1.7%	3.9	4.1	4.3	4.5%	1.6%
Transfers and subsidies¹	0.2	5.0	4.8	3.2	165.6%	1.3%	3.5	1.6	1.7	-19.7%	1.0%
Departmental agencies and accounts	-	0.8	0.8	1.0	-	0.3%	1.0	1.1	1.2	5.9%	0.4%
Foreign governments and international organisations	-	0.3	0.4	-	-	0.1%	-	-	-	-	-
Households	0.2	3.9	3.6	2.2	134.7%	1.0%	2.4	0.5	0.5	-39.8%	0.6%
Payments for capital assets	11.3	3.8	4.4	4.1	-28.7%	2.3%	4.3	4.5	4.8	5.3%	1.8%
Machinery and equipment	11.3	3.8	4.4	4.1	-28.7%	2.3%	4.3	4.5	4.8	5.3%	1.8%
Total	232.6	257.2	277.8	244.8	1.7%	100.0%	239.5	245.9	264.0	2.5%	100.0%
Proportion of total programme expenditure to vote expenditure	3.6%	4.1%	3.9%	3.2%	-	-	3.0%	2.9%	2.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	0.8	0.8	1.0	-	0.3%	1.0	1.1	1.2	5.9%	0.4%
Energy and Water Sector	-	0.8	0.8	1.0	-	0.3%	1.0	1.1	1.2	5.9%	0.4%
Education and Training Authority											

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

Programme 2: Energy Policy and Planning

Programme purpose

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

Objectives

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

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

Subprogrammes

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

Expenditure trends and estimates

Table 26.9 Energy Policy and Planning 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Policy Analysis and Research	2.3	0.5	1.6	1.9	-7.2%	3.7%	2.5	2.6	2.8	14.7%	5.1%
Energy Planning	18.4	23.1	18.4	21.7	5.7%	47.7%	22.7	24.5	25.7	5.7%	49.3%
Hydrocarbon Policy	15.4	11.7	11.4	12.2	-7.4%	29.7%	12.8	13.3	14.3	5.3%	27.4%
Electricity, Energy Efficiency and Environmental Policy	11.6	6.4	6.7	7.7	-12.9%	19.0%	8.6	9.0	9.7	8.0%	18.2%
Total	47.8	41.7	38.1	43.5	-3.1%	100.0%	46.7	49.5	52.5	6.4%	100.0%
Change to 2016 Budget estimate				(3.2)			0.4	(0.6)	(1.2)		

Table 26.9 Energy Policy and Planning expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Current payments	47.7	41.7	38.1	43.5	-3.0%	100.0%	46.7	49.5	52.5	6.4%	100.0%
Compensation of employees	28.3	28.8	31.5	34.8	7.0%	72.1%	35.3	37.6	39.9	4.7%	76.8%
Goods and services ¹	19.4	13.0	6.6	8.7	-23.3%	27.9%	11.4	11.9	12.5	12.8%	23.2%
of which:											
Administrative fees	0.4	0.2	0.2	0.3	-3.9%	0.7%	0.5	0.5	0.5	16.4%	0.9%
Communication	0.4	0.4	0.3	0.3	-13.7%	0.8%	0.5	0.5	0.6	26.1%	1.0%
Consultants: Business and advisory services	9.6	8.1	0.3	3.5	-28.5%	12.7%	4.4	4.6	4.8	11.1%	9.0%
Consumables: Stationery, printing and office supplies	0.3	-	-	0.2	-16.3%	0.3%	0.3	0.3	0.3	19.4%	0.6%
Travel and subsistence	5.0	2.9	4.1	3.6	-10.5%	9.1%	3.7	3.8	4.0	4.1%	7.8%
Venues and facilities	1.5	0.2	0.7	0.1	-59.5%	1.5%	1.0	1.1	1.1	125.5%	1.8%
Total	47.8	41.7	38.1	43.5	-3.1%	100.0%	46.7	49.5	52.5	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.7%	0.5%	0.6%	-	-	0.6%	0.6%	0.5%	-	-

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

Programme 3: Petroleum and Petroleum Products Regulation

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

Table 26.10 Petroleum and Petroleum Products Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million											
Petroleum Compliance, Monitoring and Enforcement	6.8	13.5	13.8	13.6	25.9%	20.2%	12.7	13.3	14.2	1.4%	16.0%
Petroleum Licensing and Fuel Supply	15.5	19.4	20.7	24.0	15.8%	33.6%	26.9	28.1	30.2	7.9%	32.5%
Fuel Pricing	3.6	9.2	6.8	7.5	28.0%	11.4%	8.5	7.8	8.4	3.8%	9.6%
Regional Petroleum Regulation Offices	–	22.4	27.5	32.5	–	34.8%	33.7	36.3	38.2	5.6%	41.9%
Total	25.8	64.5	69.0	77.5	44.2%	100.0%	81.8	85.5	90.9	5.4%	100.0%
Change to 2016 Budget estimate				(0.3)			4.8	5.2	4.9		
Economic classification											
Current payments	25.8	62.2	69.0	77.5	44.3%	99.0%	81.8	85.5	90.9	5.4%	100.0%
Compensation of employees	19.1	41.9	52.6	56.8	43.8%	71.9%	60.9	64.7	68.8	6.6%	74.8%
Goods and services ¹	6.7	20.3	16.4	20.7	45.7%	27.1%	20.9	20.9	22.1	2.1%	25.2%
<i>of which:</i>											
Advertising	3.2	0.5	0.4	0.9	-34.9%	2.1%	1.0	1.0	1.1	7.9%	1.2%
Communication	0.3	0.3	0.7	0.6	27.9%	0.8%	0.6	0.6	0.7	2.1%	0.8%
Consultants: Business and advisory services	0.4	9.1	10.0	9.2	185.5%	12.1%	10.0	9.4	10.0	2.6%	11.5%
Travel and subsistence	1.6	5.7	4.3	5.1	45.3%	7.0%	3.9	4.1	4.3	-5.2%	5.2%
Operating payments	0.1	3.0	0.3	2.3	178.3%	2.4%	2.4	2.5	2.6	3.9%	2.9%
Venues and facilities	0.1	0.4	0.2	1.1	178.3%	0.7%	1.2	1.3	1.4	6.4%	1.5%
Transfers and subsidies¹	0.1	2.3	–	–	-100.0%	1.0%	–	–	–	–	–
Foreign governments and international organisations	–	2.3	–	–	–	1.0%	–	–	–	–	–
Households	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Total	25.8	64.5	69.0	77.5	44.2%	100.0%	81.8	85.5	90.9	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	1.0%	1.0%	1.0%	–	–	1.0%	1.0%	0.9%	–	–
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	–	2.3	–	–	–	1.0%	–	–	–	–	–
African Petroleum Producer Association	–	2.3	–	–	–	1.0%	–	–	–	–	–

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

Programme 4: Electrification and Energy Programme and Project Management

Programme purpose

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

Objectives

- Increase households' access to electricity by managing, funding and monitoring the implementation of the integrated national electrification programme on an ongoing basis.
- Increase public awareness on energy issues while empowering disadvantaged and vulnerable groups by identifying, implementing, managing and coordinating upliftment programmes and projects on an ongoing basis.
- Ensure the efficient management of electricity supply by:
 - enhancing the application of project management business principles to assist programme and project managers on an ongoing basis

- coordinating, monitoring and reporting on the implementation of programmes and projects focused on the development, improvement and transformation of the energy generation, refinement, transmission and distribution industry and its infrastructure on an ongoing basis.

Subprogrammes

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

Expenditure trends and estimates

Table 26.11 Electrification and Energy Programme and Project Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Integrated National Electrification Programme	3 907.9	4 142.6	5 775.7	5 662.4	13.2%	99.1%	6 143.5	6 390.1	7 746.4	11.0%	99.3%
Energy Regional Offices	33.2	17.6	20.3	15.7	-22.1%	0.4%	15.8	16.5	17.7	4.2%	0.3%
Programme and Project Management Office	5.9	7.2	9.1	9.0	14.8%	0.2%	11.3	11.8	12.6	12.1%	0.2%
Electricity Infrastructure/Industry Transformation	4.3	6.6	8.6	12.2	41.9%	0.2%	7.7	8.0	8.6	-10.8%	0.1%
Community Upliftment Programmes and Projects	7.2	7.0	6.8	5.9	-6.7%	0.1%	5.7	5.9	6.3	2.4%	0.1%
Total	3 958.5	4 181.0	5 820.5	5 705.2	13.0%	100.0%	6 184.0	6 432.4	7 791.7	10.9%	100.0%
Change to 2016 Budget estimate				5.2			(32.1)	(33.7)	962.6		
Economic classification											
Current payments	72.0	58.2	70.7	60.8	-5.5%	1.3%	61.0	64.2	68.4	4.0%	1.0%
Compensation of employees	46.1	36.2	41.8	45.7	-0.2%	0.9%	44.2	47.1	50.3	3.2%	0.7%
Goods and services ¹	26.0	22.0	28.9	15.0	-16.7%	0.5%	16.8	17.2	18.1	6.5%	0.3%
of which:											
Administrative fees	1.2	1.0	1.3	0.8	-13.0%	–	0.8	0.9	0.9	6.3%	–
Catering: Departmental activities	1.1	0.3	1.4	0.6	-19.1%	–	0.6	0.7	0.7	6.9%	–
Communication	0.5	0.5	0.4	0.7	12.8%	–	0.7	0.7	0.8	4.3%	–
Consultants: Business and advisory services	–	–	–	2.0	1156.3%	–	3.5	4.1	4.3	29.8%	0.1%
Travel and subsistence	15.3	14.3	15.7	7.7	-20.3%	0.3%	7.5	7.8	8.3	2.3%	0.1%
Venues and facilities	5.2	4.4	7.2	2.0	-27.6%	0.1%	1.6	1.7	1.8	-3.3%	–

Table 26.11 Electrification and Energy Programme and Project Management expenditure trends and estimates by subprogramme and economic classification

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Transfers and subsidies¹	3 886.2	4 122.7	5 749.8	5 644.4	13.2%	98.7%	6 123.0	6 368.2	7 723.3	11.0%	99.0%
Provinces and municipalities	1 634.8	1 104.7	1 980.3	1 946.2	6.0%	33.9%	2 087.0	2 204.5	3 327.9	19.6%	36.6%
Public corporations and private enterprises	2 251.3	3 018.0	3 769.4	3 698.1	18.0%	64.8%	4 036.0	4 163.7	4 395.4	5.9%	62.4%
Payments for capital assets	0.4	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	0.3	-	-	-	-100.0%	-	-	-	-	-	-
Total	3 958.5	4 181.0	5 820.5	5 705.2	13.0%	100.0%	6 184.0	6 432.4	7 791.7	10.9%	100.0%
Proportion of total programme expenditure to vote expenditure	61.1%	67.2%	81.5%	75.6%	-	-	76.2%	75.9%	78.3%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	1 634.8	1 104.7	1 980.3	1 946.2	6.0%	33.9%	2 087.0	2 204.5	3 327.9	19.6%	36.6%
Integrated national electrification programme grant	1 314.8	1 104.7	1 980.3	1 946.2	14.0%	32.3%	2 087.0	2 204.5	3 327.9	19.6%	36.6%
Integrated national electrification programme: Approach to distribution asset management	320.0	-	-	-	-100.0%	1.6%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Capital	110.3	70.0	156.2	171.8	15.9%	2.6%	189.8	201.6	212.9	7.4%	3.0%
Various institutions	110.3	70.0	156.2	171.8	15.9%	2.6%	189.8	201.6	212.9	7.4%	3.0%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Capital	2 141.0	2 948.0	3 613.2	3 526.3	18.1%	62.2%	3 846.2	3 962.0	4 182.5	5.9%	59.4%
Eskom	2 141.0	2 948.0	3 613.2	3 526.3	18.1%	62.2%	3 846.2	3 962.0	4 182.5	5.9%	59.4%

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

Programme 5: Nuclear Energy

Programme purpose

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

Objectives

- Regulate the security of nuclear material, related equipment and facilities by developing and publishing appropriate regulations on an ongoing basis.
- Promote the safe management and disposal of radioactive waste by establishing and ensuring the full operation of the National Radioactive Waste Disposal Institute by 2017/18, as provided for in the radioactive waste management policy and strategy of 2005, and the National Radioactive Waste Disposal Institute Act (2008).
- Contribute to ensuring security in energy supply by coordinating all activities of the new nuclear build programme to ensure policy alignment, for which Eskom will be the owner and operator of the nuclear power plants and the South African Nuclear Energy Corporation the owner of the front-end fuel facilities, over the medium term.
- Increase nuclear energy awareness and the level of nuclear knowledge among all South Africans through active demystification campaigns on an ongoing basis.
- Ensure compliance with international nuclear obligations by developing, maintaining, implementing and enforcing a relevant and appropriate statutory framework for nuclear energy policy on an ongoing basis.

Subprogrammes

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

Expenditure trends and estimates

Table 26.12 Nuclear Energy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Nuclear Safety and Technology	712.4	832.3	641.5	865.9	6.7%	98.4%	769.5	803.4	863.0	-0.1%	98.0%
Nuclear Non-proliferation and Radiation Security	5.5	6.2	7.2	8.3	15.0%	0.9%	8.0	8.5	9.1	3.2%	1.0%
Nuclear Policy	4.7	7.0	6.4	5.9	8.4%	0.8%	9.3	9.5	10.1	19.3%	1.0%
Total	722.5	845.4	655.0	880.1	6.8%	100.0%	786.9	821.4	882.2	0.1%	100.0%
Change to 2016 Budget estimate				16.6			22.4	13.9	29.0		
Economic classification											
Current payments	23.2	34.0	25.3	222.3	112.3%	9.8%	36.2	50.2	40.7	-43.2%	10.4%
Compensation of employees	10.1	13.4	17.0	19.4	24.5%	1.9%	21.2	22.5	24.3	7.7%	2.6%
Goods and services ¹	13.2	20.6	8.2	202.9	148.7%	7.9%	15.0	27.7	16.5	-56.7%	7.8%
of which:											
Advertising	4.1	0.5	1.6	1.5	-29.1%	0.2%	2.1	2.0	2.1	13.2%	0.2%
Communication	0.2	0.1	0.3	0.2	12.6%	-	0.2	0.3	0.3	4.3%	-
Consultants: Business and advisory services	3.3	11.8	0.8	197.5	293.1%	6.9%	10.1	22.6	11.0	-61.8%	7.2%
Consumables: Stationery, printing and office supplies	0.2	0.5	0.1	0.9	55.2%	0.1%	0.5	0.5	0.5	-16.7%	0.1%
Travel and subsistence	3.5	3.4	3.2	1.9	-17.6%	0.4%	1.4	1.6	1.7	-4.9%	0.2%
Venues and facilities	0.8	3.4	1.8	0.6	-7.7%	0.2%	0.5	0.6	0.6	-0.2%	0.1%
Transfers and subsidies¹	699.3	811.4	629.8	657.8	-2.0%	90.2%	750.7	771.1	841.4	8.6%	89.6%
Departmental agencies and accounts	68.2	33.7	21.5	40.9	-15.6%	5.3%	68.6	49.5	79.4	24.7%	7.1%
Foreign governments and international organisations	38.9	17.0	27.9	17.4	-23.6%	3.3%	17.9	18.9	20.0	4.8%	2.2%
Public corporations and private enterprises	592.2	760.7	580.4	599.3	0.4%	81.6%	664.2	702.7	742.0	7.4%	80.3%
Households	-	-	-	0.2	-	-	-	-	-	-100.0%	-
Total	722.5	845.4	655.0	880.1	6.8%	100.0%	786.9	821.4	882.2	0.1%	100.0%
Proportion of total programme expenditure to vote expenditure	11.2%	13.6%	9.2%	11.7%	-	-	9.7%	9.7%	8.9%	-	-

Table 26.12 Nuclear Energy expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
		2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	67.8	33.3	21.1	40.5	-15.8%	5.2%	68.2	49.1	78.9	24.9%	7.0%	
National Nuclear Regulator	48.0	33.3	21.1	40.5	-5.5%	4.6%	38.2	16.1	42.6	1.7%	4.1%	
National Radioactive Waste Disposal Institute	19.8	-	-	-	-100.0%	0.6%	30.0	33.0	36.3	-	2.9%	
Capital	38.9	17.0	27.9	16.7	-24.5%	3.2%	17.2	18.2	19.2	4.8%	2.1%	
International Atomic Energy Agency	38.9	17.0	27.9	16.7	-24.5%	3.2%	17.2	18.2	19.2	4.8%	2.1%	
Public corporations and private enterprises												
Public corporations												
Public corporations (subsidies on products and production)												
Current	460.4	491.9	498.8	513.5	3.7%	63.3%	574.0	607.3	641.3	7.7%	69.3%	
South African Nuclear Energy Corporation	460.4	491.9	498.8	513.5	3.7%	63.3%	574.0	607.3	641.3	7.7%	69.3%	
Capital	131.8	268.8	81.6	85.9	-13.3%	18.3%	90.2	95.4	100.7	5.5%	11.0%	
South African Nuclear Energy Corporation	131.8	268.8	81.6	85.9	-13.3%	18.3%	90.2	95.4	100.7	5.5%	11.0%	

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

Programme 6: Clean Energy

Programme purpose

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

Objectives

- Manage climate change and environmental matters by monitoring the implementation of climate change regulations to mitigate the risk of environmental impact on an ongoing basis, and publishing climate change strategies and plans.
- Promote and facilitate energy efficiency and demand management by:
 - monitoring and reporting on energy savings on an ongoing basis
 - coordinating, monitoring and reporting on the progress and impact of energy efficiency and demand management strategies on annual basis
 - reviewing the energy efficiency tax incentive and energy conservation schemes on an ongoing basis.
- Improve energy demand side management by:
 - facilitating the development of an annual energy management plan
 - drafting and submitting the post-2015 national energy efficiency strategy for approval by 2017/18.

Subprogrammes

- *Energy Efficiency* advances energy efficiency in South Africa by planning and coordinating initiatives and interventions that are focused on developing and improving the energy efficiency market, and ensures the integration and coordination of energy efficiency initiatives and interventions with relevant associated institutions. This subprogramme also makes transfers in respect of the solar water heater project.
- *Renewable Energy* ensures the integration of renewable energy into South Africa's mainstream energy supply by planning and coordinating initiatives and interventions that are focused on the development and improvement of the renewable energy market, and ensures the integration and coordination of renewable energy initiatives and interventions with relevant associated institutions. This subprogramme also makes transfers to the South African National Energy Development Institute.

- *Climate Change and Designated National Authority* ensures that climate change and environmental response measures, in terms of mitigation and adaptation, are implemented within the energy sector. It also ensures the fulfilment of international energy commitments and obligations under the United Nations Framework Convention on Climate Change pertaining to the Kyoto Protocol.

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Energy Efficiency	1 347.5	658.7	206.2	564.5	-25.2%	86.7%	700.7	757.3	787.1	11.7%	91.3%
Renewable Energy	137.5	167.4	69.8	27.1	-41.8%	12.6%	65.8	69.5	73.4	39.5%	7.7%
Climate Change and Designated National Authority	4.8	4.2	5.8	7.8	17.6%	0.7%	8.1	8.4	9.0	4.9%	1.1%
Total	1 489.9	830.3	281.8	599.4	-26.2%	100.0%	774.5	835.2	869.5	13.2%	100.0%
Change to 2016 Budget estimate				(17.5)			(0.1)	12.1	(0.0)		
Economic classification											
Current payments	24.9	29.0	37.7	72.8	43.0%	5.1%	100.4	122.0	116.4	16.9%	13.4%
Compensation of employees	12.4	12.4	14.3	17.3	11.8%	1.8%	17.7	18.6	20.1	5.2%	2.4%
Goods and services ¹	12.5	16.6	23.4	55.6	64.2%	3.4%	82.7	103.3	96.3	20.1%	11.0%
of which:											
Advertising	0.4	0.6	4.6	1.4	50.1%	0.2%	0.8	0.8	0.9	-13.9%	0.1%
Consultants: Business and advisory services	8.6	9.6	10.7	39.2	65.9%	2.1%	65.6	85.6	77.5	25.6%	8.7%
Agency and support/outourced services	-	-	1.1	7.1	-	0.3%	9.1	9.5	10.1	12.3%	1.2%
Property payments	-	-	-	0.1	-	-	0.7	0.7	0.8	81.3%	0.1%
Travel and subsistence	2.8	2.2	5.6	4.1	14.5%	0.5%	3.4	3.5	3.7	-3.4%	0.5%
Venues and facilities	0.2	3.7	0.4	1.3	83.8%	0.2%	1.3	1.3	1.4	0.2%	0.2%
Transfers and subsidies¹	1 465.0	801.3	244.1	526.6	-28.9%	94.9%	674.1	713.2	753.1	12.7%	86.6%
Provinces and municipalities	180.7	136.9	177.9	185.6	0.9%	21.3%	203.2	215.0	227.1	6.9%	27.0%
Departmental agencies and accounts	134.3	162.7	64.9	20.6	-46.5%	11.9%	59.8	63.2	66.8	47.9%	6.8%
Foreign governments and international organisations	(0.0)	1.7	1.3	-	-100.0%	0.1%	-	-	-	-	-
Public corporations and private enterprises	1 149.9	500.0	-	320.3	-34.7%	61.5%	411.1	434.9	459.3	12.8%	52.8%
Total	1 489.9	830.3	281.8	599.4	-26.2%	100.0%	774.5	835.2	869.5	13.2%	100.0%
Proportion of total programme expenditure to vote expenditure	23.0%	13.3%	3.9%	7.9%	-	-	9.5%	9.9%	8.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	63.3	51.7	64.9	20.6	-31.2%	6.3%	59.8	63.2	66.8	47.9%	6.8%
South African National Energy Development Institute	63.3	51.7	64.9	20.6	-31.2%	6.3%	59.8	63.2	66.8	47.9%	6.8%
Capital	71.0	111.0	-	-	-100.0%	5.7%	-	-	-	-	-
South African National Energy Development Institute	71.0	111.0	-	-	-100.0%	5.7%	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	180.7	136.9	177.9	185.6	0.9%	21.3%	203.2	215.0	227.1	6.9%	27.0%
Energy efficiency and demand side management grant	180.7	136.9	177.9	185.6	0.9%	21.3%	203.2	215.0	227.1	6.9%	27.0%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Capital	1 149.9	500.0	-	320.3	-34.7%	61.5%	411.1	434.9	459.3	12.8%	52.8%
Various institutions: Solar water heater project	1 149.9	500.0	-	320.3	-34.7%	61.5%	411.1	434.9	459.3	12.8%	52.8%

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

Entities¹

Central Energy Fund

Mandate

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

Through its eight operating subsidiaries, the fund is also mandated to finance and promote the acquisition of coal; exploit coal deposits; manufacture liquid fuel, oil and other products from coal; and market these products. It is also mandated to acquire, generate, manufacture, market, distribute or research any other form of energy. Its subsidiaries are: the Petroleum Oil and Gas Corporation of South Africa; the South African Gas Development Company; the Petroleum Agency of South Africa; Oil Pollution Control South Africa; the Strategic Fuel Fund Association; African Exploration; ETA Energy; and CCE Solutions.

Selected performance indicators

Table 26.14 Central Energy Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Volume of liquid fuel supplied to South African market per year	Oil and gas, national oil company	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- ¹	4.4 million	4.8 million	2.5 million	2.5 million	2.5 million	2.9 million
Number of reportable environmental incidents at PetroSA per year	Oil and gas, national oil company		- ¹	7	8	11	11	11	11
Number of crude oil barrels maintained as per ministerial directive per year	Strategic stock and pollution control		10.3 million	10.3 million	10.3 million	10.3 million	0	0	0
Number of tonnes (in thousands) of coal produced at Vaalfontein by the African Exploration Mining and Finance Corporation per year	Mining, coal		1 700	1 150	1 565	1 560	2 085	3 483	6 038

¹. No historical data available.

Expenditure analysis

The Central Energy Fund's Vision 2025 strategic roadmap will guide the organisation's work over the medium term and beyond. The roadmap aims to return the fund to commercial viability, and will in particular focus on the financial viability of PetroSA, the most significant entity in the fund, which has been affected by increasing costs, declining revenue due to low gas-to-liquid production as a result of reduced supply of gas feedstock, and low cash reserves. Through this focus, the roadmap supports the realisation of the vision of the NDP that, by 2030, South Africa should have an adequate supply of electricity and liquid fuels so that economic activity and welfare are not disrupted.

The key activities in the stabilisation phase of the PetroSA turnaround plan focus on projects that will deliver gas feedstock and additional condensate to increase capacity at the entity's gas-to-liquid refinery. This will be done through the optimisation of operations to reduce costs; gas field exploration, including the possible revival of out-of-use wells and the life extension of current wells to increase gas feedstock; and the implementation of the condensate project. The condensate project is expected to help address gas feedstock challenges by converting the gas-to-liquid refinery to full condensate processing facility, compensating for the reduction in gas feed and increasing total production capacity. The stabilisation phase is under way, and is expected to be completed in 2017/18. In the growth phase, set to take place between 2017/18 and 2023/24, the fund will consider a gas-to-power project with Eskom to divert tail gas to Eskom's Gourikwa Power Station.

As a result of these projects, expenditure on acquisition of assets is projected to be R8.4 billion over the medium term, while expenditure in the oil and gas, national oil company programme is projected to be R68.5 billion, increasing at an average annual rate of 13.8 per cent. The increased gas-to-liquid production resulting from these activities is also expected to contribute to an increase in revenue from R18.2 billion in 2016/17 to R29 billion in 2019/20, at an average annual rate of 16.4 per cent.

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

The number of filled posts in the fund is expected to decrease from 2 074 to 1 886 over the medium term due to downsizing as a result of diminished gas reserves. Expenditure on compensation of employees is expected to amount to R3.7 billion over the medium term.

Programmes/objectives/activities

Table 26.15 Central Energy Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome				Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	217.6	207.9	222.2	233.2	233.2	2.3%	0.9%	247.2	262.0	277.7	6.0%	1.1%
Clean and renewable energy	16.9	6.0	17.0	114.6	114.6	89.1%	0.2%	67.3	71.3	75.6	-13.0%	0.4%
Oil and gas, national oil company	24 351.0	33 856.4	16 233.6	16 744.8	16 744.8	-11.7%	90.6%	20 332.4	23 478.3	24 661.0	13.8%	92.8%
Strategic stock and pollution control	173.2	315.6	4 873.7	277.8	277.8	17.0%	6.4%	310.3	328.9	348.7	7.9%	1.4%
Mining, coal	256.5	265.5	383.2	239.5	239.5	-2.3%	1.2%	504.5	880.7	1 634.4	89.7%	3.3%
Gas and gas infrastructure	24.7	20.7	20.3	53.5	53.5	29.4%	0.1%	46.9	40.6	35.7	-12.6%	0.2%
Promotion, licensing and regulation	83.6	89.2	108.2	153.0	153.0	22.3%	0.5%	168.8	180.5	198.1	9.0%	0.8%
Total	25 123.5	34 761.3	21 858.3	17 816.4	17 816.4	-10.8%	100.0%	21 677.3	25 242.4	27 231.2	15.2%	100.0%

Statements of historical financial performance and position

Table 26.16 Central Energy Fund statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16	Budget estimate	2016/17	
Revenue									
Non-tax revenue	26 303.6	23 670.7	19 289.0	19 719.5	19 936.4	22 117.0	20 264.3	18 213.9	97.6%
Sale of goods and services other than capital assets	22 915.4	21 553.2	18 481.3	18 515.2	19 187.2	20 716.5	19 381.8	17 344.3	97.7%
<i>of which:</i>									
<i>Sales by market establishment</i>	22 915.4	21 553.2	18 481.3	18 515.2	19 187.2	20 716.5	19 381.8	17 344.3	97.7%
Other non-tax revenue	3 388.1	2 117.5	807.7	1 204.4	749.2	1 400.6	882.6	869.6	96.0%
Total revenue	26 303.6	23 670.7	19 289.0	20 562.8	19 960.9	22 117.0	20 264.3	18 213.9	98.5%
Expenses									
Current expenses	24 517.8	24 995.7	117 272.1	34 761.3	19 348.7	21 490.0	17 788.5	17 788.5	55.3%
Compensation of employees	1 492.6	756.6	1 629.2	1 408.6	1 013.4	1 377.6	1 080.3	1 080.3	88.6%
Goods and services	20 051.7	22 297.7	115 515.5	29 661.9	18 139.6	18 086.9	15 566.4	15 566.4	50.6%
Depreciation	1 800.3	1 040.0	83.5	2 360.3	73.3	1 913.1	1 007.4	1 007.4	213.2%
Interest, dividends and rent on land	1 173.2	901.4	43.9	1 330.5	122.4	112.4	134.4	134.4	168.2%
Total expenses	24 517.8	25 123.5	117 506.3	34 761.3	19 470.6	21 858.3	17 816.4	17 816.4	55.5%
Surplus/(Deficit)	1 786.0	(1 453.0)	(98 217.0)	(14 198.0)	490.0	259.0	2 448.0	398.0	
Statement of financial position									
Carrying value of assets	18 721.2	21 336.8	25 561.0	11 237.5	14 678.8	12 527.8	14 031.2	14 031.2	81.0%
<i>of which:</i>									
<i>Acquisition of assets</i>	(0.6)	(5 476.8)	(6 399.9)	(5 975.9)	(3 883.2)	(2 155.5)	(2 382.2)	(2 382.2)	126.2%
Investments	20 958.8	6 060.2	12 066.6	3 656.3	7 768.2	1 989.5	5 636.4	5 636.4	37.4%
Inventory	3 464.0	2 984.5	2 163.9	2 213.2	2 290.7	1 992.4	1 986.1	1 986.1	92.6%
Loans	-	8.4	1 410.0	165.9	-	236.1	-	-	29.1%
Receivables and prepayments	3 395.5	3 720.8	3 417.2	3 664.4	2 080.6	2 506.9	1 575.9	1 575.9	109.5%
Cash and cash equivalents	1 466.4	11 310.9	5 000.3	10 364.0	8 085.8	16 153.6	8 799.1	8 799.1	199.7%
Non-current assets held for sale	-	10.7	-	60.7	-	60.7	36.0	36.0	467.0%
Taxation	5.9	12.7	5.3	-	5.5	5.6	4.9	4.9	107.5%
Total assets	48 011.8	45 445.0	49 624.2	31 362.0	34 909.6	35 472.3	32 069.6	32 069.6	87.7%
Accumulated surplus/(deficit)	25 588.4	27 762.3	28 370.9	13 094.8	18 314.5	12 929.1	13 866.2	13 866.2	78.5%
Capital and reserves	80.7	1 457.9	2 123.9	1 700.3	276.0	2 136.1	1 704.1	1 704.1	167.2%
Borrowings	12 961.0	394.1	4 219.0	1 153.0	1 330.0	1 619.3	1 022.3	1 022.3	21.4%
Finance lease	-	-	-	0.3	-	0.2	-	-	-
Accrued interest	-	-	-	-	0.4	-	-	-	-
Deferred income	-	2.6	2.3	0.7	-	0.8	-	-	173.1%
Trade and other payables	798.0	3 597.8	3 435.4	4 016.4	2 880.4	5 478.2	1 525.4	1 525.4	169.2%
Taxation	1.5	1 837.8	1 419.8	1 021.6	1 654.5	1 388.0	1 838.9	1 838.9	123.8%
Provisions	8 573.0	8 759.1	10 052.9	10 327.9	9 882.6	11 865.0	11 555.1	11 555.1	106.1%
Managed funds (e.g. Poverty Alleviation Fund)	9.2	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	1 633.6	-	46.8	571.2	55.8	557.5	557.5	203.2%
Total equity and liabilities	48 011.8	45 445.0	49 624.2	31 362.0	34 909.6	35 472.3	32 069.6	32 069.6	87.7%

Statements of estimates of financial performance and position

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

Statement of financial performance		Revised estimate	Average growth rate (%)		Average: Expenditure/Total (%)			Average growth rate (%)			Average: Expenditure/Total (%)	
			2013/14 - 2016/17	Medium-term estimate			2016/17 - 2019/20					
R million		2016/17	2013/14	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20				
Revenue												
Non-tax revenue												
Sale of goods and services other than capital assets												
<i>of which:</i>												
<i>Sales by market establishment</i>												
Other non-tax revenue												
Transfers received												
Total revenue												
Expenses												
Current expenses												
Compensation of employees												
Goods and services												
Depreciation												
Interest, dividends and rent on land												
Total expenses												
Surplus/(Deficit)												
Statement of financial position												
Carrying value of assets												
<i>of which:</i>												
<i>Acquisition of assets</i>												
Investments												
Inventory												
Receivables and prepayments												
Cash and cash equivalents												
Non-current assets held for sale												
Taxation												
Total assets												
Accumulated surplus/(deficit)												
Capital and reserves												
Borrowings												
Trade and other payables												
Taxation												
Provisions												
Derivatives financial instruments												
Total equity and liabilities												

Personnel information

Table 26.18 Central Energy Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average Salary level/Total (%)	
		2015/16		Unit cost	2016/17		Unit cost	2017/18			2018/19			2019/20					2016/17 - 2019/20
Central Energy Fund		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	1 886	1 886	2 074	1 377.6	0.7	1 886	1 080.3	0.6	1 886	1 157.8	0.6	1 886	1 242.2	0.7	1 886	1 311.8	0.7	6.7%	100.0%
1 - 6	252	252	264	27.0	0.1	252	26.2	0.1	252	28.0	0.1	252	30.0	0.1	252	32.1	0.1	7.0%	13.4%
7 - 10	1 218	1 218	1 328	761.9	0.6	1 218	580.9	0.5	1 218	623.4	0.5	1 218	670.4	0.6	1 218	700.0	0.6	6.4%	64.6%
11 - 12	166	166	194	149.4	0.8	166	134.0	0.8	166	143.3	0.9	166	153.4	0.9	166	164.1	1.0	7.0%	8.8%
13 - 16	250	250	288	439.2	1.5	250	339.3	1.4	250	363.0	1.5	250	388.4	1.6	250	415.6	1.7	7.0%	13.3%

1. Rand million.

South African Nuclear Energy Corporation

Mandate

The South African Nuclear Energy Corporation is a schedule 2 public entity, and derives its mandate from the Nuclear Energy Act (1999), the nuclear energy policy of 2008 and directives conferred on it by the Minister of Energy. The corporation is responsible for research on nuclear energy and radiation science, the development and innovation of nuclear-related products in South Africa, and the execution of nuclear fuel cycle activities. Its subsidiaries include Pelchem and Nuclear Technology Products (NTP) Radioisotopes.

Other responsibilities also include: operating the SAFARI-1 research nuclear reactor for research and development purposes, and providing irradiation services for the production of radioisotopes; decommissioning and decontaminating nuclear facilities; and contributing to South Africa's obligations in terms of international nuclear treaties and agreements.

Selected performance indicators

Table 26.19 South African Nuclear Energy Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of scientific articles published per year	Administration	Outcome 6: An efficient, competitive and responsive infrastructure network	40	31	28	28	28	28	28
Number of product and process innovations per year	Administration		14	17	12	12	12	12	12
Number of days per year that the reactor is operationally available out of the days scheduled for operation	Radiation products and services		303	303	287	287	287	287	287
Maximum allowable annual radiation dose (microsievert) in terms of licence conditions	South African Nuclear Energy Corporation as a host of nuclear programmes		6 µSv	6 µSv	6 µSv	6 µSv	6 µSv	6 µSv	6 µSv

Expenditure analysis

The South African Nuclear Energy Corporation's activities over the medium term will be focused on radioisotope production, radiation applications, research and development, specialised nuclear manufacturing, the nuclear fuel cycle, and support for nuclear power generation. The first three priorities aim to expand research and development programmes in support of the corporation's core activities, contribute to the national system of innovation, and strengthen the global market position of NTP Radioisotopes through the sale of medical isotopes. The subsequent three focus areas are aligned with the 2010-2030 integrated resource plan for electricity, and the requirements for the building of new nuclear power reactors.

The corporation contributes to the health component of the NDP's goals through NTP Radioisotopes, which produces and sells medical radioisotopes locally and internationally for the diagnosis and treatment of cancers. This activity accounts for the largest proportion of spending within the corporation. Expenditure in the radiation products and services programme is expected to grow from R1.4 billion in 2016/17 to R1.8 billion in 2019/20, at an average annual rate of 7.9 per cent, accounting for 50.3 per cent of total expenditure. This spending will allow the SAFARI-1 reactor to be operational for 287 days per year, and will allow the corporation to comply with international safety requirements and maintain radiation doses within acceptable levels. To carry out these activities, the number of personnel in the corporation is expected to remain constant at 1 891 over the medium term. Expenditure on compensation of employees is expected to increase from R916.1 million in 2016/17 to R1.1 billion in 2019/20 due to inflationary increases.

The sale of nuclear technology products, chemical products and nuclear engineering services contributes 73.9 per cent of the corporation's revenue. The balance is from transfer payments received from the department, which funds operational requirements and specific activities such as the decommissioning of strategic plants, waste management at all disused nuclear facilities, the production and conversion of low-enriched uranium fuel, and nuclear safety. Total revenue is projected to grow from R2.6 billion in 2016/17 to R3.6 billion over the medium term, at an average annual rate of 11.5 per cent, driven by higher projected sales of nuclear radiation products as a result of improved market conditions and an increase in the transfer from the department following budget reductions in previous years.

The corporation will continue over the medium term to install technologies that are related to small-angle neutron scattering and neutron radiography facilities, to further enhance its research capabilities. It will also continue to implement its programme on critical site infrastructure upgrades and refurbishment, which includes

liquid-effluent management services, analytical and calibration services, material test reactor fuel facilities, and security upgrades. As a result, acquisition of assets is expected to amount to R171.6 million over the medium term. The corporation will also focus on decommissioning some strategic nuclear facilities, for which R57.5 million has been allocated over the period.

Programmes/objectives/activities

Table 26.20 South African Nuclear Energy Corporation expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	283.6	384.3	387.1	410.0	13.1%	14.1%	562.1	605.9	644.3	16.3%	18.0%
Nuclear energy	324.5	407.7	391.4	379.4	5.4%	14.7%	327.1	360.6	380.8	0.1%	11.9%
Radiation products and services	928.9	706.9	3 821.8	1 402.3	14.7%	53.1%	1 488.1	1 516.5	1 763.8	7.9%	50.3%
South African Nuclear Energy Corporation as a host of nuclear programmes	311.6	637.7	391.6	471.9	14.8%	18.1%	556.1	697.1	736.1	16.0%	19.9%
Total	1 848.6	2 136.6	4 991.9	2 663.6	12.9%	100.0%	2 933.5	3 180.1	3 525.0	9.8%	100.0%

Statements of historical financial performance and position

Table 26.21 South African Nuclear Energy Corporation statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2013/14	2014/15	2014/15	2015/16	2016/17	2016/17	2016/17		
Revenue									
Non-tax revenue	1 462.1	1 334.7	1 662.2	1 300.6	1 613.3	4 704.8	1 958.1	1 929.1	138.4%
Sale of goods and services other than capital assets	1 390.6	1 148.0	1 567.7	1 265.5	1 511.7	1 510.0	1 912.4	1 883.4	91.0%
<i>of which:</i>									
<i>Sales by market establishment</i>	1 390.6	1 148.0	1 567.7	1 265.5	1 511.7	1 510.0	1 912.4	1 883.4	91.0%
Other non-tax revenue	71.5	186.7	94.5	35.1	101.6	3 194.8	45.6	45.6	1 105.4%
Transfers received	583.6	522.6	992.3	793.5	650.5	614.3	649.4	649.4	89.7%
Total revenue	2 045.7	1 857.3	2 654.5	2 094.1	2 263.7	5 319.1	2 607.5	2 578.4	123.8%
Expenses									
Current expenses	1 895.5	1 790.7	1 947.2	2 100.4	2 382.4	4 910.1	2 654.0	2 598.1	128.4%
Compensation of employees	786.5	674.8	795.1	797.4	916.9	864.0	972.1	916.1	93.7%
Goods and services	1 008.7	1 027.5	1 044.9	1 175.0	1 387.9	3 945.6	1 611.9	1 611.9	153.6%
Depreciation	92.6	74.3	101.8	63.3	77.7	94.8	65.5	65.5	88.2%
Interest, dividends and rent on land	7.7	14.1	5.3	64.7	–	5.8	4.5	4.5	509.6%
Transfers and subsidies	30.3	–	–	–	–	–	–	–	–
Total expenses	1 971.4	1 848.6	2 014.1	2 136.6	2 430.4	4 991.9	2 719.0	2 663.6	127.4%
Surplus/(Deficit)	74.0	9.0	640.0	(43.0)	(167.0)	327.0	(112.0)	(85.0)	
Statement of financial position									
Carrying value of assets	1 167.1	1 022.8	1 245.8	1 068.6	1 391.4	1 326.8	1 491.8	1 463.4	92.2%
<i>of which:</i>									
<i>Acquisition of assets</i>	(167.6)	(129.7)	(247.6)	(134.9)	(174.4)	(143.9)	(110.0)	(110.0)	74.1%
Investments	153.6	195.4	265.9	478.0	294.8	3 339.2	371.5	3 340.5	677.3%
Inventory	288.2	206.1	298.7	264.0	221.7	231.9	262.7	256.4	89.5%
Loans	1.0	–	–	–	–	–	–	–	–
Receivables and prepayments	255.5	354.0	316.2	311.1	212.4	430.2	270.5	279.9	130.4%
Cash and cash equivalents	496.9	489.3	621.5	671.8	594.0	781.5	554.2	598.3	112.1%
Taxation	19.2	8.1	42.8	31.4	1.3	36.6	1.3	15.7	142.3%
Total assets	2 381.6	2 275.6	2 790.8	2 824.8	2 715.5	6 146.1	2 952.0	5 954.3	158.7%
Accumulated surplus/(deficit)	537.9	591.6	734.7	349.0	482.1	509.3	537.8	267.1	74.9%
Capital and reserves	367.0	320.4	316.9	372.7	367.9	545.7	402.9	422.4	114.2%
Capital reserve fund	357.6	427.5	515.0	–	703.3	–	764.3	601.6	44.0%
Borrowings	119.6	21.9	72.8	66.2	31.5	82.7	30.6	85.2	100.6%
Finance lease	6.3	7.8	6.8	8.2	10.9	8.2	10.0	4.6	84.9%
Deferred income	–	–	–	188.1	–	110.6	–	–	–
Trade and other payables	379.2	261.9	331.4	236.7	321.7	305.9	370.6	226.9	73.5%
Benefits payable	–	–	–	–	–	22.2	–	–	–
Taxation	1.5	0.1	1.4	0.2	–	2.5	–	–	95.7%
Provisions	612.5	535.6	779.7	611.6	748.5	691.2	800.7	992.7	96.2%
Managed funds (e.g. Poverty Alleviation Fund)	–	66.8	21.3	52.4	–	33.0	–	–	715.6%
Derivatives financial instruments	–	42.0	10.8	939.7	49.6	3 834.7	35.0	3 353.7	8 562.6%
Total equity and liabilities	2 381.6	2 275.6	2 790.8	2 824.8	2 715.5	6 146.1	2 952.0	5 954.3	158.7%

Statements of estimates of financial performance and position

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

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
R million								
Revenue								
Non-tax revenue	1 929.1	13.1%	74.3%	2 453.5	2 558.7	2 780.6	13.0%	76.8%
Sale of goods and services other than capital assets	1 883.4	17.9%	55.9%	2 340.7	2 458.6	2 662.1	12.2%	73.9%
<i>of which:</i>								
Sales by market establishment	1 883.4	17.9%	55.9%	2 340.7	2 458.6	2 662.1	12.2%	73.9%
Other non-tax revenue	45.6	-37.5%	18.4%	112.8	100.2	118.5	37.4%	2.9%
Transfers received	649.4	7.5%	25.7%	712.9	754.2	796.4	7.0%	23.2%
Total revenue	2 578.4	11.6%	100.0%	3 166.4	3 312.9	3 577.0	11.5%	100.0%
Expenses								
Current expenses	2 598.1	13.2%	97.8%	2 869.4	3 071.3	3 247.8	7.7%	114.4%
Compensation of employees	916.1	10.7%	31.4%	971.4	1 030.1	1 092.2	6.0%	32.7%
Goods and services	1 611.9	16.2%	62.5%	1 737.9	1 928.7	2 036.7	8.1%	59.5%
Depreciation	65.5	-4.1%	2.8%	155.1	109.1	115.2	20.7%	3.6%
Interest, dividends and rent on land	4.5	-31.6%	1.0%	5.0	3.6	3.8	-5.9%	0.1%
Total expenses	2 663.6	12.9%	100.0%	2 933.5	3 180.1	3 525.0	9.8%	100.0%
Surplus/(Deficit)	(85.0)	(3.0)		233.0	133.0	52.0	-184.9%	
Statement of financial position								
Carrying value of assets	1 463.4	12.7%	32.2%	1 541.2	1 596.6	1 619.3	3.4%	24.1%
<i>of which:</i>								
Acquisition of assets	(110.0)	-5.4%	-3.7%	(52.6)	(57.9)	(61.1)	-17.8%	-1.1%
Investments	3 340.5	157.6%	34.0%	3 420.4	3 504.8	3 590.2	2.4%	53.7%
Inventory	256.4	7.6%	6.6%	323.8	397.5	449.1	20.5%	5.5%
Receivables and prepayments	279.9	-7.5%	9.6%	382.7	406.0	445.4	16.7%	5.8%
Cash and cash equivalents	598.3	6.9%	17.0%	617.3	699.3	859.3	12.8%	10.7%
Taxation	15.7	25.0%	0.6%	15.7	15.7	15.7	-	0.2%
Total assets	5 954.3	37.8%	100.0%	6 301.2	6 619.9	6 979.0	5.4%	100.0%
Accumulated surplus/(deficit)	267.1	-23.3%	12.8%	459.0	725.8	960.8	53.2%	9.1%
Capital and reserves	422.4	9.6%	10.8%	485.4	518.1	538.5	8.4%	7.6%
Capital reserve fund	601.6	12.1%	7.2%	664.2	702.7	750.1	7.6%	10.5%
Borrowings	85.2	57.3%	1.5%	99.9	35.8	31.7	-28.1%	1.0%
Finance lease	4.6	-15.7%	0.2%	3.8	2.9	2.5	-18.5%	0.1%
Trade and other payables	226.9	-4.7%	7.2%	255.5	271.2	300.5	9.8%	4.1%
Provisions	992.7	22.8%	18.3%	1 046.5	1 103.5	1 160.8	5.4%	16.6%
Derivatives financial instruments	3 353.7	330.6%	38.5%	3 286.9	3 259.9	3 234.1	-1.2%	51.0%
Total equity and liabilities	5 954.3	37.8%	100.0%	6 301.2	6 619.9	6 979.0	5.4%	100.0%

Personnel information

Table 26.23 South African Nuclear Energy Corporation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20				Unit cost	2016/17 - 2019/20		
South African Nuclear Energy Corporation		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	1 891	1 891	1 891	864.0	0.5	1 891	916.1	0.5	1 891	971.4	0.5	1 891	1 030.1	0.5	1 891	1 092.2	0.6	6.0%	100.0%
1 - 6	461	461	461	90.6	0.2	461	96.2	0.2	461	102.1	0.2	461	108.3	0.2	461	114.9	0.2	6.1%	24.4%
7 - 10	1 074	1 074	1 074	428.9	0.4	1 074	454.8	0.4	1 074	482.2	0.4	1 074	511.3	0.5	1 074	542.1	0.5	6.0%	56.8%
11 - 12	234	234	234	183.7	0.8	234	194.8	0.8	234	206.5	0.9	234	219.0	0.9	234	232.1	1.0	6.0%	12.4%
13 - 16	116	116	116	146.3	1.3	116	155.1	1.3	116	164.4	1.4	116	174.3	1.5	116	184.8	1.6	6.0%	6.1%
17 - 22	6	6	6	14.4	2.4	6	15.3	2.5	6	16.2	2.7	6	17.2	2.9	6	18.2	3.0	6.0%	0.3%

1. Rand million.

Other entities

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

- The **National Energy Regulator of South Africa** is the regulatory authority for electricity, piped gas and petroleum pipelines. The regulator's total budget for 2017/18 is R305.8 million.
- The **National Nuclear Regulator** is responsible for safety standards and regulatory practices for the protection of people, property and the environment against nuclear damage. The regulator's total budget for 2017/18 is R236.7 million.
- The **South African National Energy Development Institute** is mandated to stimulate innovation in energy research and development, transform the gender and race profile of researchers in the sector, and improve South Africa's competitiveness in energy research internationally. The institute's total budget for 2017/18 is R237.1 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Integrated national electrification programme: Eskom	Provision of capital subsidies to Eskom to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	Ongoing	–	2 141.0	2 948.0	3 613.2	3 526.3	3 846.2	3 962.0	4 182.5
Integrated national electrification programme: Municipalities	Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	Ongoing	–	1 314.8	1 104.7	1 980.3	1 946.2	2 087.0	2 204.5	3 327.9
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Integrated national electrification programme: Non-grid	Provision of capital subsidies to non-grid electrification service providers to address electrification backlogs	Ongoing	–	110.3	70.0	156.2	171.8	189.8	201.6	212.9
Total			–	3 566.1	4 122.7	5 749.8	5 644.4	6 123.0	6 368.2	7 723.3

Vote 27

Environmental Affairs

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	863.0	703.4	16.0	143.7	924.0	1 005.0
Legal, Authorisations and Compliance	179.8	178.2	–	1.6	189.3	203.5
Oceans and Coasts	468.5	453.7	–	14.8	492.0	508.1
Climate Change and Air Quality	294.9	86.6	207.0	1.2	300.6	311.9
Biodiversity and Conservation	696.5	123.7	572.1	0.8	726.1	761.2
Environmental Programmes	3 895.2	483.7	3 408.7	2.9	3 879.0	4 002.8
Chemicals and Waste Management	450.3	164.6	285.1	0.6	550.2	585.6
Total expenditure estimates	6 848.2	2 193.8	4 488.9	165.5	7 061.2	7 378.0

Executive authority Minister of Environmental Affairs
Accounting officer Director General of Environmental Affairs
Website address www.environment.gov.za

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

Vote purpose

Lead South Africa's environmental sector to achieve sustainable development towards a better quality of life for all.

Mandate

The Department of Environmental Affairs is mandated to realise the right of citizens to an environment that is not harmful to their health or wellbeing, and to have the environment protected for the benefit of present and future generations. To this end, the department provides leadership in environmental management, conservation and protection towards sustainability for the benefit of South Africans and the global community.

This mandate is derived from the following legislation:

- the National Environmental Management Act (1998), which provides for issue specific legislation on biodiversity and heritage resources; oceans and coasts; climate change and air quality management; and waste and chemicals management
- the National Environmental Management Amendment Act (2004), which streamlines the process of regulating and administering the environmental impact assessment process
- the National Environmental Management: Protected Areas Amendment Act (2009), which provides for the assignment of national parks, special parks and heritage sites to South Africa in terms of the World Heritage Convention Act (1999)
- the National Environmental Management: Biodiversity Act (2004), which significantly reforms South Africa's laws regulating biodiversity
- the National Environmental Management: Air Quality and Atmospheric Act (2004), which reforms the law regulating air quality in order to protect the environment by providing reasonable measures for preventing pollution and ecological degradation, securing ecologically sustainable development, and provides for national norms and standards regulating air quality monitoring
- the National Environmental Management: Waste Act (2008), which reforms the law regulating waste management in order to protect health and the environment by providing reasonable measures for the prevention of pollution

- the National Environmental Management: Integrated Coastal Management Act (2008), which promotes the conservation of the coastal environment and ensures sustainable development practices and the use of natural resources.

Selected performance indicators

Table 27.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of interventions developed for streamlining environmental authorisations for strategic infrastructure programmes and the industrial policy action plan per year	Administration		3	5	4	3	2	1	1
Percentage of national environmental impact management applications processed per year	Legal, Authorisations and Compliance		89% (356/400)	75.5% (302/400)	90% (360/400)	98% (392/400)	98% (392/400)	98% (392/400)	98% (392/400)
Number of environmental authorisations inspected per year	Legal, Authorisations and Compliance		125	247	158	145	150	155	155
Improvement in the national air quality indicator (index less than 1)	Climate Change and Air Quality	Outcome 10: Protect and enhance our environmental assets and natural resources	1.35	0.83	0.79	1.25	1.20	1.15	1.10
Number of climate change response policy interventions implemented per year	Climate Change and Air Quality		10	14	18	18	18	20	20
Percentage of state-managed protected areas assessed per year with the management effectiveness tracking tool scoring more than 67 per cent	Biodiversity and Conservation		30% (1 957 766/ 6 525 889)	84% (5 481 757/ 6 525 889)	92.6% (6 042 973/ 6 525 889)	88% (5 742 791/ 6 525 889)	75% (4 894 416/ 6 525 889)	77% (5 024 034/ 6 525 889)	79% (5 155 452/ 6 525 889)
Total percentage of land under conservation	Biodiversity and Conservation		7.7% (9 393 322 ha/ 121 991 200 ha)	7.9% (9 637 304 ha/ 121 991 200 ha)	11.73% (14 300 113ha/ 121 991 200 ha)	12.2% (14 900 446 ha/ 121 991 200ha)	12.7% (15 492 882 ha/ 121 991 200 ha)	13.2% (16 121 794 ha/ 121 991 200 ha)	13.7% (16 732 468 ha/ 121 991 200 ha)
Number of natural resource-based enterprises established in support of Vision 2024 per year	Biodiversity and Conservation		10	10	8	10	10	10	10
Number of work opportunities created through projects related to the expanded public works programme per year	Environmental Programmes	Outcome 4: Decent employment through inclusive growth	99 548	65 494	73 381	66 150	75 845	77 839	79 007
Number of full-time equivalent jobs created through projects related to the expanded public works programme per year	Environmental Programmes		25 552	33 138	28 141	34 824	40 368	41 390	41 949
Percentage of waste diverted from landfill sites for recycling	Chemicals and Waste Management	Outcome 10: Protect and enhance our environmental assets and natural resources	1% (1 100 tonnes/ 110 000 tonnes)	10% (1 742 tonnes/ 17 419.72 tonnes)	42% (30 262 tonnes/ 72 052 tonnes)	60% (62 079 tonnes/ 103 465 tonnes)	60% (62 079 tonnes/ 103 465 tonnes)	100% (172 441 tonnes)	100% (172 441 tonnes)

Expenditure analysis

The department manages, protects and conserves South Africa's environment and natural resources with the aim of reducing carbon emissions and atmospheric pollutants, and creating ways of adapting to the effects of climate change. Pursuing these objectives drives the department's expenditure over the medium term on wildlife conservation, waste recycling, climate change and air quality, strategic oceans management and coastal conservation, and the shift towards a green economy. It also plays an integral role in the realisation of outcome 4 (decent employment through inclusive growth) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. An additional R810.3 million over the medium term is reprioritised to the department for these objectives.

Most of the department's work – including the restoration and rehabilitation of degraded ecosystems, the expansion of the conservation estate, and the sustainable management of land use – is implemented through the expanded public works programme. The programme contributes directly to the goal of the National Development Plan (NDP) to create 5 million jobs by 2030, and positions the environmental sector as a hub for job creation. The transfers of R10.1 billion to the programme over the medium term account for 47.5 per cent of

the department's budget, and are projected to grow at an average annual rate of 3 per cent to create a projected 123 707 full-time-equivalent jobs and 232 691 work opportunities over the medium term.

Due to Cabinet-approved budget reductions to lower the expenditure ceiling, the budget for compensation of employees is set to decrease by R11.5 million in 2017/18, R12.2 million in 2018/19 and R12.9 million in 2019/20. The goods and services budget is also set to decrease by R10.6 million in 2017/18, R8.6 million in 2018/19 and R11.1 million in 2019/20, and the budget for capital expenditure by R1.7 million in 2017/18, R1.6 million in 2018/19 and R2 million in 2019/20. The department is implementing cost-containment measures to ensure the reductions do not adversely affect service delivery.

Conserving wildlife

Over the medium term, the department will support the enforcement of legislation and regulations governing the international trade in wild animals and plants at ports of entry and exit. Currently, environmental and conservation officials are deployed at only one of the 15 designated ports, OR Tambo International Airport. Deploying environmental management inspectors, compliance officials and enforcement officials at all designated ports will require the procurement of office space and equipment, such as safes and microchip scanners.

The department also plans to expand the proportion of the country's land under conservation from 12.2 per cent in 2016/17 to a projected 13.7 per cent by 2019/20. This work is budgeted for in the *Biodiversity and Conservation* programme and is allocated R143.1 million of the programme's total budget of R2.2 billion over the medium term.

Recycling waste

Established in April 2016, the Waste Management Bureau works to reduce waste through recycling. The bureau monitors recycling plans, and provides specialist services to government and recycling companies. Over the medium term, the bureau plans to introduce tyre recycling initiatives, which are set to receive operational funding of R210 million in 2017/18, R230 million in 2018/19 and R245 million in 2019/20. The bureau also plans to introduce the recycling enterprise support programme, which will provide support services, training and advice to transporters, storage depot operators and tyre recyclers. An amount of R155 million over the medium term is allocated to the plastics programme, which will promote waste minimisation, create awareness in the plastics industry, expand collector networks and support rural collection through building the capacity of small, medium and micro enterprises. The National Regulator for Compulsory Specifications also receives transfers of R22.5 million over the period to implement compulsory specifications for plastic bags. The allocations for these new initiatives contribute to the projected growth in the *Chemicals and Waste Management* programme at an average annual rate of 59.5 per cent over the medium term.

Monitoring climate change and improving air quality

The department plans to increase the number of government-owned air quality monitoring stations reporting to the South African air quality information system, from 115 in 2016/17 to 125 in 2019/20, in an attempt to reduce air pollution. Over the medium term, the department will also rollout the Let's Respond toolkit, which provides a process map for a projected 40 municipalities to integrate their climate change responses into the department's planning documents. The *Climate Change and Air Quality* programme is allocated R907.3 million over the medium term, accounting for 4.3 per cent of the department's total budget.

Managing oceans and conserving coastlines

The department plans to continue supporting research voyages to Antarctica, Marion Island and Gough Island. The operation and manning of two research vessels is a major cost driver over the medium term, with total expenditure projected at R534 million. An amount of R287 million has been allocated over the medium term for the implementation of the oceans economy strategy, which includes marine transport and manufacturing, offshore oil and gas exploration, aquaculture farming, marine protection services, and ocean governance. Investments are being made in boat manufacturing and in the oil and gas exploration sector. More than R400 million is being invested across 10 farms that are already in production in the aquaculture sector.

Moving towards a green economy

The Green Fund is set to receive additional funding of R95 million in 2018/19 from the economic competitive support package. The fund provides catalytic finance for investment in green initiatives that support South Africa's transition towards a green economy. It has a portfolio of 29 investment projects, 16 research and policy-development initiatives and 8 capacity-development initiatives approved for implementation. R829 million has been allocated towards catalytic investment, and direct investments into these projects total more than R450 million. The financial contribution from private sector participants amounts to R128 million. As implementation of the Green Fund progresses, it is anticipated that the private sector's contribution will exceed R600 million over the medium term.

Expenditure trends

Table 27.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Legal, Authorisations and Compliance														
3. Oceans and Coasts														
4. Climate Change and Air Quality														
5. Biodiversity and Conservation														
6. Environmental Programmes														
7. Chemicals and Waste Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/			2013/14 - 2016/17	
Programme 1	747.3	777.3	765.0	653.4	666.2	731.3	714.0	870.2	832.5	808.2	803.2	803.2	107.2%	100.5%
Programme 2	143.3	113.3	102.9	122.6	117.6	100.6	127.5	133.9	131.4	164.6	164.6	164.6	89.5%	94.4%
Programme 3	309.8	318.2	326.1	357.4	380.1	349.3	484.5	399.5	368.7	475.0	475.0	475.0	93.4%	96.6%
Programme 4	233.8	233.8	229.8	227.7	227.7	229.3	240.1	240.1	246.1	289.6	289.6	289.6	100.4%	100.4%
Programme 5	559.5	576.7	565.7	636.8	629.0	643.1	655.6	730.6	699.9	718.2	718.2	718.2	102.2%	99.0%
Programme 6	3 371.8	3 121.8	3 137.7	3 598.3	3 587.5	3 549.6	3 646.9	3 489.6	3 579.6	3 865.1	3 865.1	3 830.1	97.3%	100.2%
Programme 7	65.7	65.7	73.1	72.2	72.2	71.9	79.3	79.3	79.7	109.3	109.3	144.3	113.0%	113.0%
Total	5 431.2	5 206.8	5 200.3	5 668.4	5 680.4	5 675.1	5 948.0	5 943.3	5 937.9	6 430.1	6 425.1	6 425.1	99.0%	99.9%
Change to 2016 Budget estimate											(5.0)			
Economic classification														
Current payments	1 624.3	1 589.0	1 532.2	1 951.2	1 869.4	1 642.3	2 127.1	2 000.5	1 912.6	2 268.5	2 127.4	2 126.0	90.5%	95.1%
Compensation of employees	654.5	668.0	659.2	752.2	798.8	787.8	915.4	930.7	909.2	1 001.6	996.6	996.6	100.9%	98.8%
Goods and services	969.8	921.0	873.0	1 199.1	1 070.6	854.5	1 211.7	1 069.8	1 003.5	1 266.9	1 130.8	1 129.4	83.1%	92.1%
Transfers and subsidies	3 606.9	3 438.5	3 446.3	3 675.7	3 677.6	3 895.3	3 662.8	3 759.8	3 863.5	3 999.5	4 135.6	4 135.6	102.6%	102.2%
Departmental agencies and accounts	1 110.3	1 127.5	1 133.4	1 208.2	1 206.4	1 210.3	1 206.1	1 111.4	1 112.5	1 301.2	1 301.2	1 301.2	-	-
Foreign governments and international organisations	12.9	12.9	12.9	12.9	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	105.4%	100.0%
Public corporations and private enterprises	500.0	250.0	250.0	250.0	250.0	250.0	300.0	300.0	300.0	180.0	180.0	180.0	79.7%	100.0%
Non-profit institutions	1.4	1.5	1.5	3.2	3.7	3.7	3.2	3.7	3.7	3.8	4.5	4.5	116.0%	100.0%
Households	1 982.3	2 046.6	2 048.5	2 201.5	2 201.5	2 415.3	2 137.5	2 328.7	2 431.3	2 498.6	2 634.0	2 634.0	108.0%	103.5%
Payments for capital assets	200.0	179.3	221.6	41.4	133.4	137.1	158.1	183.0	160.9	162.1	162.1	163.5	121.6%	103.8%
Buildings and other fixed structures	146.0	146.0	174.7	-	90.0	103.2	110.7	135.5	129.4	136.0	136.0	136.0	138.3%	107.0%
Machinery and equipment	54.0	33.2	45.6	41.4	43.4	23.6	47.4	47.5	29.7	26.1	26.1	27.5	74.8%	84.1%
Software and other intangible assets	-	0.1	1.3	-	-	10.3	-	-	1.8	-	-	-	-	-
Payments for financial assets	-	-	0.2	-	-	0.4	-	-	0.9	-	-	-	-	2 989.8%
Total	5 431.2	5 206.8	5 200.3	5 668.4	5 680.4	5 675.1	5 948.0	5 943.3	5 937.9	6 430.1	6 425.1	6 425.1	99.0%	99.9%

Expenditure estimates

Table 27.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Legal, Authorisations and Compliance									
3. Oceans and Coasts									
4. Climate Change and Air Quality									
5. Biodiversity and Conservation									
6. Environmental Programmes									
7. Chemicals and Waste Management									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20	
Programme 1	803.2	1.1%	13.5%	863.0	924.0	1 005.0	7.8%	13.0%	
Programme 2	164.6	13.3%	2.1%	179.8	189.3	203.5	7.3%	2.7%	
Programme 3	475.0	14.3%	6.5%	468.5	492.0	508.1	2.3%	7.0%	
Programme 4	289.6	7.4%	4.3%	294.9	300.6	311.9	2.5%	4.3%	
Programme 5	718.2	7.6%	11.3%	696.5	726.1	761.2	2.0%	10.5%	
Programme 6	3 830.1	7.1%	60.7%	3 895.2	3 879.0	4 002.8	1.5%	56.3%	
Programme 7	144.3	30.0%	1.6%	450.3	550.2	585.6	59.5%	6.2%	
Total	6 425.1	7.3%	100.0%	6 848.2	7 061.2	7 378.0	4.7%	100.0%	
Change to 2016 Budget estimate				212.1	327.1	338.3			
Economic classification									
Current payments	2 126.0	10.2%	31.0%	2 193.8	2 273.5	2 417.1	4.4%	32.5%	
Compensation of employees	996.6	14.3%	14.4%	1 035.1	1 078.6	1 160.8	5.2%	15.4%	
Goods and services	1 129.4	7.0%	16.6%	1 158.7	1 194.9	1 256.3	3.6%	17.1%	
Transfers and subsidies	4 135.6	6.3%	66.0%	4 488.9	4 609.4	4 770.0	4.9%	65.0%	
Departmental agencies and accounts	1 301.2	4.9%	20.5%	1 201.2	1 149.5	1 152.1	-4.0%	17.3%	
Foreign governments and international organisations	16.0	7.5%	0.3%	16.0	16.9	17.9	3.8%	0.2%	
Public corporations and private enterprises	180.0	-10.4%	4.2%	110.5	95.0	-	-100.0%	1.4%	
Non-profit institutions	4.5	43.5%	0.1%	3.8	3.9	4.0	-3.6%	0.1%	
Households	2 634.0	8.8%	41.0%	3 157.4	3 344.0	3 596.0	10.9%	45.9%	
Payments for capital assets	163.5	-3.0%	2.9%	165.5	178.3	190.9	5.3%	2.5%	
Buildings and other fixed structures	136.0	-2.3%	2.3%	136.9	147.4	158.6	5.3%	2.1%	
Machinery and equipment	27.5	-6.0%	0.5%	28.6	31.0	32.3	5.5%	0.4%	
Total	6 425.1	7.3%	100.0%	6 848.2	7 061.2	7 378.0	4.7%	100.0%	

Goods and services expenditure trends and estimates

Table 27.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20
Administrative fees	1 607	1 429	1 436	2 397	14.3%	0.2%	2 409	2 592	2 785	5.1%	0.2%
Advertising	27 566	14 414	14 300	19 080	-11.5%	2.0%	15 783	16 641	18 004	-1.9%	1.5%
Minor assets	2 515	1 616	3 086	14 295	78.5%	0.6%	10 342	10 969	11 979	-5.7%	1.0%
Audit costs: External	8 086	5 861	8 873	6 715	-6.0%	0.8%	10 600	11 661	13 278	25.5%	0.9%
Bursaries: Employees	1 739	1 312	1 377	2 228	8.6%	0.2%	2 310	2 382	2 517	4.1%	0.2%
Catering: Departmental activities	4 024	5 080	7 424	4 618	4.7%	0.5%	6 576	6 877	7 231	16.1%	0.5%
Communication	17 385	17 328	20 571	87 658	71.5%	3.7%	22 968	24 298	26 691	-32.7%	3.4%
Computer services	53 093	35 933	75 549	29 447	-17.8%	5.0%	67 010	74 979	86 040	43.0%	5.4%
Consultants: Business and advisory services	112 171	82 295	126 354	215 311	24.3%	13.9%	207 521	251 237	270 327	7.9%	19.9%
Infrastructure and planning services	-	-	-	14 951	-	0.4%	8 427	23 812	42 035	41.1%	1.9%
Laboratory services	13	45	113	11 126	849.4%	0.3%	2 833	2 647	2 831	-36.6%	0.4%
Legal services	6 490	3 528	4 093	4 881	-9.1%	0.5%	2 318	2 686	2 789	-17.0%	0.3%
Contractors	101 671	97 507	143 688	90 527	-3.8%	11.2%	127 265	125 151	126 148	11.7%	9.9%
Agency and support/outsourced services	137 137	177 013	144 206	175 834	8.6%	16.4%	262 167	242 251	244 398	11.6%	19.5%
Entertainment	311	85	128	696	30.8%	-	743	692	728	1.5%	0.1%
Fleet services (including government motor transport)	17 399	9 199	8 467	2 500	-47.6%	1.0%	2 781	2 831	2 881	4.8%	0.2%
Inventory: Food and food supplies	409	27	953	2 099	72.5%	0.1%	2 196	1 935	2 044	-0.9%	0.2%
Inventory: Fuel, oil and gas	17 381	15 594	33 420	20 608	5.8%	2.3%	16 957	22 063	7 368	-29.0%	1.4%
Inventory: Learner and teacher support material	-	-	-	1 190	-	-	769	675	713	-15.7%	0.1%
Inventory: Materials and supplies	19	8	476	4 997	540.7%	0.1%	1 158	972	1 035	-40.8%	0.2%
Inventory: Medical supplies	79	1	24	959	129.8%	-	906	664	701	-9.9%	0.1%
Inventory: Medicine	-	-	-	323	-	-	339	298	315	-0.8%	-
Inventory: Other supplies	2	2	-	16 979	1940.0%	0.4%	2 917	2 933	3 167	-42.9%	0.5%

Table 27.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
Consumable supplies	20 680	12 985	16 090	50	-86.6%	1.3%	5 800	6 012	6 201	398.7%	0.4%
Consumables: Stationery, printing and office supplies	6 195	8 313	8 510	12 361	25.9%	0.9%	12 510	13 539	14 392	5.2%	1.1%
Operating leases	67 484	76 663	70 669	88 810	9.6%	7.9%	78 242	86 219	90 706	0.7%	7.3%
Rental and hiring	3 059	2 275	3 018	5 118	18.7%	0.3%	2 821	3 128	3 442	-12.4%	0.3%
Property payments	14 928	15 932	12 698	10 069	-12.3%	1.4%	5 630	5 401	6 289	-14.5%	0.6%
Transport provided: Departmental activity	34	352	555	50	13.7%	-	590	583	585	127.0%	-
Travel and subsistence	141 876	169 884	179 724	155 145	3.0%	16.7%	154 700	128 469	131 751	-5.3%	12.0%
Training and development	12 486	15 301	17 735	19 168	15.4%	1.7%	13 505	11 917	13 069	-12.0%	1.2%
Operating payments	58 197	50 066	65 270	77 016	9.8%	6.5%	62 678	66 293	69 752	-3.2%	5.8%
Venues and facilities	38 968	34 468	34 659	33 575	-4.8%	3.7%	44 965	42 097	44 080	9.5%	3.5%
Total	873 004	854 516	1 003 466	1 130 781	9.0%	100.0%	1 158 736	1 194 904	1 256 272	3.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 27.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
Provinces and municipalities											
Provincial revenue funds											
Current	-	-	2	-	-	-	-	-	-	-	-
Provincial and local municipalities	-	-	2	-	-	-	-	-	-	-	-
Provinces and municipalities											
Provincial agencies and funds											
Current	12	23	35	-	-100.0%	-	-	-	-	-	-
Vehicle licences	12	23	35	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipal agencies and funds											
Current	2	-	5	-	-100.0%	-	-	-	-	-	-
Vehicle licences	2	-	5	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Social security funds											
Current	-	3 861	1 046	-	-	-	-	-	-	-	-
Social Security Fund: Compensation Fund	-	3 861	1 046	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	625 923	662 640	678 326	728 727	5.2%	17.6%	747 704	780 362	809 743	3.6%	17.0%
South African Weather Service	162 943	152 489	160 423	204 985	8.0%	4.4%	205 482	206 052	210 294	0.9%	4.6%
iSimangaliso Wetland Park Authority	28 790	30 610	31 628	33 031	4.7%	0.8%	34 523	36 525	39 302	6.0%	0.8%
South African National Parks	209 118	245 069	247 294	245 895	5.5%	6.2%	250 639	265 581	267 027	2.8%	5.7%
South African National Biodiversity Institute	208 684	223 447	232 149	237 973	4.5%	5.9%	249 928	264 714	285 211	6.2%	5.8%
Social Security Fund: Compensation Fund	6 168	-	-	-	-100.0%	-	-	-	-	-	-
National Regulator for Compulsory Specifications	10 220	11 025	6 832	6 843	-12.5%	0.2%	7 132	7 490	7 909	4.9%	0.2%
Capital	507 507	543 756	433 089	572 430	4.1%	13.4%	453 465	369 173	342 343	-15.7%	9.7%
South African Weather Service	20 000	30 000	-	-	-100.0%	0.3%	35 000	37 030	38 515	-	0.6%
iSimangaliso Wetland Park Authority	96 790	101 397	61 141	99 243	0.8%	2.3%	100 000	111 650	74 516	-9.1%	2.1%
South African National Parks	335 147	345 855	299 685	391 829	5.3%	8.9%	243 465	141 143	146 788	-27.9%	5.1%
South African National Biodiversity Institute	55 570	66 504	72 263	81 358	13.5%	1.8%	75 000	79 350	82 524	0.5%	1.8%
Foreign governments and international organisations											
Current	12 890	16 000	16 000	16 000	7.5%	0.4%	16 000	16 928	17 876	3.8%	0.4%
Global Environmental Fund	12 890	16 000	16 000	16 000	7.5%	0.4%	16 000	16 928	17 876	3.8%	0.4%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	250 000	250 000	300 000	180 000	-10.4%	6.4%	110 455	95 000	-	-100.0%	2.1%
Development Bank of Southern Africa	250 000	250 000	300 000	180 000	-10.4%	6.4%	110 455	95 000	-	-100.0%	2.1%
Non-profit institutions											
Current	1 517	3 687	3 687	4 487	43.5%	0.1%	3 835	3 925	4 017	-3.6%	0.1%
National Association for Clean Air	1 400	1 400	1 400	1 400	-	-	1 548	1 638	1 730	7.3%	-
KwaZulu-Natal Conservation Board	-	1 287	1 287	1 287	-	-	1 287	1 287	1 287	-	-
African World Heritage Fund	-	1 000	1 000	1 800	-	-	1 000	1 000	1 000	-17.8%	-
Buyisa-e-Bag	117	-	-	-	-100.0%	-	-	-	-	-	-
Households											
Social benefits											
Current	379	2 331	267	-	-100.0%	-	-	-	-	-	-
Employee social benefits	379	2 331	267	-	-100.0%	-	-	-	-	-	-

Table 27.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Households											
Other transfers to households											
Current	2 048 076	2 412 970	2 431 053	2 633 972	8.7%	62.1%	3 157 437	3 343 972	3 596 045	10.9%	70.7%
Employee social benefits	2 623	1 405	2 381	-	-100.0%	-	-	-	-	-	-
Other transfers	-	-	905	-	-	-	-	-	-	-	-
Expanded public works programme: Environmental protection and infrastructure programme	630 526	711 740	793 293	736 074	5.3%	18.7%	773 128	777 259	813 026	3.4%	17.2%
Expanded public works programme: Incentive (environmental protection and infrastructure programme)	132 218	183 721	160 953	169 484	8.6%	4.2%	228 451	242 161	255 722	14.7%	5.0%
Expanded public works programme: Working for Water	642 555	897 291	830 452	919 726	12.7%	21.4%	975 604	991 218	1 103 113	6.2%	22.2%
Expanded public works programme: Incentive (Working for Water)	116 833	178 358	137 129	144 397	7.3%	3.8%	160 996	170 121	179 648	7.6%	3.6%
Expanded public works programme: Working on Fire	470 418	382 341	461 921	618 111	9.5%	12.6%	527 184	556 225	587 374	-1.7%	12.7%
Expanded public works programme: Incentive (Working on Fire)	52 841	58 114	44 019	46 180	-4.4%	1.3%	81 703	86 606	91 456	25.6%	1.7%
Expanded public works programme implementing agents	62	-	-	-	-100.0%	-	-	-	-	-	-
Tyre recycling initiatives	-	-	-	-	-	-	210 000	230 000	245 000	-	3.8%
Plastic programme	-	-	-	-	-	-	35 000	55 000	65 000	-	0.9%
Asbestos rehabilitation	-	-	-	-	-	-	33 000	89 000	83 760	-	1.1%
South African National Biodiversity Institute: Bio-Security	-	-	-	-	-	-	28 000	29 000	30 000	-	0.5%
South African National Parks: Eco-Factories	-	-	-	-	-	-	104 371	117 382	141 946	-	2.0%
Total	3 446 306	3 895 268	3 863 510	4 135 616	6.3%	100.0%	4 488 896	4 609 360	4 770 024	4.9%	100.0%

Personnel information

Table 27.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual 2015/16		Revised estimate 2016/17		Medium-term expenditure estimate						Average growth rate (%) 2016/17 - 2019/20	Average: Salary level/Total (%)						
		Number	Unit cost	Number	Unit cost	2017/18		2018/19		2019/20									
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost						
Environmental Affairs																			
Salary level	1 865	324	2 095	909.2	0.4	2 093	996.6	0.5	2 068	1 035.1	0.5	2 020	1 078.6	0.5	2 019	1 160.8	0.6	-1.2%	100.0%
1 – 6	380	253	616	103.3	0.2	616	112.6	0.2	606	118.8	0.2	589	125.2	0.2	589	133.9	0.2	-1.5%	29.3%
7 – 10	1 058	41	1 041	433.4	0.4	1 040	482.8	0.5	1 028	502.6	0.5	1 013	527.5	0.5	1 013	571.7	0.6	-0.9%	49.9%
11 – 12	242	16	248	179.6	0.7	249	194.7	0.8	247	200.7	0.8	231	201.1	0.9	230	216.4	0.9	-2.6%	11.7%
13 – 16	185	14	190	192.9	1.0	188	206.5	1.1	187	213.0	1.1	187	224.8	1.2	187	238.9	1.3	-0.2%	9.1%
Programme	1 865	324	2 095	909.2	0.4	2 093	996.6	0.5	2 068	1 035.1	0.5	2 020	1 078.6	0.5	2 019	1 160.8	0.6	-1.2%	100.0%
Programme 1	736	212	896	349.6	0.4	896	380.9	0.4	888	394.1	0.4	872	408.9	0.5	871	426.6	0.5	-0.9%	43.0%
Programme 2	186	1	162	91.2	0.6	166	106.5	0.6	166	109.8	0.7	166	118.8	0.7	166	128.4	0.8	-	8.1%
Programme 3	163	51	213	99.9	0.5	213	110.7	0.5	213	117.3	0.6	212	126.7	0.6	212	136.9	0.6	-0.2%	10.4%
Programme 4	80	15	82	53.5	0.7	76	53.7	0.7	73	55.5	0.8	73	59.9	0.8	73	64.6	0.9	-1.3%	3.6%
Programme 5	116	9	122	63.1	0.5	122	69.0	0.6	115	71.8	0.6	115	77.6	0.7	115	83.7	0.7	-2.0%	5.7%
Programme 6	489	35	524	202.9	0.4	524	220.5	0.4	518	229.0	0.4	487	224.4	0.5	487	253.4	0.5	-2.4%	24.6%
Programme 7	95	1	96	48.9	0.5	96	55.4	0.6	95	57.6	0.6	95	62.3	0.7	95	67.2	0.7	-0.3%	4.6%

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

² Rand million.

Departmental receipts

Table 27.7 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
R thousand												
Departmental receipts	29 572	32 022	11 486	28 294	17 181	-16.6%	100.0%	20 747	20 991	21 124	7.1%	100.0%
Sales of goods and services produced by department	1 837	3 792	3 791	4 208	2 790	14.9%	13.5%	4 005	4 019	4 035	13.1%	18.6%
Sales by market establishments of which:				242	-	-	-	-	-	-	-	-
Rental parking	-	-	-	242	-	-	-	-	-	-	-	-
Administrative fees of which:												
Licence fees	1 476	2 292	3 269	3 570	2 290	15.8%	10.3%	3 485	3 489	3 495	15.1%	15.9%
Other sales of which:												
Replacement of security cards	218	350	224	120	200	-2.8%	1.1%	200	200	200	-	1.0%
Sales of departmental publications	143	1 150	298	276	300	28.0%	2.1%	320	330	340	4.3%	1.6%
Sales of scrap, waste, arms and other used current goods of which:												
Waste paper	2	1	-	2	-	-100.0%	-	2	2	2	-	-
Transfers received	-	-	-	244	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 335	1 742	2 080	1 450	2 180	-13.2%	10.3%	1 470	1 490	1 500	-11.7%	8.3%
Interest, dividends and rent on land	68	98	124	150	91	10.2%	0.4%	120	125	130	12.6%	0.6%
Interest	68	98	124	150	91	10.2%	0.4%	120	125	130	12.6%	0.6%
Sales of capital assets	38	1 443	114	100	59	15.8%	1.8%	150	155	157	38.6%	0.7%
Transactions in financial assets and liabilities	24 292	24 946	5 377	22 140	12 061	-20.8%	73.9%	15 000	15 200	15 300	8.3%	71.9%
Total	29 572	32 022	11 486	28 294	17 181	-16.6%	100.0%	20 747	20 991	21 124	7.1%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department. Facilitate environmental education, awareness and effective cooperative governance, and international relations.

Objectives

- Improve the profile of and support for environmental issues on an ongoing basis by:
 - building environmental awareness, education and capacity, and creating effective partnerships to promote cooperative governance and encourage local government support by 2019/20
 - enhancing environmental sector monitoring and evaluation through the development and improvement of monitoring and evaluation systems and tools by 2019/20.
- Lead South Africa's participation in regional and international platforms on environmental management and sustainable development, and influence the global agenda by:
 - developing South Africa's environmental position papers informed by the country's developmental priorities and sustainable development considerations over the medium term
 - leading the negotiation process at key international forums over the medium term.

Subprogrammes

- *Management* provides for the overall administration and functioning of the programme by carrying out its planning and performance management functions.
- *Corporate Affairs* provides quality and timely corporate support to the department.

- *Environmental Advisory Services* provides strategic environmental advisory and implementation support services to national and international environmental commitments in terms of international agreements under the auspices of the United Nations.
- *Financial Management* provides strategic financial management and support to the department.
- *Office Accommodation* provides office accommodation requirements to the department.
- *Environmental Sector Coordination* provides coordinated environmental objectives into the strategic planning instruments of government at a national, provincial and local level.

Expenditure trends and estimates

Table 27.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2013/14	2014/15	2015/16		2016/17	2013/14	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20
R million												
Management	110.3	120.6	177.7	86.0	-7.9%	15.8%	184.2	187.3	193.4	31.0%	18.1%	
Corporate Affairs	195.8	185.7	207.9	259.4	9.8%	27.1%	218.2	240.4	275.2	2.0%	27.6%	
Environmental Advisory Services	107.0	121.4	113.4	108.5	0.5%	14.4%	112.7	121.8	132.7	6.9%	13.2%	
Financial Management	51.6	60.0	66.6	65.1	8.1%	7.8%	71.2	78.6	85.4	9.4%	8.4%	
Office Accommodation	251.6	186.9	201.2	220.6	-4.3%	27.5%	209.9	225.4	242.5	3.2%	25.0%	
Environmental Sector Coordination	48.8	56.6	65.6	63.6	9.2%	7.5%	66.7	70.6	75.9	6.1%	7.7%	
Total	765.0	731.3	832.5	803.2	1.6%	100.0%	863.0	924.0	1 005.0	7.8%	100.0%	
Change to 2016 Budget estimate				(5.0)			(3.4)	(2.7)	16.9			
Economic classification												
Current payments	559.5	588.9	667.4	647.0	5.0%	78.6%	703.4	752.6	821.2	8.3%	81.3%	
Compensation of employees	260.0	316.2	349.6	380.9	13.6%	41.7%	394.1	408.9	426.6	3.8%	44.8%	
Goods and services ¹	299.5	272.7	317.8	266.1	-3.9%	36.9%	309.3	343.7	394.6	14.0%	36.5%	
of which:												
Computer services	47.6	29.7	63.3	13.0	-35.2%	4.9%	53.2	62.2	72.1	77.2%	5.6%	
Consultants: Business and advisory services	27.0	23.4	32.3	12.9	-21.8%	3.1%	29.9	31.1	34.6	39.0%	3.0%	
Infrastructure and planning services	-	-	-	15.0	-	0.5%	8.4	23.8	42.0	41.1%	2.5%	
Operating leases	66.7	74.9	65.0	74.1	3.5%	9.0%	72.1	76.8	82.4	3.6%	8.5%	
Travel and subsistence	38.5	39.8	58.3	24.7	-13.8%	5.1%	37.8	37.2	41.0	18.4%	3.9%	
Venues and facilities	18.1	13.6	16.7	8.6	-22.0%	1.8%	20.2	17.7	18.3	28.7%	1.8%	
Transfers and subsidies¹	14.3	17.8	17.6	16.0	3.8%	2.1%	16.0	16.9	17.9	3.8%	1.9%	
Foreign governments and international organisations	12.9	16.0	16.0	16.0	7.5%	1.9%	16.0	16.9	17.9	3.8%	1.9%	
Households	1.4	1.8	1.6	-	-100.0%	0.2%	-	-	-	-	-	
Payments for capital assets	191.2	124.5	147.2	140.3	-9.8%	19.3%	143.7	154.4	166.0	5.8%	16.8%	
Buildings and other fixed structures	174.7	103.2	129.4	136.0	-8.0%	17.3%	136.9	147.4	158.6	5.3%	16.1%	
Machinery and equipment	15.2	11.3	16.2	4.3	-34.4%	1.5%	6.7	7.1	7.4	19.7%	0.7%	
Software and other intangible assets	1.3	10.0	1.6	-	-100.0%	0.4%	-	-	-	-	-	
Payments for financial assets	0.1	0.2	0.3	-	-100.0%	-	-	-	-	-	-	
Total	765.0	731.3	832.5	803.2	1.6%	100.0%	863.0	924.0	1 005.0	7.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	14.7%	12.9%	14.0%	12.5%	-	-	12.6%	13.1%	13.6%	-	-	
Details of selected transfers and subsidies												
Foreign governments and international organisations												
Current	12.9	16.0	16.0	16.0	7.5%	1.9%	16.0	16.9	17.9	3.8%	1.9%	
Global Environmental Fund	12.9	16.0	16.0	16.0	7.5%	1.9%	16.0	16.9	17.9	3.8%	1.9%	

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

Programme 2: Legal, Authorisations and Compliance

Programme purpose

Promote the environment legal regime and licensing system.

Objectives

- Prevent or mitigate the potential negative impact of significant development activities on the natural environment through the implementation of an environmental impact management authorisation system by

processing and finalising or issuing 98 per cent of decisions for environmental authorisation applications within the prescribed timeframe on an annual basis.

- Improve the level of compliance with environmental legislation by:
 - increasing the number of environmental management inspectors trained from 300 in 2016/17 to 320 officials by 2019/20
 - increasing the number of compliance inspections to 160 on environmental authorisations by 2019/20.

Subprogrammes

- *Legal, Authorisations and Compliance Management* provides for the overall administration and functioning of the programme by carrying out its planning and performance management functions.
- *Compliance Monitoring* ensures effective compliance with environmental legislation by undertaking compliance inspections on all authorisations issued by the department.
- *Integrated Environmental Authorisations* ensures that potentially negative impacts of significant new developments are avoided, reduced or managed; and establishes mechanisms to ensure the effective coordination of environmental impact assessments and other regulatory authorisations.
- *Enforcement* undertakes criminal and administrative enforcement action in response to non-compliance with environmental impact and pollution legislation, and provides capacity development and support services to the environmental management inspectorate.
- *Corporate Legal Support and Litigation* provides quality and timely corporate legal support, litigation management support, and education on legal compliance to ensure that the department complies with legislation relating to its core business.
- *Law Reform and Appeals* processes appeals received in terms of the legislation administered by the department, investigates appeals, sources responses from all parties, conducts research and advises the minister on appeals; coordinates the law reform programme in the department; drives the Commission for Environmental Cooperation's subcommittee on law reform; drafts legislation; comments on draft legislation; and advises on law reform issues.

Expenditure trends and estimates

Table 27.9 Legal, Authorisations and Compliance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20
R million											
Legal, Authorisations and Compliance Management	6.2	7.0	15.1	6.3	0.5%	6.9%	6.7	7.1	7.6	6.4%	3.8%
Compliance Monitoring	14.2	20.0	24.8	24.8	20.4%	16.8%	26.2	27.7	29.8	6.4%	14.7%
Integrated Environmental Authorisations	38.7	25.9	30.2	50.0	8.9%	29.0%	52.6	55.6	59.8	6.2%	29.6%
Enforcement	23.2	27.0	35.9	57.7	35.5%	28.8%	67.0	70.7	76.1	9.6%	36.8%
Corporate Legal Support and Litigation	8.0	8.8	10.8	9.9	7.1%	7.5%	10.5	10.7	11.5	5.2%	5.8%
Law Reform and Appeals	12.5	12.0	14.7	15.9	8.3%	11.0%	16.9	17.5	18.6	5.2%	9.3%
Total	102.9	100.6	131.4	164.6	16.9%	100.0%	179.8	189.3	203.5	7.3%	100.0%
Change to 2016 Budget estimate							(2.5)	(2.3)	(1.3)		
Economic classification	101.2	98.0	128.6	163.7	17.4%	98.4%	178.2	187.6	201.7	7.2%	99.2%
Current payments											
Compensation of employees	69.5	75.0	91.2	106.5	15.3%	68.5%	109.8	118.8	128.4	6.4%	62.9%
Goods and services ¹	31.7	23.0	37.4	57.2	21.8%	29.9%	68.4	68.8	73.3	8.6%	36.3%
of which:											
Communication	0.5	0.6	0.8	1.4	41.0%	0.7%	1.5	1.6	1.7	7.2%	0.9%
Consultants: Business and advisory services	13.1	1.2	1.0	2.9	-39.3%	3.6%	3.1	3.3	3.4	5.5%	1.7%
Agency and support/outsourced services	–	–	–	21.0	–	4.2%	19.6	20.7	24.5	5.2%	11.6%
Travel and subsistence	9.7	11.1	13.6	15.5	16.9%	10.0%	19.6	17.0	16.0	1.1%	9.2%
Operating payments	0.9	1.3	1.0	2.4	39.0%	1.1%	11.0	11.6	12.2	71.5%	5.0%
Venues and facilities	2.0	1.9	4.0	5.6	41.7%	2.7%	4.7	5.0	5.3	-2.2%	2.8%
Transfers and subsidies¹	0.2	0.2	0.2	–	-100.0%	0.1%	–	–	–	–	–
Households	0.2	0.2	0.2	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	1.6	2.3	2.6	1.0	-14.7%	1.5%	1.6	1.7	1.8	22.7%	0.8%
Machinery and equipment	1.6	2.0	2.6	1.0	-14.7%	1.4%	1.6	1.7	1.8	22.7%	0.8%
Software and other intangible assets	–	0.3	–	–	–	0.1%	–	–	–	–	–
Payments for financial assets	–	0.1	–	–	-100.0%	–	–	–	–	–	–
Total	102.9	100.6	131.4	164.6	16.9%	100.0%	179.8	189.3	203.5	7.3%	100.0%
Proportion of total programme expenditure to vote expenditure	2.0%	1.8%	2.2%	2.6%	–	–	2.6%	2.7%	2.8%	–	–

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

Programme 3: Oceans and Coasts

Programme purpose

Promote, manage and provide strategic leadership on oceans and coastal conservation.

Objectives

- Strengthen the knowledge, science and policy interface for the management of oceans and coastlines by implementing a research programme on the key areas of oceans management on an annual basis.
- Conserve the ocean and coastal ecosystems, and ensure their sustainable utilisation by:
 - developing 35 management plans for estuaries by 2019/20
 - increasing South Africa's exclusive economic zones that are declared marine protected areas to 53 594.15 square kilometres (5 per cent of exclusive economic zones) by 2019/20, in line with the priorities of Operation Phakisa.
- Enhance sector monitoring and evaluation by:
 - publishing the annual report card on key ocean and coastal indicators by 2019/20
 - developing and implementing the national oceans and coasts water quality monitoring programme by 2019/20.

Subprogrammes

- *Oceans and Coasts Management* provides for the administration and coordination of the overall activities in the programme.
- *Integrated Coastal Management* provides coordinated and integrated management of the coastal environment.
- *Oceans and Coastal Research* monitors and undertakes scientific investigations on marine and coastal ecosystems, ocean dynamics, ecosystem functioning and marine biodiversity to improve the understanding and management of ocean and coastal ecosystems.
- *Oceans Conservation* provides for the management and conservation of oceans, and sub-Antarctic and Antarctic Ocean environments; the development and implementation of ocean policy; the coordination of information on the ocean atmosphere; the management of ocean ecosystems; and the management of obligations in relation to regional and international oceans.
- *Specialist Monitoring Services* provides leadership in specialist monitoring strategies for oceans and coasts through coordination with sector departments, and regional and international programmes and forums.

Expenditure trends and estimates

Table 27.10 Oceans and Coasts 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Oceans and Coasts Management	6.2	5.3	11.2	8.3	10.3%	2.0%	8.8	8.1	8.5	1.0%	1.7%
Integrated Coastal Management	37.5	88.6	66.0	140.0	55.1%	21.9%	135.9	148.2	159.5	4.4%	30.0%
Oceans and Coastal Research	95.6	93.0	115.7	135.0	12.2%	28.9%	115.4	116.7	108.5	-7.0%	24.5%
Oceans Conservation	182.5	157.9	168.7	185.5	0.5%	45.7%	201.7	212.0	224.0	6.5%	42.4%
Specialist Monitoring Services	4.3	4.5	7.1	6.3	13.2%	1.5%	6.6	7.0	7.6	6.5%	1.4%
Total	326.1	349.3	368.7	475.0	13.4%	100.0%	468.5	492.0	508.1	2.3%	100.0%
Change to 2016 Budget estimate							(20.6)	0.1	(13.6)		
Economic classification											
Current payments	315.6	345.6	362.1	460.7	13.4%	97.7%	453.7	476.3	491.5	2.2%	96.8%
Compensation of employees	75.4	84.5	99.9	110.7	13.7%	24.4%	117.3	126.7	136.9	7.4%	25.3%
Goods and services ¹	240.2	261.2	262.2	350.0	13.4%	73.3%	336.3	349.7	354.6	0.4%	71.6%
of which:											
Consultants: Business and advisory services	7.6	14.3	39.6	129.9	157.7%	12.6%	127.9	157.4	168.7	9.1%	30.0%
Laboratory services	–	–	–	11.1	–	0.7%	2.8	2.6	2.8	-36.6%	1.0%
Agency and support/outsourced services	136.5	175.5	139.5	130.3	-1.5%	38.3%	141.7	135.9	126.5	-1.0%	27.5%
Inventory: Fuel, oil and gas	0.2	0.5	4.3	7.2	217.0%	0.8%	7.6	6.4	6.8	-1.8%	1.4%
Travel and subsistence	12.9	21.3	15.2	14.7	4.4%	4.2%	13.9	10.7	11.2	-8.6%	2.6%
Operating payments	28.4	22.2	29.9	36.2	8.5%	7.7%	22.2	20.7	21.7	-15.6%	5.2%

Table 27.10 Oceans and Coasts expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies ¹	1.0	–	1.5	–	-100.0%	0.2%	–	–	–	–	–
Households	1.0	–	1.5	–	-100.0%	0.2%	–	–	–	–	–
Payments for capital assets	9.5	3.6	5.1	14.3	14.7%	2.1%	14.8	15.6	16.5	4.8%	3.2%
Machinery and equipment	9.5	3.6	4.8	14.3	14.7%	2.1%	14.8	15.6	16.5	4.8%	3.2%
Software and other intangible assets	–	–	0.2	–	–	–	–	–	–	–	–
Total	326.1	349.3	368.7	475.0	13.4%	100.0%	468.5	492.0	508.1	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	6.3%	6.2%	6.2%	7.4%	–	–	6.8%	7.0%	6.9%	–	–

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

Programme 4: Climate Change and Air Quality

Programme purpose

Formulate policies, administer legislation and implement systems to improve regulation, monitoring and compliance regarding climate change air quality.

Objectives

- Manage threats to environmental quality and integrity by:
 - developing and coordinating the implementation of 24 climate change response policy interventions by 2019/20 to ensure effective responses to the impacts of climate change
 - building climate change adaptive capacity, socioeconomic resilience and emergency response capacity through the development of five sector adaptation plans by 2019/20
 - contributing to the global effort to stabilise greenhouse gas concentrations in the atmosphere to enable South Africa to meet its national and international obligations over the medium term.
- Develop a national climate change monitoring and evaluation system by rolling out the Let's Respond toolkit in 40 municipalities across the country by 2017/18.
- Ensure the continuous improvement of ambient air quality across the country by implementing air quality management plans, and providing legislative support and leadership to provincial and local authorities performing air quality management functions over the medium term.

Subprogrammes

- *Climate Change Management* provides for the overall management and administration of activities in the programme.
- *Climate Change Mitigation* ensures the support and monitoring of effective national, provincial and local climate change mitigation.
- *Climate Change Adaptation* coordinates and informs the development of policies, sector plans and programmes to enable national adaptation to the impacts of climate change.
- *Air Quality Management* ensures that the possible negative impacts of air pollution on air and atmospheric quality are avoided, mitigated or managed, to ensure ambient air quality that is not harmful to health and wellbeing.
- *South African Weather Service* transfers funds to the South African Weather Service for the management of meteorological services.
- *International Climate Change Relations and Negotiations* is the focal point for South Africa's international climate change interactions, including multilateral and bilateral engagements. This entails preparing for, negotiating and informing the implementation of multilateral, mini-lateral and bilateral climate change agreements.
- *Climate Change Monitoring and Evaluation* ensures the monitoring and evaluation of national climate change responses to ensure informed decision making when responding to climate change.

Expenditure trends and estimates

Table 27.11 Climate Change and Air Quality expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million											
Climate Change Management	5.4	7.6	6.7	7.6	11.7%	2.7%	8.0	8.5	9.1	6.4%	2.8%
Climate Change Mitigation	7.5	8.4	8.8	8.7	4.8%	3.3%	9.2	9.7	10.4	6.5%	3.2%
Climate Change Adaptation	3.7	6.6	7.0	4.8	9.3%	2.2%	5.1	5.3	5.8	6.4%	1.7%
Air Quality Management	32.5	36.6	41.1	42.5	9.4%	15.4%	44.9	47.4	50.9	6.2%	15.5%
South African Weather Service	162.9	152.5	160.4	205.0	8.0%	68.4%	205.5	206.1	210.3	0.9%	69.1%
International Climate Change Relations and Negotiations	9.3	10.2	13.0	11.0	6.0%	4.4%	11.7	12.3	13.3	6.4%	4.0%
Climate Change Monitoring and Evaluation	8.4	7.4	9.2	10.0	6.0%	3.5%	10.6	11.2	12.1	6.5%	3.7%
Total	229.8	229.3	246.1	289.6	8.0%	100.0%	294.9	300.6	311.9	2.5%	100.0%
Change to 2016							(0.1)	(0.2)	(7.0)		
Budget estimate											
Economic classification											
Current payments	64.5	74.5	83.7	82.0	8.3%	30.6%	86.6	91.6	98.5	6.3%	30.0%
Compensation of employees	38.6	46.1	53.5	53.7	11.6%	19.3%	55.5	59.9	64.6	6.4%	19.5%
Goods and services ¹	25.9	28.4	30.1	28.3	3.1%	11.3%	31.1	31.6	33.9	6.1%	10.4%
of which:											
Communication	0.4	0.5	0.5	2.3	73.8%	0.4%	2.4	2.5	2.7	6.0%	0.8%
Computer services	0.2	-	-	8.2	233.5%	0.8%	10.0	9.3	10.0	6.9%	3.1%
Consultants: Business and advisory services	8.6	9.7	12.5	1.1	-49.5%	3.2%	1.2	1.2	1.4	8.5%	0.4%
Travel and subsistence	9.7	10.8	12.1	7.9	-6.9%	4.1%	8.3	8.7	9.3	5.7%	2.9%
Operating payments	0.5	0.6	0.1	1.5	48.2%	0.3%	1.6	1.7	1.8	5.5%	0.5%
Venues and facilities	3.9	4.7	2.1	2.4	-15.0%	1.3%	2.5	2.7	2.8	5.5%	0.9%
Transfers and subsidies¹	164.4	153.9	161.9	206.4	7.9%	69.0%	207.0	207.7	212.0	0.9%	69.6%
Departmental agencies and accounts	162.9	152.5	160.4	205.0	8.0%	68.4%	205.5	206.1	210.3	0.9%	69.1%
Non-profit institutions	1.4	1.4	1.4	1.4	-	0.6%	1.5	1.6	1.7	7.3%	0.5%
Households	0.1	-	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.8	0.9	0.6	1.2	11.8%	0.4%	1.2	1.3	1.4	5.4%	0.4%
Machinery and equipment	0.8	0.9	0.6	1.2	11.8%	0.4%	1.2	1.3	1.4	5.4%	0.4%
Total	229.8	229.3	246.1	289.6	8.0%	100.0%	294.9	300.6	311.9	2.5%	100.0%
Proportion of total programme expenditure to vote expenditure	4.4%	4.0%	4.1%	4.5%	-	-	4.3%	4.3%	4.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	162.9	152.5	160.4	205.0	8.0%	68.4%	205.5	206.1	210.3	0.9%	69.1%
South African Weather Service	162.9	152.5	160.4	205.0	8.0%	68.4%	205.5	206.1	210.3	0.9%	69.1%

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

Programme 5: Biodiversity and Conservation

Programme purpose

Ensure the regulation and management of biodiversity, heritage and conservation matters in a manner that facilitates sustainable economic growth and development.

Objectives

- Increase South Africa's land area under formal protection in order to ensure the conservation of ecosystems and to minimise threats to ecological sustainability by:
 - increasing the percentage of land under conservation from 12.7 per cent (15 492 882 ha/121 991 200 ha) in 2015/16 to 13.7 per cent (16 732 468 ha/121 991 200 ha) in 2019/20
 - improving the size of state-managed protected areas that are effectively managed to 79 per cent (5 155 452 ha/6 525 889 ha) by 2019/20.
- Improve access, and the fair and equitable sharing of natural resources by:
 - implementing the biodiversity sector transformation framework by 2030
 - implementing vision 2024 and establishing at least 50 natural resource-based enterprises by 2019/20
 - finalising a minimum of 20 benefit-sharing agreements arising from the use of biological resources by 2019/20.

Subprogrammes

- *Biodiversity and Conservation Management* provides for the overall management and administration of activities in the programme.
- *Biodiversity Planning and Management* manages, protects and conserves South Africa's biological resources and ecosystems for human wellbeing and sustainable development, and develops and implements programmes and processes aimed at the protection and mitigation of threats to biodiversity at the species and ecosystem levels.
- *Protected Areas Systems Management* oversees the establishment and maintenance of comprehensive, effectively managed and ecologically representative national and cross border systems of protected areas. This entails ensuring the effective management of transfrontier conservation areas; developing and overseeing the implementation of policies and legislation for protected areas; ensuring compliance with and the enforcement of protected area legislation; and promoting the participation and beneficiation of local communities in the establishment, development and management of protected areas.
- *iSimangaliso Wetland Park Authority* transfers funds to the iSimangaliso Wetland Park Authority to cover its personnel and operational expenditure.
- *South African National Parks* transfers funds to South African National Parks to cover its personnel and operational expenditure.
- *South African National Biodiversity Institute* transfers funds to the South African National Biodiversity Institute to cover its personnel and operational expenditure.
- *Biodiversity Monitoring and Evaluation* is responsible for sector-wide biodiversity monitoring and evaluation, and coordinating biodiversity related multilateral environmental agreements through the management of the science policy interface.
- *Biodiversity Economy and Sustainable Use* promotes and regulates sustainable use of biological resources and the fair and equitable sharing of benefits arising from them; and facilitates the growth of a nature based biodiversity economy through appropriate policies, legislation and programmes.

Expenditure trends and estimates

Table 27.12 Biodiversity and Conservation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average: Expenditure/ Total (%)		Medium-term expenditure estimate			Average: Expenditure/ Total (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20
R million											
Biodiversity and Conservation Management	11.3	15.8	18.2	17.9	16.7%	2.4%	19.0	20.1	21.6	6.4%	2.7%
Biodiversity Planning and Management	19.4	20.0	26.2	27.2	11.8%	3.5%	28.7	30.4	32.7	6.4%	4.1%
Protected Areas Systems Management	35.8	44.5	42.2	50.0	11.9%	6.6%	52.3	43.9	46.9	-2.2%	6.7%
iSimangaliso Wetland Park Authority	28.8	30.6	31.6	33.0	4.7%	4.7%	34.5	36.5	39.3	6.0%	4.9%
South African National Parks	237.4	275.1	278.7	278.9	5.5%	40.7%	285.3	302.2	305.1	3.0%	40.4%
South African National Biodiversity Institute	208.7	223.4	232.1	238.0	4.5%	34.3%	249.9	264.7	285.2	6.2%	35.8%
Biodiversity Monitoring and Evaluation	6.5	8.6	9.0	6.5	0.3%	1.2%	6.9	7.3	7.8	6.4%	1.0%
Biodiversity Economy and Sustainable Use	17.8	25.0	61.9	66.7	55.2%	6.5%	19.9	21.0	22.6	-30.3%	4.5%
Total	565.7	643.1	699.9	718.2	8.3%	100.0%	696.5	726.1	761.2	2.0%	100.0%
Change to 2016							(0.1)	(11.5)	(19.2)		
Budget estimate											
Economic classification											
Current payments	89.9	110.6	153.9	164.5	22.3%	19.8%	123.7	119.6	128.5	-7.9%	18.5%
Compensation of employees	48.6	55.8	63.1	69.0	12.4%	9.0%	71.8	77.6	83.7	6.7%	10.4%
Goods and services ¹	41.3	54.8	90.8	95.5	32.3%	10.7%	51.9	42.0	44.8	-22.3%	8.1%
of which:											
Consultants: Business and advisory services	6.5	19.3	8.5	15.4	33.1%	1.9%	17.8	17.3	18.2	5.8%	2.4%
Contractors	0.4	0.5	34.8	3.3	100.1%	1.5%	4.2	0.4	0.4	-49.7%	0.3%
Agency and support/outsourced services	0.1	-	-	1.9	217.8%	0.1%	1.9	2.0	2.3	7.5%	0.3%
Travel and subsistence	18.0	22.4	20.5	16.9	-2.0%	3.0%	17.3	12.0	12.8	-8.8%	2.0%
Operating payments	1.8	1.0	16.5	2.4	10.6%	0.8%	2.5	2.7	2.8	5.5%	0.4%
Venues and facilities	4.6	4.8	3.8	2.9	-13.8%	0.6%	3.1	2.2	2.4	-6.0%	0.4%
Transfers and subsidies¹	475.0	531.5	544.8	553.0	5.2%	80.1%	572.1	605.7	631.9	4.5%	81.4%
Departmental agencies and accounts	474.9	529.1	542.5	549.9	5.0%	79.8%	569.8	603.4	629.6	4.6%	81.1%
Non-profit institutions	-	2.3	2.3	3.1	-	0.3%	2.3	2.3	2.3	-9.5%	0.3%
Households	0.1	-	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.8	1.0	1.1	0.7	-3.7%	0.1%	0.8	0.8	0.8	5.5%	0.1%
Machinery and equipment	0.8	1.0	1.1	0.7	-3.7%	0.1%	0.8	0.8	0.8	5.5%	0.1%
Total	565.7	643.1	699.9	718.2	8.3%	100.0%	696.5	726.1	761.2	2.0%	100.0%
Proportion of total programme expenditure to vote expenditure	10.9%	11.3%	11.8%	11.2%	-	-	10.2%	10.3%	10.3%	-	-

Table 27.12 Biodiversity and Conservation expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	446.6	499.1	511.1	516.9	5.0%	75.1%	535.1	566.8	591.5	4.6%	76.2%
iSimangaliso Wetland Park Authority	28.8	30.6	31.6	33.0	4.7%	4.7%	34.5	36.5	39.3	6.0%	4.9%
South African National Parks	209.1	245.1	247.3	245.9	5.5%	36.1%	250.6	265.6	267.0	2.8%	35.5%
South African National Biodiversity Institute	208.7	223.4	232.1	238.0	4.5%	34.3%	249.9	264.7	285.2	6.2%	35.8%
Capital	28.3	30.0	31.4	33.0	5.3%	4.7%	34.7	36.6	38.1	4.8%	4.9%
South African National Parks	28.3	30.0	31.4	33.0	5.3%	4.7%	34.7	36.6	38.1	4.8%	4.9%

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

Programme 6: Environmental Programmes

Programme purpose

Implement the expanded public works programme and green economy projects in the environmental sector.

Objectives

- Promote the empowerment of designated communities by creating 232 691 work opportunities and 123 707 full-time equivalent jobs in environmental projects by 2019/20 through the implementation of projects related to the expanded public works programme.
- Restore and maintain the structure and function of vegetation to contribute to ecosystem services by:
 - clearing or treating 225 883 ha of invasive alien plants
 - restoring and rehabilitating 31 744 ha of land by 2019/20.
- Facilitate the transition to a growth path that is low in carbon emissions and is natural-resource efficient by facilitating the implementation of green initiative projects such as the Green Fund over the medium term.

Subprogrammes

- *Environmental Protection and Infrastructure Programme* identifies, plans and implements projects under the expanded public works programme through the use of labour intensive methods targeting the unemployed, youth, women and people with disabilities; and empowers small, medium and micro enterprises (SMMEs) during project implementation processes.
- *Working for Water and Working on Fire* ensures that South Africa addresses its responsibilities relating to water resource management, biological diversity and the functioning of natural systems; and ensures that meaningful livelihood opportunities are supported for those employed on these programmes.
- *Green Fund* invests in projects to protect the environment by working with the donor community and the private sector.
- *Environmental Programmes Management* contributes to sustainable development and livelihoods, and green and inclusive economic growth. This includes facilitating skills development, creating employment, managing natural resources and developing infrastructure.
- *Information Management and Sector Coordination* aims to provide effective and efficient support to environmental programmes to stimulate the potential for economic growth in the environmental sector, and to maximise the sustainable utilisation of environmental resources.

Expenditure trends and estimates

Table 27.13 Environmental Programmes expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Environmental Protection and Infrastructure Programme	1 297.6	1 481.1	1 429.5	1 544.9	6.0%	40.7%	1 505.4	1 435.3	1 460.7	-1.9%	38.0%
Working for Water and Working on Fire	1 562.7	1 771.5	1 793.7	2 065.7	9.7%	50.9%	2 037.9	2 099.4	2 263.5	3.1%	54.1%
Green Fund	250.0	250.0	300.0	180.0	-10.4%	6.9%	110.5	95.0	-	-100.0%	2.5%
Environmental Programmes Management	5.3	7.3	6.6	7.0	9.9%	0.2%	174.1	189.1	217.0	213.9%	3.8%
Information Management and Sector Coordination	22.1	39.7	49.8	67.5	45.0%	1.3%	67.3	60.2	61.7	-2.9%	1.6%
Total	3 137.7	3 549.6	3 579.6	3 865.1	7.2%	100.0%	3 895.2	3 879.0	4 002.8	1.2%	100.0%
Change to 2016							(121.7)	(108.6)	(211.8)		
Budget estimate											
Economic classification											
Current payments	339.4	364.8	444.7	507.7	14.4%	11.7%	483.7	477.7	492.6	-1.0%	12.5%
Compensation of employees	138.3	170.0	202.9	220.5	16.8%	5.2%	229.0	224.4	253.4	4.7%	5.9%
Goods and services ¹	201.0	194.8	241.8	287.2	12.6%	6.5%	254.7	253.3	239.2	-5.9%	6.6%
<i>of which:</i>											
Consultants: Business and advisory services	26.1	5.3	24.3	20.4	-7.9%	0.5%	12.1	12.3	11.9	-16.4%	0.4%
Contractors	90.3	84.4	94.4	73.9	-6.5%	2.4%	110.0	111.3	111.9	14.8%	2.6%
Agency and support/outourced services	0.0	0.9	4.4	21.5	1191.0%	0.2%	20.1	19.7	21.0	-0.8%	0.5%
Travel and subsistence	47.2	57.6	52.2	72.5	15.4%	1.6%	55.2	39.9	38.3	-19.1%	1.3%
Operating payments	3.4	3.7	6.8	5.0	14.1%	0.1%	10.4	11.0	10.6	28.4%	0.2%
Venues and facilities	4.6	5.5	4.6	9.3	27.0%	0.2%	9.7	10.2	10.8	5.0%	0.3%
Transfers and subsidies¹	2 780.9	3 180.9	3 130.6	3 353.4	6.4%	88.1%	3 408.7	3 397.6	3 506.6	1.5%	87.4%
Departmental agencies and accounts	485.4	517.6	402.8	539.4	3.6%	13.8%	418.8	332.6	304.3	-17.4%	10.2%
Public corporations and private enterprises	250.0	250.0	300.0	180.0	-10.4%	6.9%	110.5	95.0	-	-100.0%	2.5%
Households	2 045.6	2 413.2	2 427.8	2 634.0	8.8%	67.4%	2 879.4	2 970.0	3 202.3	6.7%	74.7%
Payments for capital assets	17.4	3.8	3.8	4.0	-38.5%	0.2%	2.9	3.8	3.7	-2.8%	0.1%
Machinery and equipment	17.4	3.8	3.8	4.0	-38.5%	0.2%	2.9	3.8	3.7	-2.8%	0.1%
Payments for financial assets	0.0	0.1	0.5	-	-100.0%	-	-	-	-	-	-
Total	3 137.7	3 549.6	3 579.6	3 865.1	7.2%	100.0%	3 895.2	3 879.0	4 002.8	1.2%	100.0%
Proportion of total programme expenditure to vote expenditure	60.3%	62.5%	60.3%	60.2%	-	-	56.9%	54.9%	54.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6.2	-	-	-	-100.0%	-	-	-	-	-	-
Social Security Fund: Compensation Fund	6.2	-	-	-	-100.0%	-	-	-	-	-	-
Capital	479.2	513.8	401.7	539.4	4.0%	13.7%	418.8	332.6	304.3	-17.4%	10.2%
South African Weather Service	20.0	30.0	-	-	-100.0%	0.4%	35.0	37.0	38.5	-	0.7%
iSimangaliso Wetland Park Authority	96.8	101.4	61.1	99.2	0.8%	2.5%	100.0	111.7	74.5	-9.1%	2.5%
South African National Parks	306.8	315.9	268.3	358.8	5.4%	8.8%	208.8	104.5	108.7	-32.8%	5.0%
South African National Biodiversity Institute	55.6	66.5	72.3	81.4	13.5%	2.0%	75.0	79.4	82.5	0.5%	2.0%
Households											
Other transfers to households											
Current	2 045.4	2 411.6	2 427.8	2 634.0	8.8%	67.4%	2 879.4	2 970.0	3 202.3	6.7%	74.7%
Expanded public works programme: Environmental protection and infrastructure programme	630.5	711.7	793.3	736.1	5.3%	20.3%	773.1	777.3	813.0	3.4%	19.8%
Expanded public works programme: Incentive (environmental protection and infrastructure programme)	132.2	183.7	161.0	169.5	8.6%	4.6%	228.5	242.2	255.7	14.7%	5.7%
Expanded public works programme: Working for Water	642.6	897.3	830.5	919.7	12.7%	23.3%	975.6	991.2	1 103.1	6.2%	25.5%
Expanded public works programme: Incentive (Working for Water)	116.8	178.4	137.1	144.4	7.3%	4.1%	161.0	170.1	179.6	7.6%	4.2%
Expanded public works programme: Working on Fire	470.4	382.3	461.9	618.1	9.5%	13.7%	527.2	556.2	587.4	-1.7%	14.6%
Expanded public works programme: Incentive (Working on Fire)	52.8	58.1	44.0	46.2	-4.4%	1.4%	81.7	86.6	91.5	25.6%	2.0%
South African National Biodiversity Institute: Bio-Security	-	-	-	-	-	-	28.0	29.0	30.0	-	0.6%
South African National Parks: Eco-Factories	-	-	-	-	-	-	104.4	117.4	141.9	-	2.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	250.0	250.0	300.0	180.0	-10.4%	6.9%	110.5	95.0	-	-100.0%	2.5%
Development Bank of Southern Africa	250.0	250.0	300.0	180.0	-10.4%	6.9%	110.5	95.0	-	-100.0%	2.5%

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

Programme 7: Chemicals and Waste Management

Programme purpose

Formulate policies and administer legislation regarding the use of chemicals and waste management to improve regulation, monitoring, compliance and enforcement.

Objectives

- Oversee, monitor and evaluate waste-sector performance, ensuring that there is less waste generated and that existing waste is better managed by:
 - developing and implementing national waste management policies, strategies, and norms and standards over the medium term
 - increasing the percentage of waste tyres diverted from landfill sites to 100 per cent by 2019/20.
- Contribute to the management of the impact of chemicals on the environment by
 - developing and implementing legislative instruments, and providing specialist advisory services on chemicals and pollution management, as and when requested.

Subprogrammes

- *Chemicals and Waste Management* provides for the administration and functioning of the overall activities in the programme.
- *Hazardous Waste Management and Licensing* provides processes and systems for the efficient and effective administration of the department's authorisation of waste management activities, and ensures the reduced release of hazardous waste streams into the environment and that contaminated land is remediated.
- *General Waste and Municipal Support* ensures the development of national policies, strategies, legislation, norms and standards, and the building of capacity in government, industry and civil society to respond to the challenges of pollution resulting from poor general waste management; and contributes towards the provision of basic waste services to all citizens of South Africa.
- *Chemicals and Waste Policy, Evaluation and Monitoring* ensures the development of national policies, strategies, legislation and norms and standards; and monitors and evaluates the impact of policies on chemicals and waste management.
- *Chemicals Management* ensures the management, facilitation, planning and coordination of the department and South Africa's engagement in multilateral chemicals and waste agreements, and related international cooperation and national programmes.

Expenditure trends and estimates

Table 27.14 Chemicals and Waste Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Chemicals and Waste Management	4.3	6.0	10.0	7.2	18.1%	8.2%	6.5	6.9	7.4	1.0%	1.6%
Hazardous Waste Management and Licensing	26.6	22.5	27.9	23.5	-4.0%	30.1%	63.7	121.5	118.7	71.6%	19.3%
General Waste and Municipal Support	16.0	14.2	12.4	24.2	14.7%	20.0%	39.9	21.1	22.7	-2.1%	6.4%
Chemicals and Waste Policy, Evaluation and Monitoring	14.7	17.7	16.2	43.8	44.1%	27.7%	329.0	388.9	424.0	113.0%	69.9%
Chemicals Management	11.5	11.5	13.3	10.6	-2.7%	14.0%	11.2	11.9	12.8	6.4%	2.7%
Total	73.1	71.9	79.7	109.3	14.3%	100.0%	450.3	550.2	585.6	75.0%	100.0%
Change to 2016 Budget estimate							336.1	429.6	456.9		

Table 27.14 Chemicals and Waste Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	62.3	59.8	72.2	101.8	17.8%	88.7%	164.6	168.1	183.2	21.6%	36.4%
Compensation of employees	28.8	40.3	48.9	55.4	24.4%	51.9%	57.6	62.3	67.2	6.7%	14.3%
Goods and services ¹	33.5	19.5	23.3	46.4	11.5%	36.7%	107.0	105.8	115.9	35.7%	22.1%
<i>of which:</i>											
Consultants: Business and advisory services	23.2	9.2	8.2	32.7	12.1%	21.9%	15.7	28.7	32.0	-0.7%	6.4%
Agency and support/outourced services	-	-	-	-	-	-	78.0	63.0	69.0	-	12.4%
Consumables: Stationery, printing and office supplies	0.1	0.1	0.1	1.5	147.5%	0.5%	1.6	1.7	1.8	5.5%	0.4%
Travel and subsistence	5.8	6.9	7.9	3.0	-20.3%	7.0%	2.7	2.8	3.1	1.2%	0.7%
Operating payments	0.4	0.3	2.1	2.5	80.7%	1.6%	2.6	2.7	2.9	5.5%	0.6%
Venues and facilities	1.0	0.7	2.4	3.1	48.6%	2.1%	2.6	2.8	2.9	-2.4%	0.7%
Transfers and subsidies¹	10.5	11.0	6.9	6.8	-13.2%	10.6%	285.1	381.5	401.7	288.6%	63.4%
Departmental agencies and accounts	10.2	11.0	6.8	6.8	-12.5%	10.5%	7.1	7.5	7.9	4.9%	1.7%
Non-profit institutions	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Households	0.1	-	0.1	-	-100.0%	0.1%	278.0	374.0	393.8	-	61.7%
Payments for capital assets	0.4	1.0	0.6	0.6	18.2%	0.8%	0.6	0.7	0.7	5.1%	0.2%
Machinery and equipment	0.4	1.0	0.6	0.6	18.2%	0.8%	0.6	0.7	0.7	5.1%	0.2%
Total	73.1	71.9	79.7	109.3	14.3%	100.0%	450.3	550.2	585.6	75.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.4%	1.3%	1.3%	1.7%	-	-	6.6%	7.8%	7.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	10.2	11.0	6.8	6.8	-12.5%	10.5%	7.1	7.5	7.9	4.9%	1.7%
National Regulator for Compulsory Specifications	10.2	11.0	6.8	6.8	-12.5%	10.5%	7.1	7.5	7.9	4.9%	1.7%
Households											
Other transfers to households											
Current	-	-	-	-	-	-	278.0	374.0	393.8	-	61.7%
Tyre recycling initiatives	-	-	-	-	-	-	210.0	230.0	245.0	-	40.4%
Plastic programme	-	-	-	-	-	-	35.0	55.0	65.0	-	9.1%
Asbestos rehabilitation	-	-	-	-	-	-	33.0	89.0	83.8	-	12.1%

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

Entities¹

South African National Parks

Mandate

South African National Parks exists in terms of the National Environmental Management: Protected Areas Act (2003). Its mandate is to conserve, protect, control, and manage national parks and other defined protected areas and their biodiversity. This mandate is underpinned in section 24(b) of the Constitution, which states that everyone has the right to an environment that is not harmful to their health or wellbeing, and to have the environment protected for the benefit of present and future generations through reasonable legislative and other measures.

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

Selected performance indicators

Table 27.15 South African National Parks performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of visitors to national parks per year	Administration	Outcome 10: Protect and enhance our environmental assets and natural resources	5 235 095	5 578 532	5 600 000	5 900 000	6 200 000	6 500 000	6 500 000
Number of domestic black visitors to national parks per year	Administration		467 018	506 273	462 500	469 500	470 000	509 958	509 958
Percentage of accommodation occupancy in national parks per year	Administration		70.9% (533 266/ 752 138)	72.1% (552 240/ 766 936)	72.5% (571 362/ 788 086)	70.5%	71%	75%	75%
Gross operating tourism revenue (Value of revenue raised from commercial Activities) per year	Administration		R900m	R1.07bn	R1.19bn	R1.28bn	R1.39bn	R1.5bn	R1.62bn
Number of free access entrants per year to parks	Administration		42 330	42 230	18 200	18 300	18 400	18 500	18 600
Number of participants in environmental education programmes per year	Administration		215 232	213 744	185 600	190 000	190 500	190 500	190 500
Hectares of land brought into the national parks system per year	Administration		3 267 ha	6 125 ha	3 715 ha	1 947 ha	2 300 ha	2 300 ha	2 300 ha
Number of new permanent jobs created per year	Administration	Outcome 4: Decent employment through inclusive growth	241	305	20	30	50	90	50

Expenditure analysis

The bulk of the budget allocated to South African National Parks over the medium term is focused towards improving national conservation, refurbishing and upgrading roads and tourism infrastructure in parks, and combating wildlife crimes, such as poaching of rhino and abalone. Fighting poaching crimes, particularly rhino poaching in the Kruger National Park, also remains a priority for the organisation. The organisation is part of the cluster of public entities assigned to deliver on outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. Through its programmes and activities, particularly in relation to the conservation of the national park system, the organisation also contributes to outcome 4 (decent employment through inclusive growth).

The organisation is working to increase the number of visitors to national parks from 5.9 million in 2016/17 to 6.5 million in 2019/20, with the aim of increasing commercial activities revenue from R1.4 billion in 2017/18 to R1.6 billion in 2019/20. Spending on tourism infrastructure improvements and extensions is projected at R422 million over the medium term. The organisation will also manage and monitor protected areas and raise awareness about national parks through the biodiversity and conservation programme, with an allocation of R893 million, growing at an average annual rate of 3.4 per cent.

Revenue is expected to grow to R2.3 billion over the medium term, of which, 77 per cent will be from tourism-related activities and 16 per cent from transfers from the department. The growth is mainly due to an increase in the transfers received from government for infrastructure development and a projected increase in the organisation's tourism income. Although cost-containment measures have been instituted for spending on non-essential goods and services, spending on compensation of employees is set to grow faster than average growth expected from all revenue sources. The main reason for the growth in spending on compensation of employees is the employment of an additional 150 rangers needed in the Kruger National Park to fight rhino poaching.

Programmes/objectives/activities

Table 27.16 South African National Parks 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	2 249.8	2 510.5	2 624.7	2 181.0	-1.0%	100.0%	2 146.3	2 166.3	2 268.0	1.3%	100.0%
Total	2 249.8	2 510.5	2 624.7	2 181.0	-1.0%	100.0%	2 146.3	2 166.3	2 268.0	1.3%	100.0%

Statements of historical financial performance and position

Table 27.17 South African National Parks statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	878.0	1 344.5	920.4	1 444.6	1 265.2	1 621.0	1 327.4	1 621.6	137.4%
Sale of goods and services other than capital assets	852.9	1 300.1	894.8	1 387.2	1 208.7	1 546.7	1 264.7	1 491.0	135.6%
<i>of which:</i>									
<i>Sales by market establishment</i>	852.9	1 300.1	894.8	1 387.2	1 208.7	1 546.7	1 264.7	1 491.0	135.6%
Other non-tax revenue	25.1	44.3	25.6	57.4	56.5	74.3	62.7	130.6	180.5%
Transfers received	478.4	938.3	654.9	1 353.8	519.3	1 282.7	558.5	559.4	187.0%
Total revenue	1 356.3	2 282.7	1 575.3	2 798.4	1 784.5	2 903.7	1 886.0	2 181.0	154.0%
Expenses									
Current expenses	1 356.3	2 249.8	1 554.2	2 510.5	1 558.0	2 624.7	1 652.9	1 843.4	150.8%
Compensation of employees	849.6	885.5	688.5	871.2	903.4	907.6	957.6	977.2	107.1%
Goods and services	453.8	1 280.3	809.5	1 566.3	556.8	1 632.8	591.6	789.5	218.5%
Depreciation	37.7	82.5	39.9	71.4	96.2	82.6	102.2	75.5	113.1%
Interest, dividends and rent on land	15.3	1.5	16.2	1.6	1.6	1.7	1.4	1.2	17.4%
Transfers and subsidies	-	-	-	-	226.5	-	233.0	337.6	73.5%
Total expenses	1 356.3	2 249.8	1 554.2	2 510.5	1 784.5	2 624.7	1 886.0	2 181.0	145.4%
Surplus/(Deficit)	-	33.0	21.0	288.0	-	279.0	-	-	
Statement of financial position									
Carrying value of assets	1 855.3	1 766.2	1 915.3	1 986.8	1 986.8	2 180.2	1 986.8	1 986.8	102.3%
<i>of which:</i>									
<i>Acquisition of assets</i>	(21.2)	(330.5)	(22.3)	(599.7)	(63.7)	(565.2)	(70.8)	(70.8)	879.8%
Investments	232.9	156.6	232.9	160.4	160.4	163.6	160.4	160.4	81.5%
Inventory	21.1	36.5	21.1	34.0	34.0	30.8	34.0	34.0	122.7%
Receivables and prepayments	25.0	32.0	25.0	40.4	40.4	56.2	40.4	40.4	129.3%
Cash and cash equivalents	200.0	795.2	200.0	882.8	882.8	981.6	882.8	882.8	163.6%
Total assets	2 334.3	2 786.6	2 394.3	3 104.3	3 104.3	3 412.4	3 104.3	3 104.3	113.4%
Accumulated surplus/(deficit)	(39.6)	1 352.6	(39.6)	1 492.8	1 492.8	1 771.8	1 492.8	1 492.8	210.2%
Capital reserve fund	90.0	-	105.0	-	-	-	-	-	-
Borrowings	22.3	16.1	22.3	11.5	11.5	8.9	11.5	11.5	71.1%
Deferred income	1 649.0	371.1	1 694.0	476.0	476.0	405.7	476.0	476.0	40.3%
Trade and other payables	354.8	441.9	354.8	469.0	469.0	529.8	469.0	469.0	115.9%
Provisions	257.9	604.8	257.9	655.0	655.0	696.2	655.0	655.0	143.0%
Total equity and liabilities	2 334.3	2 786.6	2 394.3	3 104.3	3 104.3	3 412.4	3 104.3	3 104.3	113.4%

Statements of estimates of financial performance and position

Table 27.18 South African National Parks statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average Expenditure/Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue									
Non-tax revenue	1 621.6	6.4%	60.2%	1 712.9	1 809.6	1 897.0	5.4%	80.3%	
Sale of goods and services other than capital assets	1 491.0	4.7%	57.0%	1 577.6	1 669.3	1 752.1	5.5%	74.0%	
<i>of which:</i>									
<i>Sales by market establishment</i>	1 491.0	4.7%	57.0%	1 577.6	1 669.3	1 752.1	5.5%	74.0%	
Other non-tax revenue	130.6	43.3%	3.1%	135.3	140.3	144.8	3.5%	6.3%	
Transfers received	559.4	-15.8%	39.8%	433.4	356.8	371.0	-12.8%	19.7%	
Total revenue	2 181.0	-1.5%	100.0%	2 146.3	2 166.3	2 268.0	1.3%	100.0%	
Expenses									
Current expenses	1 843.4	-6.4%	96.1%	1 934.3	2 029.7	2 143.3	5.2%	102.1%	
Compensation of employees	977.2	3.3%	38.4%	1 026.0	1 077.3	1 137.7	5.2%	48.1%	
Goods and services	789.5	-14.9%	54.4%	829.3	871.1	920.0	5.2%	38.9%	
Depreciation	75.5	-2.9%	3.3%	77.8	80.1	84.6	3.9%	3.6%	
Interest, dividends and rent on land	1.2	-7.8%	0.1%	1.1	1.1	1.1	-3.0%	0.1%	
Transfers and subsidies	337.6	-	3.9%	212.1	136.7	124.7	-28.3%	9.3%	
Total expenses	2 181.0	-1.0%	100.0%	2 146.3	2 166.3	2 268.0	1.3%	100.0%	
Surplus/(Deficit)	-	(1.0)	-	-	-	-	-	-	
Statement of financial position									
Carrying value of assets	1 986.8	4.0%	63.8%	1 986.8	1 986.8	1 986.8	-	64.0%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(70.8)	-40.2%	-12.5%	(77.6)	(85.2)	(91.1)	8.8%	-2.6%	
Investments	160.4	0.8%	5.2%	160.4	160.4	160.4	-	5.2%	
Inventory	34.0	-2.4%	1.1%	34.0	34.0	34.0	-	1.1%	
Receivables and prepayments	40.4	8.0%	1.4%	40.4	40.4	40.4	-	1.3%	
Cash and cash equivalents	882.8	3.5%	28.5%	882.8	882.8	882.8	-	28.4%	
Total assets	3 104.3	3.7%	100.0%	3 104.3	3 104.3	3 104.3	-	100.0%	
Accumulated surplus/(deficit)	1 492.8	3.3%	49.2%	1 492.8	1 492.8	1 492.8	-	48.1%	
Borrowings	11.5	-10.6%	0.4%	11.5	11.5	11.5	-	0.4%	
Deferred income	476.0	8.7%	14.0%	476.0	476.0	476.0	-	15.3%	
Trade and other payables	469.0	2.0%	15.4%	469.0	469.0	469.0	-	15.1%	
Provisions	655.0	2.7%	21.1%	655.0	655.0	655.0	-	21.1%	
Total equity and liabilities	3 104.3	3.7%	100.0%	3 104.3	3 104.3	3 104.3	-	100.0%	

Personnel information

Table 27.19 South African National Parks personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18			2018/19			2019/20								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			2016/17 - 2019/20			
South African National Parks		6 476	6 476		6 352	907.6	0.1	6 476	977.2	0.2	6 476	1 026.0	0.2	6 476	1 077.3	0.2	6 476	1 137.7	0.2	5.2%	100.0%	
Salary level																						
1 – 6	5 655	5 655	5 531	557.7	0.1	5 655	588.3	0.1	5 655	621.9	0.1	5 655	659.2	0.1	5 655	698.8	0.1	5.9%	87.3%			
7 – 10	670	670	670	222.4	0.3	670	250.8	0.4	670	260.8	0.4	670	270.3	0.4	670	282.1	0.4	4.0%	10.3%			
11 – 12	134	134	134	104.2	0.8	134	112.5	0.8	134	117.0	0.9	134	119.9	0.9	134	130.4	1.0	5.0%	2.1%			
13 – 16	17	17	17	23.3	1.4	17	25.5	1.5	17	26.3	1.5	17	27.9	1.6	17	26.4	1.6	1.1%	0.3%			

1. Rand million.

Other entities

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

- The **iSimangaliso Wetland Park Authority** protects and conserves the park to promote and facilitate tourism and tourism related development in the park. Its total budget for 2017/18 is R187.5 million.
- The **South African National Biodiversity Institute** focuses on biodiversity knowledge management, and information generation and dissemination by conducting coordinated research on the composition, value, status, functioning and dynamics of South Africa's biodiversity. The institute's total budget for 2017/18 is R486 million.
- The **South African Weather Service** maintains, extends and improves the quality of meteorological services. The entity's total budget for 2017/18 is R380.6 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
R million										
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Polar research vessel	Replacement of vessel for research voyages to Marion Island, Gough Island and Antarctica	Complete	1 429.3	-	-	-	-	-	-	-
South African National Parks	Upgrade of tourist accommodation facilities	Construction	1 282.8	216.8	248.4	195.0	206.7	125.6	61.0	62.5
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
South African National Parks	Upgrade of roads	Construction	500.0	28.3	30.0	31.4	33.0	34.7	36.6	38.1
South African National Biodiversity Institute	Upgrade of laboratories and replacement of old and depleted equipment and vehicles	Construction	550.0	40.0	48.0	60.0	63.6	64.0	66.8	75.7
South African National Parks	Upgrade of accommodation facilities and equipment in national parks	Construction	595.7	65.0	67.5	73.3	152.1	83.2	43.5	46.2
iSimangaliso Wetland Park Authority	Upgrade of office facilities	Construction	655.2	-	81.4	41.1	79.2	80.0	91.7	54.5
South African National Biodiversity Institute	Upgrade of and building of new facilities in botanical gardens	Construction	230.0	15.6	18.5	12.3	17.8	11.0	12.6	6.8
Small projects (total project cost of less than R250 million over the project life cycle)										
South African Weather Service	Acquisition of high performance computer to assist with improved weather and meteorological services	Tender	500.0	20.0	30.0	-	-	35.0	37.0	38.5
iSimangaliso Wetland Park Authority	Upgrade of accommodation facilities and equipment	Construction	220.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Total			5 963.0	405.7	543.8	433.1	572.4	453.5	369.2	342.3

Vote 28

Labour

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	885.6	831.5	0.7	53.3	932.0	992.5
Inspection and Enforcement Services	532.7	498.8	0.1	33.9	598.2	638.9
Public Employment Services	561.1	340.7	220.3	0.1	585.2	618.1
Labour Policy and Industrial Relations	1 086.4	146.6	939.6	0.2	1 151.1	1 201.9
Total expenditure estimates	3 065.8	1 817.6	1 160.7	87.5	3 266.5	3 451.5

Executive authority Minister of Labour
Accounting officer Director General of Labour
Website address www.labour.gov.za

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

Vote purpose

Play a significant role in reducing unemployment, poverty and inequality by pursuing the objectives of full and productive employment, and decent work for all, including: employment creation and enterprise development; standards and rights at work, including equality of opportunities; social protection; and social dialogue.

Mandate

The Department of Labour derives its legislative mandate from the Constitution, particularly the Bill of Rights, which is given effect through a number of acts. The most important of these are the Labour Relations Act (1995), the Basic Condition of Employment Act (1997), the Employment Equity Act (1998), the Occupational Health and Safety Act (1993), and the Employment Services Act (2014).

The policy mandate of the department is to regulate the labour market through policies and programmes developed in consultation with social partners. These aim to:

- improve economic efficiency and productivity
- facilitate decent employment creation
- promote labour standards and fundamental rights at work
- provide adequate social safety nets to protect vulnerable workers
- promote and enforce sound labour relations
- eliminate inequality and discrimination in the workplace
- enhance occupational health and safety awareness and compliance in the workplace
- give value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market flexibility for the competitiveness of enterprises, balanced with the promotion of decent employment.

Selected performance indicators

Table 28.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of employers inspected per year to determine compliance with employment law	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive growth	164 868	182 375	188 577	175 478	217 044	218 142	218 142
Percentage of reported incidents investigated and finalised within 90 days	Inspection and Enforcement Services		- ¹	45% (589/ 1 305)	82% (1 080/ 1 309)	62% ²	65% ²	70% ²	70% ²
Number of work seekers registered on the Employment Services of South Africa database per year ⁴	Public Employment Services		600 259	618 570	634 503	500 000	500 000 ³	500 000	500 000
Number of registered work seekers provided with employment counselling per year ⁴	Public Employment Services		250 160	246 744	250 000	150 000	140 000 ³	130 000	130 000
Number of employment opportunities registered on the Employment Services of South Africa database per year ⁴	Public Employment Services		20 754	74 056	102 631 ³	60 000	60 000	60 000	60 000
Number of registered employment opportunities filled by registered work seekers per year ⁴	Public Employment Services		- ¹	16 634	10 927	8 000	8 000	8 000	8 000
Number of pay scales assessed per year to reduce gaps in minimum wage determination	Labour Policy and Industrial Relations		2	2	4	2	2	2	2

1. No historical data available.

2. Actual figures cannot be supplied as it is not possible for the department to anticipate the number of incidents reported in a year.

3. High achievement due to advocacy campaigns and roadshows.

4. Targets have been revised to align with the department's budget.

Expenditure analysis

The focus of the Department of Labour over the medium term will be on: establishing minimum working conditions, safe work environments and fair labour relations practices; supporting work seekers; and regulating the workplace. The department supports the realisation of the goals of the National Development Plan (NDP) to increase workplace inspections, enhance workplace dispute resolutions to enhance healthy labour relations, and create 11 million jobs by 2030. Outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework gives overall strategic direction to the department's work over the medium term.

Establishing safety and fairness in the workplace

The department aims to ensure that employers adhere to employment equity plans and decent work principles, and that vulnerable workers are protected. The number of inspections for compliance with labour legislation are set to increase from 175 478 in 2016/17 to 218 142 in each year over the medium term. An amount of R1.8 billion is allocated to the *Inspection and Enforcement Services* programme over the MTEF period to achieve these targets and support the department's commitment to creating decent working conditions. Cabinet has approved an additional allocation for spending on compensation of employees of R28 million over the MTEF period to address the cost pressures arising from the 2015 wage agreement.

The department has amended the Occupational Health and Safety Act (1993) to introduce compulsory provisions, such as permitting inspectors to administer fines and allowing employees to leave workplaces if conditions are unhealthy or unsafe, in pursuit of creating healthy and safe working environments. The amended act, which is targeted for implementation in 2017/18, makes provision for health and safety representatives in the service of employers to check for compliance through routine inspections.

Supporting work seekers

Over the medium term, the department aims to provide free public employment services through the implementation of the Employment Services Act (2014). These include the registration of job opportunities, recruitment and selection for employers, the provision of employment counselling, and the introduction of new regulations and guidelines for employment schemes under the guidance of the Employment Services Board. To fund these activities, the *Public Employment Services* programme is set to receive R1.1 billion over the medium term, excluding transfers and subsidies of R698.9 million to organisations including the Compensation Fund, Productivity South Africa and supported employment enterprises. The transfer to supported employment

enterprises was reduced by R19.3 million over the medium term as part of Cabinet's decision to stay within the spending ceiling. This is not expected to affect performance negatively as the enterprises generate their own revenue, have growing cash surpluses and aim to become largely self-funded.

The department plans to establish and maintain two labour centres, one in Johannesburg (Gauteng) and one in Mthatha (Eastern Cape), over the medium term to provide public employment services to work seekers and employers. To address capacity constraints by automating certain business processes, 126 existing labour centres are expected to be fitted with self-help kiosks, and three mobile units will provide public employment services in remote areas. The Unemployment Insurance Fund and the Compensation Fund will also begin employing their own client service officers rather than sharing those of the department, as is currently the case. This change in practice will allow some of the current client service officers to focus more on activities related to public employment services. Cabinet approved an additional allocation of R32 million over the medium term to the *Work Seeker Services* subprogramme to address cost pressures arising from the 2015 wage agreement.

The department aims to match work seekers to 24 000 registered employment opportunities over the medium term by implementing performance improvement plans based on research data to address the root causes of the low placement rate of work seekers. This will include facilitating life-skill activities and enhancing work seekers' readiness for employment to make them more attractive to potential employers. Savings of R97.8 million over the medium term were identified in spending on compensation of employees after the cost split between the department and the Unemployment Insurance Fund for shared services at labour centres was revised. These funds were reprioritised from the *Employer Services* subprogramme to the *Work Seeker Services* subprogramme for the appointment of additional psychometrists and principal psychologists at labour centres to allow employment counselling to be provided to a projected 400 000 registered work seekers over the medium term. Funding in the *Work Seeker Services* subprogramme for these activities is reflected in the anticipated average annual growth of 16.3 per cent, or R550.4 million, in funds allocated over the MTEF period. The department also plans to implement a revised counselling strategy to reduce the time it takes to place work seekers and explore partnerships with universities to modernise the psychometric tests used.

Regulating the workplace

Over the medium term, the department plans to continue setting standards to reduce pay inequalities as it works towards the introduction of a national minimum wage. The department has budgeted R3.6 million for the review of six sectoral determinations over the medium term to regulate agreements on benchmarks for pay inequality, and then conduct an assessment of pay scales to ensure that gaps in minimum wage determinations are reduced. The department supported the investigation carried out by the national minimum wage advisory panel appointed by the deputy president, which recommended R3 500 per month as the first national minimum wage. The labour relations indaba process will consider in 2017 the value of and ways to introduce the agreed national minimum wage. Over the medium term, a national minimum wage commission will be established and provided funding of R32 million once the national minimum wage is adopted. The commission will be tasked with reviewing the national minimum wage, assessing its impact on the labour market and employment, and adjusting it periodically. The *Labour Policy and Industrial Relations* programme is set to receive R3.4 billion over the medium term, of which R2.7 billion is earmarked for transfer to the Commission for Conciliation, Mediation and Arbitration to ensure fair labour practices.

Expenditure trends

Table 28.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Inspection and Enforcement Services														
3. Public Employment Services														
4. Labour Policy and Industrial Relations														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	785.4	840.4	795.9	787.7	784.9	676.0	845.1	815.1	745.6	852.9	856.6	856.6	94.0%	93.2%
Programme 2	465.2	440.2	412.2	403.2	410.4	430.9	430.8	471.8	472.9	519.5	509.3	504.2	100.1%	99.4%
Programme 3	400.1	400.1	413.5	466.5	481.5	465.3	488.3	497.3	485.1	510.3	507.2	507.2	100.3%	99.2%
Programme 4	764.5	764.5	749.9	869.9	869.4	847.8	922.7	920.0	908.4	965.2	969.7	968.4	98.6%	98.6%
Total	2 415.2	2 445.2	2 371.4	2 527.3	2 546.3	2 419.9	2 686.9	2 704.2	2 612.0	2 847.9	2 842.9	2 836.4	97.7%	97.2%
Change to 2016 Budget estimate											(5.0)			
Economic classification														
Current payments	1 562.2	1 560.5	1 469.6	1 554.0	1 591.1	1 458.3	1 683.8	1 642.8	1 533.0	1 714.8	1 675.9	1 667.2	94.1%	94.7%
Compensation of employees	982.9	882.0	866.1	966.5	1 006.1	997.8	1 079.6	1 052.9	1 025.6	1 132.2	1 108.0	1 099.2	95.9%	98.5%
Goods and services	579.3	678.6	603.5	587.4	585.0	460.6	604.2	589.9	507.4	582.6	567.9	568.0	90.9%	88.4%
Transfers and subsidies	818.7	824.2	823.4	942.4	927.6	924.6	956.2	1 009.2	1 010.4	1 064.6	1 063.4	1 063.5	101.1%	99.9%
Provinces and municipalities	–	0.2	0.4	–	–	0.5	–	0.5	0.6	0.5	0.7	0.7	458.9%	151.0%
Departmental agencies and accounts	676.2	676.2	676.2	774.9	789.9	785.8	824.2	824.2	820.9	867.8	868.3	868.3	–	–
Foreign governments and international organisations	11.3	15.6	15.9	16.5	17.4	17.0	17.3	19.3	20.9	20.6	22.0	22.0	115.4%	102.0%
Non-profit institutions	131.0	131.0	127.7	150.7	119.5	116.6	114.4	164.5	164.0	175.5	169.6	169.6	101.1%	98.9%
Households	0.3	1.2	3.1	0.3	0.8	4.7	0.3	0.7	4.0	0.3	2.8	2.9	1 220.3%	270.9%
Payments for capital assets	34.3	60.6	60.3	31.0	27.6	36.1	46.9	52.2	68.1	68.4	103.6	105.7	149.6%	110.7%
Buildings and other fixed structures	5.5	5.5	1.5	–	0.3	1.9	–	2.0	0.5	28.0	28.0	28.0	95.3%	89.2%
Machinery and equipment	28.8	55.1	58.8	31.0	27.3	34.2	46.9	50.2	67.6	40.4	75.6	77.7	162.0%	114.4%
Payments for financial assets	–	–	18.1	–	–	0.9	–	–	0.5	–	–	–	–	–
Total	2 415.2	2 445.2	2 371.4	2 527.3	2 546.3	2 419.9	2 686.9	2 704.2	2 612.0	2 847.9	2 842.9	2 836.4	97.7%	97.2%

Expenditure estimates

Table 28.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Inspection and Enforcement Services								
3. Public Employment Services								
4. Labour Policy and Industrial Relations								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	856.6	0.6%	30.0%	885.6	932.0	992.5	5.0%	29.1%
Programme 2	504.2	4.6%	17.8%	532.7	598.2	638.9	8.2%	18.0%
Programme 3	507.2	8.2%	18.3%	561.1	585.2	618.1	6.8%	18.0%
Programme 4	968.4	8.2%	33.9%	1 086.4	1 151.1	1 201.9	7.5%	34.9%
Total	2 836.4	5.1%	100.0%	3 065.8	3 266.5	3 451.5	6.8%	100.0%
Change to 2016 Budget estimate				33.8	42.2	20.6		

Table 28.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Current payments	1 667.2	2.2%	59.8%	1 817.6	1 948.1	2 078.0	7.6%	59.5%
Compensation of employees	1 099.2	7.6%	39.0%	1 224.5	1 317.8	1 410.2	8.7%	40.0%
Goods and services	568.0	-5.8%	20.9%	593.1	630.3	667.8	5.5%	19.5%
Transfers and subsidies	1 063.5	8.9%	37.3%	1 160.7	1 226.0	1 278.7	6.3%	37.5%
Provinces and municipalities	0.7	43.8%	-	0.5	0.5	0.5	-10.0%	-
Departmental agencies and accounts	868.3	8.7%	30.8%	962.2	1 016.1	1 055.8	6.7%	30.9%
Foreign governments and international organisations	22.0	12.1%	0.7%	23.8	25.2	26.6	6.6%	0.8%
Non-profit institutions	169.6	9.0%	5.6%	173.9	183.8	195.4	4.8%	5.7%
Households	2.9	35.8%	0.1%	0.3	0.4	0.4	-49.0%	-
Payments for capital assets	105.7	20.4%	2.6%	87.5	92.3	94.7	-3.6%	3.0%
Buildings and other fixed structures	28.0	72.2%	0.3%	14.0	16.0	16.0	-17.0%	0.6%
Machinery and equipment	77.7	12.1%	2.3%	73.5	76.3	78.7	0.4%	2.4%
Total	2 836.4	5.1%	100.0%	3 065.8	3 266.5	3 451.5	6.8%	100.0%

Goods and services expenditure trends and estimates

Table 28.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R thousand											
Administrative fees	5 000	5 451	4 958	5 336	2.2%	1.0%	5 828	5 952	6 292	5.6%	1.0%
Advertising	12 069	6 737	17 431	9 451	-7.8%	2.1%	16 301	15 798	16 698	20.9%	2.4%
Minor assets	2 398	4 423	2 869	7 148	43.9%	0.8%	7 697	7 752	8 628	6.5%	1.3%
Audit costs: External	14 011	15 320	16 511	20 392	13.3%	3.1%	20 965	22 234	23 630	5.0%	3.5%
Bursaries: Employees	2 446	2 299	1 906	2 877	5.6%	0.4%	2 466	2 682	3 030	1.7%	0.4%
Catering: Departmental activities	5 573	3 747	4 532	3 825	-11.8%	0.8%	4 259	4 797	5 161	10.5%	0.7%
Communication	34 460	35 234	31 232	32 493	-1.9%	6.2%	28 505	29 709	31 285	-1.3%	5.0%
Computer services	77 176	69 702	66 868	104 446	10.6%	14.9%	110 281	116 667	123 178	5.7%	18.5%
Consultants: Business and advisory services	74 486	6 313	7 178	14 161	-42.5%	4.8%	13 260	14 665	15 224	2.4%	2.3%
Laboratory services	-	-	-	-	-	-	150	-	-	-	-
Legal services	3 995	2 270	3 085	3 325	-5.9%	0.6%	3 575	4 968	5 280	16.7%	0.7%
Science and technological services	-	-	-	-	-	-	-	-	95	-	-
Contractors	16 038	8 185	7 091	6 209	-27.1%	1.8%	5 229	5 096	5 196	-5.8%	0.9%
Agency and support/outsourced services	2 964	3 044	3 111	5 512	23.0%	0.7%	5 607	5 938	6 293	4.5%	0.9%
Entertainment	273	139	189	361	9.8%	-	225	229	240	-12.7%	-
Fleet services (including government motor transport)	12 826	19 359	19 795	22 757	21.1%	3.5%	23 951	25 191	27 818	6.9%	4.1%
Inventory: Food and food supplies	-	-	-	-	-	-	2	2	2	-	-
Inventory: Fuel, oil and gas	-	-	-	442	-	-	-	-	-	-100.0%	-
Inventory: Learner and teacher support material	-	-	-	20	-	-	-	-	-	-100.0%	-
Inventory: Materials and supplies	-	-	-	144	-	-	170	199	210	13.4%	-
Inventory: Medical supplies	-	-	-	-	-	-	32	34	36	-	-
Inventory: Other supplies	-	-	-	414	-	-	-	-	-	-100.0%	-
Consumable supplies	1 944	3 192	2 545	4 268	30.0%	0.6%	4 454	4 704	5 020	5.6%	0.8%
Consumables: Stationery, printing and office supplies	17 686	18 890	19 673	20 248	4.6%	3.6%	22 258	23 915	25 433	7.9%	3.7%
Operating leases	148 072	104 877	139 488	131 730	-3.8%	24.5%	139 053	149 911	159 489	6.6%	23.6%
Rental and hiring	647	843	1 103	1 749	39.3%	0.2%	1 217	1 255	1 324	-8.9%	0.2%
Property payments	53 164	46 762	57 055	67 144	8.1%	10.5%	65 874	69 447	73 353	3.0%	11.2%
Transport provided: Departmental activity	-	390	140	58	-	-	800	800	900	149.4%	0.1%
Travel and subsistence	86 186	77 171	82 429	66 610	-8.2%	14.6%	74 978	79 364	83 486	7.8%	12.4%
Training and development	9 921	6 672	6 636	14 024	12.2%	1.7%	13 282	15 039	15 972	4.4%	2.4%
Operating payments	12 267	11 449	6 489	12 035	-0.6%	2.0%	10 520	10 919	11 732	-0.8%	1.8%
Venues and facilities	9 890	8 106	5 087	10 731	2.8%	1.6%	12 165	13 052	12 836	6.2%	2.0%
Total	603 492	460 575	507 401	567 910	-2.0%	100.0%	593 104	630 319	667 841	5.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 28.5 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Provinces and municipalities											
Municipal bank accounts											
Current	446	472	550	701	16.3%	0.1%	490	491	518	-9.6%	-
Vehicle licences	446	472	550	701	16.3%	0.1%	490	491	518	-9.6%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	660 542	762 061	806 132	849 262	8.7%	80.5%	946 264	1 000 006	1 038 961	7.0%	81.1%
Communication	11	4 399	11	-	-100.0%	0.1%	-	-	-	-	-
Productivity South Africa	40 285	43 119	45 531	47 944	6.0%	4.6%	50 341	53 261	56 244	5.5%	4.4%
Commission for Conciliation, Mediation and Arbitration	594 418	687 096	731 799	770 501	9.0%	72.8%	864 090	913 066	947 152	7.1%	73.9%
National Economic Development and Labour Council	25 828	27 447	28 791	30 817	6.1%	3.0%	31 833	33 679	35 565	4.9%	2.8%
Foreign governments and international organisations											
Current	15 914	17 019	20 912	21 957	11.3%	2.0%	23 813	25 218	26 630	6.6%	2.1%
Foreign Government	-	-	3	-	-	-	-	-	-	-	-
International Labour Organisation	15 110	16 019	19 753	20 861	11.3%	1.9%	22 648	23 984	25 327	6.7%	2.0%
African Regional Labour Administration Centre	804	1 000	1 156	1 096	10.9%	0.1%	1 165	1 234	1 303	5.9%	0.1%
Non-profit institutions											
Current	127 702	116 584	164 045	169 644	9.9%	15.1%	173 892	183 831	195 356	4.8%	15.3%
Non-life insurance	-	50	-	-	-	-	-	-	-	-	-
Deaf Federation of South Africa	66	-	-	262	58.3%	-	275	291	2 744	118.8%	0.1%
National Council for the Physically Disabled	68	136	308	302	64.4%	-	318	336	2 792	109.9%	0.1%
South African National Council for the Blind	66	155	417	372	78.0%	-	390	413	2 873	97.7%	0.1%
Workshops for the blind	6 911	7 793	10 341	11 181	17.4%	0.9%	11 739	12 420	13 116	5.5%	1.0%
Work-centres for the disabled	104 087	91 132	135 050	138 568	10.0%	12.3%	141 307	149 356	151 640	3.1%	12.3%
Various civil and labour organisations	16 504	17 318	17 929	18 879	4.6%	1.8%	19 823	20 973	22 147	5.5%	1.7%
Various schools: National Day Against Child Labour	-	-	-	80	-	-	40	42	44	-18.1%	-
Households											
Social benefits											
Current	3 048	4 695	3 343	2 807	-2.7%	0.4%	333	362	383	-48.5%	0.1%
Employee social benefits	3 048	4 695	3 343	2 807	-2.7%	0.4%	333	362	383	-48.5%	0.1%
Households											
Other transfers to households											
Current	87	29	656	-	-100.0%	-	-	-	-	-	-
Employee social benefits	87	29	656	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Provincial revenue funds											
Current	-	1	-	-	-	-	-	-	-	-	-
Vehicle licences	-	1	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Social security funds											
Current	15 640	23 752	14 780	19 032	6.8%	1.9%	15 918	16 108	16 878	-3.9%	1.4%
Unemployment Insurance Fund	-	-	-	1	-	-	1	1	1	-	-
Compensation Fund	15 640	23 752	14 780	19 031	6.8%	1.9%	15 917	16 107	16 877	-3.9%	1.4%
Total	823 379	924 613	1 010 418	1 063 403	8.9%	100.0%	1 160 710	1 226 016	1 278 726	6.3%	100.0%

Personnel information

Table 28.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2017																	Average growth rate (%)	Average: Salary level/Total (%)	
Labour	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2016/17 - 2019/20				
			2015/16			2016/17			2017/18		2018/19		2019/20						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
Labour	2 892	22	3 081	1 025.6	0.3	3 014	1 099.2	0.4	3 094	1 224.5	0.4	3 073	1 317.8	0.4	2 977	1 410.2	0.5	-0.4%	100.0%
Salary level																			
1 – 6	1 378	10	1 460	314.1	0.2	1 398	332.6	0.2	1 396	355.3	0.3	1 418	389.1	0.3	1 334	394.0	0.3	-1.5%	45.6%
7 – 10	1 269	10	1 297	470.8	0.4	1 293	510.1	0.4	1 382	590.2	0.4	1 328	617.8	0.5	1 297	658.0	0.5	0.1%	43.6%
11 – 12	176	2	237	155.5	0.7	241	172.2	0.7	221	172.8	0.8	232	196.7	0.8	253	238.1	0.9	1.6%	7.8%
13 – 16	68	–	66	69.6	1.1	61	68.0	1.1	74	88.9	1.2	74	96.0	1.4	72	100.8	1.4	5.7%	2.3%
Other	–	–	21	15.8	0.8	21	16.3	0.8	21	17.3	0.8	21	18.3	0.9	21	19.3	0.9	–	0.7%
Programme	2 892	22	3 081	1 025.6	0.3	3 014	1 099.2	0.4	3 094	1 224.5	0.4	3 073	1 317.8	0.4	2 977	1 410.2	0.5	-0.4%	100.0%
Programme 1	968	22	1 014	325.9	0.3	970	350.6	0.4	958	384.6	0.4	911	402.8	0.4	882	433.6	0.5	-3.1%	30.6%
Programme 2	1 250	–	1 205	375.9	0.3	1 210	406.5	0.3	1 208	433.2	0.4	1 276	492.3	0.4	1 230	527.6	0.4	0.5%	40.5%
Programme 3	502	–	697	245.7	0.4	668	256.3	0.4	755	304.9	0.4	704	312.0	0.4	685	328.7	0.5	0.8%	23.1%
Programme 4	171	–	165	78.1	0.5	166	85.7	0.5	173	101.8	0.6	182	110.7	0.6	180	120.3	0.7	2.7%	5.8%

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

2. Rand million.

Departmental receipts

Table 28.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	22 601	11 155	10 056	12 866	12 866	-17.1%	100.0%	11 606	11 839	12 608	-0.7%	100.0%
Sales of goods and services produced by department	4 179	3 928	4 129	4 808	4 808	4.8%	30.1%	4 501	4 510	5 418	4.1%	39.3%
Sales by market establishments	175	182	176	166	166	-1.7%	1.2%	204	208	212	8.5%	1.6%
of which:												
Market establishment: Rental dwellings	43	46	43	44	44	0.8%	0.3%	52	54	56	8.4%	0.4%
Market establishment: Rental parking (covered and open)	132	136	133	122	122	-2.6%	0.9%	152	154	156	8.5%	1.2%
Administrative fees	2 234	1 853	1 970	2 612	2 612	5.3%	15.3%	2 164	2 166	3 000	4.7%	20.3%
of which:												
Occupational health and safety licences	2 234	1 853	1 970	2 612	2 612	5.3%	15.3%	2 164	2 166	3 000	4.7%	20.3%
Other sales	1 770	1 893	1 983	2 030	2 030	4.7%	13.5%	2 133	2 136	2 206	2.8%	17.4%
of which:												
Services rendered: Commission on insurance and gamishee	1 767	1 889	1 980	2 026	2 026	4.7%	13.5%	2 126	2 128	2 200	2.8%	17.3%
Services rendered: Photocopies and faxes	–	–	1	–	–	–	–	1	1	1	–	–
Replacement of security cards	3	4	2	4	4	10.1%	–	6	7	5	7.7%	–
Sales of scrap, waste, arms and other used current goods	30	28	12	44	44	13.6%	0.2%	25	29	40	-3.1%	0.3%
of which:												
Sales: Scrap	–	1	3	26	26	–	0.1%	7	9	20	-8.4%	0.1%
Sales: Waste paper	30	27	9	18	18	-15.7%	0.1%	18	20	20	3.6%	0.2%
Fines, penalties and forfeits	44	4	1 009	1 040	1 040	187.0%	3.7%	60	80	80	-57.5%	2.6%
Interest, dividends and rent on land	6 317	1 318	1 303	1 252	1 252	-41.7%	18.0%	1 460	1 500	1 500	6.2%	11.7%
Interest	6 317	1 318	1 303	1 252	1 252	-41.7%	18.0%	1 460	1 500	1 500	6.2%	11.7%
Sales of capital assets	–	1 108	105	32	32	–	2.2%	500	600	350	122.0%	3.0%
Transactions in financial assets and liabilities	12 031	4 769	3 498	5 690	5 690	-22.1%	45.9%	5 060	5 120	5 220	-2.8%	43.1%
Total	22 601	11 155	10 056	12 866	12 866	-17.1%	100.0%	11 606	11 839	12 608	-0.7%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 28.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Ministry	18.6	24.3	32.6	32.1	20.1%	3.5%	31.1	32.4	34.5	2.5%	3.5%
Management	273.1	252.0	258.5	257.7	-1.9%	33.9%	251.4	250.9	264.4	0.9%	27.9%
Corporate Services	201.4	179.5	180.3	247.2	7.1%	26.3%	276.2	297.4	318.5	8.8%	31.1%
Office of the Chief Financial Officer	142.2	97.5	113.2	129.3	-3.1%	15.7%	135.4	145.5	157.1	6.7%	15.5%
Office Accommodation	160.6	122.7	161.1	190.2	5.8%	20.6%	191.5	205.7	218.0	4.6%	22.0%
Total	795.9	676.0	745.6	856.6	2.5%	100.0%	885.6	932.0	992.5	5.0%	100.0%
Change to 2016 Budget estimate				3.7			(9.4)	(8.6)	(8.9)		
Economic classification											
Current payments	716.7	636.0	707.3	784.2	3.0%	92.5%	831.5	873.0	931.1	5.9%	93.3%
Compensation of employees	267.3	309.5	325.9	350.6	9.5%	40.8%	384.6	402.8	433.6	7.3%	42.9%
Goods and services ¹	449.4	326.5	381.4	433.6	-1.2%	51.8%	447.0	470.1	497.5	4.7%	50.4%
of which:											
Audit costs: External	14.0	15.3	16.5	20.4	13.3%	2.2%	20.9	22.2	23.6	5.0%	2.4%
Communication	13.7	14.5	17.0	26.0	23.8%	2.3%	20.5	21.1	22.3	-5.1%	2.4%
Computer services	76.6	69.3	65.9	103.4	10.5%	10.3%	109.0	115.4	121.9	5.6%	12.3%
Operating leases	140.4	103.1	137.5	127.0	-3.3%	16.5%	134.0	142.6	151.7	6.1%	15.1%
Property payments	40.2	36.9	44.6	66.2	18.0%	6.1%	63.8	67.2	71.0	2.4%	7.3%
Travel and subsistence	29.4	29.4	37.1	21.1	-10.5%	3.8%	26.5	26.2	27.1	8.7%	2.8%
Transfers and subsidies¹	1.5	5.8	2.3	1.7	3.6%	0.4%	0.7	0.7	0.8	-22.9%	0.1%
Provinces and municipalities	0.4	0.5	0.5	0.7	18.9%	0.1%	0.5	0.5	0.5	-9.6%	0.1%
Departmental agencies and accounts	-	4.4	-	-	-100.0%	0.1%	-	-	-	-	-
Non-profit institutions	-	0.1	-	-	-	-	-	-	-	-	-
Households	1.1	0.9	1.8	1.0	-3.3%	0.2%	0.2	0.2	0.3	-36.2%	-
Payments for capital assets	59.5	33.2	35.5	70.7	5.9%	6.5%	53.3	58.3	60.7	-5.0%	6.6%
Buildings and other fixed structures	1.5	1.9	0.5	28.0	162.5%	1.0%	14.0	16.0	16.0	-17.0%	2.0%
Machinery and equipment	57.9	31.3	35.0	42.7	-9.7%	5.4%	39.3	42.3	44.7	1.5%	4.6%
Payments for financial assets	18.1	0.9	0.5	-	-100.0%	0.6%	-	-	-	-	-
Total	795.9	676.0	745.6	856.6	2.5%	100.0%	885.6	932.0	992.5	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	33.6%	27.9%	28.5%	30.1%	-	-	28.9%	28.5%	28.8%	-	-

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

Programme 2: Inspection and Enforcement Services

Programme purpose

Realise decent work by regulating non-employment and employment conditions through inspection and enforcement, to achieve compliance with all labour market policies.

Objectives

- Protect vulnerable workers through the inspection and enforcement of labour legislation by ensuring that decent work principles are adhered to by:
 - conducting 217 044 compliance inspections by March 2018
 - serving 100 per cent of noncompliant employers inspected with a notice in terms of relevant employment law within 14 calendar days of inspection
 - hosting four seminars for high-risk and problematic sectors and one inspector conference by March 2018.
- Strengthen health and safety of workers through the enforcement of occupational health and safety regulations by investigating 65 per cent of all reported incidents within 90 days of receipt by 2017/18.

Subprogrammes

- *Management and Support Services: Inspection and Enforcement Services* manages the delegated administrative and financial responsibilities of the office of the deputy director general, and provides corporate support to line function subprogrammes within the programme.
- *Occupational Health and Safety* promotes health and safety in the workplace by conducting inspections on compliance with the Occupational Health and Safety Act (1993), and regulating dangerous activities and the use of plant and machinery.
- *Registration: Inspection and Enforcement Services* registers incidents relating to labour relations and occupational health and safety, as reported by members of the public, and communicates these to the relevant structures within the *Compliance, Monitoring and Enforcement Services* subprogramme for investigation.
- *Compliance, Monitoring and Enforcement Services* ensures that employers and employees comply with labour legislation by conducting regular inspections and following up on reported incidents.
- *Training of Staff: Inspection and Enforcement Services* defrays all expenditure relating to staff training within this programme.
- *Statutory and Advocacy Services* gives effect to the legislative enforcement requirement and educates stakeholders on labour legislation.

Expenditure trends and estimates

Table 28.9 Inspection and Enforcement Services 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Management and Support Services: Inspection and Enforcement Services	16.1	4.5	4.6	5.9	-28.3%	1.7%	5.3	6.4	6.8	4.7%	1.1%
Occupational Health and Safety	16.6	22.2	29.3	29.0	20.5%	5.3%	29.7	32.4	34.8	6.3%	5.5%
Registration: Inspection and Enforcement Services	48.3	51.4	52.6	61.6	8.5%	11.7%	62.4	67.3	72.6	5.6%	11.6%
Compliance, Monitoring and Enforcement Services	315.5	340.2	373.0	397.8	8.0%	78.1%	421.4	477.3	508.8	8.6%	79.2%
Training of Staff: Inspection and Enforcement Services	13.1	5.5	6.7	5.4	-25.5%	1.7%	5.4	5.6	6.0	3.4%	1.0%
Statutory and Advocacy Services	2.7	7.1	6.6	9.6	52.8%	1.4%	8.6	9.2	9.9	1.1%	1.6%
Total	412.2	430.9	472.9	509.3	7.3%	100.0%	532.7	598.2	638.9	7.8%	100.0%
Change to 2016 Budget estimate				(10.2)			2.9	16.5	15.2		
Economic classification											
Current payments	410.4	426.8	439.8	476.6	5.1%	96.1%	498.8	564.2	604.9	8.3%	94.1%
Compensation of employees	318.6	350.1	375.9	414.5	9.2%	79.9%	433.2	492.3	527.6	8.4%	81.9%
Goods and services ¹	91.8	76.7	63.9	62.1	-12.2%	16.1%	65.6	71.9	77.4	7.6%	12.2%
of which:											
Minor assets	0.3	0.9	0.5	2.8	102.2%	0.3%	3.3	3.8	4.2	14.4%	0.6%
Fleet services (including government motor transport)	6.1	8.7	7.5	9.9	17.7%	1.8%	8.9	9.8	11.3	4.7%	1.7%
Consumables: Stationery, printing and office supplies	2.6	3.6	4.4	3.9	14.5%	0.8%	4.3	4.6	5.0	8.5%	0.8%
Travel and subsistence	36.5	28.8	25.4	24.1	-12.9%	6.3%	26.2	28.6	30.4	8.1%	4.8%
Training and development	5.2	0.9	2.3	4.7	-3.2%	0.7%	4.4	4.5	4.8	0.9%	0.8%
Venues and facilities	3.7	1.7	1.3	3.9	1.7%	0.6%	4.1	4.7	4.1	2.2%	0.7%
Transfers and subsidies¹	1.5	1.9	1.2	0.8	-20.0%	0.3%	0.1	0.1	0.1	-53.4%	-
Households	1.4	1.9	1.2	0.8	-19.6%	0.3%	0.1	0.1	0.1	-53.4%	-
Payments for capital assets	0.3	2.2	31.9	32.0	359.6%	3.6%	33.9	33.9	33.9	1.9%	5.9%
Machinery and equipment	0.3	2.2	31.9	32.0	359.6%	3.6%	33.9	33.9	33.9	1.9%	5.9%
Total	412.2	430.9	472.9	509.3	7.3%	100.0%	532.7	598.2	638.9	7.8%	100.0%
Proportion of total programme expenditure to vote expenditure	17.4%	17.8%	18.1%	17.9%	-	-	17.4%	18.3%	18.5%	-	-

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

Programme 3: Public Employment Services

Programme purpose

Provide assistance to companies and workers to adjust to changing labour market conditions, and regulate private employment agencies.

Objectives

- Provide public employment services by:
 - registering 500 000 work seekers on the Employment Services of South Africa database by 31 March 2018
 - providing employment counselling to 140 000 work seekers by 31 March 2018
 - filling 8 000 registered employment opportunities by 31 March 2018
 - registering 60 000 work opportunities on the Employment Services of South Africa database by 31 March 2018.
- Contribute to increasing employment opportunities for people with disabilities by providing quarterly funding over the medium term and monitoring disability organisations on an ongoing basis.

Subprogrammes

- *Management and Support Services: Public Employment Services* manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes.
- *Employer Services* registers work opportunities, facilitates the employment of foreign nationals where such skills do not exist in South Africa, oversees placements, responds to companies in distress, provides a social plan and regulates private employment agencies.
- *Work Seeker Services* registers work seekers, retrenched workers, work and learning opportunities, training and income-generating opportunities on the Employment Services of South Africa system, and facilitates access to employment and income-generating opportunities for the unemployed and underemployed.
- *Designated Groups Special Services* facilitates the transfer of subsidies to national councils to promote the employment of people with disabilities, youth and women, in collaboration with supported sheltered employment enterprises and other relevant bodies.
- *Supported Employment Enterprises* transfers funds to subsidised workshops for the blind and subsidised work centres for people with disabilities, and aims to improve the administration, production and financial control of supported employment enterprises and workshops for the blind.
- *Productivity South Africa* transfers funds to Productivity South Africa, which promotes workplace productivity, competitiveness and social plan interventions.
- *Unemployment Insurance Fund* provides for the possible future funding of the Unemployment Insurance Fund.
- *Compensation Fund* provides for costs incurred through claims from civil servants for injuries sustained on duty or occupation-related illnesses and diseases, and provides for the funding of claims from the Compensation Fund.
- *Training of Staff: Public Employment Services* defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes.

Expenditure trends and estimates

Table 28.10 Public Employment Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Management and Support Services: Public Employment Services	28.4	34.6	36.0	40.7	12.8%	7.5%	44.3	46.6	50.0	7.1%	8.0%
Employer Services	116.3	116.8	120.1	123.0	1.9%	25.5%	105.7	118.7	126.7	1.0%	20.9%
Work Seeker Services	95.8	117.2	116.0	118.8	7.4%	23.9%	183.5	180.0	187.0	16.3%	29.5%
Designated Groups Special Services	0.2	0.3	11.1	12.1	292.8%	1.3%	12.7	13.5	21.5	21.1%	2.6%
Supported Employment Enterprises	115.6	127.8	140.7	144.5	7.7%	28.3%	147.5	155.8	158.5	3.1%	26.7%
Productivity South Africa	40.3	43.1	45.5	47.9	6.0%	9.5%	50.3	53.3	56.2	5.5%	9.1%
Compensation Fund	15.6	23.8	14.8	19.0	6.8%	3.9%	15.9	16.1	16.9	-3.9%	3.0%
Training of Staff: Public Employment Services	1.3	1.6	0.9	1.1	-5.1%	0.3%	1.2	1.2	1.3	5.4%	0.2%
Total	413.5	465.3	485.1	507.2	7.0%	100.0%	561.1	585.2	618.1	6.8%	100.0%
Change to 2016 Budget estimate				(3.1)			(10.8)	(9.2)	(15.6)		
Economic classification											
Current payments	245.7	297.5	277.6	288.5	5.5%	59.3%	340.7	352.9	371.7	8.8%	59.6%
Compensation of employees	212.8	265.1	245.7	256.3	6.4%	52.4%	304.9	312.0	328.7	8.6%	52.9%
Goods and services ¹	33.0	32.4	31.8	32.1	-0.9%	6.9%	35.8	40.9	42.9	10.2%	6.7%
<i>of which:</i>											
Communication	4.4	4.9	5.6	2.9	-13.1%	0.9%	4.8	5.1	5.1	21.5%	0.8%
Fleet services (including government motor transport)	1.7	2.7	3.0	3.1	22.0%	0.6%	3.3	3.5	3.7	5.3%	0.6%
Consumables: Stationery, printing and office supplies	1.5	2.2	1.7	3.4	31.9%	0.5%	3.8	4.1	4.3	8.4%	0.7%
Operating leases	2.4	0.5	0.4	1.7	-10.3%	0.3%	1.8	3.9	4.1	33.8%	0.5%
Travel and subsistence	10.9	10.3	9.0	9.3	-5.1%	2.1%	9.1	10.6	11.2	6.5%	1.8%
Venues and facilities	1.4	0.9	0.2	2.0	11.8%	0.2%	2.1	2.2	2.4	5.3%	0.4%
Transfers and subsidies¹	167.5	167.3	207.4	218.7	9.3%	40.7%	220.3	232.2	246.3	4.0%	40.4%
Departmental agencies and accounts	55.9	66.9	60.3	67.0	6.2%	13.4%	66.3	69.4	73.1	3.0%	12.1%
Non-profit institutions	111.2	99.2	146.1	150.7	10.7%	27.1%	154.0	162.8	173.2	4.7%	28.2%
Households	0.3	1.2	0.9	1.0	46.9%	0.2%	-	-	0.1	-63.7%	0.1%
Payments for capital assets	0.3	0.5	0.2	0.1	-45.2%	0.1%	0.1	0.1	0.1	3.8%	-
Machinery and equipment	0.3	0.5	0.2	0.1	-45.2%	0.1%	0.1	0.1	0.1	3.8%	-
Total	413.5	465.3	485.1	507.2	7.0%	100.0%	561.1	585.2	618.1	6.8%	100.0%
Proportion of total programme expenditure to vote expenditure	17.4%	19.2%	18.6%	17.8%	-	-	18.3%	17.9%	17.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Social security funds											
Current	15.6	23.8	14.8	19.0	6.8%	3.9%	15.9	16.1	16.9	-3.9%	3.0%
Compensation Fund	15.6	23.8	14.8	19.0	6.8%	3.9%	15.9	16.1	16.9	-3.9%	3.0%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	40.3	43.1	45.5	47.9	6.0%	9.5%	50.3	53.3	56.2	5.5%	9.1%
Productivity South Africa	40.3	43.1	45.5	47.9	6.0%	9.5%	50.3	53.3	56.2	5.5%	9.1%
Non-profit institutions											
Current	111.2	99.2	146.1	150.7	10.7%	27.1%	154.0	162.8	173.2	4.7%	28.2%
Deaf Federation of South Africa	0.1	-	-	0.3	58.3%	-	0.3	0.3	2.7	118.8%	0.2%
National Council for the Physically Disabled	0.1	0.1	0.3	0.3	64.4%	-	0.3	0.3	2.8	109.9%	0.2%
South African National Council for the Blind	0.1	0.2	0.4	0.4	78.0%	0.1%	0.4	0.4	2.9	97.7%	0.2%
Workshops for the blind	6.9	7.8	10.3	11.2	17.4%	1.9%	11.7	12.4	13.1	5.5%	2.1%
Work-centres for the disabled	104.1	91.1	135.1	138.6	10.0%	25.1%	141.3	149.4	151.6	3.1%	25.6%

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

Programme 4: Labour Policy and Industrial Relations

Programme purpose

Facilitate the establishment of an equitable and sound labour relations environment and promote South Africa's interests in international labour matters through research, analysing and evaluating labour policy, providing statistical data on the labour market, and supporting institutions that promote social dialogue.

Objectives

- Improve employment equity in the labour market by:
 - reviewing and amending the code of good practice on the preparation and implementation of employment equity plans by March 2018
 - publicising the 2016/17 employment equity annual report and public register by June 2017
 - developing the 2017/18 employment equity annual report and public register by March 2018.
- Establish basic employment standards and minimum wages through the review of two existing sectoral determinations (domestic worker and contract cleaning sectors) by March 2018.
- Promote sound labour relations and centralised collective bargaining through the extension of collective agreements and 100 per cent registration of qualifying labour and employer organisations by March 2018.
- Monitor and evaluate the impact of labour legislation to promote an evidence-based labour policy framework through the production of four research and four labour market information trend reports by March 2018.

Subprogrammes

- *Management and Support Services: Labour Policy and Industrial Relations* manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes.
- *Strengthen Civil Society* transfers funds to various civil society organisations that protect vulnerable workers by providing resources, support and expertise to improve the independence and self-reliance of workers, in order to contribute to a stable and well-functioning labour market.
- *Collective Bargaining* manages the implementation of the Labour Relations Act (1995) through policies and practices that promote sound labour relations by: registering labour organisations and deregistering those that are noncompliant; publishing and extending collective agreements; supporting and advancing participation in collective bargaining structures; participating in the governance structures of the Commission for Conciliation, Mediation and Arbitration; and participating in relevant National Economic Development and Labour Council activities.
- *Employment Equity* promotes equity in the labour market through the elimination of unfair discrimination and the promotion of equitable representation in the workplace.
- *Employment Standards* protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997).
- *Commission for Conciliation, Mediation and Arbitration* transfers funds to the Commission for Conciliation, Mediation and Arbitration, which promotes social justice and fairness in the workplace through dispute prevention and dispute resolution services.
- *Research, Policy and Planning* monitors and evaluates the impact of labour legislation and policies that affect the South African labour market.
- *Labour Market Information and Statistics* collects, collates, analyses and disseminates internal and external labour market statistics regarding changes in the South African labour market that impact on employment legislation.
- *International Labour Matters* contributes to global policy formulation and facilitates compliance with international obligations through multilateral and bilateral relations.
- *National Economic Development and Labour Council* transfers funds to the National Economic Development and Labour Council, which promotes economic growth, participation in economic decision making and social equity.

Expenditure trends and estimates

Table 28.11 Labour Policy and Industrial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million											
Management and Support Services: Labour											
Policy and Industrial Relations	10.2	10.1	12.6	15.5	15.1%	1.4%	16.0	17.3	18.6	6.4%	1.5%
Strengthen Civil Society	16.5	17.3	17.9	18.9	4.6%	2.0%	19.8	21.0	22.1	5.5%	1.9%
Collective Bargaining	12.3	13.5	12.6	14.4	5.3%	1.5%	15.5	16.8	18.2	8.2%	1.5%
Employment Equity	12.8	9.9	14.3	14.9	5.3%	1.5%	16.4	17.5	18.8	8.0%	1.5%
Employment Standards	12.5	11.0	11.0	13.7	3.3%	1.4%	24.6	26.4	28.5	27.5%	2.1%
Commission for Conciliation, Mediation and Arbitration	594.4	687.1	731.8	770.5	9.0%	80.1%	864.1	913.1	947.2	7.1%	79.3%
Research, Policy and Planning	7.4	6.7	7.1	9.7	9.5%	0.9%	10.4	11.2	12.0	7.1%	1.0%
Labour Market Information and Statistics	31.3	33.9	35.9	38.5	7.2%	4.0%	42.4	45.9	49.7	8.8%	4.0%
International Labour Matters	26.6	30.8	36.4	42.8	17.2%	3.9%	45.3	48.3	51.4	6.3%	4.3%
National Economic Development and Labour Council	25.9	27.4	28.8	30.8	5.9%	3.3%	31.8	33.7	35.6	4.9%	3.0%
Total	749.9	847.8	908.4	969.7	8.9%	100.0%	1 086.4	1 151.1	1 201.9	7.4%	100.0%
Change to 2016 Budget estimate				4.5			51.1	43.6	29.8		
Economic classification											
Current payments	96.8	98.0	108.4	126.7	9.4%	12.4%	146.6	158.0	170.3	10.4%	13.6%
Compensation of employees	67.5	73.0	78.1	86.5	8.6%	8.8%	101.8	110.7	120.3	11.6%	9.5%
Goods and services ¹	29.3	24.9	30.3	40.1	11.1%	3.6%	44.8	47.4	50.0	7.6%	4.1%
of which:											
Advertising	6.6	2.4	5.6	3.0	-23.0%	0.5%	4.8	5.1	5.4	21.2%	0.4%
Consultants: Business and advisory services	3.4	3.0	3.1	5.2	16.1%	0.4%	6.3	6.7	7.1	10.5%	0.6%
Operating leases	0.3	0.8	1.2	2.1	87.2%	0.1%	2.5	2.6	2.7	9.2%	0.2%
Consumables: Stationery, printing and office supplies	3.1	4.0	2.8	5.1	17.9%	0.4%	5.7	6.1	6.4	7.8%	0.5%
Travel and subsistence	9.5	8.7	10.9	12.2	8.7%	1.2%	13.2	14.0	14.7	6.6%	1.2%
Venues and facilities	1.4	2.2	1.9	2.9	26.8%	0.2%	3.0	3.2	3.4	5.4%	0.3%
Transfers and subsidies¹	652.9	749.6	799.5	842.3	8.9%	87.6%	939.6	993.0	1 031.5	7.0%	86.3%
Departmental agencies and accounts	620.2	714.5	760.6	801.3	8.9%	83.3%	895.9	946.7	982.7	7.0%	82.3%
Foreign governments and international organisations	15.9	17.0	20.9	22.0	11.3%	2.2%	23.8	25.2	26.6	6.6%	2.2%
Non-profit institutions	16.5	17.3	17.9	19.0	4.7%	2.0%	19.9	21.0	22.2	5.4%	1.9%
Households	0.3	0.8	0.1	-	-55.1%	-	-	-	-	-100.0%	-
Payments for capital assets	0.2	0.2	0.5	0.8	64.6%	-	0.2	0.1	0.1	-55.9%	-
Machinery and equipment	0.2	0.2	0.5	0.8	64.6%	-	0.2	0.1	0.1	-55.9%	-
Total	749.9	847.8	908.4	969.7	8.9%	100.0%	1 086.4	1 151.1	1 201.9	7.4%	100.0%
Proportion of total programme expenditure to vote expenditure	31.6%	35.0%	34.8%	34.1%	-	-	35.4%	35.2%	34.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	620.2	714.5	760.6	801.3	8.9%	83.3%	895.9	946.7	982.7	7.0%	82.3%
Commission for Conciliation, Mediation and Arbitration	594.4	687.1	731.8	770.5	9.0%	80.1%	864.1	913.1	947.2	7.1%	79.3%
National Economic Development and Labour Council	25.8	27.4	28.8	30.8	6.1%	3.2%	31.8	33.7	35.6	4.9%	3.0%
Foreign governments and international organisations											
Current	15.9	17.0	20.9	22.0	11.3%	2.2%	23.8	25.2	26.6	6.6%	2.2%
International Labour Organisation	15.1	16.0	19.8	20.9	11.3%	2.1%	22.6	24.0	25.3	6.7%	2.1%
African Regional Labour Administration Centre	0.8	1.0	1.2	1.1	10.9%	0.1%	1.2	1.2	1.3	5.9%	0.1%
Non-profit institutions											
Current	16.5	17.3	17.9	18.9	4.6%	2.0%	19.8	21.0	22.1	5.5%	1.9%
Various civil and labour organisations	16.5	17.3	17.9	18.9	4.6%	2.0%	19.8	21.0	22.1	5.5%	1.9%

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

Entities¹

Compensation Fund

Mandate

The Compensation Fund administers the Compensation for Occupational Injuries and Diseases Act (1993). The main objective of the act is to provide compensation for disablement caused by occupational injuries, or diseases sustained or contracted by employees, or for death resulting from such injuries or diseases.

Selected performance indicators

Table 28.12 Compensation Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Number of new claims registered per year	Compensation for Occupational Injuries and Diseases Act (1993) operations	Outcome 13: An inclusive and responsive social protection system	310 710	225 511	129 123	352 407	370 027	392 229	411 841
Percentage of approved claims paid within five working days	Compensation for Occupational Injuries and Diseases Act (1993) operations		-1	-1	95% (135 531/ 143 200)	18%	16%	15%	15%
Percentage of new registered claims adjudicated within 60 working days of receipt	Provincial operations: Compensation for Occupational Injuries and Diseases Act (1993)		84% (260 253/ 310 710)	-1	76% (77 916/ 103 055)	85%	85%	85%	85%
Percentage of medical claims finalised per year within 60 working days of receipt	Provincial operations: Compensation for Occupational Injuries and Diseases Act (1993)		37% (684 169/ 1 871 383)	-1	97% (512 976/ 529 785)	85%	85%	85%	90%
Percentage increase in the number of registered employers per year	Compensation for Occupational Injuries and Diseases Act (1993) operations		6% (479 574/ 452 084)	7% (512 676/ 479 574)	6% (545 555/ 512 676)	10%	5%	5%	5%

1. No historical data available.

Expenditure analysis

The primary focus of the Compensation Fund over the medium term will be on improving access to social insurance for the working-age population, with the aim of preventing or alleviating poverty and providing protection against vulnerability. This implies providing an efficient and effective social safety net that protects vulnerable workers, strengthening social protection, and improving the capacity of the fund to deliver improved services to its beneficiaries. This contributes to the realisation of outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework.

The fund is committed to widening the social safety net, and aims to improve its claims registration and payments systems. This will require amending the Compensation for Occupational Injuries and Diseases Act (1993) to include domestic workers and increased benefits, and marketing and promoting the online claims-registration portal and automated adjudication systems. Amendments to the act are expected to be certified by state law advisers, after which they will be submitted into the parliamentary process by late 2017/18. Once the amendments are passed, the number of new claims under this act is set to grow at an average annual rate of 5.3 per cent, from 352 407 new claims in 2016/17 to 411 841 by 2019/20, with spending on claims set to grow from R8.8 billion in 2016/17 to R10.2 billion in 2019/20. In addition, a new policy framework has been developed, with the aim of creating a programme to rehabilitate injured workers and return them to work as soon as feasible. The fund will commence with local benchmarking of rehabilitation and reintegration-to-work activities in January 2017, and has budgeted R500 000 for this. The fund will then pilot the framework with private and public institutions, as well as non-governmental organisations, at an estimated cost of R10 million.

In response to the service delivery challenges experienced in the past, the fund is investing in strengthening its provincial processing centres to ensure the improved registration, adjudication and processing of all qualifying claims within reasonable turnaround times. To facilitate this, the fund provides coaching, mentoring and IT systems training to new staff. The fund has budgeted R210.4 million over the medium term for the provincial operations programme and the implementation of the Compensation for Occupational Injuries and Diseases Act (1993). The budgeted R29.3 billion over the medium term is to be used mainly for medical claims and compensation of employees for the fund's activities in terms of the Occupational Injuries and Diseases

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

Act (1993). The fund expects to register 1.2 million new claims under this act by 2019/20. It aims to complete 85 per cent of new registered claims within 60 working days of receipt.

The fund's main source of revenue is from levies payable by employers and from returns on investments made with the Public Investment Corporation. Total revenue collected in 2016/17 amounts to R12.3 billion, and is estimated to increase to R14.5 billion in 2019/20 at an average annual rate of 5.9 per cent. This revenue is used to pay benefits and cover the cost of administering the fund. This cost is expected to grow from R10.2 billion in 2017/18 to R11.3 billion in 2019/20.

Programmes/objectives/activities

Table 28.13 Compensation Fund, including Reserve Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	4 084.6	1 986.0	4 393.4	807.6	-41.7%	23.6%	858.9	879.6	1 017.1	8.0%	8.5%
Compensation for Occupational Injuries and Diseases Act (1993) operations	11 752.8	6 038.6	7 966.9	8 865.1	-9.0%	76.2%	9 308.4	9 773.9	10 262.7	5.0%	91.0%
Provincial operations: Compensation for Occupational Injuries and Diseases Act (1993) operations	22.2	22.5	27.1	28.8	9.0%	0.2%	66.2	70.1	74.1	37.1%	0.6%
Total	15 859.7	8 047.1	12 387.3	9 701.4	-15.1%	100.0%	10 233.5	10 723.7	11 353.9	5.4%	100.0%

Statements of historical financial performance and position

Table 28.14 Compensation Fund, including Reserve Fund statements of historical financial performance and position

Statement of financial performance									
R million	2013/14		2014/15		2015/16		2016/17		Average: Outcome/Budget (%) 2013/14 - 2016/17
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	2 839.0	3 019.5	2 807.5	6 254.3	3 434.5	3 788.3	10 172.3	4 055.8	88.9%
Other non-tax revenue	2 839.0	3 019.5	2 807.5	6 254.3	3 434.5	3 788.3	10 172.3	4 055.8	88.9%
Transfers received	5 328.9	7 020.6	8 208.8	8 432.3	7 852.0	7 566.9	8 244.6	8 244.6	105.5%
Total revenue	8 168.0	10 040.1	11 016.3	14 686.6	11 286.5	11 355.3	18 416.9	12 300.4	99.0%
Expenses									
Current expenses	929.1	4 140.6	1 017.7	2 017.0	878.4	4 434.4	1 109.3	845.9	290.7%
Compensation of employees	241.1	407.4	448.2	410.1	481.3	223.3	512.6	256.5	77.1%
Goods and services	684.1	3 729.9	565.8	1 585.6	382.1	4 193.0	580.9	547.3	454.4%
Depreciation	1.9	3.3	3.6	21.1	14.7	12.4	15.6	41.9	219.4%
Interest, dividends and rent on land	2.0	-	0.2	0.2	0.2	5.8	0.3	0.3	234.4%
Transfers and subsidies	5 244.2	11 719.1	4 191.0	6 030.0	3 927.8	7 952.9	4 086.0	8 855.6	198.0%
Total expenses	6 173.3	15 859.7	5 208.7	8 047.1	4 806.1	12 387.3	5 195.3	9 701.4	215.1%
Surplus/(Deficit)	1 995.0	(5 820.0)	5 808.0	6 640.0	6 480.0	(1 032.0)	13 222.0	2 599.0	
Statement of financial position									
Carrying value of assets	94.7	95.2	101.9	159.7	97.8	150.0	101.7	101.7	127.9%
of which:									
Acquisition of assets	(12.5)	(7.8)	(8.3)	(34.5)	(30.4)	(1.9)	(14.2)	(14.2)	89.4%
Investments	36 803.0	41 423.6	37 876.2	49 753.0	43 113.8	51 460.7	44 966.6	44 966.6	115.3%
Inventory	-	2.6	-	2.7	2.9	2.4	3.0	3.0	182.0%
Receivables and prepayments	2 390.5	1 190.9	4 566.4	3 231.8	3 404.5	4 949.8	3 574.8	3 574.8	92.9%
Cash and cash equivalents	424.0	119.9	1 170.6	35.5	3.8	87.4	4.0	4.0	15.4%
Total assets	39 712.1	42 832.3	43 715.1	53 182.8	46 622.7	56 650.3	48 650.0	48 650.0	112.7%
Accumulated surplus/(deficit)	18 196.7	16 421.7	24 110.6	-	17 547.5	-	18 158.8	18 158.8	44.3%
Capital and reserves	-	93.2	-	154.6	60.1	163.9	61.3	61.3	389.6%
Finance lease	-	-	-	4.4	-	3.5	-	-	-
Accrued interest	-	76.6	-	55.3	-	500.5	-	-	-
Trade and other payables	894.1	1 226.9	1 136.9	720.5	1 149.4	817.9	1 195.4	1 195.4	90.5%
Capitalised value of pensions	15 604.5	17 261.0	13 275.3	23 061.2	18 765.8	21 758.3	19 516.4	19 516.4	121.5%
Provisions	5 016.7	7 752.9	5 192.3	29 186.9	9 099.9	33 406.3	9 718.2	9 718.2	275.8%
Total equity and liabilities	39 712.1	42 832.3	43 715.1	53 182.8	46 622.7	56 650.3	48 650.0	48 650.0	112.7%

Statements of estimates of financial performance and position

Table 28.15 Compensation Fund, including Reserve Fund statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
Revised estimate		2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
R million		2016/17						
Revenue								
Non-tax revenue	4 055.8	10.3%	34.7%	4 262.7	4 494.3	4 721.4	5.2%	32.7%
Other non-tax revenue	4 055.8	10.3%	34.7%	4 262.7	4 494.3	4 721.4	5.2%	32.7%
Transfers received	8 244.6	5.5%	65.3%	8 755.8	9 272.4	9 791.6	5.9%	67.3%
Total revenue	12 300.4	7.0%	100.0%	13 018.5	13 766.7	14 513.0	5.7%	100.0%
Expenses								
Current expenses	845.9	-41.1%	23.9%	935.2	960.4	1 102.4	9.2%	13.6%
Compensation of employees	256.5	-14.3%	3.0%	286.8	304.3	371.3	13.1%	2.9%
Goods and services	547.3	-47.3%	20.7%	603.5	608.4	680.7	7.5%	5.8%
Depreciation	41.9	133.5%	0.2%	44.6	47.3	50.1	6.2%	0.4%
Interest, dividends and rent on land	0.3	-	0.0%	0.3	0.3	0.3	5.5%	0.0%
Transfers and subsidies	8 855.6	-8.9%	76.1%	9 298.3	9 763.3	10 251.4	5.0%	90.9%
Total expenses	9 701.4	-15.1%	100.0%	10 233.5	10 723.7	11 353.9	5.4%	100.0%
Surplus/(Deficit)	2 599.0	(2.0)		2 785.0	3 043.0	3 159.0	6.7%	
Statement of financial position								
Carrying value of assets	101.7	2.2%	0.2%	106.8	112.1	118.4	5.2%	0.2%
of which:								
Acquisition of assets	(14.2)	21.9%	-0.0%	(14.5)	(14.8)	(15.6)	3.3%	-0.0%
Investments	44 966.6	2.8%	93.4%	47 214.9	49 575.6	52 351.9	5.2%	92.4%
Inventory	3.0	5.2%	0.0%	3.2	3.3	3.5	5.2%	0.0%
Receivables and prepayments	3 574.8	44.3%	6.2%	3 753.5	3 941.2	4 161.9	5.2%	7.3%
Cash and cash equivalents	4.0	-67.9%	0.1%	4.2	4.4	4.6	5.2%	0.0%
Total assets	48 650.0	4.3%	100.0%	51 082.5	53 636.6	56 640.2	5.2%	100.0%
Accumulated surplus/(deficit)	18 158.8	3.4%	18.9%	19 066.7	20 302.1	21 439.0	5.7%	37.6%
Capital and reserves	61.3	-13.0%	0.2%	64.3	65.8	69.4	4.3%	0.1%
Trade and other payables	1 195.4	-0.9%	2.0%	1 255.1	1 317.9	1 391.7	5.2%	2.5%
Capitalised value of pensions	19 516.4	4.2%	40.5%	20 297.0	21 108.9	22 291.0	4.5%	39.6%
Provisions	9 718.2	7.8%	38.0%	10 399.2	10 841.9	11 449.0	5.6%	20.2%
Total equity and liabilities	48 650.0	4.3%	100.0%	51 082.5	53 636.6	56 640.2	5.2%	100.0%

Personnel information

Table 28.16 Compensation Fund, including Reserve Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment		Actual 2015/16			Revised estimate 2016/17			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18		2018/19		2019/20						
Compensation Fund, including Reserve Fund			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	1 286	1 286	986	223.3	0.2	1 054	256.5	0.2	1 108	286.8	0.3	1 108	304.3	0.3	1 286	371.3	0.3	13.1%	100.0%
1 - 6	796	796	629	96.0	0.2	658	105.6	0.2	686	117.8	0.2	686	125.1	0.2	796	153.6	0.2	13.3%	62.0%
7 - 10	448	448	318	92.6	0.3	354	110.2	0.3	380	125.9	0.3	380	133.7	0.4	448	169.3	0.4	15.4%	34.3%
11 - 12	22	22	20	14.9	0.7	22	17.3	0.8	22	18.4	0.8	22	19.5	0.9	22	20.7	0.9	6.1%	1.9%
13 - 16	20	20	19	19.8	1.0	20	23.4	1.2	20	24.7	1.2	20	26.1	1.3	20	27.7	1.4	5.8%	1.8%

1. Rand million.

Unemployment Insurance Fund

Mandate

The mandate of the Unemployment Insurance Fund is to contribute to the alleviation of poverty by providing effective short-term unemployment insurance to all workers who qualify for unemployment and related benefits, as legislated in the Unemployment Insurance Act (2001).

Selected performance indicators

Table 28.17 Unemployment Insurance Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of total mandated socially responsible investment committed	Administration		54% (R3.6bn/ R6.7bn)	85% (R7.9bn/ R9.3bn)	80% (R7.7bn/ R9.6bn)	80% ¹	80% ¹	80% ¹	80% ¹
Percentage of valid claims with complete information approved or rejected within five weeks of application	Business operations		86% (655 882/ 762 381)	90% (654 053/ 729 730)	84% (608 347/ 720 629)	90%	90%	90%	95%
Number of claims submitted through the uFiling claims portal per year	Business operations	Outcome 13: An inclusive and responsive social protection system	2 947	16 799	15 000	20 000	30 000	40 000	40 000
Percentage increase in revenue contribution	Business operations		12% (R1.6bn/ R13.7bn)	5% (R837m/ R15.3bn)	6% (R974m/ R17.1bn)	7.5% ¹	7.2% ¹	6.9% ¹	6% ¹
Percentage of overpayment balance collected	Business operations		27% (R68.9m/ R259m)	21% (R58m/ R273m)	23% (R59.3m/ R257m)	20%	20%	20%	25%
Number of new employers using the uFiling system per year	Business operations		12 361	11 399	24 987	17 000	18 000	20 000	25 000

1. Rand values are not available as it is not possible to predict amounts to be invested and revenue to be generated.

Expenditure analysis

The Unemployment Insurance Fund is committed to deepening social assistance and expanding access to social security. Over the medium term, the fund will focus on paying benefits to qualifying beneficiaries; speeding up and increasing the payment of benefits to qualifying beneficiaries; improving employers' compliance with the Unemployment Insurance Act (2001); ensuring investment in job-creation projects to boost employment; and implementing labour-activation schemes that involve education and skills development to assist unemployed workers registered on the fund's database. These activities are in line with outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework.

The fund is set to pay an estimated R31.3 billion in benefits over the medium term to qualifying unemployed people. The amended Unemployment Insurance Bill adopted by the National Assembly and the National Council of Provinces proposes a number of improvements to the current benefits framework. They include: an extension to the number of days for which the contributor is eligible for benefits, from 243 to 365 days; an extension to the period during which dependants can claim deceased contributors' benefits from 6 to 18 months; the provision of full benefits to women who miscarry; and a reduction in the number of days for claiming illness benefits from 14 to 7 days. It is estimated that the amount in benefits paid will increase from R23.1 billion to R31.3 billion over the medium term, reflecting a growth of 35.4 per cent. The fund also plans to streamline work processes to increase the rate at which unemployment insurance claims are processed and paid out, from 90 per cent within four weeks in 2017/18 to 95 per cent within three weeks by March 2019.

Over the medium term, the fund will contribute to job creation by supporting and implementing labour-activation initiatives targeted at unemployed youth and beneficiaries, and focus on providing skills development, enterprise development and funding for small, medium and micro enterprises. A total of R24.6 billion, accounting for 20 per cent of the fund's investment portfolio, has been set aside for socially responsible investment in sectors such as agriculture, agro-processing, mining and beneficiation, tourism, construction, transport and logistics, manufacturing, textiles, and home industries. This investment is set to increase in line with the projected increase in net surpluses and portfolio growth.

In an effort to retain an estimated 10 000 jobs per year, the fund will allocate R250 million over the medium term to Productivity South Africa's turnaround solutions programme to assist between 150 and 200 companies in distress. This is projected to help reduce the number of beneficiary claims lodged with the fund as fewer contributors are expected to be unemployed.

Expenditure on labour-activation schemes forms part of the fund's investment portfolio. The allocation for training for unemployed youth and beneficiaries was increased by R1 billion in the 2015 MTEF period due to an anticipated influx of applications. However, take-up was low and, as a result, the fund decreased this allocation from R1.6 billion to R762.6 million in 2017/18 and from R1.6 billion to R807.6 million in 2018/19, in line with actual expenditure in 2015/16 and 2016/17.

The fund is financed through contributions from employees and employers, as legislated in the Unemployment Insurance Contributions Act (2002), and from returns on investments. Over the medium term, the fund expects to receive, on average, 64.7 per cent, or R59.5 billion, of its total revenue from unemployment contributions.

Income from its own revenue, driven mainly by income from returns on investments, is expected to amount to R32.7 billion over the period ahead.

Programmes/objectives/activities

Table 28.18 Unemployment Insurance Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	548.1	538.6	4 873.2	1 260.6	32.0%	14.3%	1 267.2	1 347.9	1 430.9	4.3%	10.2%
Business operations	8 389.9	8 341.4	9 231.4	9 878.4	5.6%	83.6%	10 661.1	11 315.5	12 032.4	6.8%	83.9%
Labour activation programmes	88.0	97.8	82.0	709.6	100.5%	2.2%	762.6	807.6	852.8	6.3%	6.0%
Total	9 026.1	8 977.8	14 186.6	11 848.6	9.5%	100.0%	12 690.9	13 471.0	14 316.1	6.5%	100.0%

Statements of historical financial performance and position

Table 28.19 Unemployment Insurance Fund statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2013/14 - 2016/17
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
Revenue									
Non-tax revenue	4 965.9	5 886.8	6 173.7	12 248.0	9 609.1	8 171.4	11 148.5	9 357.6	111.8%
Sale of goods and services other than capital assets	3.0	2.1	2.7	1.9	6.4	2.2	2.4	2.4	60.1%
<i>of which:</i>									
<i>Sales by market establishment</i>	2.1	2.1	2.3	1.9	6.4	2.2	2.4	2.4	66.0%
<i>Other sales</i>	0.9	-	0.3	-	0.1	-	0.1	0.1	4.0%
Other non-tax revenue	4 962.9	5 884.7	6 171.0	12 246.1	9 602.7	8 169.2	11 146.1	9 355.2	111.8%
Transfers received	13 964.9	15 075.5	15 975.2	15 754.1	16 636.9	16 701.2	17 894.6	17 560.3	101.0%
Total revenue	18 930.9	20 962.3	22 148.9	28 002.1	26 246.0	24 872.7	29 043.1	26 917.9	104.6%
Expenses									
Current expenses	1 520.9	1 488.7	1 760.0	1 573.7	2 171.1	6 022.6	2 543.7	2 576.0	145.8%
Compensation of employees	826.5	772.3	899.8	880.0	1 026.0	939.7	1 163.5	1 188.7	96.6%
Goods and services	683.9	706.1	846.5	684.9	1 045.4	5 067.2	1 233.6	1 259.2	202.6%
Depreciation	10.6	8.5	13.7	8.5	99.7	15.7	146.6	128.1	59.5%
Interest, dividends and rent on land	-	1.7	-	0.3	-	-	-	-	15 523.1%
Transfers and subsidies	10 291.9	7 537.4	10 070.1	7 404.1	10 508.1	8 163.9	11 464.0	9 272.6	76.5%
Total expenses	11 812.9	9 026.1	11 830.2	8 977.8	12 679.2	14 186.6	14 007.7	11 848.6	87.5%
Surplus/(Deficit)	7 118.0	11 936.0	10 318.9	19 024.0	13 566.8	10 686.1	15 035.4	15 069.3	
Statement of financial position									
Carrying value of assets	103.0	76.4	96.4	96.6	259.3	217.4	227.7	147.2	78.3%
<i>of which:</i>									
<i>Acquisition of assets</i>	(9.8)	(2.4)	(21.6)	(27.1)	(263.0)	(151.5)	(115.7)	(145.2)	79.6%
Investments	82 271.4	92 822.2	91 566.8	111 780.0	125 717.0	120 441.0	141 175.2	152 173.1	108.3%
Receivables and prepayments	118.7	19.5	185.0	10.7	44.5	227.9	95.0	92.9	79.2%
Cash and cash equivalents	1 707.3	1 382.8	1 712.5	1 692.1	1 575.3	3 812.9	1 581.6	3 818.6	162.8%
Total assets	84 200.4	94 300.9	93 560.7	113 579.4	127 596.1	124 699.2	143 079.5	156 231.8	109.0%
Accumulated surplus/(deficit)	61 601.2	72 317.0	67 434.3	90 292.8	102 791.6	98 503.4	116 668.5	127 252.7	111.4%
Capital and reserves	15 439.7	18 097.4	16 143.9	19 145.9	20 312.9	21 621.4	21 617.4	24 144.7	112.9%
Borrowings	-	-	-	-	-	-	-	-	-
Trade and other payables	85.6	216.5	87.3	274.0	276.3	313.6	278.8	316.3	153.9%
Benefits payable	7 037.7	3 613.5	9 859.1	3 840.6	4 189.2	4 234.9	4 488.8	4 492.2	63.3%
Provisions	21.6	26.7	21.6	26.1	26.1	25.8	26.1	25.8	109.5%
Derivatives financial instruments	14.6	29.8	14.6	-	-	-	-	-	102.3%
Total equity and liabilities	84 200.4	94 300.9	93 560.7	113 579.4	127 596.1	124 699.2	143 079.5	156 231.8	109.0%

Statements of estimates of financial performance and position

Table 28.20 Unemployment Insurance Fund statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	Revised estimate	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	9 357.6	16.7%	34.9%	10 109.6	10 931.0	11 681.3	7.7%	35.3%
Sale of goods and services other than capital assets	2.4	4.4%	-	2.6	2.7	2.9	5.9%	-
<i>of which:</i>								
Sales by market establishment	2.4	3.6%	-	2.5	2.7	2.8	5.9%	-
Other sales	0.1	-	-	0.1	0.1	0.1	5.9%	-
Other non-tax revenue	9 355.2	16.7%	34.9%	10 107.0	10 928.2	11 678.4	7.7%	35.3%
Transfers received	17 560.3	5.2%	65.1%	18 701.7	19 917.3	20 853.5	5.9%	64.7%
Total revenue	26 917.9	8.7%	100.0%	28 811.3	30 848.3	32 534.7	6.5%	100.0%
Expenses								
Current expenses	2 576.0	20.1%	24.6%	2 867.6	3 058.4	3 257.6	8.1%	25.2%
Compensation of employees	1 188.7	15.5%	8.8%	1 444.0	1 550.8	1 665.6	11.9%	11.1%
Goods and services	1 259.2	21.3%	15.4%	1 249.9	1 323.7	1 397.8	3.5%	10.0%
Depreciation	128.1	146.7%	0.3%	173.6	183.9	194.2	14.9%	1.3%
Transfers and subsidies	9 272.6	7.2%	75.4%	9 823.4	10 412.6	11 058.5	6.0%	77.6%
Total expenses	11 848.6	9.5%	100.0%	12 690.9	13 471.0	14 316.1	6.5%	100.0%
Surplus/(Deficit)	15 069.0	-	-	16 120.0	17 377.0	18 219.0	6.5%	-
Statement of financial position								
Carrying value of assets	147.2	24.4%	0.1%	273.2	2.0	2.0	-76.2%	0.1%
<i>of which:</i>								
Acquisition of assets	(145.2)	292.5%	-0.1%	(271.2)	-	-	-100.0%	-0.1%
Investments	152 173.1	17.9%	97.7%	170 029.6	188 769.0	188 769.0	7.4%	97.7%
Receivables and prepayments	92.9	68.3%	0.1%	96.3	92.7	92.7	-0.1%	0.1%
Cash and cash equivalents	3 818.6	40.3%	2.1%	3 812.9	3 812.9	3 812.9	-	2.1%
Total assets	156 231.8	18.3%	100.0%	174 212.0	192 676.6	192 676.6	7.2%	100.0%
Accumulated surplus/(deficit)	127 252.7	20.7%	79.2%	143 438.2	159 880.4	159 880.4	7.9%	82.4%
Capital and reserves	24 144.7	10.1%	17.2%	25 671.3	27 400.8	27 400.8	4.3%	14.7%
Trade and other payables	316.3	13.5%	0.2%	319.5	322.5	322.5	0.6%	0.2%
Benefits payable	4 492.2	7.5%	3.4%	4 756.9	5 046.8	5 046.8	4.0%	2.7%
Provisions	25.8	-1.1%	-	26.1	26.1	26.1	0.4%	-
Total equity and liabilities	156 231.8	18.3%	100.0%	174 212.0	192 676.6	192 676.6	7.2%	100.0%

Personnel information

Table 28.21 Unemployment Insurance Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20				2016/17 - 2019/20			
Unemployment Insurance Fund	Salary level	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
	3 558	3 558	3 104	939.7	0.3	3 104	1 188.7	0.4	3 104	1 444.0	0.5	3 104	1 550.8	0.5	3 104	1 665.6	0.5	11.9%	100.0%
1 - 6	1 992	1 992	1 827	398.6	0.2	1 827	430.5	0.2	1 827	612.4	0.3	1 827	661.5	0.4	1 827	710.5	0.4	18.2%	58.9%
7 - 10	1 386	1 386	1 134	401.5	0.4	1 134	607.4	0.5	1 134	617.9	0.5	1 134	663.6	0.6	1 134	711.6	0.6	5.4%	36.5%
11 - 12	145	145	110	99.8	0.9	110	107.5	1.0	110	159.0	1.4	110	168.6	1.5	110	183.9	1.7	19.6%	3.5%
13 - 16	35	35	33	39.9	1.2	33	43.2	1.3	33	54.6	1.7	33	57.1	1.7	33	59.7	1.8	11.4%	1.1%

1. Rand million.

Other entities

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

- The **Commission for Conciliation, Mediation and Arbitration** aims to promote social justice and economic development in the world of work, and to be the best dispute management and dispute resolution organisation. The commission's total budget for 2017/18 is R864.1 million.

- The **National Economic Development and Labour Council** requires organised labour, organised business, community-based organisations and government to work as a collective to promote the goals of economic growth, and social and economic equity. The council's total budget for 2017/18 is R31.8 million.
- **Productivity South Africa** aims to improve the productive capacity of the economy through interventions that encourage social dialogue and collaboration between government, labour and business. The entity's total budget for 2017/18 is R50.3 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
Rustenburg labour centre: Construction of building	Construction of new labour centre	Construction	16.0	0.9	1.9	0.5	-	-	-	-
Site clearance	Construction of new labour centre	On hold	35.1	0.6	-	-	-	-	-	-
Construction of new office buildings; upgrade of the Ulundi and Prospecton labour centres and the installation of water tanks	Construction of new labour centre	Construction	74.0	-	-	-	28.0	14.0	16.0	16.0
Total			125.2	1.5	1.9	0.5	28.0	14.0	16.0	16.0

Vote 29

Mineral Resources

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	317.7	303.6	3.4	10.8	334.5	356.5
Mine Health and Safety	189.4	182.6	6.2	0.7	196.5	210.6
Mineral Regulation	364.6	221.5	143.0	0.0	379.9	398.9
Mineral Policy and Promotion	907.7	139.0	768.6	0.2	995.8	884.0
Total expenditure estimates	1 779.4	846.7	921.1	11.7	1 906.7	1 850.0
Executive authority	Minister of Mineral Resources					
Accounting officer	Director General of Mineral Resources					
Website address	www.dmr.gov.za					

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

Vote purpose

Promote and regulate the minerals and mining sector for transformation, growth and development. Ensure that all South Africans derive sustainable benefits from the country's mineral wealth.

Mandate

The mandate of the Department of Mineral Resources is broadly informed by:

- the Mineral and Petroleum Resources Development Act (2002), which provides the regulatory framework for equitable access to and the sustainable development of mineral resources and related matters
- the Mine Health and Safety Act (1996), which governs mine health and safety
- the 1998 White Paper on Minerals and Mining Policy for South Africa, which ensures the transparent and efficient regulation of South Africa's mineral resources and mineral industry to meet national objectives and bring optimum benefit to the nation.

Selected performance indicators

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past				Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
Number of occupational health and safety inspections, and mine audits conducted per year	Mine Health and Safety	Outcome 4: Decent employment through inclusive growth	9 919	9 078	8 005	8 396	8 396	8 396	8 396	
Number of mining rights and permits granted or issued to historically disadvantaged South Africans per year	Mineral Regulation		192	203	204	150	150	150	150	
Number of industry workshops on compliance issues conducted per year	Mineral Regulation		12	16	15	9	9	9	9	
Number of social and labour plan verification inspections per year	Mineral Regulation		285	268	270	250	212	212	212	
Number of environmental verification inspections per year	Mineral Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 868	1 856	1 889	1 500	1 275	1 275	1 275	
Number of mine economics verification audits per year	Mineral Regulation	Outcome 4: Decent employment through inclusive growth	546	520	595	500	425	425	425	
Number of publications per year	Mineral Policy and Promotion		13	15	14	17	12	12	12	
Number of legislative instruments reviewed and amended per year	Mineral Policy and Promotion		2	4	2	5	5	5	5	
Number of derelict and ownerless mines rehabilitated per year	Mineral Policy and Promotion		28	50	50	45	45	45	45	
Number of small, medium and micro enterprises (SMMEs) supported (new and established) per year	Mineral Policy and Promotion	Outcome 7: Comprehensive rural development and land reform	81	87	125	80	80	80	80	
Number of investment promotion events/forums/workshops per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive growth	– ¹	30	38	55	55	46	46	

1. No historical data available.

Expenditure analysis

Over the MTEF period, the department will focus on accelerating transformation and empowerment in the mining sector by: eradicating barriers to the socioeconomic development of mining communities; providing technical support to beneficiation projects; increasing the participation of small-scale miners; and fostering greater value chain integration. Further focus areas include ensuring the health and safety of miners and mining communities, protecting and rehabilitating the environment, ensuring the best use of mineral resources, and attracting investment in the minerals and upstream petroleum sectors.

The department's entities are an important part of how it fulfils its mandate. Transfers to entities, including Council for Geoscience and the Council for Mineral Technology, account for 50.1 per cent of the department's total budget allocation of R5.5 billion over the medium term. Transfers are set to increase to R921.1 million in 2017/18 due to additional allocations through the economic competitiveness support programme for the Council for Mineral Technology's water and energy efficiency projects, and the Council for Geoscience's digital information system, equipment and facilities.

Expenditure on compensation of employees accounts for 33 per cent of the total budget. This is due to the labour-intensive nature of the department's work, particularly with regards to enforcement, compliance monitoring, and the inspections of mines across the country. Cabinet-approved budget reductions on spending on compensation of employees amounts to R6.4 million in 2017/18, R6.8 million in 2018/19 and R7.2 million in 2019/20, reducing the compensation ceiling to R572.8 million in 2017/18, R598 million in 2018/19 and R643.6 million in 2019/20. As a result, a number of non-critical vacant posts have been temporarily frozen, and redeployments and retirement strategies have been implemented. Personnel numbers are expected to decrease from 1 122 in 2016/17 to 1 040 in 2019/20, as the department fills only posts that are critical to achieving its mandate.

Transforming the mining sector

The department will facilitate transformation in the mining and minerals sector through developing and reviewing relevant legislation. Over the medium term, a mining industry transformation strategy will be developed, based on the revised mining charter, and implemented in consultation with mining stakeholders. Mining rights and permits will be granted to 450 historically disadvantaged South Africans, and 636 social and labour plan verification inspections will be conducted over the medium term. The department will also monitor and enforce compliance with the statutory obligations of the Broad-Based Socioeconomic Empowerment Charter for the South African Mining Industry. As transformation forms part of the overall activities of the department, the expenditure for these services is included in the compensation of employees and goods and services budget.

Over the medium term, the department aims to support 240 SMMEs, particularly those involved in small-scale mining, by providing financial and technical support. An estimated budget of R91.5 million has been set aside for this, with a view to create decent employment and sustainable small businesses.

Ensuring the health and safety of miners and mining communities

The department strives towards ensuring the health and safety of mineworkers and mining communities, particularly those in and around old mining operations. To achieve this, focus will be placed on monitoring and evaluating occupational health programmes at mines. The department will consolidate and define occupational health functions to address challenges in health surveillance and monitoring at mines, and cooperate with other public agencies to promote occupational health and safety. Through the Mine Health and Safety Council the department monitors the implementation of commitments, and the 2014 Mine Health and Safety Tripartite Summit action plan, which ensures that every mineworker returns home unharmed. To ensure that the department meets these targets, the *Mine Health and Safety* programme has been allocated R596.5 million over the medium term.

The department aims to eradicate illegal mining through stakeholder forums established in Mpumalanga, Free State, Gauteng, Northern Cape, and another forum will be established in Limpopo in 2017. The purpose of stakeholder forums (which include miners, the Chamber of Mines, workers and government representatives) is to implement a segmented approach to enforcement, and efforts to ensure compliance. These measures include:

promoting legitimate mining activities; sealing off holes and old mining shafts; policing and law enforcement; conducting training workshops for all stakeholders; and rehabilitating illegal mining sites.

Comments obtained from mine stakeholders through the review of mine health and safety legislation will be taken into account when drafting new legislation. This will allow the reviewed legislation to incorporate best practices; monitor the implementation of commitments made at the Mine Health and Safety Council's tripartite summit; and support initiatives dealing with illegal mining and other mining-related safety matters, especially blasting operations near residential areas and any other structures that should be protected.

Protecting the environment

The department is responsible for conducting mine inspections to enforce the industry's compliance with the National Environment Management Act (1998). Over the medium term, the department expects to conduct 3 825 environmental verification inspections, and issue statutory notices and orders in cases of non-compliance. The *Mineral Regulation* programme is tasked with these duties, and is allocated a budget of R364.6 million in 2017/18, R379.9 million in 2018/19 and R398.9 million in 2019/20. This accounts for 19.5 per cent of the department's total budget.

As part of the safety and environmental goal policy, the rehabilitation of derelict and ownerless mines is one of the department's key activities. Over the MTEF period, 135 sites are set to be rehabilitated at an estimated cost of R540 million. From April 2017, through the Council for Geoscience, the department will be participating in the expanded public works programme to rehabilitate mines. The programme is expected to create 88 job opportunities, and an additional R3.2 million is allocated to accelerate rehabilitation activities.

Using mineral resources effectively

Exploration for onshore and offshore oil and gas resources, and their optimal development, contributes to the department's medium-term focus of ensuring the best utilisation of mineral resources. The Petroleum Agency South Africa regulates exploration and production activities, and is the custodian of the national petroleum exploration and production database. The agency funds its activities from the sale of data and reserves accumulated from its exploration work. Cabinet-approved budget reductions of R60 million in 2017/18, R70 million in 2018/19, and R80 million in 2019/20 have been made in the *Mineral Regulation* programme on transfers to the agency.

As the custodian of South Africa's petroleum data, the agency will conduct research, source data, and enhance and store such data on a world-class data management platform. The platform ensures that quality data is accessible for potential and existing operators. The agency will evaluate South African oil and gas reserves (including shale gas) to determine prospects, and attract oil and gas investment into South Africa.

Attracting investment

In addition to attracting investment through oil and gas, the department is planning 147 promotional and awareness activities for local and foreign investment over the medium term. A total of 36 marketing or research publications and reports will be published with the aim of unlocking investment in South Africa's mining and petroleum sectors. The reports and publications will contain information on mining and mineral economics, and South African mining products and their export potential. The *Mineral Promotion and International Coordination* subprogramme, within the *Mineral Policy and Promotion* programme, is allocated R239.1 million over the medium term to facilitate investment awareness activities.

Expenditure trends

Table 29.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Mine Health and Safety														
3. Mineral Regulation														
4. Mineral Policy and Promotion														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	2013/14 - 2016/17
Programme 1	271.5	282.3	308.6	284.2	297.6	315.2	293.2	308.9	359.1	310.9	345.8	345.8	114.6%	107.6%
Programme 2	163.7	163.7	153.2	168.0	172.0	167.5	175.8	184.4	171.5	184.9	189.9	189.9	98.5%	96.1%
Programme 3	222.7	211.9	205.5	231.4	236.7	237.7	260.4	263.7	246.2	270.8	265.1	265.1	96.9%	97.7%
Programme 4	735.9	735.9	719.9	787.8	769.2	754.8	889.0	881.5	861.7	902.5	868.3	868.3	96.7%	98.5%
Total	1 393.8	1 393.8	1 387.2	1 471.3	1 475.5	1 475.2	1 618.5	1 638.5	1 638.5	1 669.1	1 669.1	1 669.1	100.3%	99.9%
Change to 2016 Budget estimate														
Economic classification														
Current payments	747.9	708.1	684.8	742.3	744.3	739.8	806.1	800.1	805.2	831.4	863.9	863.9	98.9%	99.3%
Compensation of employees	435.0	444.1	435.3	476.8	492.0	484.6	528.4	548.4	526.3	572.1	564.4	564.4	99.9%	98.1%
Goods and services	312.9	264.0	249.6	265.6	252.3	255.2	277.7	251.7	279.0	259.2	299.5	299.5	97.1%	101.5%
Transfers and subsidies	630.1	669.9	688.5	717.9	719.4	723.7	800.9	826.9	819.7	824.1	791.6	791.6	101.7%	100.5%
Departmental agencies and accounts	315.1	321.1	321.1	340.8	347.3	347.3	377.8	394.8	393.4	433.5	433.5	433.5	-	-
Public corporations and private enterprises	313.7	345.7	364.7	375.8	370.9	370.9	421.8	430.8	423.7	389.1	356.6	356.6	101.0%	100.8%
Households	1.2	3.0	2.7	1.3	1.3	5.6	1.4	1.4	2.6	1.4	1.4	1.4	229.8%	172.1%
Payments for capital assets	15.9	15.9	13.9	11.0	11.8	11.7	11.5	11.5	10.6	13.6	13.6	13.6	95.7%	94.4%
Buildings and other fixed structures	3.2	1.8	0.1	2.8	3.8	2.9	2.9	2.5	1.1	3.9	3.9	3.9	62.8%	67.1%
Machinery and equipment	12.7	14.1	13.8	8.2	8.0	7.2	8.6	8.9	9.3	9.8	9.8	9.8	102.1%	98.5%
Software and other intangible assets	-	-	-	-	-	1.6	-	0.1	0.1	-	-	-	-	1 299.2%
Payments for financial assets	-	-	-	-	-	-	-	-	2.9	-	-	-	-	-
Total	1 393.8	1 393.8	1 387.2	1 471.3	1 475.5	1 475.2	1 618.5	1 638.5	1 638.5	1 669.1	1 669.1	1 669.1	100.3%	99.9%

Expenditure estimates

Table 29.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Mine Health and Safety								
3. Mineral Regulation								
4. Mineral Policy and Promotion								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	345.8	7.0%	21.5%	317.7	334.5	356.5	1.0%	18.8%
Programme 2	189.9	5.1%	11.1%	189.4	196.5	210.6	3.5%	10.9%
Programme 3	265.1	7.8%	15.5%	364.6	379.9	398.9	14.6%	19.5%
Programme 4	868.3	5.7%	51.9%	907.7	995.8	884.0	0.6%	50.7%
Total	1 669.1	6.2%	100.0%	1 779.4	1 906.7	1 850.0	3.5%	100.0%
Change to 2016 Budget estimate				(67.8)	82.1	(88.9)		
Economic classification								
Current payments	863.9	6.9%	50.1%	846.7	886.5	947.8	3.1%	49.2%
Compensation of employees	564.4	8.3%	32.6%	572.8	598.0	643.6	4.5%	33.0%
Goods and services	299.5	4.3%	17.6%	273.9	288.5	304.2	0.5%	16.2%
Transfers and subsidies	791.6	5.7%	49.0%	921.1	1 007.8	889.2	4.0%	50.1%
Departmental agencies and accounts	433.5	10.5%	24.2%	430.9	461.5	392.3	-3.3%	23.8%
Public corporations and private enterprises	356.6	1.0%	24.6%	488.8	544.7	495.2	11.6%	26.2%
Households	1.4	-21.9%	0.2%	1.5	1.6	1.7	5.5%	0.1%
Payments for capital assets	13.6	-5.0%	0.8%	11.7	12.4	13.0	-1.5%	0.7%
Buildings and other fixed structures	3.9	28.9%	0.1%	1.8	2.0	2.1	-18.9%	0.1%
Machinery and equipment	9.8	-11.5%	0.6%	9.8	10.4	11.0	3.9%	0.6%
Total	1 669.1	6.2%	100.0%	1 779.4	1 906.7	1 850.0	3.5%	100.0%

Goods and services expenditure trends and estimates

Table 29.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
Administrative fees	2 629	2 115	2 618	3 590	10.9%	1.0%	5 317	5 669	5 861	17.7%	1.8%
Advertising	3 504	1 055	846	10 189	42.7%	1.4%	5 054	5 343	5 635	-17.9%	2.2%
Minor assets	335	262	1 614	3 295	114.3%	0.5%	6 668	7 275	7 671	32.5%	2.1%
Audit costs: External	6 885	5 280	6 465	5 175	-9.1%	2.2%	4 997	5 285	5 581	2.5%	1.8%
Bursaries: Employees	1 793	992	979	1 266	-11.0%	0.5%	1 553	1 631	1 717	10.7%	0.5%
Catering: Departmental activities	1 183	510	1 528	1 761	14.2%	0.5%	2 885	3 040	3 207	22.1%	0.9%
Communication	14 999	14 577	13 723	13 571	-3.3%	5.3%	8 164	8 625	9 097	-12.5%	3.4%
Computer services	18 020	21 825	23 446	33 637	23.1%	8.9%	23 126	23 385	24 666	-9.8%	9.0%
Consultants: Business and advisory services	5 845	14 778	5 461	8 038	11.2%	3.2%	13 223	14 047	14 804	22.6%	4.3%
Legal services	9 218	7 900	6 476	2 966	-31.5%	2.5%	3 065	3 226	3 402	4.7%	1.1%
Contractors	1 155	2 990	1 875	31 057	199.6%	3.4%	31 082	32 912	34 737	3.8%	11.1%
Agency and support/outourced services	95	13	-	5	-62.5%	-	3	3	3	-15.7%	-
Entertainment	3	-	-	6	26.0%	-	159	169	73	130.0%	-
Fleet services (including government motor transport)	6 041	6 595	10 503	5 778	-1.5%	2.7%	7 099	7 491	7 995	11.4%	2.4%
Inventory: Clothing material and accessories	-	-	-	1 531	-	0.1%	30	32	33	-72.2%	0.1%
Inventory: Food and food supplies	13	16	16	67	72.7%	-	137	144	154	32.0%	-
Inventory: Materials and supplies	383	581	67	919	33.9%	0.2%	1 006	1 066	1 121	6.8%	0.4%
Inventory: Medical supplies	20	1	2	41	27.0%	-	73	76	80	25.0%	-
Consumable supplies	1 379	2 302	1 740	2 676	24.7%	0.7%	3 736	3 953	4 167	15.9%	1.2%
Consumables: Stationery, printing and office supplies	4 088	3 949	4 683	9 160	30.9%	2.0%	10 925	11 505	12 117	9.8%	3.7%
Operating leases	91 088	75 514	94 177	54 309	-15.8%	29.1%	33 976	35 943	37 954	-11.3%	13.9%
Rental and hiring	-	13	1 002	6	-	0.1%	14	15	15	35.7%	-
Property payments	4 694	4 137	5 860	4 843	1.0%	1.8%	6 996	7 381	7 763	17.0%	2.3%
Travel and subsistence	59 302	55 731	71 021	68 577	5.0%	23.5%	68 337	71 993	76 003	3.5%	24.4%
Training and development	3 006	4 736	5 410	11 256	55.3%	2.3%	9 256	9 807	10 297	-2.9%	3.5%
Operating payments	11 216	24 293	12 883	14 451	8.8%	5.8%	11 601	12 223	12 893	-3.7%	4.4%
Venues and facilities	2 657	4 989	6 581	11 336	62.2%	2.4%	15 419	16 250	17 129	14.8%	5.2%
Total	249 551	255 154	278 976	299 506	6.3%	100.0%	273 901	288 489	304 175	0.5%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 29.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	298 466	319 520	358 408	396 629	9.9%	45.4%	395 441	424 038	352 744	-3.8%	43.5%
Mining Qualification Authority	-	1 216	-	1 716	-	0.1%	1 840	1 973	2 083	6.7%	0.2%
Public Service Sector Education and Training Authority	-	214	-	-	-	-	-	-	-	-	-
Mine Health and Safety Council	5 035	5 197	-	-	-100.0%	0.3%	6 162	6 519	6 884	-	0.5%
South African Diamond and Precious Metal Regulator	44 824	47 810	50 527	53 205	5.9%	6.5%	55 865	59 105	62 415	5.5%	6.4%
Council for Geoscience	248 607	265 083	307 881	341 708	11.2%	38.5%	330 574	265 394	280 256	-6.4%	33.7%
Economic competitiveness and support package: Council for Geoscience (digital information system; buildings; equipment and facilities)	-	-	-	-	-	-	-	90 000	-	-	2.5%
Expanded Public Works Programme: Derelict and ownerless mines	-	-	-	-	-	-	1 000	1 047	1 106	-	0.1%
Capital	22 625	27 756	35 033	36 890	17.7%	4.0%	35 414	37 468	39 566	2.4%	4.1%
Council for Geoscience	22 625	27 756	35 033	36 890	17.7%	4.0%	35 414	37 468	39 566	2.4%	4.1%
Households											
Social benefits											
Current	2 679	3 126	1 762	1 166	-24.2%	0.3%	1 224	1 295	1 368	5.5%	0.1%
Employee social benefits	2 679	3 126	1 762	1 166	-24.2%	0.3%	1 224	1 295	1 368	5.5%	0.1%
Households											
Other transfers to households											
Current	20	2 475	833	280	141.0%	0.1%	294	311	328	5.4%	-
Employee Ex-gratia payments	20	120	20	280	141.0%	-	294	311	328	5.4%	-
Other transfers to households	-	2 355	813	-	-	0.1%	-	-	-	-	-

Table 29.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Subsidies on products and production (pc)											
Current	308 772	320 775	371 138	315 352	0.7%	43.5%	339 510	391 013	338 990	2.4%	38.4%
Industrial Development Corporation of South Africa	-	-	8 893	200	-	0.3%	28 805	30 476	32 183	443.9%	2.5%
Mintek	308 772	320 775	362 145	315 152	0.7%	43.2%	310 705	290 537	306 807	-0.9%	33.9%
State Diamond Trader	-	-	100	-	-	-	-	-	-	-	-
Economic competitiveness and support package: Mintek (equipment and facilities; research and development; efficiency projects)	-	-	-	-	-	-	-	70 000	-	-	1.9%
Capital	55 937	50 079	52 597	41 264	-9.6%	6.6%	56 551	59 831	63 182	15.3%	6.1%
Mintek	55 937	50 079	52 597	41 264	-9.6%	6.6%	56 551	59 831	63 182	15.3%	6.1%
Public corporations and private enterprises											
Subsidies on products and production											
Current	-	-	-	-	-	-	92 693	93 866	93 042	-	7.7%
Petroleum Agency South Africa	-	-	-	-	-	-	87 138	87 989	86 836	-	7.3%
Various institutions: Water management solutions subsidies for marginal mines	-	-	-	-	-	-	5 555	5 877	6 206	-	0.5%
Total	688 499	723 731	819 771	791 581	4.8%	100.0%	921 127	1 007 822	889 220	4.0%	100.0%

Personnel information

Table 29.6 Vote personnel numbers and cost by salary level and programme¹

Programmes																		
1. Administration																		
2. Mine Health and Safety																		
3. Mineral Regulation																		
4. Mineral Policy and Promotion																		
Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment										Number						
Number of funded posts	Number of posts additional to the establishment	Actual 2015/16		Revised estimate 2016/17			Medium-term expenditure estimate						Average growth rate (%) 2016/17 - 2019/20	Average: Salary level/Total (%)				
		Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18		2018/19		2019/20						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Mineral Resources																		
Salary level																		
1 - 6	-	1 125	526.3	0.5	1 122	564.4	0.5	1 067	572.8	0.5	1 044	598.0	0.6	1 040	643.6	0.6	-2.5%	100.0%
7 - 10	-	276	62.8	0.2	272	64.0	0.2	270	69.2	0.3	271	75.4	0.3	270	81.3	0.3	-0.2%	25.3%
11 - 12	-	548	214.7	0.4	557	232.9	0.4	526	233.7	0.4	519	248.3	0.5	517	267.4	0.5	-2.5%	49.6%
13 - 16	-	219	159.4	0.7	209	167.2	0.8	187	162.1	0.9	173	162.7	0.9	172	175.2	1.0	-6.3%	17.3%
	-	82	89.5	1.1	84	100.2	1.2	84	107.8	1.3	81	111.6	1.4	81	119.7	1.5	-1.2%	7.7%
Programme	-	1 125	526.3	0.5	1 122	564.4	0.5	1 067	572.8	0.5	1 044	598.0	0.6	1 040	643.6	0.6	-2.5%	100.0%
Programme 1	-	362	161.0	0.4	351	166.4	0.5	341	174.3	0.5	335	183.1	0.5	334	197.1	0.6	-1.6%	31.9%
Programme 2	-	291	141.5	0.5	308	158.9	0.5	277	151.0	0.5	268	156.1	0.6	267	167.9	0.6	-4.7%	26.2%
Programme 3	-	363	162.7	0.4	356	172.7	0.5	347	180.8	0.5	340	189.9	0.6	339	204.3	0.6	-1.6%	32.3%
Programme 4	-	109	61.0	0.6	107	66.3	0.6	102	66.7	0.7	101	69.0	0.7	100	74.2	0.7	-2.2%	9.6%

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

2. Rand million.

Departmental receipts

Table 29.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2013/14 - 2016/17	2017/18		
Departmental receipts	109 034	46 207	29 763	30 157	18 859	-44.3%	100.0%	29 733	31 488	33 272	20.8%	100.0%
Sales of goods and services produced by department	2 415	3 230	6 486	9 288	5 026	27.7%	8.4%	9 846	10 426	11 010	29.9%	32.0%
Sales by market establishments of which:	499	482	478	468	232	-22.5%	0.8%	496	525	555	33.7%	1.6%
Market establishment: Rental parking: Covered and open	499	482	478	468	232	-22.5%	0.8%	496	525	555	33.7%	1.6%
Administrative fees of which:	1 356	2 232	5 428	8 123	4 484	49.0%	6.6%	8 611	9 119	9 628	29.0%	28.1%
Application fees in relation to the Minerals and Petroleum Resources Development Act (2002)	1 330	2 031	1 084	3 244	2 005	14.7%	3.2%	3 439	3 642	3 849	24.3%	11.4%
Requested information: Access to Information Act (2000)	26	24	23	25	14	-18.6%	-	27	28	30	28.9%	0.1%
Environmental authorisation application fees	-	177	4 321	4 854	2 465	-	3.4%	5 145	5 449	5 749	32.6%	16.6%
Other sales of which:	560	516	580	697	310	-17.9%	1.0%	739	782	827	38.7%	2.3%
Services rendered: Commission on insurance and garnishee	175	183	210	219	111	-14.1%	0.3%	232	246	260	32.8%	0.7%
Services rendered: Marking of exam papers	365	295	345	450	187	-20.0%	0.6%	477	505	534	41.9%	1.5%
Services rendered: Photocopies and faxes	17	36	24	28	12	-11.0%	-	30	31	33	40.1%	0.1%
Replacement of security cards	3	2	1	-	-	-100.0%	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods of which:	1	-	-	1	1	-	-	1	1	1	-	-
Sales: Waste paper	1	-	-	1	1	-	-	1	1	1	-	-
Fines, penalties and forfeits	1 115	1 117	847	424	232	-40.7%	1.6%	449	476	503	29.4%	1.5%
Interest, dividends and rent on land	104 938	31 755	22 268	18 014	11 292	-52.4%	83.5%	19 094	20 221	21 374	23.7%	63.5%
Interest	88	57	28	74	43	-21.2%	0.1%	78	83	88	27.0%	0.3%
Rent on land	104 850	31 698	22 240	17 940	11 249	-52.5%	83.4%	19 016	20 138	21 286	23.7%	63.2%
Sales of capital assets	-	1 360	-	-	-	-	0.7%	-	-	-	-	-
Transactions in financial assets and liabilities	565	8 745	162	2 430	2 308	59.9%	5.8%	343	364	384	-45.0%	3.0%
Total	109 034	46 207	29 763	30 157	18 859	-44.3%	100.0%	29 733	31 488	33 272	20.8%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 29.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Ministry	28.2	26.5	33.1	23.4	-6.1%	8.4%	27.5	28.7	32.5	11.6%	8.3%
Corporate Services	151.2	159.3	180.3	152.3	0.2%	48.4%	123.9	130.0	143.7	-1.9%	40.6%
Department Management	17.1	17.3	15.6	18.7	3.1%	5.2%	20.3	27.2	22.5	6.2%	6.6%
Financial Administration	76.4	84.4	95.4	105.9	11.5%	27.3%	98.9	100.4	106.8	0.3%	30.4%
Internal Audit	11.8	12.2	12.4	14.1	6.2%	3.8%	14.2	13.4	14.3	0.5%	4.1%
Office Accommodation	23.8	15.5	22.3	31.3	9.6%	7.0%	32.9	34.8	36.7	5.5%	10.0%
Total	308.6	315.2	359.1	345.8	3.9%	100.0%	317.7	334.5	356.5	1.0%	100.0%
Change to 2016 Budget estimate				34.9			(4.4)	(4.3)	(4.9)		

Expenditure trends and estimates

Table 29.8 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million												
Current payments	294.8	304.1	348.4	331.7		4.0%	96.3%	303.6	319.5	340.7	0.9%	95.6%
Compensation of employees	136.3	148.1	161.0	166.4		6.9%	46.0%	174.3	183.1	197.1	5.8%	53.2%
Goods and services ¹	158.6	156.0	187.4	165.3		1.4%	50.2%	129.3	136.4	143.6	-4.6%	42.4%
of which:												
Minor assets	0.2	0.2	1.6	2.8		125.3%	0.4%	6.0	6.6	7.0	35.9%	1.7%
Computer services	16.0	16.8	23.0	28.3		21.1%	6.3%	16.8	16.7	17.7	-14.6%	5.9%
Operating leases	88.8	75.0	93.6	53.4		-15.6%	23.4%	33.3	35.3	37.2	-11.3%	11.8%
Property payments	3.2	3.5	5.6	4.6		13.1%	1.3%	6.2	6.5	6.8	14.3%	1.8%
Travel and subsistence	18.0	15.2	21.5	19.8		3.2%	5.6%	20.4	21.6	22.8	4.9%	6.2%
Operating payments	3.9	4.3	5.0	7.1		22.1%	1.5%	5.7	6.0	6.3	-3.9%	1.9%
Transfers and subsidies¹	2.7	4.9	1.8	3.2		5.4%	0.9%	3.4	3.6	3.8	6.1%	1.0%
Departmental agencies and accounts	-	1.4	-	1.7		-	0.2%	1.8	2.0	2.1	6.7%	0.6%
Households	2.7	3.5	1.8	1.4		-18.8%	0.7%	1.5	1.6	1.7	5.5%	0.5%
Payments for capital assets	11.0	6.2	8.8	11.0		-0.2%	2.8%	10.8	11.4	12.0	3.2%	3.3%
Buildings and other fixed structures	0.1	2.0	1.1	3.9		247.2%	0.5%	1.8	2.0	2.1	-18.9%	0.7%
Machinery and equipment	10.9	2.7	7.6	7.1		-13.4%	2.1%	8.9	9.5	10.0	12.0%	2.6%
Software and other intangible assets	-	1.6	0.1	-		-	0.1%	-	-	-	-	-
Total	308.6	315.2	359.1	345.8		3.9%	100.0%	317.7	334.5	356.5	1.0%	100.0%
Proportion of total programme expenditure to vote expenditure	22.2%	21.4%	21.9%	20.7%		-	-	17.9%	17.5%	19.3%	-	-
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	-	1.2	-	1.7		-	0.2%	1.8	2.0	2.1	6.7%	0.6%
Mining Qualification Authority	-	1.2	-	1.7		-	0.2%	1.8	2.0	2.1	6.7%	0.6%
Households												
Social benefits												
Current	2.7	3.1	1.8	1.2		-24.2%	0.7%	1.2	1.3	1.4	5.5%	0.4%
Employee social benefits	2.7	3.1	1.8	1.2		-24.2%	0.7%	1.2	1.3	1.4	5.5%	0.4%

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

Programme 2: Mine Health and Safety

Programme purpose

Ensure the safe mining of minerals under healthy working conditions.

Objectives

- Promote mine health and safety over the medium term by:
 - implementing the occupational health and safety strategy, and enforcement guidelines to reduce occupational fatalities by 20 per cent and occupational injuries by 20 per cent
 - reducing occupational diseases by 10 per cent
 - conducting ongoing investigations, and 8 396 inspections and audits per year.
- Contribute to skills development in the mining sector by conducting an ongoing review and implementation of the certificate of competency model developed with the Mining Qualifications Authority and universities.
- Improve health care turnaround times on an ongoing basis by:
 - ensuring 80 per cent adherence to prescribed timeframes for resolving medical appeals
 - ensuring 100 per cent adherence to timeframes for appeals to the chief inspector of mines
 - ensuring 100 per cent adherence to timeframes for applications in terms of the Mineral and Petroleum Resources Development Act (2002).

Subprogrammes

- Governance Policy and Oversight* develops policy and legislation to guide enforcement work; provides technical support to regional offices; chairs tripartite structures, which include the department, mining companies and labour; and facilitates HIV/AIDS awareness workshops in the mining sector.

- *Mine Health and Safety Regions* is responsible for conducting audits and inspections to enforce the Mine Health and Safety Act (1996). This subprogramme is also responsible for examining the process of certification for competency by providing examination services and professional advice.
- *Mine Health and Safety Council* transfers funds on an annual basis to the Mine Health and Safety Council. The council is tasked with promoting a culture of health and safety in the mining industry.

Expenditure trends and estimates

Table 29.9 Mine Health and Safety expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Governance Policy and Oversight	39.0	43.4	44.9	51.2	9.5%	26.2%	46.1	50.5	56.1	3.1%	25.9%
Mine Health and Safety Regions	109.2	118.9	126.6	138.7	8.3%	72.3%	137.2	139.5	147.7	2.1%	71.6%
Mine Health and Safety Council	5.0	5.2	-	-	-100.0%	1.5%	6.2	6.5	6.9	-	2.5%
Total	153.2	167.5	171.5	189.9	7.4%	100.0%	189.4	196.5	210.6	3.5%	100.0%
Change to 2016 Budget estimate				4.9			(1.7)	(1.8)	(1.9)		
Economic classification	147.4	160.1	168.6	188.7	8.6%	97.5%	182.6	189.3	203.0	2.5%	97.1%
Current payments											
Compensation of employees	119.8	134.1	141.5	158.9	9.9%	81.3%	151.0	156.1	167.9	1.8%	80.6%
Goods and services ¹	27.6	26.0	27.1	29.8	2.6%	16.2%	31.6	33.2	35.1	5.6%	16.5%
of which:											
Communication	2.5	2.0	1.3	1.5	-15.1%	1.1%	1.5	1.6	1.7	3.8%	0.8%
Computer services	0.6	0.3	0.1	0.6	-4.4%	0.2%	0.8	0.8	0.8	14.6%	0.4%
Consultants: Business and advisory services	1.1	0.2	0.5	1.3	6.6%	0.4%	1.8	1.9	2.0	14.9%	0.9%
Consumables: Stationery, printing and office supplies	0.6	0.8	0.8	2.0	49.0%	0.6%	1.9	2.0	2.1	2.8%	1.0%
Travel and subsistence	18.8	19.8	21.3	19.7	1.4%	11.7%	19.9	20.9	22.1	3.9%	10.5%
Venues and facilities	0.2	0.1	0.0	0.6	52.4%	0.1%	1.7	1.8	1.9	46.2%	0.8%
Transfers and subsidies¹	5.0	5.2	0.1	-	-100.0%	1.5%	6.2	6.5	6.9	-	2.5%
Departmental agencies and accounts	5.0	5.2	-	-	-100.0%	1.5%	6.2	6.5	6.9	-	2.5%
Households	-	-	0.1	-	-	-	-	-	-	-	-
Payments for capital assets	0.8	2.2	0.7	1.1	12.0%	0.7%	0.7	0.7	0.8	-12.0%	0.4%
Machinery and equipment	0.8	2.2	0.7	1.1	12.0%	0.7%	0.7	0.7	0.8	-12.0%	0.4%
Payments for financial assets	-	-	2.1	-	-	0.3%	-	-	-	-	-
Total	153.2	167.5	171.5	189.9	7.4%	100.0%	189.4	196.5	210.6	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	11.0%	11.4%	10.5%	11.4%	-	-	10.6%	10.3%	11.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5.0	5.2	-	-	-100.0%	1.5%	6.2	6.5	6.9	-	2.5%
Mine Health and Safety Council	5.0	5.2	-	-	-100.0%	1.5%	6.2	6.5	6.9	-	2.5%

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

Programme 3: Mineral Regulation

Programme purpose

Regulate the minerals and mining sector to promote economic growth, employment, transformation and sustainable development.

Objectives

- Improve the participation of historically disadvantaged South Africans in the mining sector by increasing the number of rights issued by granting 450 mining rights to historically disadvantaged South Africans over the medium term.
- Promote job creation through the development of SMMEs by facilitating the implementation of 636 social and labour plan projects by mining companies through income-generating initiatives, over the medium term.
- Promote sustainable resource use and mine environmental management through the support of approved and evaluated work programmes, social and labour plans, and environmental management plans by conducting 27 industry workshops over the medium term.

- Monitor and enforce compliance with the statutory obligations of the Mineral and Petroleum Resources Development Act (2002) and the Broad Based Socioeconomic Charter for the South African Mining Industry by conducting 636 mining charter inspections and 3 825 environmental management inspections over the medium term.

Subprogrammes

- *Mineral Regulation and Administration* administers prospecting and mining rights, and licensing; and monitors compliance with the Mineral and Petroleum Resources Development Act (2002), including the compliance of mines with environmental protection requirements.
- *Management Mineral Regulation* provides overall management of the programme. The subprogramme focuses on the alignment of the South African mineral resources administration system, which will ensure that rights and licenses for mining, environmental authorisation, and water use are granted within 300 days.
- *South African Diamond and Precious Metals Regulator* implements and enforces the provisions of the Precious Metals Act (2005).
- *Petroleum Agency South Africa* promotes the exploration for onshore and offshore oil and gas resources, and their optimal development. The agency regulates exploration and production activities, and acts as the custodian of the national petroleum exploration and production database.

Expenditure trends and estimates

Table 29.10 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Mineral Regulation and Administration	145.6	169.2	179.6	185.3	8.4%	71.2%	194.1	202.8	218.6	5.7%	56.9%
Management Mineral Regulation	15.1	20.7	16.1	26.7	20.9%	8.2%	27.5	30.0	31.0	5.2%	8.2%
South African Diamond and Precious Metals Regulator	44.8	47.8	50.5	53.2	5.9%	20.6%	55.9	59.1	62.4	5.5%	16.4%
Petroleum Agency South Africa	–	–	–	–	–	–	87.1	88.0	86.8	–	18.6%
Total	205.5	237.7	246.2	265.1	8.9%	100.0%	364.6	379.9	398.9	14.6%	100.0%
Change to 2016 Budget estimate				(5.7)			(62.0)	(72.2)	(82.3)		
Economic classification											
Current payments	159.8	186.7	195.5	211.3	9.8%	78.9%	221.5	232.7	249.6	5.7%	65.0%
Compensation of employees	126.1	147.8	162.7	172.7	11.1%	63.8%	180.8	189.9	204.3	5.8%	53.1%
Goods and services ¹	33.8	38.9	32.7	38.6	4.6%	15.1%	40.7	42.8	45.2	5.4%	11.9%
of which:											
Communication	5.3	4.9	5.4	3.4	-13.8%	2.0%	3.1	3.2	3.4	-0.1%	0.9%
Computer services	1.2	4.3	0.3	4.5	54.3%	1.1%	5.5	5.8	6.1	11.1%	1.6%
Fleet services (including government motor transport)	2.0	1.8	2.7	2.0	0.6%	0.9%	2.6	2.7	2.9	12.8%	0.7%
Consumables: Stationery, printing and office supplies	1.0	0.9	1.0	1.9	21.9%	0.5%	3.0	3.2	3.4	21.6%	0.8%
Travel and subsistence	11.3	13.6	16.2	18.1	17.0%	6.2%	16.5	17.3	18.3	0.4%	5.0%
Training and development	0.7	1.6	2.0	2.6	52.9%	0.7%	2.2	2.4	2.5	-1.9%	0.7%
Transfers and subsidies¹	44.8	47.9	50.5	53.2	5.9%	20.6%	143.0	147.1	149.3	41.0%	35.0%
Departmental agencies and accounts	44.8	47.8	50.5	53.2	5.9%	20.6%	55.9	59.1	62.4	5.5%	16.4%
Public corporations and private enterprises	–	–	(0.1)	–	–	–	87.1	88.0	86.8	–	18.6%
Households	–	0.1	–	–	–	–	–	–	–	–	–
Payments for capital assets	0.9	3.1	0.3	0.6	-12.1%	0.5%	–	–	–	-58.4%	0.1%
Buildings and other fixed structures	–	1.0	–	–	–	0.1%	–	–	–	–	–
Machinery and equipment	0.9	2.1	0.3	0.6	-12.1%	0.4%	–	–	–	-58.4%	0.1%
Total	205.5	237.7	246.2	265.1	8.9%	100.0%	364.6	379.9	398.9	14.6%	100.0%
Proportion of total programme expenditure to vote expenditure	14.8%	16.1%	15.0%	15.9%	–	–	20.5%	19.9%	21.6%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	44.8	47.8	50.5	53.2	5.9%	20.6%	55.9	59.1	62.4	5.5%	16.4%
South African Diamond and Precious Metal Regulator	44.8	47.8	50.5	53.2	5.9%	20.6%	55.9	59.1	62.4	5.5%	16.4%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Current	–	–	–	–	–	–	87.1	88.0	86.8	–	18.6%
Petroleum Agency South Africa	–	–	–	–	–	–	87.1	88.0	86.8	–	18.6%

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

Programme 4: Mineral Policy and Promotion

Programme purpose

Develop relevant mineral policies that promote South Africa's mining and minerals industries to attract investment.

Objectives

- Promote investment in the mining, minerals and upstream petroleum sectors over the medium term by:
 - hosting 147 promotional and awareness activities or events for local and foreign investment
 - participating in local and international mining and petroleum conferences and events, engaging with stakeholders in various forums, and leading the implementation of key government priorities on behalf of the department
 - supporting 240 SMMEs, mainly small-scale mining projects
 - ensuring the full implementation of plans for developing the oceans economy (oil and gas) through Operation Phakisa
 - ensuring the full implementation of the shale gas action plan through consultations, advocacy, research, and promotional activities for shale gas exploration.
- Manage diplomatic imperatives and relations with foreign countries to benefit South Africa by establishing and implementing bilateral and multilateral partnerships for mining and upstream petroleum development on an ongoing basis.
- Promote the sustainable use and management of mineral resources over the medium term by:
 - participating in technical and strategic partnerships such as the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development; the Benguela Current Commission; and United Nations programmes
 - reviewing the departmental environmental management plan
 - reviewing and amending legislative instruments
 - rehabilitating and closing 135 derelict and ownerless mines.

Subprogrammes

- *Management* provides overall management for the programme.
- *Mineral Policy* develops new policies, reviews existing policies, and amends legislation to promote investment growth and achieve transformation in the mining, minerals and upstream petroleum sector. This entails conducting research, organising consultations with stakeholders, attending parliamentary hearings on related bills, and gazetting the bills once they are assented to. This subprogramme also represents the department in international and regional forums, such as the Kimberley Process certification scheme, the African Diamond Producers Association, and the Pan African Mineral Development Company.
- *Mineral Promotion and International Coordination* promotes mineral development and advises on trends in the mining industry to attract additional investment. This subprogramme conducts promotional activities, including the production of various publications, participates in mining conferences, and supports the implementation of national mineral beneficiation initiatives.
- *Assistance to Mines* prevents the uncontrolled movement of water into and out of underground mine openings and holdings. This entails providing subsidies to marginal mines to pump extraneous water from underground mine openings; and researching, developing, and implementing strategic solutions for mine water management, including managing the decanting of contaminated water.
- *Council for Geoscience* transfers funds on an annual basis to the Council for Geoscience.
- *Mintek* transfers funds on annual basis to the Council for Mineral Technology.
- *Economic Advisory Services* undertakes macroeconomic research to analyse economic trends and produce departmental reports to inform and advise principals; and participates in activities to transform the mining and minerals industry and enhance competitiveness. This entails leading and convening the meetings of the mining industry growth, development and employment task team stakeholder forum, which researches and

analyses the economic impact of the regulatory and legislative framework of the mining and minerals sector using regulatory impact assessments.

- *Mine Environmental Management* provides strategic guidance on mine environmental management and mine closure. This entails managing the rehabilitation of derelict and ownerless mines; and research on the impact of mining on water, air quality and the environment in general.

Expenditure trends and estimates

Table 29.11 Mineral Policy and Promotion 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Management	12.2	10.7	18.1	27.0	30.2%	2.1%	31.2	32.7	34.8	8.8%	3.4%
Mineral Policy	24.0	32.2	19.2	18.1	-8.9%	2.9%	19.6	20.0	21.6	6.0%	2.2%
Mineral Promotion and International Coordination	37.2	37.1	53.1	47.9	8.8%	5.5%	75.6	79.3	84.2	20.7%	7.9%
Assistance to Mines	-	-	-	-	-	-	5.6	5.9	6.2	-	0.5%
Council for Geoscience	271.2	292.8	342.9	378.6	11.8%	40.1%	367.0	393.9	320.9	-5.4%	39.9%
Mintek	364.7	370.9	414.7	356.4	-0.8%	47.0%	367.3	420.4	370.0	1.3%	41.4%
Economic Advisory Services	3.3	2.8	4.0	4.9	13.5%	0.5%	4.4	4.5	4.9	-	0.5%
Mine Environmental Management	7.3	8.4	9.6	35.4	69.4%	1.9%	37.2	39.1	41.4	5.4%	4.2%
Total	719.9	754.8	861.7	868.3	6.4%	100.0%	907.7	995.8	884.0	0.6%	100.0%
Change to 2016 Budget estimate				(34.2)			0.3	160.3	0.3		
Economic classification											
Current payments	82.8	88.8	92.7	132.1	16.9%	12.4%	139.0	145.0	154.5	5.4%	15.6%
Compensation of employees	53.1	54.6	61.0	66.3	7.7%	7.3%	66.7	69.0	74.2	3.8%	7.6%
Goods and services ¹	29.6	34.2	31.7	65.8	30.5%	5.0%	72.3	76.1	80.3	6.9%	8.1%
of which:											
Advertising	2.5	0.3	0.4	9.0	52.7%	0.4%	3.8	4.0	4.2	-22.3%	0.6%
Consultants: Business and advisory services	3.1	4.1	4.3	3.1	0.7%	0.5%	6.5	6.8	7.2	32.0%	0.6%
Contractors	0.2	-	-	25.6	439.6%	0.8%	26.9	28.5	30.1	5.5%	3.0%
Travel and subsistence	11.2	7.0	12.0	11.1	-0.3%	1.3%	11.6	12.1	12.8	4.9%	1.3%
Operating payments	6.2	17.8	6.2	5.7	-2.6%	1.1%	4.4	4.7	4.9	-5.1%	0.5%
Venues and facilities	1.0	1.5	3.7	5.0	70.5%	0.3%	8.8	9.3	9.8	25.3%	0.9%
Transfers and subsidies¹	635.9	665.7	767.4	735.2	5.0%	87.5%	768.6	850.6	729.3	-0.3%	84.4%
Departmental agencies and accounts	271.2	292.8	342.9	378.6	11.8%	40.1%	367.0	393.9	320.9	-5.4%	39.9%
Public corporations and private enterprises	364.7	370.9	423.7	356.6	-0.7%	47.3%	401.6	456.7	408.4	4.6%	44.4%
Households	-	2.0	0.7	-	-	0.1%	-	-	-	-	-
Payments for capital assets	1.2	0.2	0.8	0.9	-8.1%	0.1%	0.2	0.2	0.2	-43.2%	-
Machinery and equipment	1.2	0.2	0.8	0.9	-8.1%	0.1%	0.2	0.2	0.2	-43.2%	-
Payments for financial assets	0.0	-	0.8	-	-100.0%	-	-	-	-	-	-
Total	719.9	754.8	861.7	868.3	6.4%	100.0%	907.7	995.8	884.0	0.6%	100.0%
Proportion of total programme expenditure to vote expenditure	51.9%	51.2%	52.6%	52.0%	-	-	51.0%	52.2%	47.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	248.6	265.1	307.9	341.7	11.2%	36.3%	331.6	356.4	281.4	-6.3%	35.9%
Council for Geoscience	248.6	265.1	307.9	341.7	11.2%	36.3%	330.6	265.4	280.3	-6.4%	33.3%
Economic competitiveness and support package: Council for Geoscience (digital information system; buildings; equipment and facilities)	-	-	-	-	-	-	-	90.0	-	-	2.5%
Expanded Public Works Programme: Derelict and ownerless mines	-	-	-	-	-	-	1.0	1.0	1.1	-	0.1%
Capital	22.6	27.8	35.0	36.9	17.7%	3.8%	35.4	37.5	39.6	2.4%	4.1%
Council for Geoscience	22.6	27.8	35.0	36.9	17.7%	3.8%	35.4	37.5	39.6	2.4%	4.1%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Current	-	-	-	-	-	-	5.6	5.9	6.2	-	0.5%
Various institutions: Water management solutions subsidies for marginal mines	-	-	-	-	-	-	5.6	5.9	6.2	-	0.5%

Table 29.11 Mineral Policy and Promotion expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	308.8	320.8	371.0	315.4	0.7%	41.1%	339.5	391.0	339.0	2.4%	37.9%
Industrial Development Corporation of South Africa	–	–	8.9	0.2	–	0.3%	28.8	30.5	32.2	443.9%	2.5%
Mintek	308.8	320.8	362.1	315.2	0.7%	40.8%	310.7	290.5	306.8	-0.9%	33.5%
Economic competitiveness and support package: Mintek (equipment and facilities; research and development; efficiency projects)	–	–	–	–	–	–	–	70.0	–	–	1.9%
Capital	55.9	50.1	52.6	41.3	-9.6%	6.2%	56.6	59.8	63.2	15.3%	6.0%
Mintek	55.9	50.1	52.6	41.3	-9.6%	6.2%	56.6	59.8	63.2	15.3%	6.0%

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

Entities

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

- The **Council for Geoscience** was established in terms of the Geoscience Act (1993). Its principal mandate is to develop and publish world-class geoscience knowledge products, and to provide geoscience related services to the South African public and to industry. The council's total budget for 2017/18 is R434.2 million.
- **Mintek** develops appropriate and innovative technology for transfer to the minerals industry; and provides the industry with test work, consultancy, analytics, and mineralogical services. The council's total budget for 2017/18 is R536.4 million.
- The **Mine Health and Safety Council** was established in terms of the Mine Health and Safety Act (1996). It is mandated to advise the Minister of Mineral Resources on occupational health and safety at mines, develop legislation, conduct research, and liaise with other statutory bodies on matters relating to occupational health and safety at mines. The council will receive an allocation of R165.8 million from the department in 2017/18.
- The **South African Diamond and Precious Metals Regulator** was established in terms of section 3 of the Diamonds Act (1986). It is mandated to regulate control over the possession, purchase, sale, processing and export of diamonds; and the regulation of precious metals. The regulator's total budget for 2017/18 is R98.8 million.
- The **State Diamond Trader** is mandated to buy and sell rough diamonds to promote equitable access to diamonds, and the local beneficiation of diamond resources. Its revenue is generated by selling rough diamonds to clients, who comprise mainly of diamond polishers and cutters. The entity's total budget for 2017/18 is R561.2 million.

Vote 30

Science and Technology

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	383.7	349.2	13.5	21.0	401.6	349.3
Technology Innovation	1 073.6	65.9	1 007.8	–	1 129.4	1 195.0
International Cooperation and Resources	128.7	64.9	63.8	–	135.2	144.4
Research, Development and Support	4 348.9	48.0	4 300.9	–	4 467.1	4 757.0
Socioeconomic Innovation Partnerships	1 622.3	47.8	1 574.5	–	1 782.8	1 745.7
Total expenditure estimates	7 557.2	575.8	6 960.5	21.0	7 916.0	8 191.4
Executive authority	Minister of Science and Technology					
Accounting officer	Director General of Science and Technology					
Website address	www.dst.gov.za					

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

Vote purpose

Realise the full potential of science and technology in social and economic development by developing human resources, research and innovation.

Mandate

The Department of Science and Technology executes its mandate through the implementation of the 1996 White Paper on Science and Technology, the national research and development strategy, and the 10-year innovation plan. The plan aims to make science and technology a driving force in enhancing productivity, economic growth and socioeconomic development.

Selected performance indicators

Table 30.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of instruments funded in support of knowledge utilisation per year ¹	Technology Innovation	Outcome 4: Decent employment through inclusive growth	–	3	6	25	19	21	19
Number of commercial outputs in designated areas per year	Technology Innovation		15	1	3	8	4	3	3
Amount of international funds directly invested in research, science, technology and innovation human capital development programmes, as well as research infrastructure investments in South Africa, accounted for as part of cooperation initiatives implemented by the department, per year	International Cooperation and Resources	Outcome 5: A skilled and capable workforce to support an inclusive growth path	–	–	R619m	R400m	R420m	R440m	R480m
Number of PhD students awarded bursaries, as reflected in National Research Foundation and relevant entities project reports per year	Research, Development and Support		2 265	2 845	3 404	3 136	3 100	3 100	3 100
Number of pipeline postgraduate (BTech, honours and masters) students awarded bursaries through programmes managed by the National Research Foundation and relevant entities per year	Research, Development and Support		6 853	7 711	10 996	10 996	10 800	10 800	10 800
Number of researchers awarded research grants through programme managed by the National Research Foundation as reflected in the foundation's project reports per year	Research, Development and Support		3 569	4 064	4 315	4 539	4 500	4 500	4 500
Number of knowledge and innovation products added to the intellectual property portfolio through fully funded or co-funded research initiatives per year ²	Socioeconomic Innovation Partnerships	Outcome 4: Decent employment through inclusive growth	16	29	38	35	15	18	20

1. Instruments include space science, energy, bio-innovation, nanotechnology, robotics, photonics, indigenous knowledge systems, intellectual property management, and technology transfer and commercialisation.

2. Knowledge and innovation products include patents, prototypes, technology demonstrators or technology transfer packages.

Expenditure analysis

To build an economy that grows at a sustainable rate and contributes significantly to socioeconomic development, as envisaged in the National Development Plan (NDP), South Africa needs a better skilled and more innovative population. The Department of Science and Technology is pivotal to realising this goal, particularly as it relates to innovation for energy and food security, poverty alleviation, and health care. The department plans to direct most of its allocation of R23.7 billion over the medium term to investment in producing new knowledge, developing human capital, and building infrastructure for research and innovation. The bulk of these funds are to be transferred to the Council for Industrial and Scientific Research and the National Research Foundation, which foster, promote and support industrial and scientific research and technology innovation.

Following a Cabinet-approved reduction of R11 million over the medium term to expenditure on compensation of employees, the department expects to fill only critical vacant posts in the period ahead.

Investing in new knowledge

The *Technology Innovation* programme is allocated R3.4 billion over the medium term, or 14.2 per cent of the department's total budget, to invest in the production of new knowledge. Of this amount, R1.3 billion will be transferred to the Technology Innovation Agency, which funds strategic technological innovation, emerging technologies and knowledge innovation products, including nanotechnology research, with the aim of commercialising them. The agency has allocated R719 million of this transfer to technology innovation funding for small and medium enterprises to help them commercialise new technological products and services. The department also plans to transfer R150.4 million over the medium term to the National Intellectual Property Management Office to ensure that publicly funded intellectual property is protected and used to create products, processes and services that improve the quality of life in South Africa. This transfer is projected to grow at an average annual rate of 25.8 per cent over the medium term to fund an estimated 18 additional posts at the entity.

The department seeks to use bio-innovation to contribute to the achievement of government's industrial, health and social development goals, as well as to the development of indigenous knowledge applications. Spending on bio-innovation in the *Bioeconomy* subprogramme is projected to amount to R527 million over the medium term. This will allow the department to strengthen the research and innovation competencies that form the strategic foundation for the bio-based scientific innovation, and develop and support strategic research and innovation programmes.

A further R27 million in 2017/18, R60 million in 2018/19 and R63 million in 2019/20 is allocated to mining research and development for technological solutions that improve safety, profitability and competitiveness.

Developing human capital

The department plans to increase the number of high-quality researchers produced by the national research system. This will allow the country to compete globally, and attract international research and development funding. It will also improve the country's position in global innovation value chains, which should help to address low growth, and pressing social and environmental problems. Over the medium term, a projected R8.1 billion will be transferred to the National Research Foundation for this purpose and will be used to provide research grants or bursaries to at least 55 200 researchers and students. The department is set to receive additional allocations of R215.2 million in 2017/18 and R165 million in 2018/19 to support new programmes at the Council for Scientific and Industrial Research that aim to improve the employability of science, engineering and technology graduates and postgraduates by providing them with accelerated work experience, and encouraging the private sector to co-invest with government in research and development innovation.

An amount of R1.5 billion over the medium term in the *Human Capital and Science Promotion* subprogramme in the *Research, Development and Support* programme is allocated to the research chairs initiative. The initiative currently supports 200 research chairs and 6 more are to be added in 2017/18 through support from the Department of Higher Education and Training.

Funding research, innovation and infrastructure

Over the medium term, the Council for Scientific and Industrial Research plans to spend R9.3 billion on relevant research and development in health, energy, industry (advanced manufacturing and mining), the built environment, defence and security, the natural environment, scientific equipment and infrastructure. The source of funding for this includes revenue the entity generates itself in addition to transfers received from the department. The council's planned expenditure will support these areas and activities. This will ensure an increase in new technology and patents, and create decent employment.

A key contributor to future research and development is the department's main infrastructure project, the Square Kilometre Array, which will be the world's largest and most sensitive radio telescope. Construction is set to begin in 2018 and end in 2023. The department has an allocation of R2.2 billion over the medium term for the project.

Expenditure trends

Table 30.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Technology Innovation														
3. International Cooperation and Resources														
4. Research, Development and Support														
5. Socioeconomic Innovation Partnerships														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	268.2	245.7	257.5	291.0	291.9	278.4	299.8	300.5	302.0	304.0	345.1	345.1	101.7%	100.0%
Programme 2	1 627.1	1 653.6	1 150.4	991.6	1 008.9	974.0	1 008.8	1 008.5	1 063.3	1 007.1	1 005.4	1 005.4	90.5%	89.7%
Programme 3	148.4	145.4	104.5	119.7	119.3	107.6	122.0	121.4	115.0	124.5	124.5	124.5	87.8%	88.4%
Programme 4	2 476.8	2 475.8	3 198.8	3 503.8	3 496.9	3 489.8	4 247.1	4 238.8	4 218.9	4 200.6	4 171.0	4 171.0	104.5%	104.8%
Programme 5	1 677.6	1 677.6	1 458.2	1 564.1	1 562.8	1 539.2	1 804.5	1 796.9	1 738.3	1 792.9	1 783.0	1 783.0	95.3%	95.6%
Total	6 198.2	6 198.2	6 169.5	6 470.2	6 479.9	6 389.0	7 482.1	7 466.1	7 437.5	7 429.0	7 429.0	7 429.0	99.4%	99.5%
Change to 2016 Budget estimate														
Economic classification														
Current payments	454.1	414.1	402.6	486.7	494.5	445.9	496.4	495.0	464.8	509.7	532.3	532.3	94.8%	95.3%
Compensation of employees	260.7	251.4	241.6	283.8	284.9	276.0	291.3	295.3	301.1	309.2	313.8	313.8	98.9%	98.9%
Goods and services	193.3	162.7	161.0	202.9	209.6	169.8	205.1	199.7	163.7	200.5	218.5	218.5	88.9%	90.2%
Transfers and subsidies	5 741.9	5 754.4	5 703.9	5 981.2	5 983.1	5 936.9	6 983.4	6 968.8	6 956.1	6 917.0	6 872.2	6 872.2	99.4%	99.6%
Departmental agencies and accounts	4 174.9	4 179.4	3 762.9	4 409.3	4 393.7	4 032.6	5 466.0	5 457.1	5 040.3	5 344.7	5 311.4	5 311.4	-	-
Higher education institutions	-	-	88.6	21.4	38.9	167.3	114.6	114.6	68.6	-	-	-	238.7%	211.5%
Foreign governments and international organisations	-	-	0.5	-	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 034.2	1 034.2	1 698.0	1 140.8	1 145.5	1 573.1	1 253.3	1 249.8	1 577.6	1 307.4	1 299.4	1 299.4	129.8%	130.0%
Non-profit institutions	532.8	540.8	152.2	409.7	405.0	159.5	149.6	147.3	268.7	264.9	261.4	261.4	62.0%	62.2%
Households	-	-	1.7	-	-	4.4	-	-	0.8	-	-	-	-	-
Payments for capital assets	2.2	29.7	63.0	2.3	2.3	6.2	2.3	2.3	16.5	2.3	24.5	24.5	1 210.1%	187.5%
Machinery and equipment	2.2	2.2	8.2	2.3	2.3	6.2	2.3	2.3	16.5	2.3	24.5	24.5	607.6%	177.0%
Software and other intangible assets	-	27.5	54.9	-	-	-	-	-	-	-	-	-	-	199.5%
Payments for financial assets	-	-	-	-	-	0.1	-	-	0.1	-	-	-	-	-
Total	6 198.2	6 198.2	6 169.5	6 470.2	6 479.9	6 389.0	7 482.1	7 466.1	7 437.5	7 429.0	7 429.0	7 429.0	99.4%	99.5%

Expenditure estimates

Table 30.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Technology Innovation									
3. International Cooperation and Resources									
4. Research, Development and Support									
5. Socioeconomic Innovation Partnerships									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	345.1	12.0%	4.3%	383.7	401.6	349.3	0.4%	4.8%	
Programme 2	1 005.4	-15.3%	15.3%	1 073.6	1 129.4	1 195.0	5.9%	14.2%	
Programme 3	124.5	-5.1%	1.6%	128.7	135.2	144.4	5.1%	1.7%	
Programme 4	4 171.0	19.0%	55.0%	4 348.9	4 467.1	4 757.0	4.5%	57.1%	
Programme 5	1 783.0	2.1%	23.8%	1 622.3	1 782.8	1 745.7	-0.7%	22.3%	
Total	7 429.0	6.2%	100.0%	7 557.2	7 916.0	8 191.4	3.3%	100.0%	
Change to 2016 Budget estimate				(5.3)	159.7	(6.0)			
Economic classification									
Current payments	532.3	8.7%	6.7%	575.8	611.3	584.3	3.2%	7.4%	
Compensation of employees	313.8	7.7%	4.1%	315.5	327.7	352.7	4.0%	4.2%	
Goods and services	218.5	10.3%	2.6%	260.2	283.6	231.6	2.0%	3.2%	
Transfers and subsidies	6 872.2	6.1%	92.9%	6 960.5	7 292.5	7 604.4	3.4%	92.4%	
Departmental agencies and accounts	5 311.4	8.3%	66.2%	5 204.3	5 424.2	5 639.4	2.0%	69.4%	
Public corporations and private enterprises	1 299.4	7.9%	22.4%	1 420.1	1 462.4	1 539.1	5.8%	18.4%	
Non-profit institutions	261.4	-21.5%	3.1%	336.1	405.8	426.0	17.7%	4.6%	
Payments for capital assets	24.5	-6.2%	0.4%	21.0	12.2	2.7	-52.2%	0.2%	
Machinery and equipment	24.5	124.0%	0.2%	21.0	12.2	2.7	-52.2%	0.2%	
Total	7 429.0	6.2%	100.0%	7 557.2	7 916.0	8 191.4	3.3%	100.0%	

Goods and services expenditure trends and estimates

Table 30.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Administrative fees	6 427	3 826	1 877	20 282	46.7%	4.5%	6 254	6 586	6 955	-30.0%	4.0%
Advertising	16 467	23 223	22 792	17 707	2.4%	11.2%	20 308	21 397	20 949	5.8%	8.1%
Minor assets	293	630	537	579	25.5%	0.3%	608	644	680	5.5%	0.3%
Audit costs: External	4 548	4 761	5 061	6 383	12.0%	2.9%	8 702	10 869	7 488	5.5%	3.4%
Bursaries: Employees	1 201	1 256	1 067	2 495	27.6%	0.8%	2 620	5 540	2 927	5.5%	1.4%
Catering: Departmental activities	2 755	3 221	5 138	2 800	0.5%	2.0%	3 069	3 246	3 426	7.0%	1.3%
Communication	5 364	5 064	7 540	9 630	21.5%	3.9%	13 051	14 666	11 545	6.2%	4.9%
Computer services	7 398	12 728	10 418	8 162	3.3%	5.4%	8 571	9 067	9 573	5.5%	3.6%
Consultants: Business and advisory services	7 281	5 603	3 762	16 534	31.4%	4.7%	20 618	21 512	15 137	-2.9%	7.4%
Legal services	2 707	-	-	949	-29.5%	0.5%	997	1 054	1 113	5.5%	0.4%
Science and technological services	-	2 801	580	-	-	0.5%	-	-	-	-	-
Contractors	4 446	6 771	7 547	8 558	24.4%	3.8%	14 640	14 544	9 560	3.8%	4.8%
Agency and support/outsourced services	13 539	8 053	8 135	16 243	6.3%	6.4%	16 702	17 639	18 593	4.6%	7.0%
Entertainment	707	735	1 021	5 148	93.8%	1.1%	5 332	5 608	5 923	4.8%	2.2%
Fleet services (including government motor transport)	541	978	764	-	-100.0%	0.3%	-	-	-	-	-
Inventory: Clothing material and accessories	286	1 028	48	-	-100.0%	0.2%	-	-	-	-	-
Inventory: Fuel, oil and gas	-	10	72	129	-	-	136	144	152	5.6%	0.1%
Inventory: Materials and supplies	31	319	103	-	-100.0%	0.1%	-	-	-	-	-
Inventory: Medical supplies	-	-	1	-	-	-	-	-	-	-	-
Inventory: Other supplies	2	-	1	1 175	737.5%	0.2%	1 270	1 343	1 417	6.4%	0.5%
Consumable supplies	2 710	1 940	993	-	-100.0%	0.8%	-	-	-	-	-
Consumables: Stationery, printing and office supplies	4 434	3 244	2 660	5 015	4.2%	2.2%	8 792	10 098	5 885	5.5%	3.0%
Operating leases	5 176	5 488	2 906	3 749	-10.2%	2.4%	7 534	9 762	4 397	5.5%	2.6%
Rental and hiring	1 004	8 368	6 657	-	-100.0%	2.2%	-	-	-	-	-
Property payments	2 658	-	-	7 017	38.2%	1.4%	18 207	18 853	8 164	5.2%	5.3%
Transport provided: Departmental activity	-	41 566	38 249	-	-	11.2%	-	-	-	-	-
Travel and subsistence	40 418	3 411	13 416	47 697	5.7%	14.7%	54 224	60 126	52 631	3.3%	21.6%
Training and development	6 075	11 438	7 919	5 303	-4.4%	4.3%	7 968	8 291	6 221	5.5%	2.8%
Operating payments	9 873	12 141	11 311	7 325	-9.5%	5.7%	7 691	8 138	8 593	5.5%	3.2%
Venues and facilities	14 635	1 246	3 148	25 661	20.6%	6.3%	32 948	34 520	30 257	5.6%	12.4%
Total	160 976	169 849	163 723	218 541	10.7%	100.0%	260 242	283 647	231 586	2.0%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 30.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 944 267	3 041 163	3 903 856	3 985 572	10.6%	54.5%	3 791 656	4 026 074	4 129 545	1.2%	55.5%
Various institutions: Institutional and programme support research	11 231	3 500	4 000	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Biofuels	–	6 000	–	–	–	–	–	–	–	–	–
Various institutions: Technology transfer offices (support of research units)	4 657	2 199	–	–	-100.0%	–	–	–	–	–	–
Various institutions: Implementation of biotechnology strategy	11 613	13 290	–	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Energy grand challenge research	32 500	24 396	33 733	34 904	2.4%	0.5%	35 149	37 049	40 946	5.5%	0.5%
Various institutions: Health innovation research	36 909	36 000	–	–	-100.0%	0.3%	–	–	–	–	–
HIV treatment and prevention technologies	1 817	22 596	24 535	23 753	135.6%	0.3%	23 711	24 588	27 866	5.5%	0.3%
Various institutions: Hydrogen strategy research	16 800	16 005	–	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Innovation projects research	–	1 122	29 612	31 977	–	0.2%	27 911	29 529	35 318	3.4%	0.4%
International Centre for Genetic Engineering and Biotechnology	–	–	12 125	12 186	–	0.1%	12 795	13 537	14 295	5.5%	0.2%
Various institutions: Space science research (Economic competitiveness and support package)	30 500	40 000	71 978	29 653	-0.9%	0.7%	28 860	9 200	–	-100.0%	0.2%
National Research Foundation: Indigenous knowledge systems	10 000	–	–	–	-100.0%	–	–	–	–	–	–
Technology Innovation Agency	481 081	338 386	385 188	382 364	-7.4%	6.2%	396 732	420 322	443 860	5.1%	5.7%
South African National Space Agency	123 708	118 298	124 355	124 977	0.3%	1.9%	131 226	138 837	146 612	5.5%	1.9%
Various institutions: Emerging research areas	21 000	–	–	–	-100.0%	0.1%	–	–	–	–	–
National Research Foundation: Research and development in indigenous knowledge systems	–	2 896	–	4 385	–	–	4 604	4 871	5 144	5.5%	0.1%
National Research Foundation: Global science (bilateral cooperation)	12 203	12 935	13 530	13 598	3.7%	0.2%	14 130	14 948	15 952	5.5%	0.2%
Various institutions: Global science (international multilateral agreements)	1 622	1 656	22 354	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Global science (African multilateral agreements)	3 800	–	958	–	-100.0%	–	–	–	–	–	–
Academy of Science of South Africa	–	21 577	–	24 106	–	0.2%	25 261	25 668	27 105	4.0%	0.4%
Various institutions: Astronomy research and development	25 129	19 107	25 155	27 950	3.6%	0.4%	29 348	31 050	32 789	5.5%	0.4%
Various institutions: Policy development on human and social development dynamics	11 098	9 838	10 283	10 483	-1.9%	0.2%	26 012	27 409	28 896	40.2%	0.3%
National Research Foundation: Human resources development for science and engineering	410 034	465 658	835 665	884 262	29.2%	10.2%	833 804	889 172	950 582	2.4%	12.4%
National Research Foundation	1 112 879	851 286	878 399	882 805	-7.4%	14.6%	925 964	979 670	1 034 532	5.4%	13.3%
Various institutions: Science awareness, research and initiatives to encourage youth participation in science	40 332	53 103	57 766	69 541	19.9%	0.9%	73 018	77 253	81 579	5.5%	1.0%
National Research Foundation: South African research chairs initiative to develop human resources in science	74 045	451 779	470 446	482 243	86.7%	5.8%	500 875	530 274	566 305	5.5%	7.2%
Various institutions: Strategic science platforms for research and development	125 105	138 044	149 943	201 880	17.3%	2.4%	199 572	208 325	220 176	2.9%	2.9%
Various institutions: Local manufacturing capacity research and technical support (Economic competitiveness and support package)	–	–	–	–	–	–	80 000	80 000	–	–	0.6%
Various institutions: Local systems of innovation for the cold chain technologies project (Economic competitiveness and support package)	–	–	–	–	–	–	–	62 000	–	–	0.2%
Various institutions: Innovative research and development	8 330	16 678	38 731	46 440	77.3%	0.4%	41 823	39 890	44 249	-1.6%	0.6%
Human Sciences Research Council	258 867	276 010	288 706	290 149	3.9%	4.4%	304 656	305 495	322 603	3.6%	4.3%
Various institutions: Local manufacturing capacity research and technical support	40 000	43 712	187 508	214 779	75.1%	1.9%	3 311	25 864	28 689	-48.9%	0.9%
Various institutions: Local systems of innovation for the cold chain technologies project	25 000	33 000	204 737	153 043	82.9%	1.6%	35 781	10 632	11 793	-57.4%	0.7%
Various institutions: Resource-based industries research and development	–	1 000	–	–	–	–	–	–	–	–	–
National Research Foundation: Research information management system	4 519	6 850	12 240	7 201	16.8%	0.1%	3 781	4 000	8 448	5.5%	0.1%
Human Science Research Council: Develop and monitor science and technology indicators	9 488	9 657	5 446	9 533	0.2%	0.1%	9 437	9 984	12 404	9.2%	0.1%
Various institutions: Environmental innovation	–	4 585	16 463	23 360	–	0.2%	23 895	26 507	29 402	8.0%	0.4%

Table 30.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Capital	818 658	991 450	1 136 449	1 325 849	17.4%	16.8%	1 412 632	1 398 133	1 509 816	4.4%	19.7%
Various institutions: National nanotechnology research	-	2 500	-	-	-	-	-	-	-	-	-
Various institutions: Infrastructure projects for research and development	398 551	343 751	449 034	673 093	19.1%	7.3%	718 701	688 721	740 016	3.2%	9.8%
National Research Foundation: Square Kilometre Array (capital contribution to research)	420 107	645 199	687 415	652 756	15.8%	9.4%	693 931	709 412	769 800	5.7%	9.8%
Higher education institutions											
Current	73 030	134 455	36 413	-	-100.0%	1.0%	-	-	-	-	-
Various institutions: Institutional and programme support research	1 324	410	4 640	-	-100.0%	-	-	-	-	-	-
Various institutions: Technology transfer offices (support of research units)	-	36 560	-	-	-	0.1%	-	-	-	-	-
Various institutions: Implementation of biotechnology strategy	7 524	8 006	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Energy grand challenge research	3 100	5 550	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Health innovation research	1 865	700	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Hydrogen strategy research	14 839	15 923	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Indigenous knowledge systems	-	894	-	-	-	-	-	-	-	-	-
Various institutions: Innovation projects research	-	5 884	-	-	-	-	-	-	-	-	-
National Research Foundation: Indigenous knowledge systems	1 932	-	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Emerging research areas	5 604	12 806	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Global science (international multilateral agreements)	13 133	15 666	11 186	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Global science (African multilateral agreements)	3 900	4 320	1 937	-	-100.0%	-	-	-	-	-	-
National Research Foundation: Human resources development for science and engineering	551	4 940	3 736	-	-100.0%	-	-	-	-	-	-
Various institutions: Science awareness	8 805	9 652	8 118	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Strategic science platforms for research and development	6 069	5 467	6 796	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Astronomy research and development	-	612	-	-	-	-	-	-	-	-	-
Various institutions: Advanced manufacturing technology strategy implementation	169	2 321	-	-	-100.0%	-	-	-	-	-	-
Council for Scientific and Industrial Research	1 001	-	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Innovative research and development	-	631	-	-	-	-	-	-	-	-	-
Various institutions: Local manufacturing capacity research and technical support	549	747	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Local systems of innovation for the cold chain technologies project	1 150	2 366	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Resource-based industries research and development	1 515	1 000	-	-	-100.0%	-	-	-	-	-	-
Capital	15 600	32 806	32 175	-	-100.0%	0.3%	-	-	-	-	-
Various institutions: Infrastructure projects for research and development	15 600	32 806	32 175	-	-100.0%	0.3%	-	-	-	-	-
Foreign governments and international organisations											
Current	452	-	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Institutional and programme support research	452	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Subsidies on products and production (pc)											
Current	781 996	825 740	820 204	872 043	3.7%	13.0%	915 645	968 752	1 023 002	5.5%	13.2%
Council for Scientific and Industrial Research	781 996	825 740	820 204	872 043	3.7%	13.0%	915 645	968 752	1 023 002	5.5%	13.2%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	347 750	322 642	220 817	162 100	-22.5%	4.1%	217 688	190 169	193 450	6.1%	2.7%
Various institutions: Institutional and programme support research	300	1 425	600	-	-100.0%	-	-	-	-	-	-
Various institutions: Implementation of biotechnology strategy	10 378	7 822	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Energy grand challenge research	2 179	1 500	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Health innovation research	4 750	5 000	-	-	-100.0%	-	-	-	-	-	-
South African Medical Research Council	19 500	-	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Hydrogen strategy research	800	1 500	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Indigenous knowledge systems	-	1 000	8 864	-	-	-	-	-	-	-	-
Various institutions: Innovation projects research	-	100	-	-	-	-	-	-	-	-	-

Table 30.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Various institutions: Space science research	12 824	-	-	-	-100.0%	0.1%	-	-	-	-	-
National Research Foundation: Indigenous knowledge systems	2 000	-	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Emerging research areas	25 600	33 130	42 002	45 364	21.0%	0.6%	37 344	39 510	41 723	-2.8%	0.6%
Various institutions: Technology transfer offices for support of research units	6 485	14 647	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Global science (international multilateral agreements)	9 382	16 198	5 338	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Global science (African multilateral agreements)	-	-	3 138	-	-	-	-	-	-	-	-
National Research Foundation: Human resources development for science and engineering	-	-	33 505	-	-	0.1%	-	-	-	-	-
National Research Foundation: Human resources development for science and engineering (Economic competitiveness and support package)	-	-	-	-	-	-	51 140	13 800	-	-	0.2%
National Research Foundation: Square Kilometre Array (research and development)	-	723	2 000	-	-	-	-	-	-	-	-
Various institutions: Strategic science platforms for research and development	4 688	700	4 500	-	-100.0%	-	-	-	-	-	-
Various institutions: Advanced manufacturing technology strategy implementation	22 642	25 649	45 219	43 575	24.4%	0.5%	51 215	53 678	59 542	11.0%	0.7%
Council for Scientific and Industrial Research	20 167	24 208	26 144	26 327	9.3%	0.4%	31 960	34 738	38 533	13.5%	0.5%
Various institutions: Innovative research and development	37 835	20 827	-	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Local manufacturing capacity research and technical support	71 398	68 034	-	-	-100.0%	0.5%	-	-	-	-	-
Various institutions: Local systems of innovation for the cold chain technologies project	57 688	51 422	-	-	-100.0%	0.4%	-	-	-	-	-
Various institutions: Resource-based industries research and development	39 134	38 494	49 507	46 834	6.2%	0.7%	46 029	48 443	53 652	4.6%	0.7%
Various institutions: Environmental innovation	-	10 263	-	-	-	-	-	-	-	-	-
Capital	520 672	421 331	536 613	265 227	-20.1%	6.8%	286 777	303 526	322 635	6.7%	4.1%
Various institutions: National nanotechnology research	45 835	32 215	50 429	50 681	3.4%	0.7%	63 504	67 187	70 949	11.9%	0.9%
Council for Scientific and Industrial Research: Cyber infrastructure research and development	192 382	204 045	213 479	214 546	3.7%	3.2%	223 273	236 339	251 686	5.5%	3.2%
Various institutions: Infrastructure projects for research and development	74 455	185 071	272 705	-	-100.0%	2.1%	-	-	-	-	-
Square Kilometre Array	208 000	-	-	-	-100.0%	0.8%	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	47 556	3 353	-	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Technology transfer offices (support of research units)	255	-	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Innovation projects research	7 000	-	-	-	-100.0%	-	-	-	-	-	-
South African Association of Science and Technology Centres: Technology Top 100 Awards	3 163	3 353	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Global science (international multilateral agreements)	6 935	-	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Strategic science platforms for research and development	2 780	-	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Advanced manufacturing technology strategy implementation	15 142	-	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Innovative research and development	12 281	-	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions											
Current	83 902	98 712	205 140	197 520	33.0%	2.3%	269 004	334 869	351 028	21.1%	4.0%
Various institutions: Institutional and programme support research	228	4 356	5 325	12 860	283.5%	0.1%	13 503	14 286	15 086	5.5%	0.2%
Various institutions: Biofuels	-	-	6 490	6 137	-	-	5 348	7 245	7 651	7.6%	0.1%
Various institutions: Technology transfer offices (support of research units)	10 234	-	42 747	15 544	14.9%	0.3%	36 000	39 000	41 184	38.4%	0.5%
Various institutions: Implementation of biotechnology strategy	6 805	3 810	32 954	36 321	74.8%	0.3%	36 112	37 742	41 651	4.7%	0.5%
Various institutions: Energy grand challenge research	3 720	2 350	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Health innovation research	200	-	43 618	42 710	497.7%	0.3%	44 691	46 947	51 160	6.2%	0.6%
Various institutions: Hydrogen strategy research	-	-	36 012	36 192	-	0.3%	38 002	40 206	42 458	5.5%	0.5%
Various institutions: Innovation projects research	8 380	2 755	-	-	-100.0%	-	-	-	-	-	-
International Centre for Genetic Engineering and Biotechnology	10 936	36 280	-	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Space science research	1 676	-	-	-	-100.0%	-	-	-	-	-	-
South African Association of Science and Technology Centres: Technology Top 100 Awards	-	-	3 507	-	-	-	3 701	3 916	4 135	-	-

Table 30.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
South African National AIDS Council	-	-	-	-	-	-	15 000	30 000	31 680	-	0.3%
Various institutions: Emerging research areas	4 500	5 800	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Global science (international multilateral agreements)	272	28	147	39 220	424.4%	0.2%	40 775	43 139	46 009	5.5%	0.6%
Various institutions: Global science (African multilateral agreements)	-	-	723	8 536	-	-	8 872	9 388	10 014	5.5%	0.1%
Academy of Science of South Africa	20 744	-	23 229	-	-100.0%	0.2%	-	-	-	-	-
National Research Foundation: Human resources development for science and engineering	-	80	5 578	-	-	-	-	-	-	-	-
Various institutions: Science awareness	2 200	3 200	3 310	-	-100.0%	-	-	-	-	-	-
Square Kilometre Array	-	2 000	-	-	-	-	-	-	-	-	-
Various institutions: Strategic science platforms for research and development	1 300	3 000	1 500	-	-100.0%	-	-	-	-	-	-
Various institutions: Advanced manufacturing technology strategy implementation	-	100	-	-	-	-	-	-	-	-	-
Various institutions: Innovative research and development	2 502	19 644	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Local systems of innovation for the cold chain technologies project	10 000	13 397	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Resource-based industries research and development	205	1 222	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Environmental innovation	-	690	-	-	-	-	-	-	-	-	-
Council for Scientific and Industrial Research: Mining research and development	-	-	-	-	-	-	27 000	63 000	60 000	-	0.5%
Capital	68 332	60 772	63 568	63 886	-2.2%	1.0%	67 080	70 971	74 945	5.5%	1.0%
Various institutions: Hydrogen strategy research - capital	57 332	60 772	63 568	63 886	3.7%	1.0%	67 080	70 971	74 945	5.5%	1.0%
Various institutions: Infrastructure projects for research and development	11 000	-	-	-	-100.0%	-	-	-	-	-	-
Households											
Social benefits											
Current	670	830	573	-	-100.0%	-	-	-	-	-	-
Households	670	830	573	-	-100.0%	-	-	-	-	-	-
Other transfers to households											
Current	988	3 618	250	-	-100.0%	-	-	-	-	-	-
Households	433	3 293	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Policy development on human and social development dynamics	125	125	125	-	-100.0%	-	-	-	-	-	-
National Research Foundation: Human resources development for science and engineering	-	-	125	-	-	-	-	-	-	-	-
Various institutions: Science awareness	430	-	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Strategic science platforms for research and development	-	200	-	-	-	-	-	-	-	-	-
Total	5 703 873	5 936 872	6 956 058	6 872 197	6.4%	100.0%	6 960 482	7 292 494	7 604 421	3.4%	100.0%

Personnel information

Table 30.6 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Technology Innovation																			
3. International Cooperation and Resources																			
4. Research, Development and Support																			
5. Socioeconomic Innovation Partnerships																			
Number of posts estimated for 31 March 2017	Number and cost ² of personnel posts filled / planned for on funded establishment												Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16	Unit cost	Cost	2016/17	Unit cost	Cost	2017/18	Unit cost	Cost	2018/19	Unit cost	Cost			2019/20	Unit cost	Cost
Science and Technology																			
Salary level	-	-	493	301.1	0.6	478	313.8	0.7	449	315.5	0.7	432	327.7	0.8	416	352.7	0.8	-4.5%	100.0%
1 - 6	-	-	103	18.7	0.2	101	19.5	0.2	97	19.8	0.2	94	20.6	0.2	91	22.2	0.2	-3.4%	21.6%
7 - 10	-	-	137	54.0	0.4	132	56.8	0.4	122	56.6	0.5	117	59.5	0.5	112	64.9	0.6	-3.3%	27.2%
11 - 12	-	-	139	101.2	0.7	135	108.0	0.8	127	109.4	0.9	124	116.3	0.9	121	127.4	1.1	-3.6%	28.6%
13 - 16	-	-	114	127.3	1.1	110	129.5	1.2	103	129.7	1.3	97	131.3	1.4	92	138.2	1.5	-5.8%	22.6%
Programme			493	301.1	0.6	478	313.8	0.7	449	315.5	0.7	432	327.7	0.8	416	352.7	0.8	-4.5%	100.0%
Programme 1	-	-	282	151.7	0.5	275	154.5	0.6	260	152.7	0.6	249	158.6	0.6	238	170.7	0.7	-4.7%	57.6%
Programme 2	-	-	55	39.8	0.7	54	43.5	0.8	53	44.4	0.8	52	46.2	0.9	51	49.7	1.0	-1.9%	11.8%
Programme 3	-	-	59	41.3	0.7	56	46.2	0.8	51	47.3	0.9	49	49.1	1.0	47	52.9	1.1	-5.7%	11.4%
Programme 4	-	-	47	31.1	0.7	45	31.8	0.7	43	32.4	0.8	41	33.7	0.8	40	36.3	0.9	-3.9%	9.5%
Programme 5	-	-	50	37.1	0.7	48	37.8	0.8	42	38.6	0.9	41	40.1	1.0	40	43.2	1.1	-5.9%	9.6%

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

2. Rand million.

Departmental receipts

Table 30.7 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
R thousand												
Departmental receipts	1 658	1 602	514	7 000	7 000	61.6%	100.0%	242	248	254	-66.9%	100.0%
Sales of goods and services produced by department	47	50	51	29	29	-14.9%	1.6%	29	29	29	-	1.5%
Other sales	47	50	51	29	29	-14.9%	1.6%	29	29	29	-	1.5%
of which:												
Services rendered: Commission on insurance.	47	50	51	29	29	-14.9%	1.6%	28	28	28	-1.2%	1.5%
Replacement of security cards	-	-	-	-	-	-	-	1	1	1	-	-
Interest, dividends and rent on land	8	3	6	8	8	-	0.2%	8	8	8	-	0.4%
Interest	8	3	6	8	8	-	0.2%	8	8	8	-	0.4%
Sales of capital assets	-	-	-	-	-	-	-	121	127	133	-	4.9%
Transactions in financial assets and liabilities	1 603	1 549	457	6 963	6 963	63.2%	98.1%	84	84	84	-77.1%	93.2%
Total	1 658	1 602	514	7 000	7 000	61.6%	100.0%	242	248	254	-66.9%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 30.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	3.4	4.0	4.3	4.4	8.7%	1.4%	4.5	4.6	5.0	4.5%	1.2%
Management	78.5	81.7	90.1	105.4	10.3%	30.1%	108.6	113.6	121.2	4.7%	30.3%
Corporate Services	164.6	183.9	200.1	221.5	10.4%	65.1%	256.3	268.4	207.1	-2.2%	64.4%
Governance	7.8	7.6	7.5	9.3	5.9%	2.7%	9.6	10.0	10.7	4.7%	2.7%
Office Accommodation	3.2	1.3	-	4.6	13.0%	0.8%	4.8	5.0	5.3	5.2%	1.3%
Total	257.5	278.4	302.0	345.1	10.3%	100.0%	383.7	401.6	349.3	0.4%	100.0%
Change to 2016 Budget estimate				41.2			67.4	70.7	(3.3)		
Economic classification											
Current payments	235.1	262.2	270.5	307.8	9.4%	90.9%	349.2	375.1	331.5	2.5%	92.2%
Compensation of employees	123.0	140.1	151.7	154.5	7.9%	48.1%	152.7	158.6	170.7	3.4%	43.0%
Goods and services ¹	112.2	122.1	118.8	153.4	11.0%	42.8%	196.5	216.5	160.8	1.6%	49.1%
of which:											
Advertising	15.6	23.1	22.8	16.9	2.7%	6.6%	19.2	20.2	19.7	5.3%	5.1%
Consultants: Business and advisory services	4.0	3.3	3.1	6.5	18.3%	1.4%	13.8	14.4	7.6	5.2%	2.9%
Contractors	4.3	6.8	7.5	8.6	26.1%	2.3%	14.6	14.5	9.6	3.8%	3.2%
Property payments	2.5	-	-	6.2	35.2%	0.7%	17.4	18.0	7.3	5.5%	3.3%
Travel and subsistence	17.2	3.4	5.0	23.5	11.0%	4.1%	30.0	34.8	25.9	3.3%	7.7%
Venues and facilities	7.7	0.9	1.4	17.4	31.6%	2.3%	24.2	25.2	20.5	5.5%	5.9%
Transfers and subsidies¹	14.3	10.2	14.9	12.9	-3.4%	4.4%	13.5	14.3	15.1	5.5%	3.8%
Departmental agencies and accounts	11.2	3.5	4.0	-	-100.0%	1.6%	-	-	-	-	-
Higher education institutions	1.3	0.4	4.6	-	-100.0%	0.5%	-	-	-	-	-
Foreign governments and international organisations	0.5	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises	0.3	1.4	0.6	-	-100.0%	0.2%	-	-	-	-	-
Non-profit institutions	0.2	4.4	5.3	12.9	283.5%	1.9%	13.5	14.3	15.1	5.5%	3.8%
Households	0.8	0.5	0.3	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	8.0	6.0	16.5	24.5	44.9%	4.6%	21.0	12.2	2.7	-52.2%	4.1%
Machinery and equipment	8.0	6.0	16.5	24.5	44.9%	4.6%	21.0	12.2	2.7	-52.2%	4.1%
Payments for financial assets	-	-	0.1	-	-	-	-	-	-	-	-
Total	257.5	278.4	302.0	345.1	10.3%	100.0%	383.7	401.6	349.3	0.4%	100.0%
Proportion of total programme expenditure to vote expenditure	4.2%	4.4%	4.1%	4.6%	-	-	5.1%	5.1%	4.3%	-	-
Details of selected transfers and subsidies											
Non-profit institutions											
Current	0.2	4.4	5.3	12.9	283.5%	1.9%	13.5	14.3	15.1	5.5%	3.8%
Various institutions: Institutional and programme support research	0.2	4.4	5.3	12.9	283.5%	1.9%	13.5	14.3	15.1	5.5%	3.8%

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

Programme 2: Technology Innovation

Programme purpose

Enable research and development in space science and technology, energy security and the bioeconomy, and in the emerging and converging areas of nanotechnology, robotics, photonics and indigenous knowledge systems, to promote the realisation of commercial products, processes and services. Promote the protection and utilisation of intellectual property, technology transfer and technology commercialisation through the implementation of enabling policies and interventions along the entire innovation value chain.

Objectives

- Facilitate and resource strategic investments in space science and technology, energy, the bioeconomy, nanotechnology, robotics, photonics, indigenous knowledge systems, intellectual property management, technology transfer and technology commercialisation, by 31 March 2020, by:
 - funding 59 instruments to support the use of knowledge
 - generating 446 knowledge products (including peer-reviewed scientific articles published in scientific publications, and filings/applications or the registration/granting of intellectual property rights)
 - developing and approving 17 science, technology and innovation strategic policy directives to enhance understanding and analyses that support the implementation of relevant interventions
 - developing 6 decision support interventions to improve the delivery of government services or functions
 - making 81 regulatory recommendations for decision support by government.
- Oversee, monitor and regulate key policy initiatives in the strategic areas of space science and technology, energy, bio-innovation, nanotechnology, robotics and photonics, including the oversight of agencies, by 31 March 2020, by:
 - developing 36 evaluation and assessment reports in the area of strategic and emerging science and technology
 - overseeing 855 new disclosures reported by publicly funded institutions.
- Coordinate and support high-end skills development by supporting 1 040 masters and doctoral students and 720 trainees through department-funded research and development initiatives by 31 March 2020.
- Support, promote and advocate the development and translation of scientific research and development outputs into commercial products, processes and services that will contribute towards economic growth and better quality of life by 31 March 2020, by:
 - supporting 17 knowledge application products, including prototypes, technology demonstrators and pilots
 - supporting 10 commercial outputs, including licences, assignments, options, new companies, products, processes and services.

Subprogrammes

- *Space Science* supports the creation of an environment conducive to the implementation of the national space strategy and South African earth observation strategy, and that addresses the development of innovative applications and human capital to respond to national priorities and support socioeconomic development.
- *Hydrogen and Energy* provides policy leadership in research, development and innovation initiatives in the energy sector. This subprogramme plays a key role in developing a sustainable and globally competitive South African energy knowledge base and industry.
- *Bioeconomy* leads the implementation of the national bioeconomy strategy approved by Cabinet in 2013.
- *Innovation Priorities and Instruments* supports and strengthens the innovation policy package aimed at creating and sustaining an enabling environment for innovation, technology and development, and the commercialisation of publicly funded research and development initiatives.
- *National Intellectual Property Management Office* is the implementing agency established to provide for the more effective utilisation of intellectual property emanating from publicly financed research and development.

Expenditure trends and estimates

Table 30.9 Technology Innovation 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Space Science	230.6	168.5	209.1	166.9	-10.2%	18.5%	173.4	161.9	161.5	-1.1%	15.1%
Hydrogen and Energy	139.9	143.8	156.6	152.2	2.9%	14.1%	156.8	167.2	178.5	5.4%	14.9%
Bioeconomy	139.4	150.1	127.2	138.1	-0.3%	13.2%	156.1	177.7	193.2	11.8%	15.1%
Innovation Priorities and Instruments	608.8	447.4	518.1	521.4	-5.0%	50.0%	540.5	572.3	608.6	5.3%	50.9%
National Intellectual Property Management Office	31.7	64.2	52.4	26.8	-5.5%	4.2%	46.8	50.3	53.3	25.8%	4.0%
Total	1 150.4	974.0	1 063.3	1 005.4	-4.4%	100.0%	1 073.6	1 129.4	1 195.0	5.9%	100.0%
Change to 2016 Budget estimate				(1.7)			(10.9)	(2.1)	(0.8)		
Economic classification											
Current payments	45.3	51.8	51.6	64.4	12.5%	5.1%	65.9	68.7	73.5	4.5%	6.2%
Compensation of employees	30.9	35.6	39.8	43.5	12.1%	3.6%	44.4	46.2	49.7	4.5%	4.2%
Goods and services ¹	14.3	16.2	11.7	20.8	13.3%	1.5%	21.4	22.6	23.8	4.5%	2.0%
<i>of which:</i>											
<i>Communication</i>	0.8	0.4	0.7	0.7	-4.2%	0.1%	0.9	0.9	1.0	11.7%	0.1%
<i>Consultants: Business and advisory services</i>	1.5	1.3	0.2	1.6	2.1%	0.1%	1.6	1.7	1.8	3.7%	0.2%
<i>Agency and support/outourced services</i>	0.9	1.9	1.0	6.4	93.0%	0.2%	6.4	6.7	7.1	3.4%	0.6%
<i>Entertainment</i>	-	-	-	3.6	430.7%	0.1%	3.7	3.9	4.1	4.5%	0.3%
<i>Travel and subsistence</i>	5.5	-	-	5.5	-0.4%	0.3%	5.2	5.4	5.7	1.4%	0.5%
<i>Venues and facilities</i>	1.5	-	-	1.8	5.3%	0.1%	2.0	2.1	2.2	8.0%	0.2%
Transfers and subsidies¹	1 050.1	922.2	1 011.7	941.0	-3.6%	93.6%	1 007.8	1 060.7	1 121.6	6.0%	93.8%
Departmental agencies and accounts	770.6	623.7	681.5	644.2	-5.8%	64.9%	661.0	677.9	714.0	3.5%	61.3%
Higher education institutions	34.9	86.3	-	-	-100.0%	2.9%	-	-	-	-	-
Public corporations and private enterprises	140.8	100.3	101.3	96.0	-12.0%	10.5%	100.8	106.7	112.7	5.5%	9.5%
Non-profit institutions	103.8	111.8	228.9	200.8	24.6%	15.4%	245.9	276.0	294.9	13.7%	23.1%
Households	0.1	0.2	-	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	55.0	0.1	-	-	-100.0%	1.3%	-	-	-	-	-
Machinery and equipment	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	54.9	-	-	-	-100.0%	1.3%	-	-	-	-	-
Total	1 150.4	974.0	1 063.3	1 005.4	-4.4%	100.0%	1 073.6	1 129.4	1 195.0	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	18.6%	15.2%	14.3%	13.5%	-	-	14.2%	14.3%	14.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	770.6	621.2	681.5	644.2	-5.8%	64.8%	661.0	677.9	714.0	3.5%	61.3%
Various institutions: Biofuels	-	6.0	-	-	-	0.1%	-	-	-	-	-
Various institutions: Technology transfer offices (support of research units)	4.7	2.2	-	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Implementation of biotechnology strategy	11.6	13.3	-	-	-100.0%	0.6%	-	-	-	-	-
Various institutions: Energy grand challenge research	32.5	24.4	33.7	34.9	2.4%	3.0%	35.1	37.0	40.9	5.5%	3.4%
Various institutions: Health innovation research	36.9	36.0	-	-	-100.0%	1.7%	-	-	-	-	-
HIV treatment and prevention technologies	1.8	22.6	24.5	23.8	135.6%	1.7%	23.7	24.6	27.9	5.5%	2.3%
Various institutions: Hydrogen strategy research	16.8	16.0	-	-	-100.0%	0.8%	-	-	-	-	-
Various institutions: Innovation projects research	-	1.1	29.6	32.0	-	1.5%	27.9	29.5	35.3	3.4%	2.8%
International Centre for Genetic Engineering and Biotechnology	-	-	12.1	12.2	-	0.6%	12.8	13.5	14.3	5.5%	1.2%
Various institutions: Space science research (Economic competitiveness and support package)	30.5	40.0	72.0	29.7	-0.9%	4.1%	28.9	9.2	-	-100.0%	1.5%
National Research Foundation: Indigenous knowledge systems	10.0	-	-	-	-100.0%	0.2%	-	-	-	-	-
Technology Innovation Agency	481.1	338.4	385.2	382.4	-7.4%	37.8%	396.7	420.3	443.9	5.1%	37.3%
South African National Space Agency	123.7	118.3	124.4	125.0	0.3%	11.7%	131.2	138.8	146.6	5.5%	12.3%
Various institutions: Emerging research areas	21.0	-	-	-	-100.0%	0.5%	-	-	-	-	-
National Research Foundation: Research and development in indigenous knowledge systems	-	2.9	-	4.4	-	0.2%	4.6	4.9	5.1	5.5%	0.4%

Table 30.9 Technology Innovation expenditure trends and estimates by subprogramme and economic classification

	Audited outcome	Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate	Average growth rate (%)	Average Expenditure/ Total (%)
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2017 Estimates of National Expenditure

R million	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Non-profit institutions											
Current	46.4	51.0	165.3	136.9	43.4%	9.5%	178.9	205.1	219.9	17.1%	16.8%
Various institutions: Biofuels	–	–	6.5	6.1	–	0.3%	5.3	7.2	7.7	7.6%	0.6%
Various institutions: Technology transfer offices (support of research units)	10.2	–	42.7	15.5	15.1%	1.6%	36.0	39.0	41.2	38.4%	3.0%
Various institutions: Implementation of biotechnology strategy	6.8	3.8	33.0	36.3	74.8%	1.9%	36.1	37.7	41.7	4.7%	3.4%
Various institutions: Energy grand challenge research	3.7	2.4	–	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Health innovation research	0.2	–	43.6	42.7	497.7%	2.1%	44.7	46.9	51.2	6.2%	4.2%
Various institutions: Hydrogen strategy research	–	–	36.0	36.2	–	1.7%	38.0	40.2	42.5	5.5%	3.6%
Various institutions: Innovation projects research	8.4	2.8	–	–	-100.0%	0.3%	–	–	–	–	–
International Centre for Genetic Engineering and Biotechnology	10.9	36.3	–	–	-100.0%	1.1%	–	–	–	–	–
Various institutions: Space science research	1.7	–	–	–	-100.0%	–	–	–	–	–	–
South African Association of Science and Technology Centres: Technology Top 100 Awards	–	–	3.5	–	–	0.1%	3.7	3.9	4.1	–	0.3%
South African National AIDS Council	–	–	–	–	–	–	15.0	30.0	31.7	–	1.7%
Various institutions: Emerging research areas	4.5	5.8	–	–	-100.0%	0.2%	–	–	–	–	–
Capital	57.3	60.8	63.6	63.9	3.7%	5.9%	67.1	71.0	74.9	5.5%	6.3%
Various institutions: Hydrogen strategy research - capital	57.3	60.8	63.6	63.9	3.7%	5.9%	67.1	71.0	74.9	5.5%	6.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	84.5	64.6	50.9	45.4	-18.7%	5.9%	37.3	39.5	41.7	-2.8%	3.7%
Various institutions: Implementation of biotechnology strategy	10.4	7.8	–	–	-100.0%	0.4%	–	–	–	–	–
Various institutions: Energy grand challenge research	2.2	1.5	–	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Health innovation research	4.8	5.0	–	–	-100.0%	0.2%	–	–	–	–	–
South African Medical Research Council	19.5	–	–	–	-100.0%	0.5%	–	–	–	–	–
Various institutions: Hydrogen strategy research	0.8	1.5	–	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Indigenous knowledge systems	–	1.0	8.9	–	–	0.2%	–	–	–	–	–
Various institutions: Space science research	12.8	–	–	–	-100.0%	0.3%	–	–	–	–	–
National Research Foundation: Indigenous knowledge systems	2.0	–	–	–	-100.0%	–	–	–	–	–	–
Various institutions: Emerging research areas	25.6	33.1	42.0	45.4	21.0%	3.5%	37.3	39.5	41.7	-2.8%	3.7%
Various institutions: Technology transfer offices for support of research units	6.5	14.6	–	–	-100.0%	0.5%	–	–	–	–	–
Capital	45.8	32.2	50.4	50.7	3.4%	4.3%	63.5	67.2	70.9	11.9%	5.7%
Various institutions: National nanotechnology research	45.8	32.2	50.4	50.7	3.4%	4.3%	63.5	67.2	70.9	11.9%	5.7%
Higher education institutions											
Current	34.9	85.4	–	–	-100.0%	2.9%	–	–	–	–	–
Various institutions: Technology transfer offices (support of research units)	–	36.6	–	–	–	0.9%	–	–	–	–	–
Various institutions: Implementation of biotechnology strategy	7.5	8.0	–	–	-100.0%	0.4%	–	–	–	–	–
Various institutions: Energy grand challenge research	3.1	5.6	–	–	-100.0%	0.2%	–	–	–	–	–
Various institutions: Health innovation research	1.9	0.7	–	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Hydrogen strategy research	14.8	15.9	–	–	-100.0%	0.7%	–	–	–	–	–
Various institutions: Innovation projects research	–	5.9	–	–	–	0.1%	–	–	–	–	–
National Research Foundation: Indigenous knowledge systems	1.9	–	–	–	-100.0%	–	–	–	–	–	–
Various institutions: Emerging research areas	5.6	12.8	–	–	-100.0%	0.4%	–	–	–	–	–

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

Programme 3: International Cooperation and Resources

Programme purpose

Strategically develop, promote and manage international partnerships that strengthen the national system of innovation. Enable an exchange of knowledge, capacity and resources between South Africa and its international partners, with a focus on supporting science, technology and innovation capacity building in Africa. Support South African foreign policy through science diplomacy.

Objectives

- Complement South Africa's national investments in science, technology and innovation, including access to resources for departmental initiatives that require external investment, by securing international funding of R1.3 billion over the medium term.
- Enhance South Africa's national science, technology and innovation capabilities to contribute to the attainment of the department's targets for human capital development by accessing international knowledge and resources through securing the participation of 1 680 South African researchers in international postgraduate training programmes by 31 March 2020.
- Build capacity in and support initiatives for the Southern African Development Community (SADC) and African Union (AU) to advance Africa's growth and development agenda by strengthening cooperation in science, technology and innovation in Africa through technical and financial support for 53 approved SADC and AU science, technology and innovation initiatives and programmes by 31 March 2020.
- Support South Africa's foreign policy objectives of creating a better South Africa and contributing to a better Africa and a better world by maximising South Africa's strategic interests in international science, technology and innovation cooperation through interventions that ensure South Africa occupies 16 new leadership positions in international science, technology and innovation governance structures by 31 March 2020.

Subprogrammes

- *Multilateral Cooperation and Africa* advances and facilitates South Africa's participation in: bilateral science, technology and innovation cooperation initiatives with other African partners; African multilateral programmes, especially SADC and AU programmes; and broader multilateral science, technology and innovation partnerships with a strategic focus on South-South cooperation.
- *International Resources* works to increase the flow of international funding into South African science, technology and innovation initiatives, and African regional and continental programmes, through concerted efforts to promote foreign investment, and the fostering of strategic partnerships with partners such as the European Union, philanthropic foundations and organisations, and the multinational private sector.
- *Overseas Bilateral Cooperation* promotes and facilitates South Africa's bilateral science, technology and innovation cooperation with partners in Europe, the Americas, Asia and Australasia, especially for human capital development, and collaborative research and innovation; and secures partner support for joint cooperation with other African partners.

Expenditure trends and estimates

Table 30.10 International Cooperation and Resources expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Multilateral Cooperation and Africa	25.3	22.2	25.7	28.7	4.3%	22.5%	29.6	31.0	33.2	4.9%	23.0%
International Resources	50.4	54.0	56.6	57.5	4.5%	48.4%	59.5	62.6	66.9	5.2%	46.3%
Overseas Bilateral Cooperation	28.9	31.4	32.7	38.3	9.9%	29.1%	39.6	41.5	44.4	5.0%	30.7%
Total	104.5	107.6	115.0	124.5	6.0%	100.0%	128.7	135.2	144.4	5.1%	100.0%
Change to 2016 Budget estimate							(1.3)	(1.4)	(0.8)		

Table 30.10 International Cooperation and Resources expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	53.2	53.3	55.6	63.1	5.8%	49.9%	64.9	67.7	72.5	4.7%	50.3%
Compensation of employees	33.2	36.8	41.3	46.2	11.6%	34.9%	47.3	49.1	52.9	4.6%	36.7%
Goods and services ¹	20.0	16.6	14.4	17.0	-5.4%	15.0%	17.6	18.6	19.6	4.9%	13.7%
<i>of which:</i>											
Communication	0.6	0.5	0.7	1.3	28.0%	0.7%	1.4	1.5	1.5	5.8%	1.1%
Agency and support/outourced services	0.7	0.3	0.7	0.6	-2.0%	0.5%	0.7	0.7	0.7	5.5%	0.5%
Entertainment	0.2	0.2	0.3	0.7	59.9%	0.3%	0.8	0.8	0.9	5.5%	0.6%
Travel and subsistence	11.2	-	-	7.5	-12.4%	4.1%	7.7	8.1	8.5	4.1%	6.0%
Operating payments	1.0	3.9	1.2	1.1	3.4%	1.6%	1.1	1.2	1.2	5.5%	0.9%
Venues and facilities	3.8	0.4	-	3.7	-1.0%	1.8%	3.9	4.1	4.4	5.5%	3.0%
Transfers and subsidies¹	51.3	54.1	59.3	61.4	6.1%	50.1%	63.8	67.5	72.0	5.5%	49.7%
Departmental agencies and accounts	17.6	14.6	36.8	13.6	-8.3%	18.3%	14.1	14.9	16.0	5.5%	11.0%
Higher education institutions	17.0	20.0	13.1	-	-100.0%	11.1%	-	-	-	-	-
Public corporations and private enterprises	16.3	16.2	8.5	-	-100.0%	9.1%	-	-	-	-	-
Non-profit institutions	0.3	-	0.9	47.8	460.0%	10.8%	49.6	52.5	56.0	5.5%	38.7%
Households	0.1	3.3	-	-	-100.0%	0.8%	-	-	-	-	-
Payments for capital assets	-	0.1	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	0.1	-	-	-	-	-	-	-	-	-
Total	104.5	107.6	115.0	124.5	6.0%	100.0%	128.7	135.2	144.4	5.1%	100.0%
Proportion of total programme expenditure to vote expenditure	1.7%	1.7%	1.5%	1.7%	-	-	1.7%	1.7%	1.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	17.6	14.6	36.8	13.6	-8.3%	18.3%	14.1	14.9	16.0	5.5%	11.0%
National Research Foundation: Global science (bilateral cooperation)	12.2	12.9	13.5	13.6	3.7%	11.6%	14.1	14.9	16.0	5.5%	11.0%
Various institutions: Global science (international multilateral agreements)	1.6	1.7	22.4	-	-100.0%	5.7%	-	-	-	-	-
Various institutions: Global science (African multilateral agreements)	3.8	-	1.0	-	-100.0%	1.1%	-	-	-	-	-
Non-profit institutions											
Current	0.3	-	0.9	47.8	460.0%	10.8%	49.6	52.5	56.0	5.5%	38.7%
Various institutions: Global science (international multilateral agreements)	0.3	-	0.1	39.2	424.4%	8.8%	40.8	43.1	46.0	5.5%	31.7%
Various institutions: Global science (African multilateral agreements)	-	-	0.7	8.5	-	2.1%	8.9	9.4	10.0	5.5%	6.9%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	9.4	16.2	8.5	-	-100.0%	7.5%	-	-	-	-	-
Various institutions: Global science (international multilateral agreements)	9.4	16.2	5.3	-	-100.0%	6.8%	-	-	-	-	-
Various institutions: Global science (African multilateral agreements)	-	-	3.1	-	-	0.7%	-	-	-	-	-
Higher education institutions											
Current	17.0	20.0	13.1	-	-100.0%	11.1%	-	-	-	-	-
Various institutions: Global science (international multilateral agreements)	13.1	15.7	11.2	-	-100.0%	8.9%	-	-	-	-	-
Various institutions: Global science (African multilateral agreements)	3.9	4.3	1.9	-	-100.0%	2.2%	-	-	-	-	-

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

Programme 4: Research, Development and Support

Programme purpose

- Provide an enabling environment for research and knowledge production that promotes the strategic development of basic sciences and priority science areas, through the promotion of science, human capital development, and the provision of research infrastructure and relevant research support, in pursuit of South Africa's transition to a knowledge economy.

Objectives

- Contribute to the development of representative, high-level human capital able to pursue locally relevant, globally competitive research and innovation activities over the medium term by:

- awarding 9 300 bursaries to PhD students
- awarding 32 400 bursaries to postgraduate (BTech, honours and masters) students
- placing 1 700 graduates and students in department-funded work preparation programmes in science, engineering and technology institutions.
- Ensure the availability of and access to internationally comparable research and innovation infrastructure in order to generate new knowledge and train new researchers by:
 - maintaining the number of research infrastructure grants at 60 per year over the MTEF period
 - increasing the total available broadband capacity provided by the South African National Research Network site from 3 200 Gbps in 2017/18 to 3 500 Gbps in 2019/20, which will assist in providing more efficient transmission of data to all research and academic institutions and national projects.
- Support and promote research that develops basic sciences through the production of new knowledge and relevant training opportunities over the medium term by:
 - maintaining the total number of researchers awarded research grants through programmes managed by the National Research Foundation at above 13 500
 - maintaining the number of Web of Science accredited research articles published by researched funded by the National Research Foundation at 21 000.
- Strategically develop priority science areas in which South Africa enjoys a competitive advantage by promoting internationally competitive research and training activities and outputs by:
 - maintaining the total number of commissioned single-polarisation array antennas at 64 in 2017/18
 - ensuring that a functional climate change research network is in place and two reports on the state of climate change in South Africa are approved by Cabinet by 2018/19.
- Promote public engagement on science, technology and innovation by increasing the total number of participants in science awareness and engagement programmes to 6 million over the medium term.

Subprogrammes

- *Human Capital and Science Promotions* formulates and implements policies and strategies that address the availability of human capital for science, technology and innovation, and fundamental support for research activities.
- *Science Missions* promotes the development of research, the production of scientific knowledge, and the development of human capital within scientific areas in which South Africa enjoys a geographic advantage. These areas include the dynamics of climate change and its impact on Earth systems, Antarctic and marine research, the palaeosciences, and indigenous knowledge systems.
- *Basic Science and Infrastructure* facilitates the strategic implementation of research and innovation equipment and facilities to promote knowledge production in areas of national priority, and sustain research and development-led innovation.
- *Astronomy* supports the development of astronomical sciences around a multi-wavelength research strategy, and provides strategic guidance and support to relevant astronomy institutions in the implementation of strategic astronomy programmes.

Expenditure trends and estimates

Table 30.11 Research, Development and Support 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Human Capital and Science Promotions	1 683.1	1 872.8	2 331.8	2 357.4	11.9%	54.7%	2 424.8	2 531.2	2 676.5	4.3%	56.3%
Science Missions	151.3	159.5	177.0	215.5	12.5%	4.7%	213.0	222.3	235.1	2.9%	5.0%
Basic Science and Infrastructure	710.2	783.7	987.0	906.5	8.5%	22.5%	976.6	961.4	1 030.2	4.4%	21.8%
Astronomy	654.2	673.8	723.0	691.5	1.9%	18.2%	734.5	752.2	815.1	5.6%	16.9%
Total	3 198.8	3 489.8	4 218.9	4 171.0	9.2%	100.0%	4 348.9	4 467.1	4 757.0	4.5%	100.0%
Change to 2016 Budget estimate				(29.6)			(71.0)	(94.3)	(60.6)		

Table 30.11 Research, Development and Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	32.4	37.7	43.8	47.3	13.4%	1.1%	48.0	50.0	53.5	4.2%	1.1%
Compensation of employees	24.5	29.4	31.1	31.8	9.1%	0.8%	32.4	33.7	36.3	4.5%	0.8%
Goods and services ¹	7.9	8.3	12.6	15.5	25.2%	0.3%	15.5	16.4	17.2	3.6%	0.4%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.1	0.1	0.2	0.5	92.4%	–	0.6	0.6	0.6	5.5%	–
<i>Communication</i>	0.4	0.3	0.2	0.6	9.5%	–	0.6	0.7	0.7	8.7%	–
<i>Consultants: Business and advisory services</i>	0.7	0.4	0.4	1.6	33.8%	–	1.4	1.4	1.5	-2.5%	–
<i>Agency and support/outourced services</i>	1.1	0.9	1.5	0.8	-9.4%	–	0.9	0.9	1.0	5.6%	–
<i>Travel and subsistence</i>	3.9	0.1	5.4	8.5	29.5%	0.1%	8.5	8.9	9.4	3.2%	0.2%
<i>Venues and facilities</i>	0.4	–	1.1	1.9	64.3%	–	2.0	2.1	2.2	5.5%	–
Transfers and subsidies¹	3 166.4	3 452.0	4 175.1	4 123.7	9.2%	98.9%	4 300.9	4 417.1	4 703.5	4.5%	98.9%
Departmental agencies and accounts	2 617.3	2 999.3	3 564.1	3 909.1	14.3%	86.8%	4 026.5	4 167.0	4 451.8	4.4%	93.3%
Higher education institutions	31.0	53.5	50.8	–	-100.0%	0.9%	–	–	–	–	–
Public corporations and private enterprises	482.3	390.5	526.2	214.5	-23.7%	10.7%	274.4	250.1	251.7	5.5%	5.6%
Non-profit institutions	35.2	8.3	33.6	–	-100.0%	0.5%	–	–	–	–	–
Households	0.6	0.4	0.4	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	–	0.1	–	–	–	–	–	–	–	–	–
Machinery and equipment	–	0.1	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	0.1	–	–	–	–	–	–	–	–	–
Total	3 198.8	3 489.8	4 218.9	4 171.0	9.2%	100.0%	4 348.9	4 467.1	4 757.0	4.5%	100.0%
Proportion of total programme expenditure to vote expenditure	51.8%	54.6%	56.7%	56.1%	–	–	57.5%	56.4%	58.1%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 798.6	2 010.4	2 427.7	2 583.3	12.8%	58.5%	2 613.9	2 768.8	2 942.0	4.4%	61.5%
Academy of Science of South Africa	–	21.6	–	24.1	–	0.3%	25.3	25.7	27.1	4.0%	0.6%
Various institutions: Astronomy research and development	25.1	19.1	25.2	28.0	3.6%	0.6%	29.3	31.1	32.8	5.5%	0.7%
Various institutions: Policy development on human and social development dynamics	11.1	9.8	10.3	10.5	-1.9%	0.3%	26.0	27.4	28.9	40.2%	0.5%
National Research Foundation: Human resources development for science and engineering	410.0	465.7	835.7	884.3	29.2%	17.2%	833.8	889.2	950.6	2.4%	20.1%
National Research Foundation	1 112.9	851.3	878.4	882.8	-7.4%	24.7%	926.0	979.7	1 034.5	5.4%	21.5%
Various institutions: Science awareness, research and initiatives to encourage youth participation in science	40.3	53.1	57.8	69.5	19.9%	1.5%	73.0	77.3	81.6	5.5%	1.7%
National Research Foundation: South African research chairs initiative to develop human resources in science	74.0	451.8	470.4	482.2	86.7%	9.8%	500.9	530.3	566.3	5.5%	11.7%
Various institutions: Strategic science platforms for research and development	125.1	138.0	149.9	201.9	17.3%	4.1%	199.6	208.3	220.2	2.9%	4.7%
Capital	818.7	989.0	1 136.4	1 325.8	17.4%	28.3%	1 412.6	1 398.1	1 509.8	4.4%	31.8%
Various institutions: Infrastructure projects for research and development	398.6	343.8	449.0	673.1	19.1%	12.4%	718.7	688.7	740.0	3.2%	15.9%
National Research Foundation: Square Kilometre Array (capital contribution to research)	420.1	645.2	687.4	652.8	15.8%	16.0%	693.9	709.4	769.8	5.7%	15.9%
Non-profit institutions	24.2	8.3	33.6	–	-100.0%	0.4%	–	–	–	–	–
Academy of Science of South Africa	20.7	–	23.2	–	-100.0%	0.3%	–	–	–	–	–
National Research Foundation: Human resources development for science and engineering	–	0.1	5.6	–	–	–	–	–	–	–	–
Various institutions: Science awareness	2.2	3.2	3.3	–	-100.0%	0.1%	–	–	–	–	–
Square Kilometre Array	–	2.0	–	–	–	–	–	–	–	–	–
Various institutions: Strategic science platforms for research and development	1.3	3.0	1.5	–	-100.0%	–	–	–	–	–	–
Capital	11.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Infrastructure projects for research and development	11.0	–	–	–	-100.0%	0.1%	–	–	–	–	–

Table 30.11 Research, Development and Support expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	4.7	1.4	40.0	-	-100.0%	0.3%	51.1	13.8	-	-	0.4%
National Research Foundation: Human resources development for science and engineering	-	-	33.5	-	-	0.2%	-	-	-	-	-
National Research Foundation: Human resources development for science and engineering (Economic competitiveness and support package)	-	-	-	-	-	-	51.1	13.8	-	-	0.4%
National Research Foundation: Square Kilometre Array (research and development)	-	0.7	2.0	-	-	-	-	-	-	-	-
Various institutions: Strategic science platforms for research and development	4.7	0.7	4.5	-	-100.0%	0.1%	-	-	-	-	-
Capital	474.8	389.1	486.2	214.5	-23.3%	10.4%	223.3	236.3	251.7	5.5%	5.2%
Council for Scientific and Industrial Research: Cyber infrastructure research and development	192.4	204.0	213.5	214.5	3.7%	5.5%	223.3	236.3	251.7	5.5%	5.2%
Various institutions: Infrastructure projects for research and development	74.5	185.1	272.7	-	-100.0%	3.5%	-	-	-	-	-
Square Kilometre Array	208.0	-	-	-	-100.0%	1.4%	-	-	-	-	-
Higher education institutions											
Current	15.4	20.1	18.7	-	-100.0%	0.4%	-	-	-	-	-
National Research Foundation: Human resources development for science and engineering	0.6	4.9	3.7	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Science awareness	8.8	9.7	8.1	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Strategic science platforms for research and development	6.1	5.5	6.8	-	-100.0%	0.1%	-	-	-	-	-
Capital	15.6	32.8	32.2	-	-100.0%	0.5%	-	-	-	-	-
Various institutions: Infrastructure projects for research and development	15.6	32.8	32.2	-	-100.0%	0.5%	-	-	-	-	-

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

Programme 5: Socioeconomic Innovation Partnerships

Programme purpose

Enhance the growth and development priority areas of government through targeted science and technology-based innovation interventions, and the development of strategic partnerships with other government departments, industry, research institutions and communities.

Objectives

- Inform and influence how science and technology can be used to achieve inclusive development through knowledge, evidence and learning over the medium term by:
 - publishing 18 knowledge products on innovation for inclusive development
 - maintaining and improving 10 decision support systems
 - generating 27 learning interventions.
- Identify, grow and sustain niche high-potential science, technology and innovation capabilities for sustainable development and the greening of society and the economy by fully funding and co-funding 233 honours, masters and doctoral students, and adding 12 knowledge and innovation products to the intellectual property portfolio over the medium term.
- Identify, grow and sustain niche, high-potential science, technology and innovation capabilities that improve the competitiveness of existing industries with growth potential in aerospace, advanced manufacturing, chemicals, advanced metals, mining, ICT and sector innovation funds, and facilitate the development of new targeted industries over the medium term by:
 - fully funding or co-funding 870 masters and doctoral students, and 360 interns
 - adding 53 knowledge and innovation products to the intellectual property portfolio

- funding 9 instruments in support of increased localisation, competitiveness, and research and development-led industry development.
- Strengthen provincial and rural innovation and production systems through analysis and catalytic interventions over the medium term by funding or co-funding six interventions that strengthen provincial or rural innovation systems.
- Enhance understanding and analysis that support improvements in the functioning and performance of the national system of innovation through executive committee approval by publishing 18 reports and policy briefings on the national system of innovation and innovation policy over the medium term.
- Introduce and manage interventions and incentive programmes that increase the level of private-sector investment in scientific or technological research and development by providing pre-approval decisions within 90 days of the date of receipt of applications for the research and development tax incentive over the medium term.

Subprogrammes

- *Sector Innovation and Green Economy* provides policy, strategy and direction for research and the development-led growth of strategic sectors of the economy; and supports the transition to a green economy.
- *Innovation for Inclusive Development* supports the development of science and technology-based innovations for tackling poverty, including the creation of sustainable jobs and human settlements, and the enhanced delivery of basic services.
- *Science and Technology Investment* leads and supports the development of indicators and instruments for monitoring investments in science and technology, as well as the performance of the national system of innovation, and ways of strengthening policy in relation to the national system of innovation.
- *Technology Localisation, Beneficiation and Advanced Manufacturing* funds technology and innovation development programmes to advance strategic medium- and long-term sustainable economic growth and sector development priorities, as well as public service delivery.

Expenditure trends and estimates

Table 30.12 Socioeconomic Innovation Partnerships 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Sector Innovation and Green Economy	812.8	875.7	873.9	932.7	4.7%	53.6%	982.7	1 041.7	1 103.4	5.8%	58.6%
Innovation for Inclusive Development	325.1	340.1	334.5	349.5	2.4%	20.7%	356.6	355.9	378.2	2.7%	20.8%
Science and Technology Investment	25.4	29.9	32.3	28.5	4.0%	1.8%	25.3	26.5	34.3	6.4%	1.7%
Technology Localisation, Beneficiation and Advanced Manufacturing	295.0	293.5	497.7	472.3	17.0%	23.9%	257.8	358.6	229.8	-21.3%	19.0%
Total	1 458.2	1 539.2	1 738.3	1 783.0	6.9%	100.0%	1 622.3	1 782.8	1 745.7	-0.7%	100.0%
Change to 2016 Budget estimate				(9.9)			10.6	186.7	59.4		
Economic classification											
Current payments	36.5	40.9	43.3	49.7	10.8%	2.6%	47.8	49.8	53.4	2.4%	2.9%
Compensation of employees	30.0	34.2	37.1	37.8	8.1%	2.1%	38.6	40.1	43.2	4.5%	2.3%
Goods and services ¹	6.5	6.7	6.2	11.9	22.0%	0.5%	9.2	9.7	10.2	-4.9%	0.6%
of which:											
Advertising	0.2	–	–	0.2	-7.5%	–	0.2	0.2	0.2	7.1%	–
Catering: Departmental activities	0.2	0.1	0.1	0.3	13.0%	–	0.3	0.3	0.3	5.4%	–
Communication	0.4	0.3	0.3	0.9	27.8%	–	1.0	1.0	1.1	6.1%	0.1%
Consultants: Business and advisory services	0.8	0.5	–	6.4	98.0%	0.1%	3.5	3.7	3.8	-15.8%	0.3%
Travel and subsistence	2.6	–	3.0	2.7	1.3%	0.1%	2.8	3.0	3.2	5.2%	0.2%
Venues and facilities	1.2	–	0.5	0.8	-11.9%	–	0.8	0.9	1.0	5.5%	0.1%
Transfers and subsidies¹	1 421.7	1 498.3	1 695.0	1 733.3	6.8%	97.4%	1 574.5	1 733.0	1 692.3	-0.8%	97.1%
Departmental agencies and accounts	346.2	391.5	753.8	744.5	29.1%	34.3%	502.7	564.4	457.6	-15.0%	32.7%
Higher education institutions	4.4	7.1	–	–	-100.0%	0.2%	–	–	–	–	–
Public corporations and private enterprises	1 058.3	1 064.6	941.1	988.8	-2.2%	62.2%	1 044.8	1 105.6	1 174.7	5.9%	62.2%
Non-profit institutions	12.7	35.1	–	–	-100.0%	0.7%	27.0	63.0	60.0	–	2.2%
Households	0.1	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Total	1 458.2	1 539.2	1 738.3	1 783.0	6.9%	100.0%	1 622.3	1 782.8	1 745.7	-0.7%	100.0%
Proportion of total programme expenditure to vote expenditure	23.6%	24.1%	23.4%	24.0%	–	–	21.5%	22.5%	21.3%	–	–

Table 30.12 Socioeconomic Innovation Partnerships expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average : Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	346.2	391.5	753.8	744.5	29.1%	34.3%	502.7	564.4	457.6	-15.0%	32.7%
Various institutions: Local manufacturing capacity research and technical support (Economic competitiveness and support package)	-	-	-	-	-	-	80.0	80.0	-	-	2.3%
Various institutions: Local systems of innovation for the cold chain technologies project (Economic competitiveness and support package)	-	-	-	-	-	-	-	62.0	-	-	0.9%
Various institutions: Innovative research and development	8.3	16.7	38.7	46.4	77.3%	1.7%	41.8	39.9	44.2	-1.6%	2.5%
Human Science Research Council	258.9	276.0	288.7	290.1	3.9%	17.1%	304.7	305.5	322.6	3.6%	17.6%
Various institutions: Local manufacturing capacity research and technical support	40.0	43.7	187.5	214.8	75.1%	7.5%	3.3	25.9	28.7	-48.9%	3.9%
Various institutions: Local systems of innovation for the cold chain technologies project	25.0	33.0	204.7	153.0	82.9%	6.4%	35.8	10.6	11.8	-57.4%	3.0%
Various institutions: Resource-based industries research and development	-	1.0	-	-	-	-	-	-	-	-	-
National Research Foundation: Research information management system	4.5	6.9	12.2	7.2	16.8%	0.5%	3.8	4.0	8.4	5.5%	0.3%
Human Science Research Council: Develop and monitor science and technology indicators	9.5	9.7	5.4	9.5	0.2%	0.5%	9.4	10.0	12.4	9.2%	0.6%
Various institutions: Environmental innovation	-	4.6	16.5	23.4	-	0.7%	23.9	26.5	29.4	8.0%	1.5%
Non-profit institutions											
Current	12.7	34.3	-	-	-100.0%	0.7%	27.0	63.0	60.0	-	2.2%
Various institutions: Innovative research and development	2.5	19.6	-	-	-100.0%	0.3%	-	-	-	-	-
Various institutions: Local systems of innovation for the cold chain technologies project	10.0	13.4	-	-	-100.0%	0.4%	-	-	-	-	-
Various institutions: Resource-based industries research and development	0.2	1.2	-	-	-100.0%	-	-	-	-	-	-
Council for Scientific and Industrial Research: Mining research and development	-	-	-	-	-	-	27.0	63.0	60.0	-	2.2%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	248.9	238.9	120.9	116.7	-22.3%	11.1%	129.2	136.9	151.7	9.1%	7.7%
Various institutions: Advanced manufacturing technology strategy implementation	22.6	25.6	45.2	43.6	24.4%	2.1%	51.2	53.7	59.5	11.0%	3.0%
Council for Scientific and Industrial Research	20.2	24.2	26.1	26.3	9.3%	1.5%	32.0	34.7	38.5	13.5%	1.9%
Various institutions: Innovative research and development	37.8	20.8	-	-	-100.0%	0.9%	-	-	-	-	-
Various institutions: Local manufacturing capacity research and technical support	71.4	68.0	-	-	-100.0%	2.1%	-	-	-	-	-
Various institutions: Local systems of innovation for the cold chain technologies project	57.7	51.4	-	-	-100.0%	1.7%	-	-	-	-	-
Various institutions: Resource-based industries research and development	39.1	38.5	49.5	46.8	6.2%	2.7%	46.0	48.4	53.7	4.6%	2.8%
Various institutions: Environmental innovation	-	10.3	-	-	-	0.2%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	27.4	-	-	-	-100.0%	0.4%	-	-	-	-	-
Various institutions: Advanced manufacturing technology strategy implementation	15.1	-	-	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Innovative research and development	12.3	-	-	-	-100.0%	0.2%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	782.0	825.7	820.2	872.0	3.7%	50.6%	915.6	968.8	1 023.0	5.5%	54.5%
Council for Scientific and Industrial Research	782.0	825.7	820.2	872.0	3.7%	50.6%	915.6	968.8	1 023.0	5.5%	54.5%

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

Entities

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

- The **Academy of Science of South Africa** links South Africa with scientific communities at the highest levels in the SADC region, the rest of Africa and internationally; promotes common ground in scientific thinking across all disciplines; encourages and promotes innovative and independent scientific thinking; promotes the development of intellectual capacity in all people; provides effective scientific, evidence-based advice; and facilitates appropriate action in the public interest. The academy's total budget for 2017/18 is R29.7 million.
- The **Council for Scientific and Industrial Research** fosters industrial and scientific research in the national interest through multidisciplinary research and technological innovation. The council's total budget for 2017/18 is R2.9 billion.
- The **Human Sciences Research Council** undertakes, promotes and coordinates research in the human and social sciences. The council's total budget for 2017/18 is R540.1 million.
- The **National Research Foundation** is an independent statutory agency that promotes and supports research. It also conducts research at, and provides access to, national research facilities. The foundation provides funding and services to the research community through higher education institutions with a view to generating knowledge and promoting high-level research capacity development. The foundation's total budget for 2017/18 is R4 billion.
- The **South African National Space Agency** was established under the South African National Space Agency Act (2008) and came into existence in December 2010. The agency aims to be a key contributor to the South African earth observation strategy by providing space-based data platforms in collaboration with other entities that focus on in situ observation measurements such as the South African earth observation network. The agency's total budget for 2017/18 is R315.1 million.
- The **Technology Innovation Agency** draws its mandate from the Technology Innovation Agency Act (2008) and came into operation in April 2010. The agency was established as an intervention to improve research and development from higher education institutions, scientific councils, public entities, private companies and commercialisation, thereby increasing technological innovation in the economy. The agency's total budget for 2017/18 is R548.5 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Square Kilometre Array	Construction of telescopes	Construction	1 649.2	328.1	645.2	–	652.8	693.9	709.4	769.8
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Space infrastructure	Construction of a satellite	Construction	290.8	45.0	40.0	31.4	29.7	28.9	–	9.2
Hydrogen strategy	Purchase of equipment	Various	440.7	57.2	60.8	63.6	63.9	67.1	71.0	74.9
National nanotechnology centres	Equipping of centres	Various	310.0	46.8	34.7	50.4	50.7	63.5	67.2	70.9
Cyber infrastructure	Creation of broadband network connectivity and high performance computing	Various	833.2	101.9	204.0	213.5	214.5	223.3	236.3	251.7
Total			3 523.8	579.1	984.7	358.9	1 011.5	1 076.6	1 083.9	1 176.6

Vote 31

Small Business Development

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	127.6	125.1	–	2.6	128.8	137.2
Small, Medium and Micro Enterprises and Cooperatives Policy and Research	22.0	22.0	–	–	24.3	25.7
Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support	1 300.2	69.9	1 230.3	–	1 376.8	1 455.3
Total expenditure estimates	1 449.8	217.0	1 230.3	2.6	1 529.9	1 618.3

Executive authority: Minister of Small Business Development
 Accounting officer: Director General of Small Business Development
 Website address: www.dsbd.gov.za

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

Vote purpose

Promote the development of small businesses and cooperatives that contribute to inclusive economic growth and job creation.

Mandate

The Department of Small Business Development was established in May 2014 to lead an integrated approach to the promotion and development of small businesses and cooperatives. The department's work in this regard focuses on the economic and legislative drivers that stimulate entrepreneurship and contribute to radical economic transformation. The realisation of this mandate will lead to increased employment, poverty reduction and reduced inequality.

The department's mandate is guided by a legislative framework that includes:

- the National Small Business Act (1996)
- the National Small Business Amendment Act (2004)
- the Small Business Development Act (1981)
- the Cooperatives Act (2005)
- the Cooperatives Amendment Act (2013).

Selected performance indicators

Table 31.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of black small, medium and micro enterprises (SMMEs) financially assisted through the black business supplier development programme per year	Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support	Outcome 4: Decent employment through inclusive growth	1 066 ¹	1 872 ¹	480	600	641	677	715
Number of cooperatives supported through training per year	Small Medium and Micro Enterprises and Cooperatives Programme Design and Support	Outcome 4: Decent employment through inclusive growth	– ²	– ²	350 ³	370 ³	270 ³	286 ³	302 ³
Number of cooperatives financially assisted through the cooperative incentive scheme per year	Small Medium and Micro Enterprises and Cooperatives Programme Design and Support	Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all	243	431	350 ³	370 ³	270 ³	286 ³	302 ³

Table 31.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of informal business infrastructure funded through the shared economic infrastructure facility per year	Small Medium and Micro Enterprises and Cooperatives Programme Design and Support	Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all	-2	-2	-2	-2	6	6	6
Number of informal enterprises financially assisted through the national informal business upliftment scheme per year	Small Medium and Micro Enterprises and Cooperatives Programme Design and Support		-2	-2	-2	1 666	1 696	1 807	1 942
Number of incubators established through the enterprise incubation programme per year	Small Medium and Micro Enterprises and Cooperatives Programme Design and Support	Outcome 5: A skilled and capable workforce to support an inclusive growth path	-2	-2	-2	1	4	4	4

1. Target was reduced to align with available funds.

2. No historical data available.

3. This indicator was incorporated within "Number of cooperatives financially assisted through the cooperative incentive scheme per year". It should be noted that the training is the prerequisite of financial assistance, hence target for the two are the same.

Expenditure analysis

The Department of Small Business Development's work supports the realisation of the National Development Plan's goal of supporting small enterprises to transform the economy and make it more inclusive. It also contributes directly to outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework, which sets the department the task of identifying the institutional and regulatory changes required to accelerate growth of the small business sector and increase its contribution to job creation. Over the medium term, the department plans to evaluate the strategy for the development of small enterprises and entrepreneurship, increase its support for small enterprises, develop and provide incentives to cooperatives, and support incubators for small enterprises. The department's total budget allocation, which includes transfers to the Small Enterprise Development Agency, is expected to increase at an annual rate of 7.1 per cent, from R1.2 billion in 2016/17 to R1.6 billion by 2019/20.

Evaluating and reviewing strategy

The department plans over the medium term to review the National Small Business Act (1996) and develop the National Small Business Amendment Bill. The bill is expected to include a more accurate definition of a small, medium and micro enterprise, which should allow for the development of more appropriate policy and support interventions. The bill will also propose recommendations to streamline public entities in the sector to avoid duplications in the support government provides to small businesses.

The department is also considering evaluating and revising the 2005 strategy for the development of small businesses and entrepreneurship. The evaluation will allow for an evidence-based review of the strategy to ensure that it is relevant and responsive to business cycles, recent economic activities, and the socioeconomic effects of high unemployment, inequality and poverty. The department has allocated R91.6 million, or 2 per cent of its budget over the medium term, for these legislative, regulatory and research activities.

Increasing support for small enterprises

The Small Enterprise Development Agency provides non-financial support and incubation to small enterprises and cooperatives through the National Gazelles and incubator support programmes. The National Gazelles programme is an enterprise accelerator that identifies high-potential small enterprises and provides them with mentorship and coaching, training, market development, and access to finance. The programme is set to support 600 small enterprises over the medium term. The incubation support programme provides institutional support for small enterprises and cooperatives to develop, pilot and refine innovations and approaches. The agency expects to place 7 379 small enterprises and cooperatives into incubators over the medium term. To fund these activities, the department is set to transfer R2.3 billion, or 50.3 per cent of the department's total budget over the medium term, to the agency. The transfers are provided for in the *Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support* programme.

The department will continue to support small, black-owned enterprises through the black business supplier development programme, which is allocated R813.8 million over the medium term in the *Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support* programme. The black business supplier development programme is a cost-sharing grant offered to small, black-owned enterprises to acquire tools, machinery, equipment and training to the maximum of R1 million per applicant. An estimated 2 033 SMMEs are set to receive support through the programme over the medium term.

Small enterprises will also benefit from the national informal business upliftment scheme, which is allocated R311.5 million over the medium term. The scheme aims to develop and grow 5 445 informal businesses and cooperatives by providing financial and non-financial support services to improve competitiveness, facilitate market access, and leverage public and private procurement. Spending on the scheme falls under the *Competitiveness Support* subprogramme in the *Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support* programme.

The shared economic infrastructure facility is the main implementation pillar of the national informal business upliftment scheme. The facility provides a 50-50 cost-sharing grant for public-private sector investments in economic infrastructure. The grant targets mainly infrastructure projects that create an enabling environment for small businesses in townships, rural areas and inner cities. The department plans to support 18 informal business structures through the shared economic infrastructure facility over the medium term.

Providing incentives to cooperatives

The department plans to continue improving coordination between all spheres of government to strengthen support for cooperatives through the cooperative incentive scheme. The incentive is a 100 per cent grant for registered primary cooperatives, and is aimed at improving the viability and competitiveness of cooperative enterprises by lowering the cost of doing business. Funding for the cooperative incentive scheme is expected to increase at an annual average rate of 5.6 per cent over the medium term, from R75 million in 2016/17 to R88 million in 2019/20. However, the number of cooperatives accessing funding through the scheme will decrease from 370 in 2016/17 to 302 by 2019/20 due to budget constraints. The activities around cooperatives policy development will amount to R25.6 million over the medium term, budgeted for in the *Cooperatives Development* subprogramme in the *Small Medium and Micro Enterprises and Cooperatives Programme Design and Support* programme.

Supporting incubators for small enterprises

Over the medium term, the enterprise incubator programme plans to encourage public-private sector partnerships in support of incubators, and improved infrastructure facilities for SMMEs and cooperatives. The programme will incentivise market-driven incubators that will nurture small enterprises and cooperatives to gain competitive technical and business development skills, and mentorship for the fulfilment of supply-chain quality requirements. The department has allocated R193.5 million over the medium term, of which 83.8 per cent or R162.2 million will fund the establishment of incubators, to the *Market Development* subprogramme within the *Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support* programme. The department plans to support 12 incubators over the medium term. In partnership with other stakeholders, the department will develop programmes aimed at improving the quality of products and services; and assist local suppliers in expanding production capacity, identifying market access opportunities, and facilitating market opportunities internationally.

Expenditure trends

Table 31.2 Vote expenditure trends by programme and economic classification

Programmes																																				
1. Administration																																				
2. Small, Medium and Micro Enterprises and Cooperatives Policy and Research																																				
3. Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support																																				
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)					
R million	2013/14			2014/15			2015/16			2016/17			2013/14			2014/15			2015/16			2016/17			2013/14			2014/15			2015/16			2016/17		
Programme 1	13.5	13.5	13.5	45.0	45.0	22.4	64.0	81.4	66.4	118.1	114.0	108.6	87.6%			87.5%			87.5%			87.5%			87.5%			87.5%			87.5%					
Programme 2	13.5	13.5	13.5	12.2	12.2	11.7	15.2	11.7	11.7	26.1	25.8	21.7	87.5%			87.5%			87.5%			87.5%			87.5%			87.5%			87.5%					
Programme 3	1 012.6	1 012.6	1 025.4	1 027.4	1 027.4	1 091.5	1 024.0	1 034.4	1 020.8	1 181.3	1 178.6	1 077.2	99.3%			99.3%			99.3%			99.3%			99.3%			99.3%			99.3%					
Total	1 039.5	1 039.5	1 052.4	1 084.6	1 084.6	1 125.5	1 103.2	1 127.5	1 098.9	1 325.4	1 318.4	1 207.4	98.5%			98.5%			98.5%			98.5%			98.5%			98.5%			98.5%					
Change to 2016 Budget estimate												(7.0)																								

Table 31.2 Vote expenditure trends by programme and economic classification

Economic classification	2013/14			2014/15			2015/16			2016/17			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million														
Current payments	87.1	87.1	87.1	130.7	130.7	100.9	166.2	166.5	137.5	215.5	208.5	193.5	86.6%	87.5%
Compensation of employees	55.3	55.3	55.3	84.0	84.0	73.8	109.7	111.5	93.1	136.7	129.7	114.7	87.4%	88.5%
Goods and services	31.8	31.8	31.8	46.8	46.8	27.1	56.5	55.0	44.3	78.8	78.8	78.8	85.1%	85.7%
Transfers and subsidies	951.4	951.4	964.2	949.2	949.2	1 023.0	935.8	958.4	958.2	1 105.8	1 105.8	1 009.8	100.3%	99.8%
Departmental agencies and accounts	648.7	648.7	661.5	624.7	624.7	644.4	610.4	610.4	622.8	633.8	633.8	633.8		
Higher education institutions	–	–	–	–	–	–	–	12.5	–	–	–	–	–	–
Public corporations and private enterprises	294.1	294.1	294.1	308.2	308.2	362.3	308.8	318.8	318.6	472.0	472.0	376.0	97.7%	97.0%
Non-profit institutions	8.3	8.3	8.3	16.3	16.3	16.3	16.7	16.7	16.7	–	–	–	100.0%	100.0%
Households	0.3	0.3	0.3	–	–	–	–	0.1	0.1	–	–	–	126.3%	105.9%
Payments for capital assets	1.0	1.0	1.0	4.7	4.7	1.6	1.1	2.6	3.2	4.2	4.2	4.2	90.8%	80.0%
Machinery and equipment	1.0	1.0	1.0	4.7	4.7	1.6	1.1	2.6	3.2	4.2	4.2	4.2	90.6%	79.8%
Total	1 039.5	1 039.5	1 052.4	1 084.6	1 084.6	1 125.5	1 103.2	1 127.5	1 098.9	1 325.4	1 318.4	1 207.4	98.5%	98.1%

Expenditure estimates

Table 31.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Small, Medium and Micro Enterprises and Cooperatives Policy and Research									
3. Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
R million									
Programme 1	108.6	100.6%	4.7%	127.6	128.8	137.2	8.1%	8.7%	
Programme 2	21.7	17.0%	1.3%	22.0	24.3	25.7	5.8%	1.6%	
Programme 3	1 077.2	2.1%	94.0%	1 300.2	1 376.8	1 455.3	10.6%	89.7%	
Total	1 207.4	5.1%	100.0%	1 449.8	1 529.9	1 618.3	10.3%	100.0%	
Change to 2016 Budget estimate				(9.7)	(10.1)	(10.8)			
Economic classification									
Current payments	193.5	30.5%	11.6%	217.0	226.8	242.2	7.8%	15.1%	
Compensation of employees	114.7	27.5%	7.5%	137.5	141.4	152.3	9.9%	9.4%	
Goods and services	78.8	35.4%	4.1%	79.5	85.4	89.9	4.5%	5.7%	
Transfers and subsidies	1 009.8	2.0%	88.2%	1 230.3	1 300.5	1 373.3	10.8%	84.6%	
Departmental agencies and accounts	633.8	-0.8%	57.1%	735.7	778.4	822.0	9.1%	51.2%	
Public corporations and private enterprises	376.0	8.5%	30.1%	494.6	522.1	551.4	13.6%	33.5%	
Payments for capital assets	4.2	59.4%	0.2%	2.6	2.6	2.7	-13.3%	0.2%	
Machinery and equipment	4.2	59.4%	0.2%	2.6	2.6	2.7	-13.3%	0.2%	
Total	1 207.4	5.1%	100.0%	1 449.8	1 529.9	1 618.3	10.3%	100.0%	

Goods and services expenditure trends and estimates

Table 31.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Administrative fees	228	152	509	1 647	93.3%	1.4%	998	2 184	2 177	9.7%	2.1%
Advertising	738	737	1 946	2 960	58.9%	3.5%	2 365	3 350	3 538	6.1%	3.7%
Minor assets	2	23	40	71	228.7%	0.1%	125	82	89	7.8%	0.1%
Audit costs: External	–	–	1 072	3 274	–	2.4%	3 800	3 435	3 570	2.9%	4.2%
Bursaries: Employees	–	–	7	300	–	0.2%	350	380	401	10.2%	0.4%
Catering: Departmental activities	851	679	955	2 174	36.7%	2.6%	1 140	2 005	2 130	-0.7%	2.2%
Communication	694	892	1 481	1 684	34.4%	2.6%	1 101	1 981	2 101	7.7%	2.1%
Computer services	–	–	3 897	7 072	–	6.0%	6 360	6 705	7 126	0.3%	8.2%
Consultants: Business and advisory services	1 459	1 460	745	11 820	100.8%	8.5%	10 448	7 902	8 347	-10.9%	11.5%
Legal services	13	(315)	–	600	258.7%	0.2%	1 166	660	697	5.1%	0.9%
Contractors	2 187	1 402	673	1 306	-15.8%	3.1%	1 040	1 508	1 600	7.0%	1.6%

Table 31.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Agency and support/outourced services	125	(2)	–	120	-1.4%	0.1%	1 350	400	422	52.1%	0.7%
Entertainment	7	255	–	30	62.4%	0.2%	51	32	34	4.3%	–
Fleet services (including government motor transport)	90	166	276	522	79.7%	0.6%	212	535	561	2.4%	0.5%
Inventory: Materials and supplies	–	–	–	–	–	–	1	–	–	–	–
Consumable supplies	46	58	354	1 097	187.8%	0.9%	435	529	550	-20.6%	0.8%
Consumables: Stationery, printing and office supplies	427	1 201	907	1 263	43.5%	2.1%	2 528	2 407	2 481	25.2%	2.6%
Operating leases	904	667	6 839	15 640	158.6%	13.2%	16 964	17 333	18 309	5.4%	20.5%
Rental and hiring	2	–	4	65	219.1%	–	–	–	–	-100.0%	–
Property payments	2	–	–	1	-20.6%	–	–	450	475	680.2%	0.3%
Transport provided: Departmental activity	–	100	–	–	–	0.1%	–	–	–	–	–
Travel and subsistence	20 574	15 180	19 309	22 819	3.5%	42.8%	23 997	29 331	30 867	10.6%	32.1%
Training and development	1 284	1 250	3 738	1 116	-4.6%	4.1%	1 500	–	–	-100.0%	0.8%
Operating payments	748	1 482	335	513	-11.8%	1.7%	321	390	412	-7.0%	0.5%
Venues and facilities	1 390	1 743	1 233	2 698	24.7%	3.9%	3 266	3 818	4 046	14.5%	4.1%
Total	31 771	27 130	44 320	78 792	35.4%	100.0%	79 518	85 417	89 933	4.5%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 31.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	661 497	644 398	622 835	633 814	-1.4%	63.3%	735 701	778 371	821 959	9.1%	59.3%
Small Enterprise Development Agency	525 372	502 283	478 183	481 495	-2.9%	49.1%	575 766	609 160	643 272	10.1%	46.1%
Small Enterprise Development Agency: Technology programme	123 295	126 368	132 181	139 187	4.1%	12.9%	146 146	154 622	163 281	5.5%	12.0%
Small Enterprise Development Agency: Capacity building programme	12 830	15 747	12 471	13 132	0.8%	1.3%	13 789	14 589	15 406	5.5%	1.1%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	–	9 000	18 751	10 000	–	0.9%	10 000	10 000	10 560	1.8%	0.8%
Industrial Development Corporation: Isivande Women's Fund	–	–	8 751	–	–	0.2%	–	–	–	–	–
Industrial Development Corporation: Craft customised sector programme	–	9 000	10 000	10 000	–	0.7%	10 000	10 000	10 560	1.8%	0.8%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	294 101	353 302	299 874	461 972	16.2%	34.8%	484 571	512 146	540 826	5.4%	39.9%
Various institutions: Black business supplier development programme	218 621	278 302	224 876	245 000	3.9%	23.9%	256 750	270 953	286 126	5.3%	21.1%
Various institutions: Cooperatives incentive scheme	75 480	75 000	74 998	75 000	-0.2%	7.4%	78 750	83 318	87 984	5.5%	6.5%
Various institutions: National informal business upliftment scheme	–	–	–	95 698	–	2.4%	99 406	103 138	108 914	4.4%	8.1%
Various institutions: Enterprise incubation programme	–	–	–	46 274	–	1.1%	49 665	54 737	57 802	7.7%	4.2%
Non-profit institutions*											
Current	8 335	16 320	16 726	–	-100.0%	1.0%	–	–	–	–	–
South African Women Entrepreneurs Network	8 335	16 320	16 726	–	-100.0%	1.0%	–	–	–	–	–
Households											
Social benefits											
Current	155	22	61	–	-100.0%	–	–	–	–	–	–
Employee social benefits	155	22	61	–	-100.0%	–	–	–	–	–	–
Households											
Other transfers to households											
Current	154	–	2	–	-100.0%	–	–	–	–	–	–
Gifts and donations	154	–	2	–	-100.0%	–	–	–	–	–	–
Total	964 242	1 023 042	958 249	1 105 786	4.7%	100.0%	1 230 272	1 300 517	1 373 345	7.5%	100.0%

Personnel information

Table 31.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
Small Business Development																			
Salary level	205	23	156	93.1	0.6	201	114.7	0.6	217	137.5	0.6	205	141.4	0.7	205	152.3	0.7	0.7%	100.0%
1 – 6	24	8	15	3.1	0.2	27	4.9	0.2	29	6.6	0.2	30	7.6	0.3	30	8.1	0.3	3.6%	14.0%
7 – 10	89	9	70	26.2	0.4	92	34.5	0.4	102	45.2	0.4	93	44.7	0.5	93	48.3	0.5	0.4%	45.9%
11 – 12	42	3	37	25.4	0.7	43	31.2	0.7	47	37.7	0.8	43	37.6	0.9	43	40.7	0.9	–	21.3%
13 – 16	48	3	32	34.2	1.1	37	39.7	1.1	37	43.4	1.2	37	46.6	1.3	37	50.0	1.4	–	17.9%
Other	2	–	2	4.2	2.1	2	4.4	2.2	2	4.6	2.3	2	4.9	2.5	2	5.2	2.6	–	1.0%
Programme	205	23	156	93.1	0.6	201	114.7	0.6	217	137.5	0.6	205	141.4	0.7	205	152.3	0.7	0.7%	100.0%
Programme 1	94	11	51	34.6	0.7	97	52.4	0.5	113	70.1	0.6	101	68.6	0.7	101	73.8	0.7	1.4%	49.8%
Programme 2	15	–	14	9.9	0.7	13	10.0	0.8	13	10.8	0.8	13	11.6	0.9	13	12.5	1.0	–	6.3%
Programme 3	96	12	91	48.6	0.5	91	52.2	0.6	91	56.5	0.6	91	61.1	0.7	91	66.0	0.7	–	44.0%

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

2. Rand million.

Departmental receipts

Table 31.7 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 (%)	
	2013/14	2014/15	2015/16					2016/17	2013/14 - 2016/17	2017/18			2018/19
R thousand													
Departmental receipts	–	–	121	50	50	–	100.0%	55	60	70	11.9%	100.0%	
Sales of goods and services produced by department	–	–	121	50	50	–	100.0%	55	60	70	11.9%	100.0%	
Sales by market establishments	–	–	–	–	–	–	–	–	–	–	–	–	
Total	–	–	121	50	50	–	100.0%	55	60	70	11.9%	100.0%	

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 31.8 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 (%)	
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18			2018/19
R million												
Ministry	13.5	22.4	29.9	25.0	22.9%	42.0%	30.8	26.8	28.6	4.6%	21.9%	
Departmental Management	–	–	15.2	18.7	–	15.7%	21.0	19.3	20.7	3.5%	15.7%	
Corporate Services	–	–	21.3	42.8	–	29.7%	50.0	52.9	56.2	9.5%	39.8%	
Financial Management	–	–	–	15.5	–	7.2%	18.8	17.9	19.1	7.2%	14.0%	
Communications	–	–	–	12.0	–	5.5%	7.1	11.8	12.6	1.7%	8.6%	
Total	13.5	22.4	66.4	114.0	103.9%	100.0%	127.6	128.8	137.2	6.4%	100.0%	
Change to 2016				(4.1)			6.1	3.7	5.2			
Budget estimate												

Table 31.8 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	12.5	21.3	63.5	110.0	106.2%	95.8%	125.1	126.2	134.5	7.0%	97.7%
Compensation of employees	3.8	11.4	34.6	57.8	146.9%	49.8%	70.1	68.6	73.8	8.5%	53.3%
Goods and services ¹	8.7	9.9	28.9	52.2	81.7%	46.1%	54.9	57.6	60.7	5.2%	44.4%
of which:											
Advertising	–	0.7	1.9	3.0	–	2.6%	2.4	3.4	3.5	6.1%	2.4%
Audit costs: External	–	–	1.1	3.3	–	2.0%	3.8	3.4	3.6	2.9%	2.8%
Computer services	–	–	3.9	7.1	–	5.1%	6.4	6.7	7.1	0.3%	5.4%
Consumables: Stationery, printing and office supplies	–	0.2	0.7	0.8	167.5%	0.8%	2.1	1.8	1.9	32.5%	1.3%
Operating leases	0.5	0.2	6.8	15.1	220.7%	10.4%	17.0	16.5	17.5	5.0%	13.0%
Travel and subsistence	7.8	6.4	10.6	11.2	12.9%	16.7%	12.7	15.7	16.6	13.9%	11.1%
Payments for capital assets	0.9	1.1	3.0	4.0	63.6%	4.2%	2.6	2.6	2.7	-12.0%	2.3%
Machinery and equipment	0.9	1.1	3.0	4.0	63.6%	4.2%	2.6	2.6	2.7	-12.0%	2.3%
Total	13.5	22.4	66.4	114.0	103.9%	100.0%	127.6	128.8	137.2	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	2.0%	6.0%	8.6%	–	–	8.8%	8.4%	8.5%	–	–

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

Programme 2: Small, Medium and Micro Enterprises and Cooperatives Policy and Research

Programme purpose

Formulate policy and conduct research for the development and growth of sustainable small businesses and cooperatives that contribute to the creation of employment and economic growth.

Objective

- Promote a sustainable and competitive environment for SMMEs and cooperatives over the medium term by:
 - reviewing the enterprise development strategy framework
 - conducting relevant and focused research on the legislative and regulatory protocols that impede the development and growth of small businesses
 - amending the Cooperatives Development Act (2005)
 - amending the National Small Business Act (1996).

Subprogrammes

- *Policy, Research and Legislation* produces reliable information for policy formulation on support to SMMEs and cooperatives.
- *Monitoring and Evaluation* provides quantifiable analysis and information on SMMEs and cooperatives in South Africa.
- *International Relations* manages, coordinates, and facilitates international relations interventions focusing on the development of SMMEs and cooperatives.

Expenditure trends and estimates

Table 31.9 Small, Medium and Micro Enterprises and Cooperatives Policy and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Policy, Research and Legislation	13.5	11.7	11.7	21.6	16.8%	93.2%	11.2	13.0	13.8	-13.8%	60.9%
Monitoring and Evaluation	-	-	-	4.3	-	6.8%	6.7	7.1	7.5	20.5%	26.1%
International Relations	-	-	-	-	-	-	4.1	4.2	4.4	-	13.0%
Total	13.5	11.7	11.7	25.8	24.1%	100.0%	22.0	24.3	25.7	-0.2%	100.0%
Change to 2016 Budget estimate				(0.3)			(4.2)	(4.8)	(5.0)		
Economic classification											
Current payments	13.4	11.6	11.7	25.8	24.3%	99.6%	22.0	24.3	25.7	-0.1%	99.9%
Compensation of employees	7.8	9.8	9.9	14.2	22.1%	66.4%	10.8	11.6	12.5	-4.2%	50.2%
Goods and services ¹	5.6	1.9	1.8	11.6	27.2%	33.2%	11.2	12.7	13.2	4.5%	49.8%
of which:											
Administrative fees	-	-	-	0.3	-	0.5%	0.1	0.6	0.6	27.5%	1.6%
Catering: Departmental activities	0.1	-	-	0.4	53.0%	0.8%	0.1	0.5	0.5	13.8%	1.5%
Communication	-	0.1	0.1	0.3	85.1%	0.7%	0.1	0.3	0.4	12.0%	1.1%
Consultants: Business and advisory services	0.6	-	-	6.8	129.0%	11.7%	7.2	5.4	5.7	-5.8%	25.5%
Travel and subsistence	2.7	1.2	1.2	2.9	3.3%	12.6%	3.5	4.8	4.9	19.0%	16.5%
Venues and facilities	0.1	-	0.3	0.7	73.2%	1.7%	0.2	0.6	0.6	-1.7%	2.1%
Transfers and subsidies¹	0.1	-	-	-	-100.0%	0.1%	-	-	-	-	-
Households	0.1	-	-	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	-	-	-	0.1	19.7%	0.3%	-	-	-	-100.0%	0.1%
Machinery and equipment	-	-	-	0.1	19.7%	0.3%	-	-	-	-100.0%	0.1%
Total	13.5	11.7	11.7	25.8	24.1%	100.0%	22.0	24.3	25.7	-0.2%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	1.0%	1.1%	2.0%	-	-	1.5%	1.6%	1.6%	-	-

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

Programme 3: Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support

Programme purpose

Create an enabling environment for the development and growth of sustainable small businesses and cooperatives that contribute to the creation of employment and economic growth.

Objectives

- Promote the broader participation of small businesses and cooperatives in the mainstream economy by providing financial incentives to 2 891 small businesses and cooperatives through the black business supplier development programme and the cooperative incentive scheme, and 18 informal business structures through the shared economic infrastructure facility over the medium term.
- Develop and grow SMMEs and cooperatives in townships and rural areas by supporting 5 445 informal businesses through the national informal business upliftment scheme over the medium term.
- Attract and establish public and private partnerships to maximise support for SMMEs and cooperatives through the enterprise incubation programme by financing 12 incubators over the medium term.

Subprogrammes

- *Competitiveness Support* creates an enabling environment for small businesses to strengthen the local economy.
- *Enterprise Development* manages and facilitates the establishment of new and productive enterprises, and manages the sustainability and growth of existing small businesses.
- *Cooperatives Development* manages, facilitates and supports the development of cooperatives in order to improve their competitiveness and growth.

- *Market Development* establishes strategic partnerships with other spheres of government and the private sector for the sustainable development of SMMEs and cooperatives through ensuring access to markets, expansion into new markets and support for innovation.
- *Small Medium and Micro Enterprises Development Finance* ensures access to finance for small businesses to facilitate participation in the mainstream economy.

Expenditure trends and estimates

Table 31.10 Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Competitiveness Support	25.2	32.7	42.6	109.2	63.0%	4.9%	112.6	114.6	121.2	3.5%	8.6%
Enterprise Development	686.9	681.2	652.8	656.8	-1.5%	62.0%	762.6	809.7	855.5	9.2%	58.1%
Cooperatives Development	-	3.4	3.9	6.8	-	0.3%	8.0	8.5	9.1	9.9%	0.6%
Market Development	-	-	-	61.3	-	1.4%	57.9	65.8	69.8	4.4%	4.8%
Small Medium and Micro Enterprises Development Finance	313.3	374.2	321.4	344.5	3.2%	31.4%	359.1	378.2	399.7	5.1%	27.9%
Total	1 025.4	1 091.5	1 020.8	1 178.6	4.8%	100.0%	1 300.2	1 376.8	1 455.3	7.3%	100.0%
Change to 2016 Budget estimate				(2.6)			(11.5)	(9.0)	(8.1)		
Economic classification											
Current payments	61.1	68.0	62.3	72.7	6.0%	6.1%	69.9	76.3	82.0	4.1%	5.7%
Compensation of employees	43.7	52.6	48.6	57.7	9.7%	4.7%	56.5	61.1	66.0	4.5%	4.5%
Goods and services ¹	17.4	15.4	13.7	15.0	-4.9%	1.4%	13.4	15.2	16.0	2.2%	1.1%
of which:											
Catering: Departmental activities	0.7	0.5	0.7	0.5	-10.5%	0.1%	0.3	0.6	0.7	8.9%	-
Consultants: Business and advisory services	0.9	1.4	-	2.9	47.6%	0.1%	2.0	2.0	2.1	-9.8%	0.2%
Consumables: Stationery, printing and office supplies	0.3	0.6	-	0.3	4.2%	-	0.3	0.4	0.4	5.4%	-
Operating leases	0.4	0.5	-	0.4	1.2%	-	-	0.6	0.7	16.2%	-
Travel and subsistence	10.1	7.6	7.5	8.7	-5.1%	0.8%	7.8	8.8	9.3	2.6%	0.7%
Venues and facilities	1.3	1.2	0.8	1.0	-9.1%	0.1%	2.5	1.9	2.0	27.9%	0.1%
Transfers and subsidies¹	964.2	1 023.0	958.2	1 105.8	4.7%	93.9%	1 230.3	1 300.5	1 373.3	7.5%	94.3%
Departmental agencies and accounts	661.5	644.4	622.8	633.8	-1.4%	59.4%	735.7	778.4	822.0	9.1%	55.9%
Public corporations and private enterprises	294.1	362.3	318.6	472.0	17.1%	33.5%	494.6	522.1	551.4	5.3%	38.4%
Non-profit institutions	8.3	16.3	16.7	-	-100.0%	1.0%	-	-	-	-	-
Households	0.3	-	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.1	0.5	0.2	0.1	12.2%	-	-	-	-	-100.0%	-
Machinery and equipment	0.1	0.5	0.2	0.1	12.2%	-	-	-	-	-100.0%	-
Total	1 025.4	1 091.5	1 020.8	1 178.6	4.8%	100.0%	1 300.2	1 376.8	1 455.3	7.3%	100.0%
Proportion of total programme expenditure to vote expenditure	97.4%	97.0%	92.9%	89.4%	-	-	89.7%	90.0%	89.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	661.5	644.4	622.8	633.8	-1.4%	59.4%	735.7	778.4	822.0	9.1%	55.9%
Small Enterprise Development Agency	525.4	502.3	478.2	481.5	-2.9%	46.0%	575.8	609.2	643.3	10.1%	43.5%
Small Enterprise Development Agency: Technology programme	123.3	126.4	132.2	139.2	4.1%	12.1%	146.1	154.6	163.3	5.5%	11.4%
Small Enterprise Development Agency: Capacity Building Programme	12.8	15.7	12.5	13.1	0.8%	1.3%	13.8	14.6	15.4	5.5%	1.1%
Non-profit institutions	8.3	16.3	16.7	-	-100.0%	1.0%	-	-	-	-	-
South African Women Entrepreneurs Network	8.3	16.3	16.7	-	-100.0%	1.0%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	9.0	18.8	10.0	-	0.9%	10.0	10.0	10.6	1.8%	0.8%
Industrial Development Corporation:	-	-	8.8	-	-	0.2%	-	-	-	-	-
Isivande Women's Fund	-	-	-	-	-	-	-	-	-	-	-
Industrial Development Corporation: Craft customised sector programme	-	9.0	10.0	10.0	-	0.7%	10.0	10.0	10.6	1.8%	0.8%

Table 31.10 Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	294.1	353.3	299.9	462.0	16.2%	32.6%	484.6	512.1	540.8	5.4%	37.6%
Various institutions: Black business supplier development programme	218.6	278.3	224.9	245.0	3.9%	22.4%	256.8	271.0	286.1	5.3%	19.9%
Various institutions: Cooperatives incentive scheme	75.5	75.0	75.0	75.0	-0.2%	7.0%	78.8	83.3	88.0	5.5%	6.1%
Various institutions: National informal business upliftment scheme	-	-	-	95.7	-	2.2%	99.4	103.1	108.9	4.4%	7.7%
Various institutions: Enterprise incubation programme	-	-	-	46.3	-	1.1%	49.7	54.7	57.8	7.7%	3.9%

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

Entity

Small Enterprise Development Agency

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

- The **Small Enterprise Development Agency** was established in 2004 in terms of the National Small Business Amendment Act (2004). It is mandated to implement government's small business strategy, design and implement a standard and common national delivery network for small enterprise development, and integrate government funded small enterprise support agencies across all tiers of government. The agency's total budget for 2017/18 is R735.7 million.

Vote 32

Telecommunications and Postal Services

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	194.2	186.7	–	7.6	206.3	219.2
International Affairs and Trade	47.8	21.9	25.5	0.4	50.2	53.2
Policy, Research and Capacity Development	90.4	89.8	–	0.6	95.2	101.7
ICT Enterprise Development and Oversight	251.1	33.8	216.1	1.3	265.2	280.5
ICT Infrastructure Support	1 030.7	463.4	565.1	2.2	1 110.7	1 174.1
Total expenditure estimates	1 614.2	795.5	806.7	12.0	1 727.5	1 828.8
Executive authority	Minister of Telecommunications and Postal Services					
Accounting officer	Director General of Telecommunications and Postal Services					
Website address	www.doc.gov.za					

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

Vote purpose

Develop information and communication technology (ICT) policies and legislation that create favourable conditions for accelerated and shared sustainable economic growth that positively impacts on the wellbeing of all South Africans.

Mandate

The Department of Telecommunications and Postal Services is mandated to develop ICT policies and to ensure the development of robust, reliable, secure and affordable ICT infrastructure. This contributes to the development of an inclusive information society in which information and ICT tools are key drivers of accelerated and sustained shared economic growth and societal development. The Electronic Communications Act (2005) allows the Minister of Telecommunications and Postal Services to draft policies to fulfil South Africa's obligations under bilateral, multilateral, and international treaties and conventions; set guidelines for the determination of certain licence fees by the Independent Communications Authority of South Africa; and promote universal service and electronic communications services in underserved areas. The act also allows the minister to promote the participation of small businesses in the ICT sector, and oversee and strengthen the capacity of state-owned enterprises. The department also contributes to building an ICT skills base in the country to ensure equitable prosperity and global competitiveness.

In addition to the Electronic Communications Act (2005), the department's mandate is derived from the following legislation:

- the Electronic Communications and Transactions Act (2002)
- the Sentech Act (1996)
- the Postal Services Act (1998)
- the South Africa Post Office SOC Ltd Act (2011)
- the South African Postbank Limited Act (2010)
- the State Information Technology Agency Act (1998)
- the Broadband Infracore Act (2007).

Selected performance indicators

Table 32.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of ICT position papers developed for international engagements per year	International Affairs and Trade	Outcome 6: An efficient, competitive and responsive economic infrastructure network	3	5	5	5	4	4	4
Number of identified government institutions connected as part of the national broadband plan: digital development (phase 1) per year	ICT Infrastructure Support		-1	-1	0	1 293	2 700	1 718	1 717
Number of identified schools connected as part of the national broadband plan: digital development (phase 1) per year	ICT Infrastructure Support		-1	-1	0	1 507	887	2 048	2 048

1. No historical data available.

Expenditure analysis

The National Development Plan (NDP) envisages that by 2030, the ICT sector will underpin the development of a dynamic and connected information society, and a vibrant knowledge economy that is inclusive and prosperous. Drawing from this vision, the Department of Telecommunications and Postal Services contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework by ensuring that ICT infrastructure and services are accessible, affordable, robust, reliable and secure. Over the medium term, the department will expand and modernise ICT infrastructure by implementing the South Africa Connect broadband policy, coordinating the migration to digital broadcasting, and implementing the legislative framework stemming from the 2016 National Integrated ICT Policy White Paper.

The department oversees state-owned companies within its portfolio to ensure that they grow sustainably, fulfil their mandates and are aligned with broader government objectives. An estimated 41 per cent of the department's total budget will be transferred to these entities over the medium term to cater for operational expenditure and specific projects such as digital migration. Spending in the *Public Entity Oversight* subprogramme in the *ICT Enterprise Development and Oversight* programme is expected to amount to R757 million over the medium term. A once-off sum of R650 million in 2016/17 for the recapitalisation of the South African Post Office resulted in spending in this programme increasing to R886.6 million in that year.

The department will focus on completing a review of its organisational structure over the medium term, in line with its revised mandate, strategic goals and objectives. This review will take into account Cabinet-approved reductions in the budget for compensation of employees over the period.

Connecting South Africa

The department's broadband policy places emphasis on ensuring connectivity in underserved areas, prioritising schools, health facilities and other government institutions. A key focus of the department over the medium term will be on project managing and coordinating the implementation of the first phase of South Africa Connect broadband policy by rolling out broadband services to an estimated 6 135 government institutions and 4 983 schools. An amount of R1.9 billion is allocated for this in the *ICT Infrastructure Support* programme over the medium term on account of the increased budget for consultants and agency support.

Coordinating digital migration

South Africa was given until June 2015 to meet the International Telecommunications Union's deadline to switch off analogue transmitters as part of the broadcasting digital migration project. However, the project has been delayed following a court ruling that declared part of the digital migration policy unlawful and invalid, and effectively placed the manufacture of digital terrestrial television set-top boxes on hold. As a result of the delay, Sentech will continue to maintain both the analogue and digital platforms until the issue is resolved. An amount of R193 million has been reprioritised in 2017/18 from the allocation for subsidies for set-top boxes to Sentech to cover dual illumination costs. The South African Post Office is set to receive R240 million in 2017/18 for the distribution of approximately 1.8 million set-top boxes, including registering households qualifying for the subsidy. An amount of R176.4 million is allocated to Sentech for expenditure related to the migration of digital

signals over the medium term. Spending on these activities is expected to amount to R1.3 billion over the medium term in the *Digital Terrestrial Television* subprogramme in the *Infrastructure Support* programme.

Implementing ICT policy

Following Cabinet's approval of the 2016 White Paper National Integrated ICT Policy, the department will focus on the ongoing legislative processes to implement the recommendations of the white paper. The department will also facilitate and coordinate the implementation of the national e-strategy to realise the e-services programme. Finalising a national e-strategy will plan for the digital transformation of South Africa to achieve the ideals of the NDP by prioritising sectoral electronic services such as e-health, e-agriculture and e-education. To give effect to these activities, spending in the *Policy, Research and Capacity Development* programme is expected to amount to R287.2 million over the medium term.

Expenditure trends

Table 32.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. International Affairs and Trade														
3. Policy, Research and Capacity Development														
4. ICT Enterprise Development and Oversight														
5. ICT Infrastructure Support														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	216.1	216.1	201.2	216.4	230.4	225.3	173.7	180.3	221.9	193.3	207.9	205.8	106.8%	102.3%
Programme 2	33.3	33.3	38.5	36.8	36.8	42.5	43.4	43.4	41.5	44.7	45.7	45.5	106.2%	105.6%
Programme 3	84.4	89.4	88.3	98.0	121.0	72.9	105.6	105.6	74.0	95.6	88.8	86.8	83.9%	79.5%
Programme 4	708.1	761.1	176.5	719.2	742.4	247.6	447.9	447.9	489.0	891.8	886.6	886.1	65.0%	63.4%
Programme 5	1 002.0	1 272.2	1 196.9	523.0	1 106.0	979.8	642.8	628.0	473.8	1 191.9	1 188.5	920.6	106.3%	85.1%
Total	2 043.9	2 372.1	1 701.5	1 593.4	2 236.7	1 568.1	1 413.3	1 405.3	1 300.1	2 417.4	2 417.4	2 144.8	89.9%	79.6%
Change to 2016 Budget estimate														
Economic classification														
Current payments	484.8	760.0	744.9	503.4	524.7	398.9	679.7	671.6	412.1	708.3	698.6	426.1	83.4%	74.7%
Compensation of employees	195.0	195.0	158.5	204.6	204.6	175.5	191.8	198.5	181.7	213.7	213.7	209.1	90.0%	89.3%
Goods and services	289.8	565.0	586.4	298.8	320.1	223.4	487.9	473.1	230.4	494.6	484.9	216.9	80.0%	68.2%
Transfers and subsidies	1 554.0	1 607.0	953.5	1 084.5	1 704.5	1 158.5	728.6	728.6	882.0	1 054.1	1 054.1	1 054.1	91.6%	79.5%
Departmental agencies and accounts	773.4	788.4	395.9	771.4	1 322.4	945.4	597.4	597.4	532.6	790.8	790.8	790.8	-	-
Foreign governments and international organisations	16.2	16.2	21.0	16.2	16.2	23.7	22.2	22.2	24.6	23.4	23.4	23.4	119.0%	119.0%
Public corporations and private enterprises	764.4	802.4	535.4	297.0	366.0	188.8	109.0	109.0	324.1	240.0	240.0	240.0	91.3%	84.9%
Non-profit institutions	-	-	0.4	-	-	0.1	-	-	-	-	-	-	-	-
Households	-	-	0.9	-	-	0.4	-	-	0.7	-	-	-	-	-
Payments for capital assets	5.2	5.2	2.5	5.5	7.5	10.3	5.1	5.1	5.5	5.0	14.6	14.6	159.1%	101.7%
Machinery and equipment	5.2	5.2	2.4	5.5	5.5	10.1	5.1	5.1	3.4	4.6	7.7	7.7	116.6%	101.0%
Software and other intangible assets	-	-	0.1	-	2.0	0.2	-	-	2.1	0.4	6.9	6.9	2 308.0%	103.7%
Payments for financial assets	-	-	0.6	-	-	0.4	-	-	0.4	650.0	650.0	650.0	100.2%	100.2%
Total	2 043.9	2 372.1	1 701.5	1 593.4	2 236.7	1 568.1	1 413.3	1 405.3	1 300.1	2 417.4	2 417.4	2 144.8	89.9%	79.6%

Expenditure estimates

Table 32.3 Vote expenditure estimates by programme and economic classification

Programmes										
1. Administration										
2. International Affairs and Trade										
3. Policy, Research and Capacity Development										
4. ICT Enterprise Development and Oversight										
5. ICT Infrastructure Support										
Programme	Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)		
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20			
Programme 1	205.8	-1.6%	12.7%	194.2	206.3	219.2	2.1%	11.3%		
Programme 2	45.5	11.0%	2.5%	47.8	50.2	53.2	5.3%	2.7%		
Programme 3	86.8	-1.0%	4.8%	90.4	95.2	101.7	5.4%	5.1%		
Programme 4	886.1	5.2%	26.8%	251.1	265.2	280.5	-31.8%	23.0%		
Programme 5	920.6	-10.2%	53.2%	1 030.7	1 110.7	1 174.1	8.4%	57.9%		
Total	2 144.8	-3.3%	100.0%	1 614.2	1 727.5	1 828.8	-5.2%	100.0%		
Change to 2016 Budget estimate				(22.1)	(23.6)	(24.9)				
Economic classification										
Current payments	426.1	-17.5%	29.5%	795.5	1 114.8	1 182.1	40.5%	48.1%		
Compensation of employees	209.1	2.4%	10.8%	214.7	224.3	241.4	4.9%	12.2%		
Goods and services	216.9	-27.3%	18.7%	580.8	890.5	940.7	63.1%	35.9%		
Transfers and subsidies	1 054.1	-13.1%	60.3%	806.7	603.5	637.2	-15.4%	42.4%		
Departmental agencies and accounts	790.8	0.1%	39.7%	295.2	516.5	545.4	-11.6%	29.4%		
Foreign governments and international organisations	23.4	13.1%	1.4%	25.5	27.0	28.4	6.7%	1.4%		
Public corporations and private enterprises	240.0	-33.1%	19.2%	486.0	60.0	63.4	-35.8%	11.6%		
Payments for capital assets	14.6	41.5%	0.5%	12.0	9.3	9.6	-13.2%	0.6%		
Machinery and equipment	7.7	14.3%	0.4%	10.6	8.4	8.5	3.2%	0.5%		
Software and other intangible assets	6.9	-	0.1%	1.4	0.9	1.1	-46.1%	0.1%		
Payments for financial assets	650.0	-	9.7%	-	-	-	-100.0%	8.9%		
Total	2 144.8	-3.3%	100.0%	1 614.2	1 727.5	1 828.8	-5.2%	100.0%		

Goods and services expenditure trends and estimates

Table 32.4 Vote goods and services expenditure trends and estimates

	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand												
Administrative fees	2 089	1 492	1 627	2 094	0.1%	0.5%	1 346	1 478	1 620	-8.2%	0.2%	
Advertising	49 614	1 468	3 198	2 594	-62.6%	3.7%	2 368	4 268	3 948	15.0%	0.5%	
Minor assets	444	266	479	2 779	84.3%	0.3%	1 269	1 427	1 147	-25.5%	0.2%	
Audit costs: External	10 458	14 591	28 067	5 335	-20.1%	3.8%	3 857	3 625	3 906	-9.9%	0.6%	
Bursaries: Employees	382	636	513	845	30.3%	0.2%	2 276	2 488	2 477	43.1%	0.3%	
Catering: Departmental activities	3 423	1 120	1 969	2 084	-15.2%	0.6%	1 626	1 507	2 047	-0.6%	0.3%	
Communication	5 349	5 190	5 182	6 158	4.8%	1.4%	5 566	6 254	6 776	3.2%	0.9%	
Computer services	3 416	9 466	5 117	2 525	-9.6%	1.3%	15 587	10 127	10 045	58.5%	1.3%	
Consultants: Business and advisory services	410 057	49 055	75 146	21 784	-62.4%	36.5%	435 956	736 800	749 465	225.2%	67.1%	
Infrastructure and planning services	-	-	-	128	-	-	-	-	-	-100.0%	-	
Legal services	2 071	8 603	6 155	2 998	13.1%	1.3%	4 100	5 855	6 429	29.0%	0.7%	
Contractors	3 987	2 336	2 060	4 017	0.3%	0.8%	1 764	2 057	2 572	-13.8%	0.4%	
Agency and support/outsourced services	125	23 233	144	317 037	1263.7%	22.3%	6 114	7 363	35 832	-51.7%	12.6%	
Entertainment	371	297	494	500	10.5%	0.1%	326	297	355	-10.8%	0.1%	
Fleet services (including government motor transport)	1 948	1 471	999	777	-26.4%	0.3%	661	528	568	-9.9%	0.1%	
Inventory: Clothing material and accessories	17	119	-	-	-100.0%	-	-	-	-	-	-	
Inventory: Fuel, oil and gas	4	5	-	20	71.0%	-	21	-	-	-100.0%	-	
Inventory: Materials and supplies	60	10	12	25	-25.3%	-	27	44	31	7.4%	-	
Inventory: Medical supplies	3	-	-	27	108.0%	-	-	-	-	-100.0%	-	
Inventory: Other supplies	2	-	-	234	389.1%	-	23	-	2	-79.6%	-	
Consumable supplies	119	136	208	203	19.5%	-	204	245	231	4.4%	-	
Consumables: Stationery, printing and office supplies	4 538	5 534	5 186	6 160	10.7%	1.4%	6 603	7 531	7 388	6.2%	1.0%	
Operating leases	38 031	46 395	43 180	44 119	5.1%	11.3%	36 352	39 976	41 830	-1.8%	5.6%	
Rental and hiring	2 098	740	1 364	510	-37.6%	0.3%	655	576	583	4.6%	0.1%	
Property payments	9 813	11 703	10 152	10 725	3.0%	2.8%	13 733	13 538	14 342	10.2%	1.8%	
Transport provided: Departmental activity	-	-	-	590	-	-	140	-	-	-100.0%	-	
Travel and subsistence	28 566	27 910	33 140	25 342	-3.9%	7.5%	23 758	21 889	28 696	4.2%	3.4%	
Training and development	2 185	6 840	2 433	15 708	93.0%	1.8%	9 261	10 424	12 683	-6.9%	1.7%	
Operating payments	1 349	2 399	1 325	4 580	50.3%	0.6%	995	2 907	3 171	-11.5%	0.4%	
Venues and facilities	5 850	2 402	2 277	5 035	-4.9%	1.0%	6 248	9 271	4 512	-3.6%	0.9%	
Total	586 369	223 417	230 427	484 933	-6.1%	100.0%	580 836	890 475	940 656	24.7%	100.0%	

Transfers and subsidies expenditure trends and estimates

Table 32.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R thousand											
Provinces and municipalities											
Provincial agencies and funds											
Current	-	-	13	-	-	-	-	-	-	-	-
Provincial and local governments	-	-	13	-	-	-	-	-	-	-	-
Municipal agencies and funds											
Current	9	9	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities	9	9	-	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	395 886	945 422	532 574	790 785	25.9%	65.8%	295 181	516 496	545 420	-11.6%	69.3%
Information Systems, Electronics and Telecommunication Technologies Education and Training Authority	-	1 199	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	4	-	4	-	-100.0%	-	-	-	-	-	-
National Electronic Media Institute of South Africa	50 746	37 859	36 601	77 200	15.0%	5.0%	85 785	90 761	95 844	7.5%	11.3%
Universal Service and Access Agency of South Africa	60 090	65 376	262 429	69 045	4.7%	11.3%	75 684	80 074	84 558	7.0%	10.0%
Universal Service and Access Fund	45 046	49 988	52 380	55 156	7.0%	5.0%	54 614	57 781	61 017	3.4%	7.4%
Universal Service and Access Fund: Broadcasting digital migration	240 000	791 000	181 160	589 384	34.9%	44.5%	79 098	287 880	304 001	-19.8%	40.6%
Foreign governments and international organisations											
Current	20 968	23 724	24 629	23 363	3.7%	2.3%	25 532	26 954	28 408	6.7%	3.4%
Households	66	-	-	-	-100.0%	-	-	-	-	-	-
Universal Postal Union	4 667	5 314	5 446	4 979	2.2%	0.5%	5 228	5 531	5 841	5.5%	0.7%
International Telecommunications Union	14 212	16 204	16 545	15 535	3.0%	1.5%	16 312	17 258	18 224	5.5%	2.2%
African Telecommunications Union	853	927	940	1 039	6.8%	0.1%	1 091	1 154	1 219	5.5%	0.1%
Pan-African Postal Union	754	861	1 071	955	8.2%	0.1%	1 003	1 061	1 120	5.5%	0.1%
Organisation for Economic Cooperation and Development	416	-	185	459	3.3%	-	482	510	539	5.5%	0.1%
Commonwealth Telecommunications Organisation	-	418	442	396	-	-	416	440	465	5.5%	0.1%
Dona Foundation	-	-	-	-	-	-	1 000	1 000	1 000	-	0.1%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	-	50 014	115 104	240 000	-	10.0%	240 000	-	-	-100.0%	15.5%
Public corporations and private enterprises	-	14	12	-	-	-	-	-	-	-	-
South African Post Office	-	50 000	115 092	-	-	4.1%	-	-	-	-	-
South African Post Office: Broadcasting digital migration	-	-	-	240 000	-	5.9%	240 000	-	-	-100.0%	15.5%
Capital	535 304	138 807	209 000	-	-100.0%	21.8%	246 000	60 000	63 360	-	11.9%
Household	-	2	-	-	-	-	-	-	-	-	-
Sentech	423 304	69 805	-	-	-100.0%	12.2%	-	-	-	-	-
Sentech: African Nations Championship	6 000	-	-	-	-100.0%	0.1%	-	-	-	-	-
Sentech: Dual illumination costs relating to the digital migration project	106 000	69 000	209 000	-	-100.0%	9.5%	193 000	-	-	-	6.2%
Sentech: Migration of digital signals	-	-	-	-	-	-	53 000	60 000	63 360	-	5.7%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	47	13	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises	47	13	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions											
Current	399	110	-	-	-100.0%	-	-	-	-	-	-
Non-profit institution	399	110	-	-	-100.0%	-	-	-	-	-	-
Households											
Social benefits											
Current	793	-	438	-	-100.0%	-	-	-	-	-	-
Households	793	-	438	-	-100.0%	-	-	-	-	-	-
Households											
Other transfers to households											
Current	139	421	291	-	-100.0%	-	-	-	-	-	-
Employee ex-gratia payment	44	-	-	-	-100.0%	-	-	-	-	-	-
Households	95	421	291	-	-100.0%	-	-	-	-	-	-
Total	953 545	1 158 520	882 049	1 054 148	3.4%	100.0%	806 713	603 450	637 188	-15.4%	100.0%

Personnel information

Table 32.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
Telecommunications and Postal Services																			
Salary level	316	1	278	181.7	0.7	311	209.1	0.7	296	214.7	0.7	284	224.3	0.8	285	241.4	0.8	-2.9%	100.0%
1 – 6	24	–	25	6.3	0.3	24	6.2	0.3	23	5.9	0.3	23	6.4	0.3	23	6.9	0.3	-1.4%	7.9%
7 – 10	109	–	104	40.8	0.4	109	42.8	0.4	101	40.7	0.4	93	40.4	0.4	94	43.8	0.5	-4.8%	33.8%
11 – 12	64	–	58	41.4	0.7	64	45.3	0.7	58	44.6	0.8	54	44.9	0.8	54	48.6	0.9	-5.5%	19.6%
13 – 16	104	1	86	87.4	1.0	105	110.0	1.0	105	118.2	1.1	105	127.0	1.2	105	136.2	1.3	–	35.7%
Other	15	–	5	5.8	1.2	9	4.9	0.5	9	5.2	0.6	9	5.6	0.6	9	5.9	0.7	–	3.1%
Programme	316	1	278	181.7	0.7	311	209.1	0.7	296	214.7	0.7	284	224.3	0.8	285	241.4	0.8	-2.9%	100.0%
Programme 1	151	1	141	86.2	0.6	150	94.2	0.6	138	93.4	0.7	134	98.6	0.7	135	106.2	0.8	-3.5%	47.4%
Programme 2	20	–	15	10.6	0.7	19	13.8	0.7	19	14.5	0.8	18	15.1	0.8	18	16.2	0.9	-1.8%	6.3%
Programme 3	80	–	76	49.4	0.7	80	53.7	0.7	78	56.2	0.7	75	58.8	0.8	75	63.2	0.8	-2.1%	26.2%
Programme 4	37	–	25	17.8	0.7	34	25.6	0.8	33	27.2	0.8	31	28.0	0.9	31	30.1	1.0	-3.0%	11.0%
Programme 5	28	–	21	17.7	0.8	28	21.8	0.8	28	23.4	0.8	26	23.9	0.9	26	25.7	1.0	-2.4%	9.2%

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

2. Rand million.

Departmental receipts

Table 32.7 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 (%)	
	2013/14	2014/15	2015/16					2016/17	2013/14 - 2016/17	2017/18			2018/19
R thousand													
Departmental receipts	1 710 048	1 670 224	26 804 435	559 537	559 537	-31.1%	100.0%	508 090	508 100	508 098	-3.2%	100.0%	
Sales of goods and services produced by department	123	57	52	37	37	-33.0%	–	47	49	49	9.8%	–	
Sales by market establishments	65	–	–	–	–	-100.0%	–	–	–	–	–	–	
of which:													
Market establishment: Non-residential buildings	65	–	–	–	–	-100.0%	–	–	–	–	–	–	
Administrative fees	8	6	5	3	3	-27.9%	–	7	7	7	32.6%	–	
of which:													
Cryptography fees	8	6	5	3	3	-27.9%	–	7	7	7	32.6%	–	
Other sales	50	51	47	34	34	-12.1%	–	40	42	42	7.3%	–	
of which:													
Commission on insurance	50	51	47	34	34	-12.1%	–	40	42	42	7.3%	–	
Transfers received	–	728	–	–	–	–	–	–	–	–	–	–	
Interest, dividends and rent on land	1 708 937	1 667 734	1 335 925	559 240	559 240	-31.1%	17.1%	507 384	507 385	507 383	-3.2%	99.9%	
Interest	807	1 013	446	183	183	-39.0%	–	121	122	120	-13.1%	–	
Dividends	1 708 130	1 666 721	1 335 479	559 057	559 057	-31.1%	17.1%	507 263	507 263	507 263	-3.2%	99.9%	
of which:													
Vodacom shares	1 708 130	1 666 721	828 216	32	32	-97.3%	13.7%	–	–	–	-100.0%	–	
Telkom shares	–	–	507 263	559 025	559 025	–	3.5%	507 263	507 263	507 263	-3.2%	99.9%	
Sales of capital assets	–	–	–	100	100	–	–	–	–	–	-100.0%	–	
Transactions in financial assets and liabilities	988	1 705	25 468 458	160	160	-45.5%	82.8%	659	666	666	60.9%	0.1%	
Total	1 710 048	1 670 224	26 804 435	559 537	559 537	-31.1%	100.0%	508 090	508 100	508 098	-3.2%	100.0%	

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 32.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Ministry	3.7	4.1	4.2	4.4	5.9%	1.9%	4.2	4.4	5.2	5.9%	2.2%
Departmental Management	35.3	65.8	73.3	45.8	9.1%	25.7%	37.3	39.2	42.0	-2.9%	19.8%
Internal Audit	3.8	5.7	5.2	8.1	28.5%	2.7%	5.3	5.7	6.0	-9.5%	3.0%
Corporate Services	89.1	70.2	62.6	69.2	-8.1%	34.0%	66.8	71.8	77.1	3.7%	34.4%
Financial Management	63.3	73.6	70.4	70.8	3.8%	32.5%	70.5	74.6	77.6	3.1%	35.5%
Office Accommodation	6.0	6.0	6.1	9.6	16.8%	3.2%	10.1	10.7	11.3	5.5%	5.0%
Total	201.2	225.3	221.9	207.9	1.1%	100.0%	194.2	206.3	219.2	1.8%	100.0%
Change to 2016 Budget estimate				14.6			(11.4)	(10.9)	(12.2)		
Economic classification											
Current payments	199.0	214.3	217.2	196.6	-0.4%	96.6%	186.7	199.1	212.1	2.6%	96.0%
Compensation of employees	64.0	85.4	86.2	96.4	14.6%	38.8%	93.4	98.6	106.2	3.3%	47.7%
Goods and services ¹	135.1	129.0	131.0	100.3	-9.5%	57.8%	93.3	100.5	105.9	1.8%	48.3%
of which:											
Computer services	0.7	9.5	5.0	1.6	34.5%	2.0%	8.4	6.9	6.6	60.3%	2.8%
Legal services	2.1	8.6	6.2	2.2	1.5%	2.2%	4.1	5.9	6.4	43.7%	2.2%
Consumables: Stationery, printing and office supplies	2.8	3.8	4.2	4.3	14.9%	1.8%	4.4	5.1	5.4	8.0%	2.3%
Operating leases	36.8	45.4	42.4	41.2	3.8%	19.4%	35.2	39.0	40.7	-0.4%	18.9%
Property payments	9.5	11.7	10.1	10.7	4.1%	4.9%	12.6	12.3	13.0	6.6%	5.9%
Travel and subsistence	13.2	16.9	16.9	10.9	-6.4%	6.8%	8.5	9.9	11.2	1.1%	4.9%
Transfers and subsidies ¹	0.4	1.7	0.3	-	-100.0%	0.3%	-	-	-	-	-
Departmental agencies and accounts	-	1.2	-	-	-100.0%	0.1%	-	-	-	-	-
Non-profit institutions	0.3	0.1	-	-	-100.0%	-	-	-	-	-	-
Households	0.1	0.3	0.2	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	1.2	8.9	3.9	11.3	108.8%	3.0%	7.6	7.2	7.1	-14.4%	4.0%
Machinery and equipment	1.2	8.7	1.9	4.4	55.4%	1.9%	7.2	6.8	6.6	14.7%	3.0%
Software and other intangible assets	0.1	0.2	2.1	6.9	357.6%	1.1%	0.4	0.5	0.5	-59.0%	1.0%
Payments for financial assets	0.6	0.4	0.4	-	-100.0%	0.2%	-	-	-	-	-
Total	201.2	225.3	221.9	207.9	1.1%	100.0%	194.2	206.3	219.2	1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	11.8%	14.4%	17.1%	8.6%	-	-	12.0%	11.9%	12.0%	-	-

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

Programme 2: International Affairs and Trade

Programme purpose

Ensure alignment between South Africa's international activities and agreement in the field of ICT and South Africa's foreign policy.

Objective

- Advance South Africa's national ICT interests in regional and international forums to attain partnerships for economic growth and development by:
 - developing a country position on the establishment of the Brazil-Russia-India-China-South Africa group of countries institute for future networks by March 2018
 - developing a country position for the Southern African Development Community focused on the reduction of the cost to communicate for affordable, reliable, accessible and secure ICT infrastructure by March 2018
 - developing a country position for the World Telecommunication Development Conference focused on the development of the internet and digital economy by March 2018
 - developing a country position for the Universal Postal Union focused on postal reform, by March 2018
 - securing two partnerships for the digital economy towards ICT enterprise development, and small, medium and micro enterprise growth and innovation by March 2018.

Subprogrammes

- *International Affairs* coordinates the functions and responsibilities of the department to meet South Africa's international ICT obligations.
- *ICT Trade/Partnership* develops and advances the country's interests in international trade forums through participation in the World Trade Organisation's ICT-related initiatives, and other international trade agreements such as the South Africa-European Union trade agreement, and bilateral agreements with counterpart countries.

Expenditure trends and estimates

Table 32.9 International Affairs and Trade 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
International Affairs	11.5	13.1	10.5	14.5	7.9%	29.5%	14.5	17.1	18.3	8.1%	32.7%
ICT Trade/Partnership	27.0	29.4	31.0	31.2	4.9%	70.5%	33.3	33.1	34.9	3.9%	67.3%
Total	38.5	42.5	41.5	45.7	5.8%	100.0%	47.8	50.2	53.2	5.2%	100.0%
Change to 2016 Budget estimate				0.9			1.0	0.7	0.6		
Economic classification											
Current payments	17.3	18.7	16.5	21.6	7.6%	44.1%	21.9	22.9	24.4	4.2%	46.2%
Compensation of employees	10.3	12.6	10.6	13.9	10.7%	28.2%	14.5	15.1	16.2	5.0%	30.3%
Goods and services ¹	7.0	6.2	5.9	7.6	2.8%	15.9%	7.4	7.9	8.3	2.7%	15.8%
of which:											
Administrative fees	0.3	0.2	0.1	0.1	-25.9%	0.4%	0.4	0.3	0.3	39.8%	0.5%
Communication	0.4	0.4	0.3	0.8	28.8%	1.1%	0.5	0.9	1.0	7.0%	1.6%
Travel and subsistence	4.9	3.8	5.0	2.5	-19.5%	9.6%	3.8	2.6	2.8	3.4%	6.0%
Training and development	0.1	0.2	-	0.1	-3.1%	0.2%	0.3	0.3	0.3	49.0%	0.5%
Operating payments	-	0.1	-	1.6	832.4%	1.0%	-	1.8	1.9	5.6%	2.7%
Venues and facilities	0.6	0.2	0.2	0.4	-12.5%	0.9%	0.8	0.5	0.2	-21.3%	1.0%
Transfers and subsidies¹	20.9	23.8	24.7	23.4	3.8%	55.1%	25.5	27.0	28.4	6.7%	53.0%
Foreign governments and international organisations	20.9	23.7	24.6	23.4	3.8%	55.1%	25.5	27.0	28.4	6.7%	53.0%
Payments for capital assets	0.3	-	0.4	0.7	28.9%	0.8%	0.4	0.3	0.4	-19.5%	0.9%
Machinery and equipment	0.3	-	0.4	0.7	28.9%	0.8%	0.4	0.3	0.4	-19.5%	0.9%
Total	38.5	42.5	41.5	45.7	5.8%	100.0%	47.8	50.2	53.2	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	2.3%	2.7%	3.2%	1.9%	-	-	3.0%	2.9%	2.9%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	20.9	23.7	24.6	23.4	3.8%	55.1%	25.5	27.0	28.4	6.7%	53.0%
Universal Postal Union	4.7	5.3	5.4	5.0	2.2%	12.1%	5.2	5.5	5.8	5.5%	11.0%
International Telecommunications Union	14.2	16.2	16.5	15.5	3.0%	37.2%	16.3	17.3	18.2	5.5%	34.2%
African Telecommunications Union	0.9	0.9	0.9	1.0	6.8%	2.2%	1.1	1.2	1.2	5.5%	2.3%
Pan-African Postal Union	0.8	0.9	1.1	1.0	8.2%	2.2%	1.0	1.1	1.1	5.5%	2.1%
Organisation for Economic Cooperation and Development	0.4	-	0.2	0.5	3.3%	0.6%	0.5	0.5	0.5	5.5%	1.0%
Commonwealth Telecommunications Organisation	-	0.4	0.4	0.4	-	0.7%	0.4	0.4	0.5	5.5%	0.9%
Dona Foundation	-	-	-	-	-	-	1.0	1.0	1.0	-	1.5%

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

Programme 3: Policy, Research and Capacity Development

Programme purpose

Develop ICT policies and legislation that support the development of an ICT sector that creates favourable conditions for accelerated and shared economic growth. Develop strategies that increase the adoption and use of ICT by the majority of the South African population to bridge the digital divide.

Objectives

- Develop and implement ICT Policy and legislation aimed at improving access to and the affordability of ICT by:
 - developing, amending and implementing draft ICT legislation in line with the 2016 White Paper on National Integrated ICT Policy by March 2020
 - implementing, monitoring and reviewing the cost to communicate programme implementation plan by March 2020.
- Develop a national e-strategy that will give priority to e-government services by:
 - establishing a national e-skills council by March 2019
 - establishing the rapid deployment coordinating committee by March 2019
 - launching the national ICT forum by March 2018
 - facilitating, monitoring and reviewing the implementation of the national e-strategy by March 2020
 - facilitating, monitoring and evaluating the implementation of the integrated e-services programme by March 2020.

Subprogrammes

- *ICT Policy Development* drafts legislation, regulations, policy and guidelines that govern the telecommunications, postal and IT sectors, to ensure broad-based economic development within the ICT sector.
- *Economic and Market Analysis* conducts economic analyses of the telecommunications, postal and IT sectors to determine trends and make growth projections. This subprogramme also undertakes market research to explore areas that require policy intervention, and is responsible for the reduction of the cost to communicate.
- *Research* is responsible for understanding the ICT landscape and delivering a national ICT strategy.
- *Information Society Development* supports the effective and efficient functioning of the information society; and the development of institutional mechanisms such as the interministerial committee on information society and development, the information society and development intergovernmental relations forum, the forum of South African directors general for information society and development, and the intergovernmental relations forum technical committee.
- *Capacity Development* provides direction for the advancement of e-skills graduates and society in general to function effectively in the emerging information society.

Expenditure trends and estimates

Table 32.10 Policy, Research and Capacity Development 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
ICT Policy Development	21.8	15.0	14.4	15.5	-10.8%	20.6%	15.3	16.3	17.3	3.7%	17.1%
Economic and Market Analysis	8.3	6.2	4.4	4.9	-16.4%	7.3%	5.4	5.7	6.1	7.9%	5.9%
Research	6.0	4.0	4.2	6.9	4.7%	6.5%	8.4	8.9	9.4	11.1%	8.9%
Information Society Development	43.3	35.1	41.4	51.7	6.0%	52.9%	53.4	55.5	58.6	4.3%	58.3%
Capacity Development	8.8	12.6	9.6	9.9	4.0%	12.6%	8.0	8.8	10.2	1.1%	9.8%
Total	88.3	72.9	74.0	88.8	0.2%	100.0%	90.4	95.2	101.7	4.6%	100.0%
Change to 2016 Budget estimate				(6.8)			(3.6)	(1.2)	(1.2)		
Economic classification											
Current payments	86.8	72.2	73.4	88.1	0.5%	99.0%	89.8	94.6	100.9	4.6%	99.3%
Compensation of employees	52.1	45.3	49.4	55.7	2.3%	62.5%	56.2	58.8	63.2	4.3%	62.2%
Goods and services ¹	34.7	26.9	24.0	32.4	-2.3%	36.4%	33.5	35.9	37.7	5.2%	37.1%
of which:											
Communication	1.5	1.3	1.3	1.7	2.7%	1.8%	2.3	2.2	2.4	13.8%	2.3%
Consultants: Business and advisory services	20.3	13.2	10.1	5.4	-35.6%	15.1%	13.3	17.0	17.1	46.7%	14.0%

Table 32.10 Policy, Research and Capacity Development expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Agency and support/outsourced services	–	–	–	0.1	40.2%	0.1%	1.8	2.0	1.5	129.6%	1.5%
Consumables: Stationery, printing and office supplies	1.0	1.0	0.6	0.7	-13.0%	1.0%	1.3	1.5	1.0	13.8%	1.2%
Travel and subsistence	6.0	3.6	6.2	5.8	-1.0%	6.7%	4.7	2.3	5.1	-4.6%	4.8%
Training and development	0.7	3.6	1.3	11.9	158.3%	5.4%	6.8	7.4	7.4	-14.7%	8.9%
Transfers and subsidies¹	1.0	–	0.3	–	-100.0%	0.4%	–	–	–	–	–
Foreign governments and international organisations	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Households	0.8	–	0.3	–	-100.0%	0.4%	–	–	–	–	–
Payments for capital assets	0.4	0.6	0.3	0.7	14.0%	0.6%	0.6	0.6	0.7	3.7%	0.7%
Machinery and equipment	0.4	0.6	0.3	0.7	14.0%	0.6%	0.6	0.6	0.7	3.7%	0.7%
Total	88.3	72.9	74.0	88.8	0.2%	100.0%	90.4	95.2	101.7	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	5.2%	4.6%	5.7%	3.7%	–	–	5.6%	5.5%	5.6%	–	–

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

Programme 4: ICT Enterprise Development and Oversight

Programme purpose

Oversee and manage government's shareholding interest in the ICT public entities and state-owned companies. Facilitate growth and development of small, medium and micro enterprises in the ICT sector.

Objective

- Improve the performance of state-owned companies through proactive and stringent oversight by:
 - facilitating the establishment of the ICT sector regulator by March 2020
 - facilitating the establishment of the digital development fund by March 2020
 - implementing the recommendations of the state-owned companies rationalisation report by March 2020
 - facilitating the licensing of Postbank by March 2018
 - developing the iNesi Bill by March 2018
 - monitoring and evaluating performance and compliance of state-owned companies against strategic plans and relevant prescripts, and developing quarterly state-owned company reports on an ongoing basis.

Subprogrammes

- *Public Entity Oversight* provides oversight on state-owned enterprises by managing government's shareholder interests in public enterprises. This includes facilitating enterprises' corporate plans and ensuring that planning cycles are aligned with and comply with guidelines.
- *Small, Medium and Micro Enterprise Development* facilitates the growth and development of ICT small, medium and micro enterprises. This subprogramme hosts an e-commerce platform and will produce content that covers the agriculture, tourism, arts and craft sectors.
- *ICT Support* administers and manages the transfers to the .za domain and hosts the 112 emergency call centre programme.

Expenditure trends and estimates

Table 32.11 ICT Enterprise Development and Oversight expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million											
Public Entity Oversight	163.0	239.5	480.1	873.0	74.9%	97.6%	238.6	251.9	266.5	-32.7%	96.8%
Small, Medium and Micro Enterprise Development	7.1	2.1	2.5	5.8	-6.8%	1.0%	4.8	5.1	5.3	-2.4%	1.2%
ICT Support	6.4	6.0	6.3	7.8	7.1%	1.5%	7.7	8.2	8.7	3.5%	1.9%
Total	176.5	247.6	489.0	886.6	71.3%	100.0%	251.1	265.2	280.5	-31.9%	100.0%
Change to 2016 Budget estimate				(5.2)			(9.1)	(14.4)	(15.4)		
Economic classification											
Current payments	20.6	43.8	21.9	34.1	18.3%	6.7%	33.8	35.9	38.5	4.1%	8.4%
Compensation of employees	9.5	16.9	17.8	26.1	40.1%	3.9%	27.2	28.0	30.1	4.9%	6.6%
Goods and services ¹	11.1	26.9	4.0	8.0	-10.3%	2.8%	6.6	7.9	8.4	1.5%	1.8%
of which:											
Bursaries: Employees	–	–	0.1	–	-100.0%	–	0.4	0.4	0.3	–	0.1%
Communication	0.3	0.3	0.4	0.4	12.6%	0.1%	0.6	0.6	0.7	15.8%	0.1%
Consultants: Business and advisory services	1.9	1.0	0.8	2.3	6.3%	0.3%	2.1	2.5	2.8	8.1%	0.6%
Consumables: Stationery, printing and office supplies	0.3	0.3	0.2	0.5	18.8%	0.1%	0.3	0.3	0.3	-14.6%	0.1%
Travel and subsistence	1.3	1.5	1.5	2.5	24.6%	0.4%	1.8	1.9	1.8	-9.9%	0.5%
Training and development	0.1	0.1	–	0.4	76.6%	–	0.7	0.8	0.9	34.3%	0.2%
Transfers and subsidies¹	155.9	203.2	466.6	201.4	8.9%	57.1%	216.1	228.6	241.4	6.2%	52.7%
Departmental agencies and accounts	155.9	153.2	351.4	201.4	8.9%	47.9%	216.1	228.6	241.4	6.2%	52.7%
Public corporations and private enterprises	–	50.0	115.1	–	–	9.2%	–	–	–	–	–
Households	–	–	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.1	0.6	0.4	1.1	154.3%	0.1%	1.3	0.6	0.7	-16.7%	0.2%
Machinery and equipment	0.1	0.6	0.4	1.1	154.3%	0.1%	1.3	0.6	0.7	-16.7%	0.2%
Payments for financial assets	–	–	0.0	650.0	–	36.1%	–	–	–	-100.0%	38.6%
Total	176.5	247.6	489.0	886.6	71.3%	100.0%	251.1	265.2	280.5	-31.9%	100.0%
Proportion of total programme expenditure to vote expenditure	10.4%	15.8%	37.6%	36.7%	–	–	15.6%	15.3%	15.3%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	155.9	153.2	351.4	201.4	8.9%	47.9%	216.1	228.6	241.4	6.2%	52.7%
National Electronic Media Institute of South Africa	50.7	37.9	36.6	77.2	15.0%	11.2%	85.8	90.8	95.8	7.5%	20.8%
Universal Service and Access Agency of South Africa	60.1	65.4	262.4	69.0	4.7%	25.4%	75.7	80.1	84.6	7.0%	18.4%
Universal Service and Access Fund	45.0	50.0	52.4	55.2	7.0%	11.3%	54.6	57.8	61.0	3.4%	13.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	50.0	115.1	–	–	9.2%	–	–	–	–	–
South African Post Office	–	50.0	115.1	–	–	9.2%	–	–	–	–	–

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

Programme 5: ICT Infrastructure Support

Programme purpose

Promote investment in robust, reliable, secure and affordable ICT infrastructure that supports the provision of a multiplicity of applications and services.

Objective

- Coordinate broadband connectivity through contributing to the achievement of 100 per cent population coverage by:
 - managing the rollout of phase 1 of the broadband connectivity implementation plan towards connecting 2 700 identified sites by March 2018

- establishing a cybersecurity hub by March 2020.

Subprogrammes

- *Broadband* is responsible for developing and facilitating the implementation of the broadband policy, strategy and implementation plan, and ensuring that goals for broadband are achieved.
- *Digital Terrestrial Television* is responsible for supporting the conversion from analogue to digital television transmission technology, with the ultimate goal of releasing valuable frequency spectrum for next generation mobile broadband and other applications.

Expenditure trends and estimates

Table 32.12 ICT Infrastructure Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	
R million											
Broadband	415.7	50.0	83.5	359.1	-4.8%	23.7%	465.6	762.8	806.8	31.0%	53.2%
Digital Terrestrial Television	781.2	929.8	390.2	829.4	2.0%	76.3%	565.1	347.9	367.4	-23.8%	46.8%
Total	1 196.9	979.8	473.8	1 188.5	-0.2%	100.0%	1 030.7	1 110.7	1 174.1	-0.4%	100.0%
Change to 2016 Budget estimate				(3.5)			1.0	2.2	3.3		
Economic classification											
Current payments	421.1	49.8	83.1	358.2	-5.3%	23.8%	463.4	762.2	806.1	31.0%	53.1%
Compensation of employees	22.7	15.4	17.7	21.6	-1.5%	2.0%	23.4	23.9	25.7	5.9%	2.1%
Goods and services ¹	398.5	34.5	65.4	336.6	-5.5%	21.7%	440.1	738.3	780.4	32.4%	51.0%
of which:											
Computer services	2.7	–	0.1	0.9	-31.6%	0.1%	7.2	3.0	3.4	58.9%	0.3%
Consultants: Business and advisory services	384.6	31.2	59.9	9.3	-71.1%	12.6%	416.9	714.0	728.0	328.4%	41.5%
Agency and support/outourced services	–	–	–	316.6	–	8.2%	4.3	5.1	34.0	-52.5%	8.0%
Property payments	–	–	–	–	-100.0%	–	1.1	1.2	1.4	–	0.1%
Travel and subsistence	3.2	2.1	3.7	3.6	4.6%	0.3%	4.9	5.2	7.8	29.0%	0.5%
Venues and facilities	4.5	0.1	–	0.8	-43.3%	0.1%	2.2	5.8	1.4	18.6%	0.2%
Transfers and subsidies¹	775.3	929.8	390.2	829.4	2.3%	76.2%	565.1	347.9	367.4	-23.8%	46.8%
Departmental agencies and accounts	240.0	791.0	181.2	589.4	34.9%	46.9%	79.1	287.9	304.0	-19.8%	28.0%
Public corporations and private enterprises	535.3	138.8	209.0	240.0	-23.5%	29.3%	486.0	60.0	63.4	-35.8%	18.9%
Payments for capital assets	0.4	0.1	0.5	0.9	25.8%	–	2.2	0.6	0.7	-5.2%	0.1%
Machinery and equipment	0.4	0.1	0.5	0.9	25.8%	–	1.2	0.1	0.1	-47.8%	0.1%
Software and other intangible assets	–	–	–	–	–	–	1.0	0.5	0.6	–	–
Total	1 196.9	979.8	473.8	1 188.5	-0.2%	100.0%	1 030.7	1 110.7	1 174.1	-0.4%	100.0%
Proportion of total programme expenditure to vote expenditure	70.3%	62.5%	36.4%	49.2%	–	–	63.9%	64.3%	64.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	240.0	791.0	181.2	589.4	34.9%	46.9%	79.1	287.9	304.0	-19.8%	28.0%
Universal Service and Access Fund: Broadcasting digital migration	240.0	791.0	181.2	589.4	34.9%	46.9%	79.1	287.9	304.0	-19.8%	28.0%

Table 32.12 ICT Infrastructure Support expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	-	-	240.0	-	6.3%	240.0	-	-	-100.0%	10.7%
South African Post Office: Broadcasting digital migration	-	-	-	240.0	-	6.3%	240.0	-	-	-100.0%	10.7%
Capital	535.3	138.8	209.0	-	-100.0%	23.0%	246.0	60.0	63.4	-	8.2%
Sentech	423.3	69.8	-	-	-100.0%	12.8%	-	-	-	-	-
Sentech: African Nations Championship	6.0	-	-	-	-100.0%	0.2%	-	-	-	-	-
Sentech: Dual illumination costs relating to the digital migration project	106.0	69.0	209.0	-	-100.0%	10.0%	193.0	-	-	-	4.3%
Sentech: Migration of digital signals	-	-	-	-	-	-	53.0	60.0	63.4	-	3.9%

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

Entities¹

South African Post Office

Mandate

The South African Post Office is listed as a schedule 2 public entity in the Public Finance Management Act (1999), and is a government business enterprise required to provide postal and related services to the public. It derives its mandate from the South African Post Office SOC Ltd Act (2011) and the South African Postbank Limited Act (2010). The Postal Services Act (1998) grants it an exclusive mandate to conduct postal services; and makes provision for the regulation of postal services and operational functions, including universal service obligations and the financial services activities of Postbank.

Selected performance indicators

Table 32.13 South African Post Office performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total number of points of presence	Mail, retail and e-business	Outcome 6: An efficient, competitive and responsive economic infrastructure network	2 486	2 448	2 368	2 357	2 357	2 357	2 357
Number of new addresses per year as part of the address expansion programme per year	Mail, retail and e-business	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	1 195 690	500 109	500 000	500 000	500 000	500 000	500 000

Expenditure analysis

To meet the demands of government's social mandate to provide postal services to areas that were historically neglected, the South African Post Office will continue to focus on providing universal access to postal and related services. The entity will also implement a turnaround strategy and revenue growth plan to improve productivity and return to consistent delivery standards to restore customer confidence.

Over the medium term the organisation will increase the number of addresses to allow for wider access to postal and financial services in the underserved areas. The organisation expects to roll out 1.5 million community addresses over the medium term to enable both new communities and existing communities without street or postal addresses to receive mail and to have a verifiable address. It also plans to maintain the 2 357 points of presence per annum (which include post offices, mobile units and retail postal agencies). Spending on these activities is allocated to the mail, retail and e-business programme, which is projected to spend R5.8 billion by 2019/20.

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

The post office will finalise the process of converting Postbank into an independent commercial company to meet South African Reserve Bank requirements to operate as a bank by 2017/18. The process entails obtaining a license to operate and registering Postbank with the Companies and Intellectual Property Commission as a state-owned company. Expenditure in the programme for Postbank is expected to increase over the medium term from R383.5 million in 2016/17 to R616.5 million in 2019/20, at an average annual rate of 17.1 per cent, with the main cost drivers being compensation of employees, interest, depreciation and information technology costs.

The post office is tasked with managing the distribution of subsidised set-top boxes and antennae to 5 million qualifying households for the broadcasting digital migration project and will receive R240 million over the medium term for this purpose. It will also distribute subsidies to 5 million qualifying households.

Over the medium term, the South African Post Office will continue to implement the turnaround strategy and revenue growth plan. The plan calls for growth in and the diversification of revenue streams in financial services for underserved areas and e-commerce. The post office will also reduce its funded establishment from 21 798 in 2016/17 to 19 632 posts over the medium term as part of the turnaround plan. The reduction in personnel is not anticipated to affect the organisation's performance. Expenditure over the medium term is projected to increase by 3.8 per cent from R8 billion in 2016/17 to R8.9 billion in 2019/20. The main cost drivers in operating expenditure are compensation of employees (which comprises 47.8 per cent of total expenditure over the medium term) and to a lesser extent, transport and property costs. Property costs are expected to decrease as contracts are terminated and renegotiated as the network of branches is rebalanced over the next three years.

The organisation generates its revenue from the provision of postal services, courier services, as well as from interest income and financial transaction fees. Revenue growth over the medium term is forecasted at 18.3 per cent due to increased revenue opportunities in the government sector and the unreserved market, expanding services such as the renewal of motor vehicle licenses and reacquisition of clients that were lost during the period of the strike in 2014/15. The most substantial growth in revenues is expected to come from logistics and parcels because of reforms to improve operations; and the wider range of services offered at the Courier Freight Group, a wholly owned subsidiary of the post office. The projected surplus for the 2017/18 is R514 million and will be used to fund operations and capital investments.

Programmes/objectives/activities

Table 32.14 South African Post Office 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
					2013/14 - 2016/17					2016/17 - 2019/20	
Administration	1 691.7	2 080.5	1 565.4	2 528.1	14.3%	28.3%	2 013.8	2 403.5	2 469.8	-0.8%	28.3%
Logistics	659.2	427.2	262.6	327.0	-20.8%	6.2%	41.2	43.6	46.1	-47.9%	1.4%
Postbank	148.8	180.3	169.6	383.5	37.1%	3.1%	557.0	619.1	616.5	17.1%	6.5%
Mail, retail and e-business	4 086.5	4 259.8	4 020.1	4 746.1	5.1%	62.4%	5 021.3	5 614.3	5 802.0	6.9%	63.7%
Total	6 586.2	6 947.9	6 017.7	7 984.7	6.6%	100.0%	7 633.2	8 680.5	8 934.5	3.8%	100.0%

Statements of historical financial performance and position

Table 32.15 South African Post Office statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
Revenue									
Non-tax revenue	6 389.0	6 033.5	6 859.1	5 391.1	6 720.0	4 838.1	5 830.2	6 596.8	88.6%
Sale of goods and services other than capital assets	5 823.9	5 784.1	6 324.0	5 123.8	5 618.6	4 730.8	5 590.3	6 397.5	94.3%
of which:									
Sales by market establishment	5 823.9	5 784.1	6 324.0	5 123.8	5 618.6	4 730.8	5 590.3	6 397.5	94.3%
Postal services and courier services	4 960.5	4 784.0	5 314.9	4 022.5	4 475.7	3 589.7	4 389.0	4 751.0	89.6%
Financial services (retail and Postbank)	863.4	646.0	712.3	666.3	656.6	651.1	686.1	1 131.3	106.0%
Postbank interest revenue	-	354.1	296.7	435.0	486.3	490.0	515.2	515.2	138.2%
Other non-tax revenue	565.1	249.5	535.1	267.3	1 101.4	107.3	239.9	199.3	33.7%
Transfers received	205.0	-	-	135.3	64.9	64.9	240.0	240.0	86.3%
Total revenue	6 594.0	6 179.5	6 859.1	5 526.4	6 800.0	4 902.9	6 070.2	6 836.8	89.1%

Table 32.15 South African Post Office statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2013/14 - 2016/17
	2013/14		2014/15		2015/16		2016/17		
Expenses									
Current expenses	6 599.4	6 585.3	7 222.0	6 388.9	6 902.5	6 017.6	6 211.4	7 984.7	100.2%
Compensation of employees	3 496.9	3 537.4	4 045.6	3 634.1	4 152.8	3 476.2	3 305.2	3 914.2	97.1%
Goods and services	2 849.7	2 804.9	2 905.3	2 528.0	2 505.9	2 209.6	2 502.8	3 561.2	103.2%
Depreciation	175.9	166.9	199.1	148.9	151.8	165.2	162.1	204.5	99.5%
Interest, dividends and rent on land	76.9	76.1	71.9	77.9	92.0	166.7	241.3	304.8	129.7%
Total expenses	6 599.4	6 586.2	7 222.3	6 947.9	6 902.5	6 017.7	6 211.4	7 984.7	102.2%
Surplus/(Deficit)	(5.0)	(407.0)	(363.0)	(1 421.0)	(102.0)	(1 115.0)	(141.0)	(1 148.0)	
Statement of financial position									
Carrying value of assets	1 366.4	1 466.9	1 345.9	1 419.8	2 050.1	1 240.2	1 412.3	1 962.6	98.6%
<i>of which:</i>									
Acquisition of assets	(176.4)	(192.4)	(263.8)	(121.9)	(530.2)	(45.8)	(204.4)	(900.0)	107.3%
Investments	5 788.3	4 327.1	5 580.8	4 521.8	4 589.3	5 509.8	5 363.3	5 502.4	93.1%
Inventory	66.7	77.4	48.8	67.8	69.8	54.8	61.2	74.8	111.4%
Receivables and prepayments	805.3	574.5	584.4	372.1	522.3	426.3	505.2	574.6	80.6%
Cash and cash equivalents	2 214.5	4 050.1	2 876.8	3 413.9	4 342.0	2 885.0	3 708.4	2 790.9	100.0%
Taxation	266.5	800.7	379.9	-	735.9	-	-	-	57.9%
Total assets	10 507.7	11 296.6	10 816.6	9 795.6	12 309.5	10 116.1	11 050.5	10 905.2	94.2%
Accumulated surplus/(deficit)	1 544.0	1 589.2	937.2	53.4	(1.2)	(1 079.0)	(1 027.8)	(2 274.5)	-117.8%
Capital and reserves	951.6	746.5	1 450.9	758.7	1 806.6	937.0	1 584.7	1 578.1	69.4%
Capital reserve fund	-	85.3	-	-	-	-	-	-	-
Borrowings	-	350.4	-	78.7	1 200.0	1 229.4	1 520.0	3 850.2	202.5%
Finance lease	43.2	4.0	80.6	3.7	4.5	6.1	3.2	-	10.6%
Deferred income	333.9	284.8	340.9	269.0	346.6	258.6	268.3	266.1	83.6%
Trade and other payables	6 410.8	6 284.6	6 812.3	7 030.8	7 264.9	7 190.8	7 120.6	5 825.2	95.4%
Taxation	18.5	244.3	0.9	-	-	-	-	-	1 258.2%
Provisions	1 205.7	1 707.4	1 193.8	1 601.1	1 688.2	1 573.1	1 581.4	1 660.1	115.4%
Total equity and liabilities	10 507.7	11 296.6	10 816.6	9 795.6	12 309.5	10 116.1	11 050.5	10 905.2	-

Statements of estimates of financial performance and position

Table 32.16 South African Post Office statements of estimates of financial performance and position

Statement of financial performance									Average: Expenditure/ Total (%)
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue									
Non-tax revenue	6 596.8	3.0%	97.6%	7 907.3	11 011.8	11 324.0	19.7%	98.4%	
Sale of goods and services other than capital assets	6 397.5	3.4%	94.1%	7 603.7	10 688.9	10 992.5	19.8%	95.3%	
<i>of which:</i>									
Sales by market establishment	6 397.5	3.4%	94.1%	7 603.7	10 688.9	10 992.5	19.8%	95.3%	
Postal services and courier services	4 751.0	-0.2%	73.2%	5 302.1	6 820.3	6 970.0	19.8%	49.0%	
Financial services (retail and Postbank)	1 131.3	20.5%	13.1%	1 621.0	3 097.1	3 152.3	19.8%	49.0%	
Postbank interest revenue	515.2	13.3%	7.8%	680.6	771.5	870.2	19.8%	49.0%	
Other non-tax revenue	199.3	-7.2%	3.5%	303.7	322.9	331.4	18.5%	3.1%	
Transfers received	240.0	-	1.8%	240.0	-	-	-100.0%	1.6%	
Total revenue	6 836.8	3.4%	100.0%	8 147.3	11 011.8	11 324.0	18.3%	100.0%	
Expenses									
Current expenses	7 984.7	6.6%	98.0%	7 633.2	8 680.5	8 934.5	3.8%	126.3%	
Compensation of employees	3 914.2	3.4%	53.2%	3 738.9	3 995.9	4 230.3	2.6%	47.8%	
Goods and services	3 561.2	8.3%	40.1%	3 259.8	3 918.9	3 875.4	2.9%	44.0%	
Depreciation	204.5	7.0%	2.5%	152.0	245.0	267.2	9.3%	2.6%	
Interest, dividends and rent on land	304.8	58.8%	2.2%	482.5	520.8	561.5	22.6%	5.6%	
Total expenses	7 984.7	6.6%	100.0%	7 633.2	8 680.5	8 934.5	3.8%	100.0%	
Surplus/(Deficit)	(1 148.0)	-	-	514.0	2 331.0	2 389.0	-227.7%	-	
Statement of financial position									
Carrying value of assets	1 962.6	10.2%	14.4%	1 525.9	1 798.5	1 982.4	0.3%	13.7%	
<i>of which:</i>									
Acquisition of assets	(900.0)	67.2%	-2.9%	(513.1)	(610.4)	(593.6)	-13.0%	-5.1%	
Investments	5 502.4	8.3%	47.3%	5 877.0	6 220.9	6 697.8	6.8%	45.4%	
Inventory	74.8	-1.1%	0.7%	61.6	65.2	69.2	-2.6%	0.5%	
Receivables and prepayments	574.6	0.0%	4.6%	621.5	841.0	864.7	14.6%	5.3%	
Cash and cash equivalents	2 790.9	-11.7%	31.2%	3 928.9	5 838.5	7 105.3	36.5%	35.1%	
Total assets	10 905.2	-1.2%	100.0%	12 014.9	14 764.1	16 719.4	15.3%	100.0%	

Table 32.16 South African Post Office statements of estimates of financial performance and position

R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
Accumulated surplus/(deficit)	(2 274.5)	-212.7%	–	(1 704.0)	627.3	3 016.8	-209.9%	-3.2%
Capital and reserves	1 578.1	28.3%	–	1 580.0	1 573.7	1 568.1	-0.2%	11.9%
Borrowings	3 850.2	122.3%	–	3 700.0	3 700.0	2 700.0	-11.2%	26.8%
Finance lease	–	-100.0%	–	6.9	7.3	7.8	–	0.0%
Deferred income	266.1	-2.2%	–	296.1	319.8	345.4	9.1%	2.3%
Trade and other payables	5 825.2	-2.5%	–	6 339.0	6 605.7	7 007.4	6.4%	48.2%
Provisions	1 660.1	-0.9%	–	1 796.9	1 930.3	2 074.0	7.7%	13.9%
Total equity and liabilities	10 905.2	-1.2%	–	12 014.9	14 764.1	16 719.4	15.3%	100.0%

Personnel information

Table 32.17 South African Post Office personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20						
South African Post Office			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	21 798	21 798	20 781	3 476.2	0.2	21 798	3 914.2	0.2	19 632	3 738.9	0.2	19 632	3 995.9	0.2	19 632	4 230.3	0.2	2.6%	100.0%
1 – 6	13 532	13 532	12 900	1 444.5	0.1	13 532	1 633.1	0.1	12 183	1 557.3	0.1	12 183	1 670.8	0.1	12 183	1 769.8	0.1	2.7%	62.1%
7 – 10	8 253	8 253	7 868	2 004.3	0.3	8 253	2 252.2	0.3	7 436	2 150.9	0.3	7 436	2 292.6	0.3	7 436	2 426.0	0.3	2.5%	37.9%
13 – 16	5	5	5	9.2	1.8	5	9.7	1.9	5	10.3	2.1	5	10.9	2.2	5	11.6	2.3	6.0%	0.0%
17 – 22	8	8	8	18.1	2.3	8	19.2	2.4	8	20.4	2.5	8	21.6	2.7	8	22.9	2.9	6.0%	0.0%

1. Rand million.

State Information Technology Agency

Mandate

The State Information Technology Agency is governed by the State Information Technology Agency Act (1998) and is listed as a schedule 3A public entity. The act mandates the agency to consolidate and coordinate government's IT resources to achieve cost savings through economies of scale, increased delivery capabilities and enhanced interoperability of systems. It also separates the agency's services into mandatory services, which are services that it must provide, and non-mandatory services, which are services that it may provide. Mandatory services include the provision and maintenance of transversal information systems and data processing or associated services for the transversal systems.

Selected performance indicators

Table 32.18 State Information Technology Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of e-government services implemented per year	Business operations	Outcome 6: An efficient, competitive and responsive economic infrastructure network	–1	75	24	75	75	75	75
Percentage of projects timeously, successfully and satisfactorily delivered within budget	Business operations		–1	80% (583/728)	85% (809/955)	90%	85%	90%	95%
Bandwidth capacity maintained at below 75% per year	Business operations		–1	75%	75%	75%	75%	75%	75%

1. No historical data available.

Expenditure analysis

The State Information Technology Agency contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework by ensuring the expansion, modernisation, access and affordability of the country's ICT infrastructure. The agency's focus over the medium term will be on collaborating with the Department of Telecommunications and Postal Services in the implementation of phase 1 of the South Africa Connect programme, which intends to provide broadband connectivity to 6 135 government institutions and 4 983 for schools across eight district municipalities.

Furthermore, the agency will by 2019/20 implement 75 e-services, which provide access to government services online. It will also work with National Treasury in driving supply chain reforms by rolling out g-commerce components to 33 per cent of government departments. The agency will also upgrade and invest in ICT infrastructure through the consolidation and modernisation programme. To plan for this, a business case is expected to be approved and the tender awarded by 2017/18 for implementation. These activities are in the business operations programme, increasing at an average annual rate of 5.6 per cent.

The agency intends to spend R1.5 billion on its capital expenditure plan to upgrade its internal ICT infrastructure and build internal capacity. In addition, the projected surpluses of R845 million over the medium term will be used for business re-engineering. The total compensation budget is projected to decrease to R2.1 billion in 2019/20 from R2.2 billion in 2016/17, at an average annual rate of 2.3 per cent. The agency has 3 280 staff members in 2016/17 which will be reduced to 3 257 in 2019/20 because of natural attrition and vacant posts that will not be filled.

Programmes/objectives/activities

Table 32.19 State Information Technology Agency expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	981.8	1 323.7	1 132.5	1 155.5	5.6%	20.5%	1 186.4	1 257.5	1 257.5	2.9%	17.8%
Business operations	3 849.4	4 145.8	4 710.3	5 173.1	10.4%	79.5%	5 423.3	5 748.7	6 092.7	5.6%	82.2%
Total	4 831.2	5 469.5	5 842.8	6 328.6	9.4%	100.0%	6 609.7	7 006.3	7 350.2	5.1%	100.0%

Statements of historical financial performance and position

Table 32.20 State Information Technology Agency statements of historical financial performance and position

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%) 2013/14 - 2016/17
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17		
Revenue									
Non-tax revenue	5 716.6	4 876.6	5 267.8	5 574.3	5 676.9	5 685.5	5 868.2	6 464.0	100.3%
Sale of goods and services other than capital assets	5 635.0	4 692.0	5 182.5	5 539.9	5 592.3	5 458.6	5 795.5	6 395.4	99.5%
of which:									
Sales by market establishment	5 635.0	4 692.0	5 182.5	5 539.9	5 592.3	5 458.6	5 795.5	6 395.4	99.5%
Other non-tax revenue	81.6	184.6	85.3	34.5	84.5	226.9	72.7	68.5	158.7%
Total revenue	5 716.6	4 876.6	5 267.8	5 574.3	5 676.9	5 685.5	5 868.2	6 464.0	100.3%
Expenses									
Current expenses	5 515.9	4 809.3	4 987.1	5 391.0	6 127.4	5 792.1	6 257.9	6 290.7	97.4%
Compensation of employees	1 670.6	1 354.7	1 463.1	1 983.2	2 354.6	1 743.8	2 212.7	2 245.5	95.1%
Goods and services	3 714.8	3 408.1	3 262.5	3 146.2	3 532.6	3 836.4	3 780.6	3 780.6	99.2%
Depreciation	130.5	23.2	261.5	261.5	240.2	167.8	264.6	264.6	80.0%
Interest, dividends and rent on land	-	23.3	-	-	-	44.0	-	-	-
Total expenses	5 572.1	4 831.2	5 065.6	5 469.5	6 165.1	5 842.8	6 299.5	6 328.6	97.3%
Surplus/(Deficit)	144.0	45.0	202.0	105.0	(488.0)	(157.0)	(431.0)	135.0	
Statement of financial position									
Carrying value of assets	2 559.0	721.3	2 954.0	905.7	1 583.0	1 171.2	1 456.1	1 950.6	55.5%
of which:									
Acquisition of assets	(1 793.0)	(356.0)	(1 538.0)	(254.4)	(1 151.0)	(511.4)	(600.0)	(496.2)	31.8%
Investments	-	-	-	-	-	13.7	-	-	-
Inventory	60.0	-	-	-	-	-	-	-	-
Receivables and prepayments	667.5	1 164.2	873.8	1 163.3	973.1	1 067.3	1 069.7	804.1	117.2%
Cash and cash equivalents	153.5	1 630.2	165.6	1 539.4	875.1	1 152.5	843.1	1 117.7	267.0%
Taxation	50.0	180.9	50.0	117.4	115.0	387.5	40.0	202.7	348.4%
Total assets	3 490.1	3 696.5	4 043.5	3 725.8	3 546.2	3 792.2	3 408.9	4 075.1	105.5%
Accumulated surplus/(deficit)	1 723.4	1 959.3	2 030.9	2 103.6	2 200.5	1 946.3	2 068.9	2 287.4	103.4%
Capital and reserves	627.3	627.3	627.3	627.3	627.3	627.3	627.3	627.3	100.0%
Trade and other payables	948.8	1 000.6	1 045.3	867.5	569.8	1 095.9	552.1	1 009.4	127.5%
Taxation	42.6	-	179.3	-	-	-	-	-	-
Provisions	148.0	109.3	160.6	127.4	148.7	122.6	160.5	150.9	82.6%
Total equity and liabilities	3 490.1	3 696.5	4 043.5	3 725.8	3 546.2	3 792.2	3 408.9	4 075.1	105.5%

Statements of estimates of financial performance and position

Table 32.21 State Information Technology Agency statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17				2013/14 - 2016/17	2017/18	2018/19		
R million									
Revenue									
Non-tax revenue	6 464.0	9.8%	100.0%	6 851.7	7 262.7	7 697.6	6.0%	100.0%	
Sale of goods and services other than capital assets	6 395.4	10.9%	97.6%	6 779.2	7 185.9	7 617.1	6.0%	98.9%	
of which:									
Sales by market establishment	6 395.4	10.9%	97.6%	6 779.2	7 185.9	7 617.1	6.0%	98.9%	
Other non-tax revenue	68.5	-28.1%	2.4%	72.5	76.7	80.6	5.5%	1.1%	
Total revenue	6 464.0	9.8%	100.0%	6 851.7	7 262.7	7 697.6	6.0%	100.0%	
Expenses									
Current expenses	6 290.7	9.4%	99.2%	6 541.9	6 934.5	7 274.4	5.0%	117.4%	
Compensation of employees	2 245.5	18.3%	32.4%	2 070.5	2 030.5	2 095.8	-2.3%	31.1%	
Goods and services	3 780.6	3.5%	63.4%	4 180.9	4 584.9	4 841.6	8.6%	63.6%	
Depreciation	264.6	125.1%	3.1%	290.5	319.1	337.0	8.4%	4.4%	
Total expenses	6 328.6	9.4%	100.0%	6 609.7	7 006.3	7 350.2	5.1%	100.0%	
Surplus/(Deficit)	135.0	-	-	242.0	256.0	347.0	37.0%	-	
Statement of financial position									
Carrying value of assets	1 950.6	39.3%	30.6%	2 168.4	2 242.9	2 355.0	6.5%	47.6%	
of which:									
Acquisition of assets	(496.2)	11.7%	-10.5%	(545.7)	(442.3)	(500.0)	0.3%	-10.9%	
Receivables and prepayments	804.1	-11.6%	27.6%	911.9	962.5	947.7	5.6%	19.8%	
Cash and cash equivalents	1 117.7	-11.8%	35.8%	1 214.4	1 484.2	1 558.4	11.7%	29.2%	
Taxation	202.7	3.9%	5.8%	141.6	129.2	135.6	-12.5%	3.4%	
Total assets	4 075.1	3.3%	100.0%	4 436.2	4 818.8	4 996.7	7.0%	100.0%	
Accumulated surplus/(deficit)	2 287.4	5.3%	54.2%	2 606.1	2 879.6	3 059.3	10.2%	59.0%	
Capital and reserves	627.3	-0.0%	16.4%	627.3	627.3	627.3	0.0%	13.8%	
Trade and other payables	1 009.4	0.3%	26.0%	1 043.2	1 090.8	1 132.8	3.9%	23.4%	
Taxation	-	-	-	-	52.3	-	-	0.3%	
Provisions	150.9	11.4%	3.3%	159.6	168.9	177.3	5.5%	3.6%	
Total equity and liabilities	4 075.1	3.3%	100.0%	4 436.2	4 818.8	4 996.7	7.0%	100.0%	

Personnel information

Table 32.22 State Information Technology Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment										Number								
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
		2015/16	Unit cost	2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20								
State Information Technology Agency		3 280	3 280	3 350	1 743.8	0.5	3 280	2 245.5	0.7	3 257	2 070.5	0.6	3 257	2 030.5	0.6	3 257	2 095.8	0.6	-2.3%	100.0%
Salary level																				
1 - 6	322	322	322	41.7	0.1	322	54.6	0.2	317	50.4	0.2	317	49.4	0.2	317	51.0	0.2	-2.3%	9.8%	
7 - 10	1 933	1 933	2 008	710.6	0.4	1 933	910.7	0.5	1 915	839.7	0.4	1 915	823.5	0.4	1 915	850.0	0.4	-2.3%	58.8%	
11 - 12	749	749	744	663.1	0.9	749	849.6	1.1	749	783.4	1.0	749	768.2	1.0	749	792.9	1.1	-2.3%	23.0%	
13 - 16	269	269	269	310.6	1.2	269	407.2	1.5	269	375.5	1.4	269	368.2	1.4	269	380.1	1.4	-2.3%	8.2%	
17 - 22	7	7	7	17.9	2.6	7	23.4	3.3	7	21.6	3.1	7	21.2	3.0	7	21.8	3.1	-2.3%	0.2%	

1. Rand million.

Other entities

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

- The **National Electronic Media Institute of South Africa** was established as a non-profit institute for education in terms of the Companies Act (1973) and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). The institute's ongoing activities include offering national certificates and short courses in the areas of television production, animation and radio production. The institute's programmes are structured to enhance the market readiness of students in a wide range of broadcasting disciplines. The institute's total budget for 2017/18 is R91 million.
- **Sentech** was established as a state-owned enterprise to provide common carrier broadcasting signal distribution services to licensed broadcasters in South Africa, and is listed as a schedule 3B public entity in

terms of the Public Finance Management Act (1999). In 2002, the company's mandate was expanded to provide an international voice gateway and common carrier multimedia services in accordance with government's imperative to liberalise the telecommunications sector. The company's total budget for 2017/18 is R1.3 billion.

- The **Universal Service and Access Agency of South Africa** was established in terms of section 80 of the Electronic Communications Act (2005) as a statutory body and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). Its sole mandate is to promote universal service and access to electronic communications services, electronic communications network services and broadcasting services. The agency's total budget for 2017/18 is R75.7 million.
- The **Universal Service and Access Fund** was established in terms of section 89(1) of the Electronic Communications Act (2005). The fund's sole mandate is to make payments for subsidies towards the provision of ICT equipment and services as well as the construction and extension of electronic communication and broadcasting networks for needy persons in underserved areas. The fund is managed by the Universal Service and Access Agency of South Africa and is financed by contributions from all telecommunications licensees except community broadcasting service licensees. The fund's total budget for 2017/18 is R133.7 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Departmental infrastructure										
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
South Africa Connect: Phase 1 of digital development plan	Connection of schools and government institutions to broadband	Construction	6 565.0	384.9	-	-	450.3	411.9	703.6	724.5
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Sentech: Digitisation of terrestrial television network	Efficient use of spectrum; achievement of broadcast digital dividend; achievement of multiple channel possibilities and generation of new content	Design	1 534.9	423.3	-	-	-	-	-	-
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Sentech: Migration of digital signals	Efficient use of spectrum; achievement of broadcast digital dividend; achievement of multiple channel possibilities and generation of new content	Design	113.0	-	-	-	-	53.0	60.0	-
Small projects (total project cost of less than R250 million over the project life cycle)										
South Africa Connect: Phase 1 of digital development plan	Efficient use of spectrum; achievement of broadcast digital dividend; achievement of multiple channel possibilities and generation of new content	Various	138.0	76.0	-	-	-	-	-	-
Total			8 350.9	884.2	-	-	450.3	464.9	763.6	724.5

Vote 33

Tourism

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	219.1	217.1	0.2	1.8	232.7	267.2
Tourism Policy and Planning	1 208.7	62.8	1 145.1	0.8	1 291.8	1 358.9
Destination Development	444.0	181.5	153.9	108.5	463.1	496.4
Enterprise and Visitor Support Services	268.4	174.6	92.8	1.1	300.5	274.5
Total expenditure estimates	2 140.2	635.9	1 392.0	112.2	2 288.1	2 397.1

Executive authority: Minister of Tourism
 Accounting officer: Director General of Tourism
 Website address: www.tourism.gov.za

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

Vote purpose

Promote and support the growth and development of an equitable, competitive and sustainable tourism sector, enhancing its contribution to national priorities.

Mandate

The mandate of the Department of Tourism, as outlined in the Tourism Act (2014), is to promote growth and development of the tourism sector; promote quality tourism products and services; provide for the effective domestic and international marketing of South Africa as a tourist destination; enhance cooperation and coordination between all spheres of government in developing and managing tourism; and promote the practice of responsible tourism for the benefit of South Africa and for the enjoyment of all its residents and foreign visitors.

In recognition of tourism as a national priority, with a potential to contribute significantly to economic development, the 1996 White Paper on the Development and Promotion of Tourism in South Africa provides for the promotion of domestic and international tourism. The national tourism sector strategy provides a blueprint for the sector to meet the growth targets contained in the National Development Plan (NDP).

Selected performance indicators

Table 33.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of platforms facilitated to improve tourism sector stakeholder engagement and national tourism sector strategy implementation per year	Tourism Policy and Planning	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	-1	2	2	1	1	1	1
Number of Working for Tourism projects funded through the expanded public works programme per year	Destination Development	Outcome 4: Decent employment through inclusive growth	-1	3	8	8	6	6	6
Number of full-time-equivalent jobs created through Working for Tourism programme per year	Destination Development		2 797	3 037	3 059	3 488	3 085	3 213	4 331
Number of programmes implemented to grow tourism's contribution to the ocean economy per year	Destination Development		-1	-1	1	1	1	1	1
Number of rural enterprises supported for development per year	Enterprise and Visitor Support Services	Outcome 7: Comprehensive rural development and land reform	891	466	250	100	400	500	500
Number of capacity building programmes implemented per year	Enterprise and Visitor Support Services	Outcome 4: Decent employment through inclusive growth	-1	-1	-1	4	4	6	6
Number of incentivised programmes implemented per year	Enterprise and Visitor Support Services	Outcome 4: Decent employment through inclusive growth	-1	-1	3	3	4	5	5

1. No historical data available.

Expenditure analysis

In 2015, 4.5 per cent of the total workforce was employed in tourism, accounting for 711 746 employed people, and the sector contributed 3 per cent to GDP. This highlights the sector's economic and social importance. The work of the department in the sector is guided by the NDP's goal of having tourism play a central role in growing employment and ensuring inclusive economic growth. Outcome 4 (decent employment through inclusive growth) and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework put specific targets towards the realisation of this NDP goal. Over the medium term, the department will focus on marketing the country, rural-focused job creation and transformation programmes, and the improvement of tourism facilities.

The department relies on South African Tourism to market South Africa and transfers a projected 53.2 per cent of its budget over the medium term to the organisation for this purpose. South African Tourism is mandated to grow local and overseas tourist numbers and tourist spending, which in turn supports jobs and economic growth. Additional funding of R174 million has been allocated to the organisation over the medium term to increase marketing in established and emerging markets. Cabinet also approved the reprioritisation of R20 million in 2017/18, R30 million in 2018/19, and R40 million in 2019/20 from the *Tourism Incentive Programme* subprogramme to the South African National Convention Bureau. The funding is intended to allow the bureau to grow tourism from meetings, incentives, conventions and events. The bureau assists organisers of this type of tourism to secure hosting rights. Between 2013 and 2016, the bureau supported between 50 and 55 event organisers each year with bid submissions to host events. Up to R1 billion per year has been generated from delegates' spending while attending conferences.

The department is set to transfer R1.1 billion over the medium term to Working for Tourism through the expanded public works programme. This is expected to create 10 629 full-time-equivalent jobs by 2019/20. The department will also spend a further R124.8 million through the *Enterprise Development and Transformation* subprogramme, which aims to transform and increase the geographical spread of the tourism sector, to provide developmental support to 1 400 rural tourism enterprises over the medium term.

Through the *Destination Development* programme, the department plans to work with municipalities and communities to develop the underused public recreation facilities that they own into tourism destinations. The programme aims to develop infrastructure for tourism to attract private-sector investment, counteract seasonality, and ensure that the economic value created through tourism and leisure activities is shared equitably among those involved in creating it. To support these initiatives, R200 million has been allocated over the medium term.

Expenditure trends

Table 33.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Tourism Policy and Planning														
3. Destination Development														
4. Enterprise and Visitor Support Services														
Programme	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2013/14	Adjusted appropriation	Audited outcome	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Audited outcome	2016/17	Adjusted appropriation	Revised estimate	2013/14 - 2016/17	2013/14 - 2016/17
R million														
Programme 1	205.7	208.1	212.0	221.8	224.6	219.8	231.8	233.7	222.8	232.5	232.5	232.5	99.5%	98.7%
Programme 2	875.5	901.8	913.6	925.2	928.9	938.2	1 215.6	1 041.7	1 034.4	1 088.0	1 088.8	1 088.8	96.9%	100.3%
Programme 3	49.6	41.0	313.8	51.9	45.4	306.3	46.7	282.8	277.3	420.8	421.9	421.9	231.9%	166.8%
Programme 4	369.8	369.6	73.3	463.2	384.4	93.3	306.2	236.0	242.8	268.3	266.3	266.3	48.0%	53.8%
Total	1 500.6	1 520.6	1 512.7	1 662.1	1 583.3	1 557.6	1 800.2	1 794.2	1 777.4	2 009.5	2 009.5	2 009.5	98.3%	99.3%
Change to 2016 Budget estimate														

Table 33.2 Vote expenditure trends by programme and economic classification

Economic classification	2013/14			2014/15			2015/16			2016/17			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million														
Current payments	359.2	360.7	340.8	380.3	373.7	460.8	403.0	559.0	452.6	671.1	615.6	615.6	103.1%	97.9%
Compensation of employees	205.8	205.8	202.4	233.3	229.3	231.5	246.1	250.1	252.9	265.5	269.5	269.5	100.6%	100.2%
Goods and services	153.3	154.9	138.4	147.0	144.4	229.3	156.9	309.0	199.7	405.5	346.1	346.1	105.9%	95.7%
Interest and rent on land	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 133.8	1 156.8	1 160.1	1 272.6	1 199.2	1 083.7	1 391.1	1 229.0	1 230.8	1 226.1	1 167.3	1 167.3	92.4%	97.7%
Departmental agencies and accounts	836.0	862.6	872.6	881.9	886.3	886.3	983.9	983.9	1 045.6	1 029.4	1 029.4	1 029.4	-	-
Higher education institutions	3.1	3.1	-	3.7	3.7	-	3.8	-	-	-	-	-	-	-
Foreign governments and international organisations	5.5	1.8	4.8	5.9	5.9	8.6	6.0	6.0	5.8	6.3	6.3	6.3	107.5%	127.4%
Public corporations and private enterprises	-	-	-	-	-	-	-	93.6	72.9	109.0	79.2	79.2	139.6%	88.0%
Non-profit institutions	26.0	26.0	26.0	24.0	25.2	26.5	14.8	14.8	24.2	16.0	16.0	16.0	114.7%	113.1%
Households	263.2	263.2	256.7	357.0	278.2	162.5	382.7	130.8	82.3	65.3	36.4	36.4	50.3%	75.9%
Payments for capital assets	7.5	3.1	11.6	9.3	10.4	12.8	6.1	6.1	93.4	112.4	226.6	226.6	254.7%	139.9%
Buildings and other fixed structures	-	-	-	-	-	-	-	-	87.2	104.7	218.8	218.8	292.4%	139.8%
Machinery and equipment	7.4	3.1	10.3	9.1	10.2	10.7	5.8	5.8	6.2	7.3	7.3	7.3	116.8%	130.9%
Software and other intangible assets	0.1	-	1.3	0.1	0.1	2.1	0.3	0.3	-	0.4	0.4	0.4	383.5%	428.3%
Payments for financial assets	-	-	0.1	-	-	0.3	-	-	0.6	-	-	-	-	-
Total	1 500.6	1 520.6	1 512.7	1 662.1	1 583.3	1 557.6	1 800.2	1 794.2	1 777.4	2 009.5	2 009.5	2 009.5	98.3%	99.3%

Expenditure estimates

Table 33.3 Vote expenditure estimates by programme and economic classification

Programmes										
1. Administration										
2. Tourism Policy and Planning										
3. Destination Development										
4. Enterprise and Visitor Support Services										
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)		
R million	2016/17	2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20			
Programme 1	232.5	3.8%	12.9%	219.1	232.7	267.2	4.8%	10.8%		
Programme 2	1 088.8	6.5%	58.0%	1 208.7	1 291.8	1 358.9	7.7%	56.0%		
Programme 3	421.9	117.5%	19.2%	444.0	463.1	496.4	5.6%	20.7%		
Programme 4	266.3	-10.4%	9.9%	268.4	300.5	274.5	1.0%	12.6%		
Total	2 009.5	9.7%	100.0%	2 140.2	2 288.1	2 397.1	6.1%	100.0%		
Change to 2016 Budget estimate				72.9	115.4	97.1				
Economic classification										
Current payments	615.6	19.5%	27.3%	635.9	672.9	735.5	6.1%	30.1%		
Compensation of employees	269.5	9.4%	13.9%	271.9	282.6	304.1	4.1%	12.8%		
Goods and services	346.1	30.7%	13.3%	364.1	390.4	431.4	7.6%	17.3%		
Transfers and subsidies	1 167.3	0.3%	67.7%	1 392.0	1 507.7	1 543.8	9.8%	63.5%		
Departmental agencies and accounts	1 029.4	6.1%	55.9%	1 139.1	1 220.6	1 283.9	7.6%	52.9%		
Foreign governments and international organisations	6.3	51.2%	0.4%	6.6	6.3	5.5	-4.6%	0.3%		
Public corporations and private enterprises	79.2	-	2.2%	88.3	114.3	79.4	0.1%	4.1%		
Non-profit institutions	16.0	-14.9%	1.4%	0.5	0.5	0.4	-70.5%	0.2%		
Households	36.4	-48.3%	7.8%	157.5	166.1	174.7	68.7%	6.1%		
Payments for capital assets	226.6	316.9%	5.0%	112.2	107.5	117.7	-19.6%	6.4%		
Buildings and other fixed structures	218.8	-	4.5%	107.5	102.5	112.1	-20.0%	6.1%		
Machinery and equipment	7.3	32.9%	0.5%	4.7	5.0	5.6	-8.4%	0.3%		
Software and other intangible assets	0.4	195.1%	0.1%	-	-	-	-100.0%	0.0%		
Total	2 009.5	9.7%	100.0%	2 140.2	2 288.1	2 397.1	6.1%	100.0%		

Goods and services expenditure trends and estimates

Table 33.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administrative fees	2 206	191	240	331	-46.9%	0.3%	225	241	286	-4.8%	0.1%
Advertising	4 193	2 854	2 673	6 369	15.0%	1.8%	3 554	3 791	4 424	-11.4%	1.2%
Minor assets	891	558	269	1 296	13.3%	0.3%	322	344	408	-32.0%	0.2%
Audit costs: External	4 197	4 210	4 985	6 281	14.4%	2.2%	5 000	5 274	5 969	-1.7%	1.5%
Bursaries: Employees	783	1 063	1 171	910	5.1%	0.4%	2 719	2 826	3 041	49.5%	0.6%
Catering: Departmental activities	1 733	1 709	1 868	1 922	3.5%	0.8%	2 498	2 676	3 158	18.0%	0.7%
Communication	5 202	5 036	5 194	5 402	1.3%	2.3%	6 033	6 413	7 415	11.1%	1.6%
Computer services	17 145	14 334	19 109	20 516	6.2%	7.8%	22 020	28 624	37 027	21.8%	7.1%
Consultants: Business and advisory services	7 321	3 357	19 490	13 453	22.5%	4.8%	69 017	71 889	75 413	77.6%	15.0%
Legal services	235	493	520	151	-13.7%	0.2%	-	-	-	-100.0%	-
Science and technological services	-	-	-	8	-	-	-	-	-	-100.0%	-
Contractors	2 577	2 653	4 530	2 958	4.7%	1.4%	80 290	84 924	91 510	213.9%	17.0%
Agency and support/outsourced services	2 587	3 130	1 124	2 412	-2.3%	1.0%	1 100	1 160	1 313	-18.3%	0.4%
Entertainment	174	55	45	197	4.2%	0.1%	-	-	-	-100.0%	-
Fleet services (including government motor transport)	1 242	1 221	895	1 280	1.0%	0.5%	-	-	-	-100.0%	0.1%
Consumable supplies	1 704	2 275	2 083	2 289	10.3%	0.9%	2 465	2 637	3 119	10.9%	0.7%
Consumables: Stationery, printing and office supplies	4 011	4 097	3 958	4 774	6.0%	1.8%	6 722	7 198	8 501	21.2%	1.8%
Operating leases	26 894	32 139	34 390	26 533	-0.4%	13.1%	29 594	31 695	37 432	12.2%	8.2%
Rental and hiring	352	120	229	2	-82.2%	0.1%	256	275	325	445.7%	0.1%
Property payments	233	2 459	3 335	3 070	136.2%	1.0%	-	-	-	-100.0%	0.2%
Transport provided: Departmental activity	-	-	-	14 089	-	1.5%	-	-	-	-100.0%	0.9%
Travel and subsistence	41 751	31 169	33 062	31 313	-9.1%	15.0%	44 465	44 297	49 171	16.2%	11.0%
Training and development	3 550	106 173	51 247	186 248	274.4%	38.0%	76 411	84 017	88 913	-21.8%	28.4%
Operating payments	4 823	5 081	4 747	7 129	13.9%	2.4%	6 886	7 347	8 599	6.4%	2.0%
Venues and facilities	4 630	4 905	4 548	7 173	15.7%	2.3%	4 500	4 747	5 373	-9.2%	1.4%
Total	138 434	229 282	199 712	346 106	35.7%	100.0%	364 077	390 375	431 397	7.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 33.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	872 633	886 257	1 045 570	1 029 424	5.7%	82.6%	1 139 097	1 220 560	1 283 862	7.6%	83.3%
Culture, Arts, Tourism, Hospitality and Sports Sector	-	230	176	185	-	-	197	186	163	-4.1%	-
Education and Training Authority	-	388	-	-	-	-	-	-	-	-	-
Public Sector Education and Training Authority	-	-	-	-	-	-	-	-	-	-	-
South African Tourism	866 333	880 009	977 712	1 024 847	5.8%	80.8%	1 134 288	1 216 017	1 279 889	7.7%	83.0%
Tourism incentive programme	-	-	61 689	-	-	1.3%	-	-	-	-	-
National Tourism Careers Expo	3 300	3 630	3 993	4 392	10.0%	0.3%	4 612	4 357	3 810	-4.6%	0.3%
Tourism accelerated apprenticeship programme	3 000	2 000	2 000	-	-100.0%	0.2%	-	-	-	-	-
Foreign governments and international organisations											
Current	4 813	8 552	5 810	6 322	9.5%	0.5%	6 638	6 271	5 485	-4.6%	0.4%
Regional Tourism Organisation of South Africa	2 983	6 266	3 712	3 793	8.3%	0.4%	3 983	3 763	3 291	-4.6%	0.3%
United Nations World Tourism Organisation	1 830	2 286	2 098	2 529	11.4%	0.2%	2 655	2 508	2 194	-4.6%	0.2%
Non-profit institutions											
Current	26 000	26 450	24 200	16 027	-14.9%	2.0%	500	472	413	-70.5%	0.3%
Strategic Partners in Tourism	25 000	25 000	-	-	-100.0%	1.1%	-	-	-	-	-
Tourism incentive programme	-	-	10 000	-	-	0.2%	-	-	-	-	-
Ezemvelo KwaZulu-Natal Wildlife	500	-	-	-	-100.0%	-	-	-	-	-	-
Federated Hospitality Association of South Africa	500	200	200	500	-	-	500	472	413	-6.2%	-
Various institutions: Small, medium and micro enterprises development	-	-	13 500	15 527	-	0.6%	-	-	-	-100.0%	0.3%
Tourism interpretive signage	-	1 250	500	-	-	-	-	-	-	-	-

Table 33.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Households											
Other transfers to households											
Current	256 669	162 471	82 242	36 366	-47.9%	11.6%	157 519	166 080	174 658	68.7%	9.5%
Employee social benefits	343	2 031	2 620	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: National tourism framework capacitation	3 105	3 720	3 800	4 011	8.9%	0.3%	4 212	3 979	3 480	-4.6%	0.3%
Expanded public works programme	214 114	120 528	66 027	8 021	-66.5%	8.8%	104 165	110 010	116 170	143.8%	6.0%
Expanded public works programme incentive	39 107	20 831	9 745	24 334	-14.6%	2.0%	49 142	52 091	55 008	31.2%	3.2%
Tourism incentive programme	-	15 361	50	-	-	0.3%	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	-	-	72 915	79 170	-	3.3%	88 279	114 282	79 400	0.1%	6.4%
Southern African Tourism Services Association	-	-	725	-	-	-	-	-	-	-	-
N12 Treasure Route Association	-	-	300	600	-	-	600	567	496	-6.1%	-
Tourism incentive programme	-	-	71 890	78 570	-	3.2%	87 679	113 715	78 904	0.1%	6.4%
Total	1 160 115	1 083 730	1 230 737	1 167 309	0.2%	100.0%	1 392 033	1 507 665	1 543 818	9.8%	100.0%

Personnel information

Table 33.6 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Tourism Policy and Planning																			
3. Destination Development																			
4. Enterprise and Visitor Support Services																			
Tourism	Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment										Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20											
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Tourism																			
Salary level	502	-	510	252.9	0.5	510	269.5	0.5	488	271.9	0.6	483	282.6	0.6	485	304.1	0.6	-1.7%	100.0%
1 – 6	89	-	114	23.4	0.2	114	29.0	0.3	89	20.5	0.2	89	21.8	0.2	86	22.8	0.3	-9.0%	19.2%
7 – 10	229	-	210	77.8	0.4	210	86.5	0.4	227	99.3	0.4	227	105.2	0.5	227	111.2	0.5	2.6%	45.3%
11 – 12	114	-	120	80.9	0.7	120	83.3	0.7	113	82.7	0.7	113	87.6	0.8	113	92.6	0.8	-2.0%	23.3%
13 – 16	68	-	64	66.4	1.0	64	66.2	1.0	57	64.3	1.1	52	62.7	1.2	57	72.0	1.3	-3.8%	11.7%
Other	2	-	2	4.5	2.2	2	4.7	2.3	2	5.0	2.5	2	5.3	2.6	2	5.6	2.8	-	0.4%
Programme	502	-	510	252.9	0.5	510	269.5	0.5	488	271.9	0.6	483	282.6	0.6	485	304.1	0.6	-1.7%	100.0%
Programme 1	253	-	260	119.3	0.5	260	125.4	0.5	242	120.4	0.5	237	122.2	0.5	239	134.6	0.6	-2.8%	49.7%
Programme 2	75	-	63	33.4	0.5	63	36.2	0.6	72	44.1	0.6	72	46.7	0.6	72	49.4	0.7	4.6%	14.2%
Programme 3	75	-	99	51.7	0.5	99	57.3	0.6	75	46.2	0.6	75	49.0	0.7	75	51.7	0.7	-8.8%	16.5%
Programme 4	99	-	88	48.5	0.6	88	50.7	0.6	99	61.1	0.6	99	64.7	0.7	99	68.4	0.7	4.0%	19.6%

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

2. Rand million.

Departmental receipts

Table 33.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Receipt item/Total (%) 2013/14 - 2016/17	Medium-term receipts estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Receipt item/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Departmental receipts	4 209	3 504	6 770	5 274	5 274	7.8%	100.0%	1 833	1 837	1 837	-29.6%	100.0%
Sales of goods and services produced by department	141	163	165	164	164	5.2%	3.2%	162	163	163	-0.2%	6.0%
Sales by market establishments	69	84	77	82	82	5.9%	1.6%	82	82	82	-	3.0%
of which:												
Rent collected from the letting of open and covered parking	69	84	77	82	82	5.9%	1.6%	82	82	82	-	3.0%
Administrative fees	-	-	-	2	2	-	-	-	-	-	-100.0%	-
of which:												
Appeals fees	-	-	-	2	2	-	-	-	-	-	-100.0%	-

Table 33.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Receipt item/ Total (%) 2016/17	Medium-term receipts estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Receipt item/ Total (%) 2019/20
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Other sales	72	79	88	80	80	3.6%	1.6%	80	81	81	0.4%	3.0%
<i>of which:</i>												
Commission received on deduction of insurance and other premiums from employees' salaries	72	79	88	80	80	3.6%	1.6%	80	81	81	0.4%	3.0%
Sales of scrap, waste, arms and other used current goods	-	-	-	10	10	-	0.1%	-	-	-	-100.0%	0.1%
<i>of which:</i>												
Sales of scrap	-	-	-	10	10	-	0.1%	-	-	-	-100.0%	0.1%
Interest, dividends and rent on land	11	10	559	60	60	76.0%	3.2%	15	17	17	-34.3%	1.0%
Interest	11	10	559	60	60	76.0%	3.2%	15	17	17	-34.3%	1.0%
Sales of capital assets	592	24	84	40	40	-59.3%	3.7%	25	26	26	-13.4%	1.1%
Transactions in financial assets and liabilities	3 465	3 307	5 962	5 000	5 000	13.0%	89.8%	1 631	1 631	1 631	-31.2%	91.8%
Total	4 209	3 504	6 770	5 274	5 274	7.8%	100.0%	1 833	1 837	1 837	-29.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 33.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Ministry	35.6	30.8	26.0	32.4	-3.1%	14.1%	30.6	32.1	35.2	2.9%	13.7%
Management	16.3	14.5	13.4	14.3	-4.1%	6.6%	2.9	3.0	3.2	-39.5%	2.5%
Corporate Services	109.3	116.3	120.8	131.0	6.2%	53.8%	126.7	135.8	159.1	6.7%	58.1%
Financial Management	22.0	23.7	25.4	25.4	4.9%	10.9%	29.4	30.1	32.3	8.3%	12.3%
Office Accommodation	28.8	34.4	37.3	29.3	0.5%	14.6%	29.6	31.7	37.4	8.5%	13.5%
Total	212.0	219.8	222.8	232.5	3.1%	100.0%	219.1	232.7	267.2	4.8%	100.0%
Change to 2016 Budget estimate				(5.0)			(26.0)	(20.2)	0.2		
Economic classification											
Current payments	201.8	207.0	216.8	228.2	4.2%	96.3%	217.1	230.6	264.9	5.1%	98.9%
Compensation of employees	102.5	115.1	119.3	125.4	7.0%	52.1%	120.4	122.2	134.6	2.4%	52.8%
Goods and services ¹	99.4	91.9	97.5	102.7	1.1%	44.1%	96.7	108.4	130.3	8.3%	46.1%
<i>of which:</i>											
Audit costs: External	4.2	4.2	5.0	4.8	4.4%	2.0%	5.0	5.3	6.0	7.7%	2.2%
Communication	4.1	3.9	3.9	3.7	-2.9%	1.8%	4.4	4.6	5.3	12.9%	1.9%
Computer services	16.0	14.3	18.2	16.7	1.5%	7.4%	22.0	28.6	37.0	30.4%	11.0%
Consumables: Stationery, printing and office supplies	2.2	2.7	2.5	2.5	4.1%	1.1%	3.7	4.0	4.7	23.3%	1.6%
Operating leases	26.9	32.1	34.4	26.5	-0.4%	13.5%	29.6	31.7	37.4	12.2%	13.2%
Travel and subsistence	23.1	15.1	13.4	8.0	-29.9%	6.7%	15.6	16.8	19.7	35.4%	6.3%
Transfers and subsidies¹	0.2	2.5	2.2	0.2	-3.2%	0.6%	0.2	0.2	0.2	-4.1%	0.1%
Departmental agencies and accounts	-	0.6	0.2	0.2	-	0.1%	0.2	0.2	0.2	-4.1%	0.1%
Households	0.2	1.9	2.1	-	-100.0%	0.5%	-	-	-	-	-
Payments for capital assets	9.9	10.1	3.6	4.1	-25.3%	3.1%	1.8	1.9	2.1	-19.5%	1.0%
Machinery and equipment	8.6	8.0	3.6	3.7	-24.3%	2.7%	1.8	1.9	2.1	-16.9%	1.0%
Software and other intangible assets	1.2	2.1	-	0.4	-32.8%	0.4%	-	-	-	-100.0%	-
Payments for financial assets	0.1	0.2	0.1	-	-100.0%	-	-	-	-	-	-
Total	212.0	219.8	222.8	232.5	3.1%	100.0%	219.1	232.7	267.2	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	14.0%	14.1%	12.5%	11.6%	-	-	10.2%	10.2%	11.1%	-	-

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

Programme 2: Tourism Policy and Planning

Programme purpose

Enhance strategic policy and monitor the tourism sector's performance.

Objectives

- Create a regulatory environment for tourism growth and development by:
 - drafting enabling legislation over the medium term
 - developing four quarterly policy bulletins over the medium term.
- Provide knowledge services to inform policy, planning and decision-making by:
 - developing a report on the state of tourism, and evaluation reports on the tourism incentive programme market-access incentive and the food safety programme over the medium term
 - benchmarking and analysing the design of the national tourism information and monitoring system by the end of 2017/18
 - maintaining mobile applications for tour guides and visitor information centres by the end of 2017/18
 - drafting a plan for hosting the tourism workstream during the 2018/19 summit of the Brazil-Russia-India-China-South Africa group of countries, and South Africa's chairpersonship of the Indian Ocean Rim Association.
- Enhance regional tourism integration by:
 - hosting the ministerial session at the 2017 Tourism Indaba
 - hosting a best practices sharing workshop for African countries that have tourism agreements with South Africa.
- Ensure the economic, efficient and effective use of departmental resources by preparing a quarterly oversight report on South African Tourism.
- Enhance the understanding and awareness of the value of tourism and its opportunities by hosting the annual national tourism stakeholder forum, a public lecture, and meetings of the national tourism research seminar over the medium term.

Subprogrammes

- *Tourism Policy and Planning Management* provides strategic direction, comprehensive administration and operational support services, research, and information and knowledge management. It also manages policy development and evaluation, and promotes sector transformation and responsible tourism.
- *Research and Knowledge Management* oversees tourism research, knowledge management and impact evaluation of the sector.
- *Tourism Sector Policy and Strategy* oversees and guides policy and strategy development for the tourism sector, and ensures efficient and effective stakeholder relations management.
- *South African Tourism* stimulates sustainable international and domestic demand for South African tourism experiences, and regulates the standard of tourism facilities and services.
- *International Relations and Cooperation* drives South Africa's interest through international relations and cooperation.

Expenditure trends and estimates

Table 33.9 Tourism Policy and Planning expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16	2016/17		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million												
Tourism Policy and Planning Management	4.5	4.0	2.7	5.1	4.5%	0.4%	7.0	7.3	7.8	15.4%	0.5%	
Research and Knowledge Management	20.0	22.1	27.2	32.0	16.9%	2.6%	28.7	29.0	30.6	-1.5%	2.4%	
Tourism Sector Policy and Strategy	9.9	12.9	11.6	8.0	-6.7%	1.1%	11.2	11.7	11.9	13.9%	0.9%	
South African Tourism	866.3	880.0	977.7	1 024.8	5.8%	94.3%	1 134.3	1 216.0	1 279.9	7.7%	94.1%	
International Relations and Cooperation	12.9	19.1	15.3	18.8	13.4%	1.7%	27.5	27.8	28.7	15.2%	2.1%	
Total	913.6	938.2	1 034.4	1 088.8	6.0%	100.0%	1 208.7	1 291.8	1 358.9	7.7%	100.0%	
Change to 2016 Budget estimate				(18.6)			47.6	64.7	63.1			

Table 33.9 Tourism Policy and Planning expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Current payments	38.9	44.9	46.1	52.5	10.6%	4.6%	62.8	64.7	69.1	9.6%	5.0%
Compensation of employees	28.7	33.4	33.4	36.2	8.0%	3.3%	44.1	46.7	49.4	11.0%	3.6%
Goods and services ¹	10.1	11.6	12.7	16.3	17.2%	1.3%	18.6	17.9	19.7	6.4%	1.5%
of which:											
Advertising	0.5	0.9	0.7	0.4	-6.4%	0.1%	0.5	0.6	0.7	16.9%	-
Consultants: Business and advisory services	0.1	1.4	1.4	1.0	165.7%	0.1%	9.8	8.5	8.7	108.5%	0.6%
Consumables: Stationery, printing and office supplies	0.4	0.3	0.4	0.7	21.2%	-	0.5	0.5	0.6	-3.2%	-
Travel and subsistence	4.0	3.2	3.5	4.4	3.7%	0.4%	3.4	3.6	4.3	-1.5%	0.3%
Operating payments	2.1	1.8	2.2	3.5	18.9%	0.2%	2.9	3.1	3.6	-	0.3%
Venues and facilities	0.8	1.9	0.6	3.3	59.9%	0.2%	1.0	1.1	1.2	-28.7%	0.1%
Transfers and subsidies¹	874.3	892.3	987.5	1 035.2	5.8%	95.3%	1 145.1	1 226.3	1 288.9	7.6%	94.9%
Departmental agencies and accounts	866.3	880.0	977.7	1 024.8	5.8%	94.3%	1 134.3	1 216.0	1 279.9	7.7%	94.1%
Foreign governments and international organisations	4.8	8.6	5.8	6.3	9.5%	0.6%	6.6	6.3	5.5	-4.6%	0.5%
Households	3.1	3.7	3.9	4.0	8.5%	0.4%	4.2	4.0	3.5	-4.6%	0.3%
Payments for capital assets	0.5	0.9	0.8	1.1	34.2%	0.1%	0.8	0.8	1.0	-5.4%	0.1%
Machinery and equipment	0.4	0.9	0.8	1.1	35.0%	0.1%	0.8	0.8	1.0	-4.4%	0.1%
Software and other intangible assets	-	-	-	-	16.7%	-	-	-	-	-100.0%	-
Payments for financial assets	-	0.1	-	-	-	-	-	-	-	-	-
Total	913.6	938.2	1 034.4	1 088.8	6.0%	100.0%	1 208.7	1 291.8	1 358.9	7.7%	100.0%
Proportion of total programme expenditure to vote expenditure	60.4%	60.2%	58.2%	54.2%	-	-	56.5%	56.5%	56.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	866.3	880.0	977.7	1 024.8	5.8%	94.3%	1 134.3	1 216.0	1 279.9	7.7%	94.1%
South African Tourism	866.3	880.0	977.7	1 024.8	5.8%	94.3%	1 134.3	1 216.0	1 279.9	7.7%	94.1%
Foreign governments and international organisations											
Current	4.8	8.6	5.8	6.3	9.5%	0.6%	6.6	6.3	5.5	-4.6%	0.5%
Regional Tourism Organisation of South Africa	3.0	6.3	3.7	3.8	8.3%	0.4%	4.0	3.8	3.3	-4.6%	0.3%
United Nations World Tourism Organisation	1.8	2.3	2.1	2.5	11.4%	0.2%	2.7	2.5	2.2	-4.6%	0.2%

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

Programme 3: Destination Development

Programme purpose

Facilitate and coordinate tourism destination development.

Objectives

- Diversify and enhance tourism offerings by:
 - monitoring the implementation of four destination enhancement projects (Shangoni Gate, Phalaborwa Wildlife Activity Hub, National Heritage Monument and signage at identified national heritage sites) in 2017/18
 - supporting five projects over the medium term that contribute to the maintenance or improvement of routes to tourism destinations
 - implementing the blue-flag programme at an additional 25 South African beaches.
- Create employment opportunities by implementing tourism projects (Letlamoreng Dam, Phiphidi Waterfall, Platfontein Game Farm, National Youth Chefs, Tourism Buddies and food safety programme) through the expanded public works programme, resulting in 10 629 full-time-equivalent jobs over the medium term.

Subprogrammes

- *Destination Development Management* provides administrative support to the programme's activities.
- *Product and Infrastructure Development* ensures that tourism infrastructure supports current and future growth of the sector.

- *Destination Planning and Investment Promotion* increases the competitiveness of South Africa's tourism industry.
- *Working for Tourism* facilitates the development of tourism infrastructure projects under the expanded public works programme through labour-intensive methods targeting the unemployed, youth, women, the disabled, and small, medium and micro enterprises.

Expenditure trends and estimates

Table 33.10 Destination Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20		
R million											
Destination Development Management	4.0	3.6	4.1	4.9	7.1%	1.3%	47.2	52.5	58.1	127.6%	8.9%
Product and Infrastructure Development	11.9	13.2	14.7	17.6	14.0%	4.4%	21.1	22.1	23.0	9.3%	4.6%
Destination Planning and Investment Promotion	7.1	9.2	9.5	12.8	21.8%	2.9%	36.3	37.1	43.4	50.3%	7.1%
Working for Tourism	290.8	280.2	249.0	386.6	10.0%	91.5%	339.3	351.4	371.9	-1.3%	79.4%
Total	313.8	306.3	277.3	421.9	10.4%	100.0%	444.0	463.1	496.4	5.6%	100.0%
Change to 2016 Budget estimate				202.1			224.1	231.3	251.6		
Economic classification											
Current payments	59.8	163.7	111.7	262.8	63.8%	45.3%	181.5	196.9	211.3	-7.0%	46.7%
Compensation of employees	42.8	49.4	51.7	57.3	10.2%	15.3%	46.2	49.0	51.7	-3.4%	11.2%
Goods and services ¹	16.9	114.3	60.0	205.4	129.8%	30.1%	135.3	147.9	159.6	-8.1%	35.5%
of which:											
Consultants: Business and advisory services	3.3	1.6	0.7	3.5	2.4%	0.7%	40.2	45.2	50.3	143.0%	7.6%
Contractors	-	-	0.6	-	2.2%	0.1%	1.6	1.7	2.0	403.1%	0.3%
Consumables: Stationery, printing and office supplies	0.8	0.6	0.5	0.9	3.8%	0.2%	1.2	1.3	1.5	18.4%	0.3%
Travel and subsistence	9.2	6.7	8.2	11.1	6.5%	2.7%	10.8	10.3	10.6	-1.6%	2.3%
Training and development	0.3	103.0	46.7	181.6	781.7%	25.1%	75.4	82.9	87.6	-21.6%	23.4%
Operating payments	0.5	0.5	0.6	0.6	6.8%	0.2%	1.7	1.8	2.1	49.6%	0.3%
Transfers and subsidies¹	253.3	141.4	77.2	33.0	-49.3%	38.3%	153.9	162.7	171.7	73.4%	28.6%
Public corporations and private enterprises	-	-	1.0	0.6	-	0.1%	0.6	0.6	0.5	-6.1%	0.1%
Households	253.3	141.4	76.2	32.4	-49.6%	38.1%	153.3	162.1	171.2	74.2%	28.4%
Payments for capital assets	0.7	1.1	88.4	126.2	469.1%	16.4%	108.5	103.6	113.4	-3.5%	24.7%
Buildings and other fixed structures	-	-	87.2	124.8	-	16.1%	107.5	102.5	112.1	-3.5%	24.5%
Machinery and equipment	0.7	1.1	1.2	1.4	28.3%	0.3%	1.1	1.1	1.3	-3.7%	0.3%
Total	313.8	306.3	277.3	421.9	10.4%	100.0%	444.0	463.1	496.4	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	20.7%	19.7%	15.6%	21.0%	-	-	20.7%	20.2%	20.7%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	253.2	141.4	75.8	32.4	-49.6%	38.1%	153.3	162.1	171.2	74.2%	28.4%
Expanded public works programme	214.1	120.5	66.0	8.0	-66.5%	31.0%	104.2	110.0	116.2	143.8%	18.5%
Expanded public works programme incentive	39.1	20.8	9.7	24.3	-14.6%	7.1%	49.1	52.1	55.0	31.2%	9.9%

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

Programme 4: Enterprise and Visitor Support Services

Programme purpose

Enhance transformation of the sector, increase skills levels and support enterprise development to ensure that South Africa is a competitive tourism destination.

Objectives

- Accelerate the transformation of the tourism sector by:
 - monitoring the implementation of the amended tourism broad-based black economic empowerment sector code over the medium term

- maintaining the tourism portal for black-owned enterprises to accelerate the empowerment of small, medium and micro enterprises in the tourism sector over the medium term
- facilitating four social tourism initiatives that promote open access to selected government-owned attractions over the medium term.
- Facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation by:
 - supporting the development of 400 enterprises in 2017/18
 - supporting two existing incubators and establishing one new incubator implementing the enterprise development programme focusing on incubators in 2017/18
 - implementing four incentive programmes (tourism grading, market access, energy efficiency and universal access) in 2017/18.
- Facilitate tourism capacity building programmes by:
 - training 577 chefs, 300 sommeliers, 2 000 hospitality service agents and 500 food safety inspectors in 2017/18
 - implementing the local government tourism induction programme, focusing on rural areas with tourism potential in eight district municipalities, in 2017/18
 - implementing the tourism human resource development strategy in 2017/18
 - placing 20 black female managers of tourism enterprises at institutions of higher learning in 2017/18 for management training
 - developing and implementing two skills development programmes for tour guides in 2017/18.
- Diversify and enhance tourism offerings by:
 - implementing the service excellence integrated support programme for five tourism products in 2017/18
 - implementing the national strategy for responsible tourism in 2017/18
 - developing capacity building programmes and supporting tools for tourism business in 2017/18
 - training 60 youth on resource efficiency assessments methodology at the National Cleaner Production Centre of South Africa over the medium term
 - conducting universal accessibility audits at selected state-owned parks in five provinces and implementing universal accessibility interventions at the selected parks in two provinces in 2017/18
 - supporting the development and improvement of six community-based tourism initiatives over the medium term
 - maintaining and enhancing two national tourism information gateways in 2017/18
 - opening one national tourism information gateway in Cape Town International Airport
 - implementing the national visitors support services framework in 2017/18
 - auditing the tour guide register framework for the security upgrade features of tour guide badges in 2017/18
 - referring all tourist complaints to appropriate authorities for resolution within the agreed timeframes over the medium term.

Subprogrammes

- *Tourism People Development Management* provides administrative support to the programme's activities.
- *Tourism Human Resource Development* facilitates efficient management and implementation of tourism sector human resource development initiatives.
- *Enterprise Development and Transformation* facilitates inclusive participation and sustainability in the tourism sector.
- *Visitor Services* ensures information integrity and facilitates accurate information for travelling.
- *Tourism Incentive Programme* creates direct linkages between South African inbound tour operators with international tourism companies by assisting South African tour operators in exhibiting their products at trade shows across the world.

Expenditure trends and estimates

Table 33.11 Enterprise and Visitor Support Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Tourism People Development Management	9.1	7.9	9.2	9.8	2.3%	5.3%	9.7	10.1	10.2	1.3%	3.6%
Tourism Human Resource Development	15.8	17.4	18.1	22.9	13.0%	11.0%	25.7	26.1	27.4	6.2%	9.2%
Enterprise Development and Transformation	38.0	39.5	33.4	34.3	-3.4%	21.5%	41.5	41.7	41.7	6.7%	14.3%
Visitor Services	10.1	10.5	16.2	14.1	11.8%	7.5%	19.6	20.1	21.7	15.6%	6.8%
Tourism Incentive Programme	0.3	18.0	166.0	185.3	787.6%	54.7%	171.9	202.5	173.5	-2.2%	66.1%
Total	73.3	93.3	242.8	266.3	53.7%	100.0%	268.4	300.5	274.5	1.0%	100.0%
Change to 2016 Budget estimate				(178.4)			(172.9)	(160.3)	(212.1)		
Economic classification											
Current payments	40.4	45.1	77.9	72.2	21.4%	34.9%	174.6	180.8	190.1	38.1%	55.7%
Compensation of employees	28.4	33.6	48.5	50.7	21.3%	23.8%	61.1	64.7	68.4	10.5%	22.1%
Goods and services ¹	12.0	11.5	29.5	21.6	21.6%	11.0%	113.5	116.1	121.7	78.0%	33.6%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.6	0.7	0.8	0.5	-1.9%	0.4%	0.8	0.9	1.1	25.6%	0.3%
<i>Consultants: Business and advisory services</i>	0.1	0.1	15.9	5.3	236.7%	3.2%	17.4	16.4	14.4	39.4%	4.8%
<i>Contractors</i>	1.0	1.0	1.0	1.4	11.1%	0.7%	75.7	80.0	85.7	295.5%	21.9%
<i>Consumables: Stationery, printing and office supplies</i>	0.6	0.4	0.6	0.7	4.2%	0.3%	1.3	1.4	1.7	35.8%	0.5%
<i>Travel and subsistence</i>	5.4	6.2	8.0	7.8	12.7%	4.1%	14.7	13.7	14.6	23.3%	4.6%
<i>Venues and facilities</i>	1.3	1.6	1.5	1.2	-1.5%	0.8%	1.0	1.1	1.2	-1.4%	0.4%
Transfers and subsidies¹	32.3	47.5	163.9	99.0	45.3%	50.7%	92.8	118.5	83.1	-5.7%	35.5%
Departmental agencies and accounts	6.3	5.6	67.7	4.4	-11.3%	12.4%	4.6	4.4	3.8	-4.6%	1.5%
Public corporations and private enterprises	–	–	71.9	78.6	–	22.3%	87.7	113.7	78.9	0.1%	32.3%
Non-profit institutions	26.0	26.5	24.2	16.0	-14.9%	13.7%	0.5	0.5	0.4	-70.5%	1.6%
Households	–	15.4	0.1	–	–	2.3%	–	–	–	–	–
Payments for capital assets	0.6	0.7	0.6	95.1	440.6%	14.4%	1.1	1.1	1.3	-76.4%	8.9%
Buildings and other fixed structures	–	–	–	94.0	–	13.9%	–	–	–	-100.0%	8.5%
Machinery and equipment	0.6	0.7	0.6	1.1	22.5%	0.4%	1.1	1.1	1.3	5.5%	0.4%
Payments for financial assets	–	–	0.4	–	-100.0%	0.1%	–	–	–	–	–
Total	73.3	93.3	242.8	266.3	53.7%	100.0%	268.4	300.5	274.5	1.0%	100.0%
Proportion of total programme expenditure to vote expenditure	4.8%	6.0%	13.7%	13.3%	–	–	12.5%	13.1%	11.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6.3	5.6	67.7	4.4	-11.3%	12.4%	4.6	4.4	3.8	-4.6%	1.5%
Tourism incentive programme	–	–	61.7	–	–	9.1%	–	–	–	–	–
National Tourism Careers Expo	3.3	3.6	4.0	4.4	10.0%	2.3%	4.6	4.4	3.8	-4.6%	1.5%
Tourism accelerated apprenticeship programme	3.0	2.0	2.0	–	-100.0%	1.0%	–	–	–	–	–
Non-profit institutions	25.5	26.5	24.2	16.0	-14.3%	13.6%	0.5	0.5	0.4	-70.5%	1.6%
Current	25.5	26.5	24.2	16.0	-14.3%	13.6%	0.5	0.5	0.4	-70.5%	1.6%
Strategic Partners in Tourism	25.0	25.0	–	–	-100.0%	7.4%	–	–	–	–	–
Tourism incentive programme	–	–	10.0	–	–	1.5%	–	–	–	–	–
Federated Hospitality Association of South Africa	0.5	0.2	0.2	0.5	–	0.2%	0.5	0.5	0.4	-6.2%	0.2%
Various institutions: Small, medium and micro enterprises development	–	–	13.5	15.5	–	4.3%	–	–	–	-100.0%	1.4%
Tourism interpretive signage	–	1.3	0.5	–	–	0.3%	–	–	–	–	–
Households	–	15.4	0.1	–	–	2.3%	–	–	–	–	–
Other transfers to households	–	15.4	0.1	–	–	2.3%	–	–	–	–	–
Current	–	15.4	0.1	–	–	2.3%	–	–	–	–	–
Tourism incentive programme	–	15.4	0.1	–	–	2.3%	–	–	–	–	–
Public corporations and private enterprises	–	–	71.9	78.6	–	22.3%	87.7	113.7	78.9	0.1%	32.3%
Private enterprises	–	–	71.9	78.6	–	22.3%	87.7	113.7	78.9	0.1%	32.3%
Other transfers to private enterprises	–	–	71.9	78.6	–	22.3%	87.7	113.7	78.9	0.1%	32.3%
Current	–	–	71.9	78.6	–	22.3%	87.7	113.7	78.9	0.1%	32.3%
Tourism incentive programme	–	–	71.9	78.6	–	22.3%	87.7	113.7	78.9	0.1%	32.3%

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

Entity

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

- **South African Tourism** is mandated to market South Africa internationally and domestically as a preferred tourism and business events destination; ensure that tourist facilities and services are of the highest standard; and monitor and evaluate the performance of the tourism sector. The entity's total budget for 2017/18 is R1.4 billion.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Departmental infrastructure										
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Expanded public works programme	Upgrading and additions of tourism attractions and venues	Tender	469.1	-	-	87.2	124.8	87.5	82.5	87.1
Small projects (total project cost of less than R250 million over the project life cycle)										
Tourism incentive programme	Upgrading and additions of tourism attractions and venues	Construction	94.0	-	-	-	94.0	-	-	-
Domestic tourism product development	Creation of new tourist attractions	Design	65.0	-	-	-	-	20.0	20.0	25.0
Total			628.1	-	-	87.2	218.8	107.5	102.5	112.1

Vote 34

Trade and Industry

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	731.8	715.9	0.5	15.4	768.7	804.2
International Trade and Economic Development	119.8	94.0	25.2	0.6	126.9	131.3
Special Economic Zones and Economic Transformation	119.4	86.1	32.2	1.1	120.1	122.3
Industrial Development	1 819.3	122.1	1 696.3	0.8	1 775.8	1 869.2
Consumer and Corporate Regulation	298.6	71.9	226.8	–	320.9	329.2
Incentive Development and Administration	5 746.5	165.4	5 573.5	7.6	6 416.0	5 348.8
Trade and Investment South Africa	388.5	205.8	180.6	2.1	385.5	457.3
Investment South Africa	50.9	50.5	–	0.4	52.0	53.7
Total expenditure estimates	9 274.8	1 511.7	7 735.1	28.0	9 965.9	9 116.0

Executive authority: Minister of Trade and Industry
 Accounting officer: Director General of Trade and Industry
 Website address: www.thedti.gov.za

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

Vote purpose

Lead and facilitate access to sustainable economic activity and employment for all South Africans through an understanding of the economy, knowledge of economic opportunities and potential, and anticipation of future economic trends. Catalyse economic transformation and development, and provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for economic citizens. Contribute to achieving government's vision of an adaptive and restructured economy, characterised by accelerated economic growth, employment creation and greater equity.

Mandate

The mandate of the Department of Trade and Industry is derived from a wide legislative framework that includes:

- the Companies Act (2008)
- the Manufacturing Development Act (1993)
- the Broad Based Black Economic Empowerment Act (2003)
- the Consumer Protection Act (2008).

Selected performance indicators

Table 34.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of quarterly reports on industrial policy action plan tabled at minister's review meetings	Industrial Development	Outcome 4: Decent employment through inclusive growth	4	4	3 ¹	4	4	4	4
Number of designation ² requests submitted for minister's approval per year	Industrial Development		4	4	4	4	2 ³	2 ³	2 ³
Value of projected investment to be leveraged from approved projects per year	Incentive Development and Administration		R 40bn	R 20.4bn	R48.8bn	R20bn	R15bn ⁴	R10bn ⁴	R20bn
Number of new jobs supported from approved enterprises per year	Incentive Development and Administration		15 079	12 568	18 541	3 600	3 000	10 000 ⁵	15 000 ⁵

Table 34.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of jobs retained from approved enterprises per year	Incentive Development and Administration	Outcome 4: Decent employment through inclusive growth	106 539	33 551	52 466	3 600	20 000 ⁵	20 000 ⁵	25 000 ⁵
Number of strategic infrastructure projects approved for special economic zones/industrial parks per year ⁶	Incentive Development and Administration		8	29	9	15	10	15	12
Value of projected export revenue from approved projects per year ⁷	Incentive Development and Administration		R541m	R16.3bn	R5.7bn	R800m	R1.5bn	R2bn	R3bn

1. No implementation report tabled in the first quarter of 2015/16 as no minister's review meeting took place.

2. Designated areas are approved by the Minister of Trade and Industry and the Minister of Finance to become special economic zones.

3. Decrease over the medium term due to focus on performing impact analyses for approved designations.

4. Decrease in 2017/18 and 2018/19 due to discontinuation of section 12I tax incentive scheme from 2017/18. The scheme supports new industrial projects that use only new and unused manufacturing assets, or upgrades to existing industrial projects.

5. Increases due to a generic manufacturing grant and sector-specific instruments that are being developed, which target labour-intensive sectors such as agro-processing and metals fabrication.

6. Fluctuations due to the special economic zones investor pipeline and phase 2 of the revitalisation of industrial parks.

7. Fluctuations due to the business processing services pipeline and current commitments.

Expenditure analysis

The department works to promote industrialisation and transformation, and respond to unemployment, poverty and inequality. The strategic direction of this work is derived from the National Development Plan, and is underpinned by outcome 4 (decent employment through inclusive growth), outcome 7 (comprehensive rural development and land reform) and outcome 11 (create a better South Africa and contribute to a better Africa and a better world) of government's 2014-2019 medium-term strategic framework. Through the implementation of its higher-impact industrial policy action plan, the department will focus over the medium term on providing industrial financing, strengthening export capabilities, and developing industrial infrastructure.

The department's baseline allocations for compensation of employees, goods and services, and payment of capital assets have been reduced by R48.7 million over the medium term following Cabinet's decision to lower the national aggregate expenditure ceiling. Of this amount, R10 million in 2017/18, R10.5 million in 2018/19 and R11.1 million in 2019/20 are to be cut from spending on compensation of employees. To accommodate these cuts, the department plans to reduce headcount over the MTEF period and optimise the organisational structure to ensure efficient service delivery with fewer resources.

Providing industrial financing

The department's incentive programmes to stimulate and facilitate the development of sustainable, competitive enterprises are allocated R12.7 billion over the medium term, or 45 per cent of the department's total budget, in the *Incentive Development and Administration* programme. However, expenditure in the programme is set to decrease by 8.1 per cent in the medium term due to the economic competitiveness and support package being under review. Spending on incentives will increase manufacturing competitiveness, broaden the participation of black industrialists in the mainstream economy, and support the services industry in increasing investment from qualifying private-sector partners.

The department's largest incentive programme is for manufacturing. The incentive provides manufacturing companies with financial support to upgrade facilities, processes and products, and upskill workers. The programme has a budget of R9.6 billion over the medium term, including an additional R1.3 billion in 2018/19 to contribute to leveraging the estimated private-sector investment of R45 billion for sector-specific instruments in agro-processing, metals fabrication and generic manufacturing support. An estimated 200 000 jobs have been created and sustained since the start of the programme. The department expects to provide the financial support to be provided to 1 450 companies over the medium term that will assist in creating additional jobs.

The implementation of the Broad-Based Black Economic Empowerment Amendment Act (2013) is one of the department's key considerations in promoting empowerment and equity in the economy. The department will work to strengthen measures for broad-based black economic empowerment (BEE), such as establishing a BEE commission over the medium term to monitor compliance with the act. An amount of R60 million over the medium term has been allocated to this in the *Special Economic Zones and Economic Transformation* programme.

Strengthening export capabilities

The department plans over the medium term to develop and implement products for target markets, in collaboration with stakeholders such as export councils, trade and investment provincial agencies, and other national and provincial government departments in the export value chain. It aims to provide financial assistance to 3 290 companies in the medium term to strengthen their export capabilities, including facilitating their participation at national pavilions, trade missions, and trade and investment initiatives. In providing this assistance, the department plans to balance supporting large, leading and dynamic companies with maintaining support provided to emerging exporters, small, medium and micro enterprises (SMMEs), and black industrialists. Spending on financial assistance is projected to be R680.7 million over the medium term in the *Incentive Development and Administration* programme.

Developing industrial infrastructure

The department's spending on infrastructure aims to promote industrialisation across the country. Spending on industrial infrastructure projects over the medium term is estimated at R4.3 billion, funded through the *Infrastructure Investment Support* subprogramme in the *Incentive Development and Administration* programme. The funding should allow for the revitalisation of government-owned industrial parks, investment in critical infrastructure projects, and the development of infrastructure in special economic zones.

The department will contribute towards the spatial transformation of the economy through planning, developing and managing special economic zones within the legal framework of the Special Economic Zones Act (2014). The special economic zones programme attracts foreign and domestic direct investment in designated zones and regions to build strategic industrial capabilities that promote industrial development, investment, competitiveness and employment creation. At least one new zone will be designated in 2017/18 and the zones collectively are expected to increase value-added exports throughout the country over the medium term. To attract foreign and direct investment, the department plans to provide a one-stop shop and aftercare support for investors over the medium term to facilitate doing business in South Africa. These activities are funded in the *Investment South Africa* programme, which is allocated R156.5 million over the medium term.

The critical infrastructure programme aims to contribute to attracting an estimated R45 billion in investment over the medium term by supporting the development of critical infrastructure such as power substations, cogeneration power plants, bulk infrastructure, and technical testing facilities for aerospace and defence. By lowering the cost of doing business, the programme aims to stimulate investment growth in line with the national industrial policy framework and industrial policy action plan. Over the medium term, 32 strategic infrastructure projects are expected to be approved for bulk infrastructure for industrial parks and R643.5 million has been allocated towards the critical infrastructure programme for this.

The department will continue to expand economic opportunities in underdeveloped and marginalised regions. The revitalisation of state-owned industrial parks across the country is an important part of this approach, and is expected to promote industrialisation and increase the parks' contributions to job creation and economic growth. Parks will be revitalised in all provinces, but with a focus on marginalised regions in Eastern Cape, North West and Mpumalanga. As per the industrial policy action plan, the department will focus on key prioritised areas such as plastics, chemicals, cosmetics and pharmaceuticals, agro-processing, green and energy-savings industries, and boatbuilding. These activities are funded by an allocation of R80 million over the medium term in the cluster development programme in the *Incentive Development and Administration* programme.

Expenditure trends

Table 34.2 Vote expenditure trends by programme and economic classification

Programmes																				
1. Administration 2. International Trade and Economic Development 3. Special Economic Zones and Economic Transformation 4. Industrial Development 5. Consumer and Corporate Regulation 6. Incentive Development and Administration 7. Trade and Investment South Africa 8. Investment South Africa																				
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Revised estimate			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17							
Programme 1	690.1	725.9	686.9	695.6	750.8	699.9	689.7	768.3	727.6	736.6	777.1	777.1	102.8%	95.7%						
Programme 2	138.6	141.6	121.0	147.2	124.7	124.1	164.8	116.6	113.6	126.4	118.7	118.7	82.7%	95.2%						
Programme 3	968.3	1 010.3	231.2	307.2	243.3	235.1	263.2	89.7	92.5	108.3	121.9	121.9	41.3%	46.5%						
Programme 4	1 617.1	1 616.2	1 591.2	1 792.5	1 786.0	1 775.2	1 973.5	1 964.3	1 953.6	1 735.7	1 727.0	1 727.0	99.0%	99.3%						
Programme 5	256.2	256.2	256.7	277.3	285.6	281.1	294.5	296.4	287.4	313.5	294.3	294.3	98.1%	98.9%						
Programme 6	5 543.1	5 443.1	5 101.9	5 120.3	5 264.6	5 176.7	5 795.6	5 827.6	5 795.8	6 922.4	6 891.7	6 891.7	98.2%	98.0%						
Programme 7	329.7	284.4	306.6	309.1	323.5	329.6	364.1	386.8	462.9	336.5	410.9	410.9	112.7%	107.4%						
Programme 8	29.5	37.8	32.4	37.9	39.9	38.0	48.3	48.3	38.3	48.1	47.8	47.8	95.5%	90.0%						
Total	9 572.6	9 515.6	8 327.9	8 687.0	8 818.4	8 659.8	9 593.7	9 497.8	9 471.7	10 327.5	10 389.5	10 389.5	96.5%	96.4%						
Change to 2016 Budget estimate										62.0										
Economic classification																				
Current payments	1 493.3	1 527.7	1 392.5	1 441.0	1 544.4	1 442.6	1 475.7	1 561.0	1 485.7	1 529.0	1 582.2	1 582.2	99.4%	95.0%						
Compensation of employees	854.2	818.3	734.0	848.0	857.4	815.3	897.7	897.7	874.2	930.3	930.3	930.3	95.0%	95.7%						
Goods and services	639.1	709.4	658.5	593.0	687.0	627.3	577.9	663.3	611.5	598.7	651.9	651.9	105.8%	94.0%						
Transfers and subsidies	8 059.3	7 950.0	6 916.7	7 222.3	7 240.9	7 192.5	8 083.9	7 901.2	7 936.5	8 765.3	8 774.0	8 774.0	95.9%	96.7%						
Departmental agencies and accounts	1 234.7	1 285.7	639.9	724.3	732.8	731.8	761.5	591.9	591.9	601.4	856.0	856.0	-	-						
Higher education institutions	12.8	12.8	-	15.8	0.0	-	12.5	0.0	-	-	-	-	-	-						
Foreign governments and international organisations	39.7	34.5	38.2	34.6	31.7	26.6	31.7	31.7	34.8	33.6	32.6	32.6	94.6%	101.3%						
Public corporations and private enterprises	6 751.2	6 586.4	6 139.4	6 325.5	6 349.9	6 295.2	7 131.6	7 128.6	7 156.2	7 970.2	7 720.4	7 720.4	96.9%	98.3%						
Non-profit institutions	18.9	27.9	94.8	120.4	124.0	134.0	144.1	146.6	148.9	158.1	163.1	163.1	122.5%	117.1%						
Households	1.9	2.6	4.3	1.8	2.5	5.0	2.5	2.4	4.8	2.1	1.9	1.9	196.4%	170.0%						
Payments for capital assets	20.0	37.9	17.6	23.7	33.2	19.9	34.2	35.7	37.4	33.2	33.3	33.3	97.5%	77.3%						
Machinery and equipment	10.9	13.5	11.0	12.0	21.2	19.4	24.1	30.7	33.0	20.6	25.4	25.4	131.6%	97.8%						
Software and other intangible assets	9.2	24.3	6.6	11.7	11.9	0.5	10.1	5.0	4.4	12.6	7.9	7.9	44.6%	39.5%						
Payments for financial assets	-	0.0	1.2	-	0.0	4.7	-	-	12.1	-	-	-	-	598 866.7%						
Total	9 572.6	9 515.6	8 327.9	8 687.0	8 818.4	8 659.8	9 593.7	9 497.8	9 471.7	10 327.5	10 389.5	10 389.5	96.5%	96.4%						

Expenditure estimates

Table 34.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration 2. International Trade and Economic Development 3. Special Economic Zones and Economic Transformation 4. Industrial Development 5. Consumer and Corporate Regulation 6. Incentive Development and Administration 7. Trade and Investment South Africa 8. Investment South Africa									
Programme	Revised estimate	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	777.1	2.3%	7.8%	731.8	768.7	804.2	1.2%	8.0%	
Programme 2	118.7	-5.7%	1.3%	119.8	126.9	131.3	3.4%	1.3%	
Programme 3	121.9	-50.6%	1.8%	119.4	120.1	122.3	0.1%	1.2%	
Programme 4	1 727.0	2.2%	19.1%	1 819.3	1 775.8	1 869.2	2.7%	18.6%	
Programme 5	294.3	4.7%	3.0%	298.6	320.9	329.2	3.8%	3.2%	
Programme 6	6 891.7	8.2%	62.3%	5 746.5	6 416.0	5 348.8	-8.1%	63.0%	
Programme 7	410.9	13.1%	4.1%	388.5	385.5	457.3	3.6%	4.2%	
Programme 8	47.8	8.1%	0.4%	50.9	52.0	53.7	3.9%	0.5%	
Total	10 389.5	3.0%	100.0%	9 274.8	9 965.9	9 116.0	-4.3%	100.0%	
Change to 2016 Budget estimate				(15.7)	1 334.5	(17.5)			

Table 34.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Current payments	1 582.2	1.2%	16.0%	1 511.7	1 560.5	1 659.8	1.6%	16.3%
Compensation of employees	930.3	4.4%	9.1%	902.4	927.8	998.6	2.4%	9.7%
Goods and services	651.9	-2.8%	6.9%	609.3	632.7	661.2	0.5%	6.6%
Transfers and subsidies	8 774.0	3.3%	83.6%	7 735.1	8 377.5	7 420.4	-5.4%	83.4%
Departmental agencies and accounts	856.0	-12.7%	7.7%	747.6	668.6	704.9	-6.3%	7.7%
Foreign governments and international organisations	32.6	-1.9%	0.4%	36.3	38.4	40.6	7.6%	0.4%
Public corporations and private enterprises	7 720.4	5.4%	74.1%	6 789.0	7 519.0	6 514.5	-5.5%	73.7%
Non-profit institutions	163.1	80.2%	1.5%	160.8	150.1	159.0	-0.9%	1.6%
Households	1.9	-9.6%	0.0%	1.3	1.4	1.5	-8.5%	0.0%
Payments for capital assets	33.3	-4.2%	0.3%	28.0	27.9	35.8	2.4%	0.3%
Machinery and equipment	25.4	23.4%	0.2%	19.9	20.2	21.3	-5.7%	0.2%
Software and other intangible assets	7.9	-31.4%	0.1%	8.1	7.7	14.5	22.5%	0.1%
Total	10 389.5	3.0%	100.0%	9 274.8	9 965.9	9 116.0	-4.3%	100.0%

Goods and services expenditure trends and estimates

Table 34.4 Vote Goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Administrative fees	5 243	3 625	3 318	3 994	-8.7%	0.6%	4 177	5 041	5 575	11.8%	0.7%
Advertising	41 374	29 644	23 752	19 770	-21.8%	4.5%	31 144	32 413	34 119	19.9%	4.6%
Minor assets	272	1 859	1 093	613	31.1%	0.2%	487	507	550	-3.6%	0.1%
Audit costs: External	8 123	8 857	8 778	11 727	13.0%	1.5%	10 090	10 595	11 131	-1.7%	1.7%
Bursaries: Employees	1 392	995	1 592	1 929	11.5%	0.2%	3 352	3 570	3 789	25.2%	0.5%
Catering: Departmental activities	5 618	1 815	1 883	2 555	-23.1%	0.5%	4 716	5 313	5 701	30.7%	0.7%
Communication	10 561	10 575	12 799	11 100	1.7%	1.8%	12 275	13 122	13 793	7.5%	2.0%
Computer services	18 318	17 107	25 801	45 658	35.6%	4.2%	25 645	24 467	24 983	-18.2%	4.7%
Consultants: Business and advisory services	38 294	82 654	28 352	40 637	2.0%	7.5%	59 572	62 706	61 670	14.9%	8.8%
Infrastructure and planning services	-	281	-	-	-	-	-	-	-	-	-
Legal services	10 536	22 474	21 070	21 604	27.0%	3.0%	10 979	11 042	11 659	-18.6%	2.2%
Contractors	19 221	14 468	16 914	13 101	-12.0%	2.5%	16 522	17 225	18 137	11.5%	2.5%
Agency and support/outsourced services	762	1 606	1 579	2 128	40.8%	0.2%	2 608	2 670	2 813	9.7%	0.4%
Entertainment	1 917	1 570	1 323	1 103	-16.8%	0.2%	1 272	1 321	1 346	6.9%	0.2%
Fleet services (including government motor transport)	545	549	873	800	13.6%	0.1%	1 114	1 155	1 217	15.0%	0.2%
Consumable supplies	1 713	1 380	1 462	1 112	-13.4%	0.2%	5 992	6 549	6 885	83.6%	0.8%
Consumables: Stationery, printing and office supplies	11 664	8 146	16 280	14 304	7.0%	2.0%	10 117	12 238	11 619	-6.7%	1.9%
Operating leases	276 979	279 077	281 191	300 942	2.8%	44.6%	230 846	236 378	249 222	-6.1%	39.8%
Rental and hiring	171	134	199	1 454	104.1%	0.1%	208	189	206	-47.9%	0.1%
Property payments	8 055	7 983	12 283	12 342	15.3%	1.6%	9 475	10 175	10 728	-4.6%	1.7%
Transport provided: Departmental activity	-	-	-	22	-	-	5	5	-	-100.0%	-
Travel and subsistence	110 709	84 301	95 984	89 846	-6.7%	14.9%	108 548	111 546	117 162	9.3%	16.7%
Training and development	9 164	7 184	8 155	10 313	4.0%	1.4%	10 153	11 472	12 723	7.3%	1.7%
Operating payments	33 048	23 973	28 223	21 640	-13.2%	4.2%	27 500	30 069	31 854	13.8%	4.3%
Venues and facilities	44 798	17 045	18 573	23 197	-19.7%	4.1%	22 483	22 912	24 336	1.6%	3.6%
Total	658 477	627 302	611 477	651 891	-0.3%	100.0%	609 280	632 680	661 218	0.5%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 34.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	579 895	620 758	437 280	693 241	6.1%	7.6%	601 243	545 510	574 936	-6.0%	7.5%
Independent Regulatory Board for Auditors	–	1 800	500	–	–	–	–	–	–	–	–
Public Service Sector Education and Training Authority	–	1 711	–	–	–	–	–	–	–	–	–
Council for Geoscience	835	–	1 077	1 131	10.6%	–	1 188	1 257	1 327	5.5%	–
National Research Foundation: Technology and human resources for industry programme	160 634	165 572	–	–	-100.0%	1.1%	–	–	–	–	–
National Productivity Institute	13 651	9 170	8 094	8 523	-14.5%	0.1%	8 949	9 468	9 998	5.5%	0.1%
Broad-Based Black Economic Empowerment Commission	–	–	–	–	–	–	20 000	20 000	20 000	–	0.2%
South African National Accreditation System	33 473	35 712	26 025	22 208	-12.8%	0.4%	30 313	31 828	33 610	14.8%	0.4%
National Metrology Institute of South Africa: Operations	85 942	91 564	96 296	101 400	5.7%	1.2%	106 470	112 645	118 953	5.5%	1.4%
National Regulator for Compulsory Specifications	103 000	109 734	91 732	86 418	-5.7%	1.3%	128 745	135 683	143 281	18.4%	1.5%
National Credit Regulator	63 691	68 845	66 727	69 577	3.0%	0.9%	73 056	77 293	81 621	5.5%	0.9%
National Gambling Board	27 717	29 797	31 983	30 121	2.8%	0.4%	31 627	33 461	35 335	5.5%	0.4%
National Consumer Tribunal	36 099	40 164	46 029	46 151	8.5%	0.5%	48 459	51 270	54 141	5.5%	0.6%
National Consumer Commission	44 516	53 376	54 596	56 643	8.4%	0.7%	52 614	55 865	58 993	1.4%	0.7%
Companies Tribunal	10 337	13 313	14 221	15 069	13.4%	0.2%	15 822	16 740	17 677	5.5%	0.2%
National Research Foundation	–	–	–	256 000	–	0.8%	84 000	–	–	-100.0%	1.1%
Capital	60 000	111 000	154 599	162 793	39.5%	1.6%	146 333	123 086	129 979	-7.2%	1.7%
National Metrology Institute of South Africa	60 000	111 000	154 599	162 793	39.5%	1.6%	146 333	123 086	129 979	-7.2%	1.7%
Foreign governments and international organisations											
Current	38 214	26 598	34 774	32 571	-5.2%	0.4%	36 321	38 426	40 577	7.6%	0.5%
Organisation for the Prohibition of Chemical Weapons	3 642	–	4 278	4 626	8.3%	–	5 172	5 472	5 778	7.7%	0.1%
World Trade Organisation	13 228	17 172	17 267	14 501	3.1%	0.2%	14 500	15 341	16 200	3.8%	0.2%
United Nations Industrial Development Organisation	5 853	5 071	6 405	6 459	3.3%	0.1%	6 767	7 159	7 560	5.4%	0.1%
Treaty Organisations for Metrology	1 477	–	1 537	2 058	11.7%	–	1 798	1 902	2 009	-0.8%	–
World Intellectual Property Organisation	4 214	4 355	5 287	4 927	5.3%	0.1%	5 173	5 473	5 779	5.5%	0.1%
Export consultancy trust funds: International Bank for Reconstruction and Development (World Bank)	4 900	–	–	–	-100.0%	–	1 456	1 540	1 626	–	–
Export consultancy trust funds: International Finance Corporation	4 900	–	–	–	-100.0%	–	1 455	1 539	1 625	–	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	1 129 466	1 301 471	1 492 874	1 225 356	2.8%	16.7%	1 280 038	1 261 694	1 332 405	2.8%	15.8%
Industrial Development Corporation: Research into industrial development, growth and equity	650	1 983	–	–	-100.0%	–	–	–	–	–	–
Development Bank of Southern Africa: Regional Spatial development initiatives	9 303	20 689	–	–	-100.0%	0.1%	–	–	–	–	–
Protechnik Laboratories: Operations	2 832	2 684	2 797	2 945	1.3%	–	3 093	3 272	3 455	5.5%	–
Council for Scientific and Industrial Research	1 500	1 501	1 572	1 655	3.3%	–	1 738	1 839	1 942	5.5%	–
Industrial Development Corporation of South Africa	822 791	878 244	1 000 937	758 266	-2.7%	11.2%	723 440	697 478	736 537	-1.0%	9.0%
Council for Scientific and Industrial Research: National Cleaner Production Centre	–	51 679	55 000	58 870	–	0.5%	62 951	63 008	66 592	4.2%	0.8%
South African Bureau of Standards	204 967	220 078	216 215	212 365	1.2%	2.8%	285 494	280 693	296 412	11.8%	3.3%
Council for Scientific and Industrial Research: National Foundry Technology Network	14 130	14 243	16 384	19 689	11.7%	0.2%	25 678	27 457	28 995	13.8%	0.3%
Export Credit Insurance Corporation	73 293	110 370	199 969	171 566	32.8%	1.8%	177 644	187 947	198 472	5.0%	2.3%
Capital	954 154	633 472	758 292	1 429 000	14.4%	12.2%	715 721	1 412 767	1 580 266	3.4%	15.9%
Protechnik Laboratories: Capital	1 855	1 118	1 158	1 219	-13.1%	–	1 280	1 354	1 430	5.5%	–
Council for Scientific and Industrial Research: Aerospace industry	21 226	22 500	21 534	17 781	-5.7%	0.3%	19 020	20 413	21 556	6.6%	0.2%
South African Bureau of Standards: Upgrading of vehicle testing facility	43 678	–	–	–	-100.0%	0.1%	–	–	–	–	–
South African Bureau of Standards	–	1 611	–	–	–	–	–	–	–	–	–
Coega Development Corporation	308 195	–	–	–	-100.0%	1.0%	–	–	–	–	–
Various institutions: Special economic zones	449 200	608 243	735 600	1 310 000	42.9%	10.1%	605 421	1 300 000	1 457 280	3.6%	14.5%
Various institutions: Critical infrastructure programme	–	–	–	100 000	–	0.3%	90 000	91 000	100 000	–	1.2%
East London industrial development zone	100 000	–	–	–	-100.0%	0.3%	–	–	–	–	–
Richards Bay industrial development zone	30 000	–	–	–	-100.0%	0.1%	–	–	–	–	–

Table 34.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Subsidies on products and production											
Current	3 515 298	3 949 444	4 526 712	4 590 716	9.3%	53.8%	4 397 350	4 429 071	3 167 019	-11.6%	51.3%
Various institutions: Services sector development incentives	555 000	715 000	789 663	600 000	2.6%	8.6%	692 500	732 069	704 425	5.5%	8.4%
Various institutions: Manufacturing development incentives	2 960 298	3 134 849	3 607 049	3 890 716	9.5%	44.1%	3 564 850	3 617 002	2 462 594	-14.1%	41.9%
Various institutions: Industrial development zones (other)	-	99 595	130 000	100 000	-	1.1%	140 000	80 000	-	-100.0%	1.0%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	400 550	329 520	304 075	285 314	-10.7%	4.3%	276 437	295 370	311 911	3.0%	3.6%
Broadening participation development incentives	72 872	-	-	-	-100.0%	0.2%	-	-	-	-	-
Various Institutions: Support programme for industrial innovation	53 860	-	22 827	60 892	4.2%	0.4%	63 937	67 645	71 433	5.5%	0.8%
Various institutions: Export market and investment assistance	273 818	329 520	281 248	224 422	-6.4%	3.6%	212 500	227 725	240 478	2.3%	2.8%
Capital	139 968	81 269	74 203	190 000	10.7%	1.6%	119 500	120 071	122 891	-13.5%	1.7%
Various institutions: Critical infrastructure programme	139 968	81 269	74 203	190 000	10.7%	1.6%	119 500	120 071	122 891	-13.5%	1.7%
Non-profit institutions											
Current	94 784	134 018	148 850	163 107	19.8%	1.8%	160 814	150 092	158 963	-0.9%	2.0%
Black Business Council	-	5 000	1 000	1 000	-	-	1 500	1 500	1 500	14.5%	-
Intsimbi national tooling initiative	54 434	67 700	70 353	74 082	10.8%	0.9%	75 786	82 298	86 907	5.5%	1.0%
Automotive supply chain competitiveness initiative	-	-	14 000	15 000	-	0.1%	13 127	7 984	8 813	-16.2%	0.1%
Trade and industrial policy strategies	6 000	14 570	20 772	22 712	55.8%	0.2%	21 423	12 086	12 763	-17.5%	0.2%
Centurion Aerospace Village	15 800	16 748	17 517	18 445	5.3%	0.2%	19 367	15 490	16 357	-3.9%	0.2%
Proudly South African campaign	18 550	30 000	25 208	31 868	19.8%	0.3%	29 611	30 734	32 623	0.8%	0.4%
Households											
Social benefits											
Current	1 409	2 157	2 837	1 063	-9.0%	-	800	846	893	-5.6%	-
Employee social benefits	1 402	2 157	2 837	1 063	-7.1%	-	800	846	893	-5.6%	-
Gifts and donations	7	-	-	-	-100.0%	-	-	-	-	-	-
Households											
Other transfers to households											
Current	2 932	2 796	1 992	851	-33.8%	-	539	536	575	-12.3%	-
Bursaries for non-employees	2 522	2 656	1 669	551	-39.8%	-	539	536	575	1.4%	-
Gifts and donations	410	140	188	300	-9.9%	-	-	-	-	-100.0%	-
Other transfers to households	-	-	135	-	-	-	-	-	-	-	-
Total	6 916 670	7 192 503	7 936 488	8 774 012	8.3%	100.0%	7 735 096	8 377 469	7 420 415	-5.4%	100.0%

Personnel information

Table 34.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment										Average growth rate (%) 2016/17 - 2019/20	Average: Salary level/Total (%)						
		Actual		Revised estimate			Medium-term expenditure estimate												
		2015/16	Unit cost	2016/17		2017/18		2018/19		2019/20									
		Number	Cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Trade and Industry																			
Salary level	1 361	98	1 482	874.2	0.6	1 416	930.3	0.7	1 379	902.4	0.7	1 341	927.8	0.7	1 307	998.6	0.8	-2.6%	100.0%
1 - 6	169	59	189	38.0	0.2	182	35.9	0.2	179	37.3	0.2	175	39.0	0.2	173	41.2	0.2	-1.7%	13.0%
7 - 10	624	21	645	251.8	0.4	613	287.6	0.5	595	287.1	0.5	578	298.4	0.5	564	310.4	0.6	-2.7%	43.2%
11 - 12	316	11	333	266.1	0.8	321	259.7	0.8	312	262.7	0.8	303	271.0	0.9	295	284.7	1.0	-2.8%	22.6%
13 - 16	250	7	247	258.5	1.0	232	309.0	1.3	225	258.8	1.2	217	297.1	1.4	207	297.7	1.4	-3.7%	16.2%
Other	2	-	68	59.8	0.9	68	38.1	0.6	68	56.5	0.8	68	22.3	0.3	68	64.6	0.9	-	5.0%
Programme	1 361	98	1 482	874.2	0.6	1 416	930.3	0.7	1 379	902.4	0.7	1 341	927.8	0.7	1 307	998.6	0.8	-2.6%	100.0%
Programme 1	499	33	517	264.7	0.5	500	289.7	0.6	493	278.6	0.6	485	298.2	0.6	477	311.2	0.7	-1.6%	35.9%
Programme 2	105	2	110	68.9	0.6	104	77.4	0.7	100	75.3	0.8	97	79.8	0.8	95	81.0	0.9	-3.0%	7.3%
Programme 3	87	11	86	54.8	0.6	80	73.6	0.9	76	71.0	0.9	73	71.9	1.0	70	71.4	1.0	-4.4%	5.5%
Programme 4	147	5	158	99.6	0.6	148	105.2	0.7	144	106.5	0.7	140	108.0	0.8	134	105.8	0.8	-3.3%	10.4%
Programme 5	88	3	92	54.5	0.6	85	62.8	0.7	80	53.8	0.7	76	61.6	0.8	73	55.4	0.8	-4.9%	5.8%
Programme 6	222	15	225	126.5	0.6	217	131.0	0.6	212	126.6	0.6	207	131.6	0.6	203	138.0	0.7	-2.2%	15.4%
Programme 7	167	26	245	177.8	0.7	236	159.6	0.7	229	157.5	0.7	221	143.4	0.6	215	201.6	0.9	-3.1%	16.6%
Programme 8	46	3	49	27.4	0.6	46	31.0	0.7	45	33.2	0.7	42	33.4	0.8	40	34.1	0.9	-4.6%	3.2%

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

2. Rand million.

Departmental receipts

Table 34.7 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
R thousand												
Departmental receipts	71 741	82 551	61 979	82 155	65 457	-3.0%	100.0%	69 000	73 000	77 000	5.6%	100.0%
Tax receipts	4 228	2 925	2 985	4 000	900	-40.3%	3.9%	5 200	5 400	5 500	82.8%	6.0%
Sales of goods and services produced by department	482	524	535	616	500	1.2%	0.7%	616	669	721	13.0%	0.9%
Sales by market establishments	263	270	259	280	250	-1.7%	0.4%	300	320	350	11.9%	0.4%
of which:												
Rental of parking	263	270	259	280	250	-1.7%	0.4%	300	320	350	11.9%	0.4%
Administrative fees	-	-	-	1	-	-	-	1	1	1	-	-
of which:												
Request information in terms of the Promotion of Access to Information Act (2000)	-	-	-	1	-	-	-	1	1	1	-	-
Other sales	219	254	276	335	250	4.5%	0.4%	315	348	370	14.0%	0.5%
of which:												
Commission on hand	159	183	181	320	180	4.2%	0.2%	250	280	300	18.6%	0.4%
Academic services	60	71	95	15	70	5.3%	0.1%	65	68	70	-	0.1%
Sales of scrap, waste, arms and other used current goods	-	-	3	5	3	-	-	1	1	1	-30.7%	-
of which:												
Waste paper: Recycling of paper	-	-	3	-	-	-	-	1	1	1	-	-
Cellphones: Old pool phones	-	-	-	5	3	-	-	-	-	-	-100.0%	-
Transfers received	-	-	-	244	244	-	0.1%	-	-	-	-100.0%	0.1%
Fines, penalties and forfeits	20 420	97	28	400	40	-87.5%	7.3%	220	225	280	91.3%	0.3%
Interest, dividends and rent on land	95	1 348	3 561	3 570	3 570	235.0%	3.0%	550	650	700	-41.9%	1.9%
Interest	95	1 348	3 561	3 570	3 570	235.0%	3.0%	550	650	700	-41.9%	1.9%
Sales of capital assets	38	223	360	300	300	99.1%	0.3%	300	350	400	10.1%	0.5%
Transactions in financial assets and liabilities	46 478	77 434	54 507	73 020	59 900	8.8%	84.6%	62 113	65 705	69 398	5.0%	90.4%
Total	71 741	82 551	61 979	82 155	65 457	-3.0%	100.0%	69 000	73 000	77 000	5.6%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department, and conduct research on industrial development, growth and equity.

Expenditure trends and estimates

Table 34.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	27.3	27.6	32.1	32.5	6.0%	4.1%	31.6	37.7	40.8	7.8%	4.6%
Office of the Director General	69.7	96.3	93.6	107.0	15.4%	12.7%	119.8	121.5	129.6	6.6%	15.5%
Corporate Services	425.9	444.8	478.6	489.1	4.7%	63.6%	415.1	433.2	457.3	-2.2%	58.2%
Office Accommodation	-	-	2.4	2.9	-	0.2%	2.5	2.2	2.4	-6.4%	0.3%
Financial Management	46.4	57.5	51.4	73.1	16.4%	7.9%	69.5	73.3	72.7	-0.2%	9.4%
Media and Public Relations	7.8	6.9	10.2	10.4	10.1%	1.2%	19.1	21.0	22.2	28.9%	2.4%
Marketing Communication and Stakeholder Relations	109.8	66.7	59.2	62.1	-17.3%	10.3%	74.3	79.7	79.4	8.5%	9.6%
Total	686.9	699.9	727.6	777.1	4.2%	100.0%	731.8	768.7	804.2	1.2%	100.0%
Change to 2016 Budget estimate				40.5			(24.6)	(20.2)	(28.8)		
Economic classification											
Current payments	676.4	674.5	697.5	758.7	3.9%	97.1%	715.9	752.4	787.1	1.2%	97.8%
Compensation of employees	226.1	257.4	264.7	289.7	8.6%	35.9%	278.6	298.2	311.2	2.4%	38.2%
Goods and services ¹	450.3	417.1	432.7	469.0	1.4%	61.2%	437.3	454.2	475.9	0.5%	59.6%
of which:											
Advertising	37.3	27.3	20.9	18.8	-20.5%	3.6%	28.8	30.4	32.0	19.5%	3.6%
Computer services	17.2	16.3	24.7	40.8	33.4%	3.4%	24.9	23.7	24.2	-16.1%	3.7%

Table 34.8 Administration expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
Consultants: Business and advisory services	10.7	11.6	9.8	13.8	9.0%	1.6%	28.8	29.8	30.5	30.3%	3.3%
Operating leases	252.6	258.0	256.0	274.3	2.8%	36.0%	222.4	227.9	240.6	-4.3%	31.3%
Travel and subsistence	23.4	17.7	20.8	22.0	-2.0%	2.9%	32.1	34.1	36.1	18.0%	4.0%
Operating payments	11.9	12.4	9.7	6.3	-19.2%	1.4%	14.4	15.8	16.6	38.3%	1.7%
Transfers and subsidies¹	3.9	6.9	2.6	0.8	-41.2%	0.5%	0.5	0.5	0.6	-9.9%	0.1%
Departmental agencies and accounts	-	1.7	-	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises	0.7	2.0	-	-	-100.0%	0.1%	-	-	-	-	-
Households	3.2	3.2	2.6	0.8	-37.4%	0.3%	0.5	0.5	0.6	-9.9%	0.1%
Payments for capital assets	6.2	15.0	27.5	17.6	41.8%	2.3%	15.4	15.8	16.6	-1.9%	2.1%
Machinery and equipment	5.3	14.6	25.7	15.2	42.6%	2.1%	12.8	13.2	13.9	-3.1%	1.8%
Software and other intangible assets	0.9	0.3	1.8	2.4	37.3%	0.2%	2.6	2.6	2.7	4.9%	0.3%
Payments for financial assets	0.5	3.6	-	-	-100.0%	0.1%	-	-	-	-	-
Total	686.9	699.9	727.6	777.1	4.2%	100.0%	731.8	768.7	804.2	1.2%	100.0%
Proportion of total programme expenditure to vote expenditure	8.2%	8.1%	7.7%	7.5%	-	-	7.9%	7.7%	8.8%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	2.4	2.7	1.7	0.6	-39.0%	0.3%	0.5	0.5	0.6	1.4%	0.1%
Bursaries for non-employees	2.4	2.7	1.7	0.6	-39.0%	0.3%	0.5	0.5	0.6	1.4%	0.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	0.7	2.0	-	-	-100.0%	0.1%	-	-	-	-	-
Industrial Development Corporation: Research into industrial development, growth and equity	0.7	2.0	-	-	-100.0%	0.1%	-	-	-	-	-

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

Programme 2: International Trade and Economic Development

Programme purpose

Build an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and fostering African development, including regional and continental integration and development cooperation in line with the New Partnership for Africa's Development.

Objective

- Promote African economic integration and development at the bilateral, regional and continental levels by:
 - advancing development integration in the Southern African Customs Union and the Southern African Development Community free-trade area through the Africa regional development programme, to be implemented over the medium term
 - finalising negotiations on the tripartite free-trade area involving the Southern African Development Community, the East African Community and the Common Market for Eastern and Southern Africa regions over the medium term
 - advancing South Africa's trade, industrial policy and economic development objectives through cooperation with key economies to address tariff and non-tariff barriers that inhibit South African value-added exports over the medium term.

Subprogrammes

- *International Trade Development* facilitates bilateral and multilateral trade relations and agreements.
- *African Multilateral Economic Development* facilitates multilateral African trade relations aimed at deepening regional integration.

Expenditure trends and estimates

Table 34.9 International Trade and Economic Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million											
International Trade Development	94.9	89.9	98.6	101.0	2.1%	80.5%	102.2	107.8	110.9	3.2%	84.9%
African Multilateral Economic Development	26.1	34.2	15.0	17.7	-12.1%	19.5%	17.6	19.1	20.4	4.8%	15.1%
Total	121.0	124.1	113.6	118.7	-0.6%	100.0%	119.8	126.9	131.3	3.4%	100.0%
Change to 2016 Budget estimate				(7.7)			(3.5)	(1.0)	(3.7)		
Economic classification											
Current payments	88.7	81.7	86.1	93.6	1.8%	73.3%	94.0	99.4	102.1	2.9%	78.3%
Compensation of employees	64.5	67.3	68.9	77.4	6.3%	58.3%	75.3	79.8	81.0	1.5%	63.1%
Goods and services ¹	24.2	14.4	17.2	16.2	-12.5%	15.1%	18.7	19.6	21.1	9.2%	15.2%
of which:											
Communication	1.0	0.7	0.7	0.4	-24.3%	0.6%	0.7	0.7	0.8	23.2%	0.5%
Consultants: Business and advisory services	1.4	0.4	0.2	0.3	-38.8%	0.5%	0.3	0.2	0.3	-6.0%	0.2%
Legal services	1.0	0.4	0.2	1.6	18.3%	0.6%	1.7	1.8	1.9	5.4%	1.4%
Agency and support/outsourced services	0.5	0.3	-	0.3	-18.2%	0.3%	0.3	0.3	0.3	1.2%	0.2%
Travel and subsistence	16.2	11.4	14.3	11.2	-11.6%	11.1%	13.5	13.9	14.8	9.7%	10.8%
Venues and facilities	2.4	0.2	1.0	1.5	-15.4%	1.1%	1.4	1.8	1.8	6.3%	1.3%
Transfers and subsidies¹	31.7	41.7	26.8	24.4	-8.3%	26.1%	25.2	26.7	28.2	4.9%	21.0%
Departmental agencies and accounts	0.8	-	1.1	1.1	10.6%	0.6%	1.2	1.3	1.3	5.5%	1.0%
Foreign governments and international organisations	16.9	17.2	21.5	19.1	4.3%	15.7%	19.7	20.8	22.0	4.7%	16.4%
Public corporations and private enterprises	14.0	24.5	4.0	4.2	-33.2%	9.8%	4.4	4.6	4.9	5.5%	3.6%
Households	0.0	0.1	0.3	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	0.6	0.7	0.6	0.7	3.8%	0.5%	0.6	0.8	0.9	11.9%	0.6%
Machinery and equipment	0.6	0.7	0.6	0.7	3.8%	0.5%	0.6	0.8	0.9	11.9%	0.6%
Total	121.0	124.1	113.6	118.7	-0.6%	100.0%	119.8	126.9	131.3	3.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.5%	1.4%	1.2%	1.1%	-	-	1.3%	1.3%	1.4%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	16.9	17.2	21.5	19.1	4.3%	15.7%	19.7	20.8	22.0	4.7%	16.4%
Organisation for the Prohibition of Chemical Weapons	3.6	-	4.3	4.6	8.3%	2.6%	5.2	5.5	5.8	7.7%	4.2%
World Trade Organisation	13.2	17.2	17.3	14.5	3.1%	13.0%	14.5	15.3	16.2	3.8%	12.2%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	12.1	23.4	2.8	2.9	-37.6%	8.6%	3.1	3.3	3.5	5.5%	2.6%
Development Bank of Southern Africa:	9.3	20.7	-	-	-100.0%	6.3%	-	-	-	-	-
Regional Spatial development initiatives	2.8	2.7	2.8	2.9	1.3%	2.4%	3.1	3.3	3.5	5.5%	2.6%
Protechnik Laboratories: Operations	1.9	1.1	1.2	1.2	-13.1%	1.1%	1.3	1.4	1.4	5.5%	1.1%
Capital	1.9	1.1	1.2	1.2	-13.1%	1.1%	1.3	1.4	1.4	5.5%	1.1%
Protechnik Laboratories: Capital	1.9	1.1	1.2	1.2	-13.1%	1.1%	1.3	1.4	1.4	5.5%	1.1%

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

Programme 3: Special Economic Zones and Economic Transformation

Programme purpose

Drive economic transformation and increase participation in industrialisation.

Objectives

- Facilitate broad-based economic participation by implementing the Broad-Based Black Economic Empowerment Amendment Act (2013) by:
 - implementing the black industrialists framework and action plan by 2018/19
 - facilitating the revitalisation of 10 industrial parks by 2018/19
 - implementing a national technology commercialisation strategy by 2017/18.
- Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation by developing and implementing a strategy for special economic zones by 2017/18.

Subprogrammes

- *Enterprise Competitiveness* fosters and stimulates industrialisation and structural change through the development and deployment of technologies and skills development programmes.
- *Equity and Empowerment* promotes B-BBEE and the growth of the economy through the black industrialists programme.
- *Spatial Industrial Economic Development (Special Economic Zones)* promotes a more spatially balanced regional economy through the development of policies, strategies and programmes, and special economic zones, clusters and incubators, among other things.

Expenditure trends and estimates

Table 34.10 Special Economic Zones and Economic Transformation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Enterprise Competitiveness	188.8	189.1	23.3	26.7	-47.9%	62.9%	32.2	29.3	30.0	4.0%	24.4%
Equity and Empowerment	13.0	20.6	30.9	49.4	56.3%	16.7%	39.2	38.9	43.6	-4.1%	35.4%
Spatial Industrial Economic Development (Special Economic Zones)	29.5	25.4	38.3	45.8	15.8%	20.4%	48.0	51.9	48.8	2.2%	40.2%
Total	231.2	235.1	92.5	121.9	-19.2%	100.0%	119.4	120.1	122.3	0.1%	100.0%
Change to 2016 Budget estimate				13.6			10.4	7.7	3.6		
Economic classification											
Current payments	54.7	51.6	65.5	106.6	24.9%	40.9%	86.1	86.8	88.4	-6.0%	76.1%
Compensation of employees	42.5	44.4	54.8	73.6	20.1%	31.6%	71.0	71.9	71.4	-1.0%	59.5%
Goods and services ¹	12.2	7.2	10.7	33.1	39.4%	9.3%	15.1	15.0	17.0	-19.9%	16.6%
of which:											
Catering: Departmental activities	0.4	0.1	0.2	0.5	9.0%	0.2%	0.4	0.4	0.4	-3.8%	0.4%
Communication	0.3	0.5	0.5	0.6	28.0%	0.3%	0.4	0.5	0.5	-7.1%	0.4%
Consultants: Business and advisory services	3.1	1.3	3.2	15.9	72.0%	3.4%	5.5	5.8	7.4	-22.6%	7.1%
Consumables: Stationery, printing and office supplies	0.5	0.2	0.5	0.9	25.9%	0.3%	0.3	0.5	0.5	-21.1%	0.5%
Travel and subsistence	6.6	3.1	5.4	8.0	6.7%	3.4%	6.5	6.3	6.7	-5.3%	5.7%
Venues and facilities	0.9	1.8	0.2	1.2	9.3%	0.6%	0.9	0.4	0.4	-30.1%	0.6%
Transfers and subsidies¹	176.0	183.2	11.3	11.5	-59.8%	56.1%	32.2	32.8	33.4	42.8%	22.7%
Departmental agencies and accounts	174.3	176.5	8.6	8.5	-63.4%	54.0%	28.9	29.5	30.0	52.1%	20.0%
Public corporations and private enterprises	1.5	1.5	1.6	1.7	3.3%	0.9%	1.7	1.8	1.9	5.5%	1.5%
Non-profit institutions	-	5.0	1.0	1.0	-	1.0%	1.5	1.5	1.5	14.5%	1.1%
Households	0.2	0.2	0.1	0.3	7.4%	0.1%	-	-	-	-100.0%	0.1%
Payments for capital assets	0.5	0.3	3.7	3.8	96.0%	1.2%	1.1	0.5	0.5	-50.3%	1.2%
Machinery and equipment	0.5	0.3	3.7	3.6	92.5%	1.2%	1.1	0.5	0.5	-49.4%	1.2%
Software and other intangible assets	-	-	-	0.2	-	-	-	-	-	-100.0%	-
Payments for financial assets	-	-	11.9	-	-	1.8%	-	-	-	-	-
Total	231.2	235.1	92.5	121.9	-19.2%	100.0%	119.4	120.1	122.3	0.1%	100.0%
Proportion of total programme expenditure to vote expenditure	2.8%	2.7%	1.0%	1.2%	-	-	1.3%	1.2%	1.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	174.3	176.5	8.6	8.5	-63.4%	54.0%	28.9	29.5	30.0	52.1%	20.0%
Independent Regulatory Board for Auditors	-	1.8	0.5	-	-	0.3%	-	-	-	-	-
National Research Foundation: Technology and human resources for industry programme	160.6	165.6	-	-	-100.0%	47.9%	-	-	-	-	-
National Productivity Institute	13.7	9.2	8.1	8.5	-14.5%	5.8%	8.9	9.5	10.0	5.5%	7.6%
Broad-Based Black Economic Empowerment Commission	-	-	-	-	-	-	20.0	20.0	20.0	-	12.4%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	1.5	1.5	1.6	1.7	3.3%	0.9%	1.7	1.8	1.9	5.5%	1.5%
Council for Scientific and Industrial Research	1.5	1.5	1.6	1.7	3.3%	0.9%	1.7	1.8	1.9	5.5%	1.5%

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

Programme 4: Industrial Development

Programme purpose

Design and implement policies, strategies and programmes to strengthen the ability of the manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness in both domestic and export markets.

Objective

- Support the growth and diversification of South Africa's manufacturing sector by:
 - facilitating diversification beyond the current reliance on traditional commodities and non-tradable services through the promotion of increased value addition characterised by movement into non-traditional tradable goods and services that compete in export markets, as well as against imports, over the medium term
 - promoting the long-term intensification of South Africa's industrialisation process and movement towards a knowledge economy on an ongoing basis
 - promoting a labour absorbing industrialisation path, with particular emphasis on tradable labour absorbing goods and services, and economic linkages that catalyse employment creation on an ongoing basis
 - promoting a broad-based industrialisation path characterised by the increased participation of historically disadvantaged people and marginalised regions in the mainstream industrial economy on an ongoing basis
 - contributing to industrial development in Africa, with an emphasis on building the continent's productive capacity, on an ongoing basis.

Subprogrammes

- *Industrial Competitiveness* develops policies, strategies and programmes to strengthen the ability of manufacturing and other value-adding sectors to create decent jobs, and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan.
- *Customised Sector Programmes* develops and implements high-impact sector strategies focused on manufacturing and other value-adding sectors to create decent jobs, and increases value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan.

Expenditure trends and estimates

Table 34.11 Industrial Development 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Industrial Competitiveness	595.7	650.9	682.8	685.6	4.8%	37.1%	800.0	781.8	824.3	6.3%	43.0%
Customised Sector Programmes	995.4	1 124.2	1 270.9	1 041.4	1.5%	62.9%	1 019.3	994.0	1 044.9	0.1%	57.0%
Total	1 591.2	1 775.2	1 953.6	1 727.0	2.8%	100.0%	1 819.3	1 775.8	1 869.2	2.7%	100.0%
Change to 2016 Budget estimate				(8.7)			5.2	(0.6)	(6.7)		
Economic classification											
Current payments	99.2	103.9	118.1	115.2	5.1%	6.2%	122.1	125.0	125.4	2.9%	6.8%
Compensation of employees	82.3	88.9	99.6	105.2	8.5%	5.3%	106.5	108.0	105.8	0.2%	5.9%
Goods and services ¹	16.9	15.0	18.5	10.0	-16.1%	0.9%	15.6	17.1	19.5	24.9%	0.9%
of which:											
Communication	0.5	0.5	0.6	0.4	-9.3%	-	0.7	0.8	0.8	31.6%	-
Consultants: Business and advisory services	3.8	3.5	7.1	1.0	-35.3%	0.2%	1.7	1.3	3.0	43.8%	0.1%
Consumables: Stationery, printing and office supplies	0.5	0.3	0.5	0.2	-26.4%	-	0.0	0.0	1.0	68.4%	-
Travel and subsistence	9.5	7.2	7.7	6.1	-13.8%	0.4%	10.6	11.4	11.6	24.2%	0.6%
Operating payments	1.1	1.8	1.7	1.4	9.9%	0.1%	0.8	1.8	0.8	-15.9%	0.1%
Venues and facilities	0.5	0.3	0.4	0.5	2.3%	-	0.8	0.9	1.1	28.1%	-

Table 34.11 Industrial Development expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	1 491.5	1 670.6	1 835.0	1 610.4	2.6%	93.8%	1 696.3	1 649.9	1 742.9	2.7%	93.2%
Departmental agencies and accounts	282.4	348.0	368.7	372.8	9.7%	19.5%	411.9	403.2	425.8	4.5%	22.4%
Foreign governments and international organisations	7.3	5.1	7.9	8.5	5.1%	0.4%	8.6	9.1	9.6	4.0%	0.5%
Public corporations and private enterprises	1 106.8	1 188.4	1 310.1	1 067.0	-1.2%	66.3%	1 116.6	1 089.0	1 150.1	2.5%	61.5%
Non-profit institutions	94.8	129.0	147.9	162.1	19.6%	7.6%	159.3	148.6	157.5	-1.0%	8.7%
Households	0.2	0.1	0.5	0.0	-59.5%	-	-	-	-	-100.0%	-
Payments for capital assets	0.4	0.7	0.3	1.4	50.0%	-	0.8	0.9	0.9	-12.9%	0.1%
Machinery and equipment	0.4	0.7	0.3	1.4	50.0%	-	0.8	0.9	0.9	-12.9%	0.1%
Payments for financial assets	-	-	0.1	-	-	-	-	-	-	-	-
Total	1 591.2	1 775.2	1 953.6	1 727.0	2.8%	100.0%	1 819.3	1 775.8	1 869.2	2.7%	100.0%
Proportion of total programme expenditure to vote expenditure	19.1%	20.5%	20.6%	16.6%	-	-	19.6%	17.8%	20.5%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	222.4	237.0	214.1	210.0	-1.9%	12.5%	265.5	280.2	295.8	12.1%	14.6%
South African National Accreditation System	33.5	35.7	26.0	22.2	-12.8%	1.7%	30.3	31.8	33.6	14.8%	1.6%
National Metrology Institute of South Africa: Operations	85.9	91.6	96.3	101.4	5.7%	5.3%	106.5	112.6	119.0	5.5%	6.1%
National Regulator for Compulsory Specifications	103.0	109.7	91.7	86.4	-5.7%	5.5%	128.7	135.7	143.3	18.4%	6.9%
Capital	60.0	111.0	154.6	162.8	39.5%	6.9%	146.3	123.1	130.0	-7.2%	7.8%
National Metrology Institute of South Africa	60.0	111.0	154.6	162.8	39.5%	6.9%	146.3	123.1	130.0	-7.2%	7.8%
Foreign governments and international organisations											
Current	7.3	5.1	7.9	8.5	5.1%	0.4%	8.6	9.1	9.6	4.0%	0.5%
United Nations Industrial Development Organisation	5.9	5.1	6.4	6.5	3.3%	0.3%	6.8	7.2	7.6	5.4%	0.4%
Treaty Organisations for Metrology	1.5	-	1.5	2.1	11.7%	0.1%	1.8	1.9	2.0	-0.8%	0.1%
Non-profit institutions											
Current	94.8	129.0	147.9	162.1	19.6%	7.6%	159.3	148.6	157.5	-1.0%	8.7%
Intsimbi national tooling initiative	54.4	67.7	70.4	74.1	10.8%	3.8%	75.8	82.3	86.9	5.5%	4.4%
Automotive supply chain competitiveness initiative	-	-	14.0	15.0	-	0.4%	13.1	8.0	8.8	-16.2%	0.6%
Trade and industrial policy strategies	6.0	14.6	20.8	22.7	55.8%	0.9%	21.4	12.1	12.8	-17.5%	1.0%
Centurion Aerospace Village	15.8	16.7	17.5	18.4	5.3%	1.0%	19.4	15.5	16.4	-3.9%	1.0%
Proudly South African campaign	18.6	30.0	25.2	31.9	19.8%	1.5%	29.6	30.7	32.6	0.8%	1.7%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	1 041.9	1 164.2	1 288.5	1 049.2	0.2%	64.5%	1 097.6	1 068.6	1 128.5	2.5%	60.4%
Industrial Development Corporation of South Africa	822.8	878.2	1 000.9	758.3	-2.7%	49.1%	723.4	697.5	736.5	-1.0%	40.5%
Council for Scientific and Industrial Research: National Cleaner Production Centre	-	51.7	55.0	58.9	-	2.3%	63.0	63.0	66.6	4.2%	3.5%
South African Bureau of Standards	205.0	220.1	216.2	212.4	1.2%	12.1%	285.5	280.7	296.4	11.8%	14.9%
Council for Scientific and Industrial Research: National foundry technology network	14.1	14.2	16.4	19.7	11.7%	0.9%	25.7	27.5	29.0	13.8%	1.4%
Capital	64.9	24.1	21.5	17.8	-35.1%	1.8%	19.0	20.4	21.6	6.6%	1.1%
Council for Scientific and Industrial Research: Aerospace industry	21.2	22.5	21.5	17.8	-5.7%	1.2%	19.0	20.4	21.6	6.6%	1.1%
South African Bureau of Standards: Upgrading of vehicle testing facility	43.7	-	-	-	-100.0%	0.6%	-	-	-	-	-
South African Bureau of Standards	-	1.6	-	-	-	-	-	-	-	-	-

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

Programme 5: Consumer and Corporate Regulation

Programme purpose

Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

Objectives

- Increase access to economic opportunities for small businesses and historically disadvantaged citizens by developing and reviewing policies, bills and regulations; and conducting assessments of the impact of the regulations on businesses and economic citizens by 31 March 2020.
- Develop efficient regulation to reduce the regulatory burden on businesses, and increase confidence and certainty in South African business regulation by developing and reviewing policies, bills and regulations; and conducting assessments of the impact of the regulations on businesses and economic citizens by 31 March 2020.
- Create a business regulatory environment that promotes competitive, fair and efficient markets by developing and reviewing policies, bills and regulations; and conducting assessments of the impact of the regulations on businesses and economic citizens by 31 March 2020.
- Provide access to redress for economic citizens to increase confidence in markets by conducting research on the impact of the current legislation on economic citizens; developing and reviewing policies, bills and regulations; and conducting assessments of the impact of the regulations on businesses and economic citizens by 31 March 2020.
- Promote the awareness of rights, duties and responsibilities to increase activism and public participation by conducting capacity building sessions, workshops, and education and awareness campaigns by 31 March 2020.
- Share and exchange regulatory experience with partners and stakeholders nationally and internationally to promote simple, appropriate and more effective regulatory solutions by holding consultations, seminars and conferences on policy issues by 31 March 2020.

Subprogrammes

- *Policy and Legislative Development* develops policies, laws and regulatory frameworks.
- *Enforcement and Compliance* conducts trend analyses, impact assessments and market surveys; and monitors the effectiveness of regulation.
- *Regulatory Services* executes oversight of and transfers funds to the following regulatory agencies: the National Consumer Tribunal, the National Credit Regulator, the National Gambling Board, the National Consumer Commission, the Companies and Intellectual Property Commission, and the Companies Tribunal. The department exercises oversight of, but does not transfer funds to: the National Lotteries Commission, which regulates the lotteries sector and facilitates the distribution of lottery funds to worthy organisations that serve the public interest; and the Takeover Regulation Panel and the Financial Reporting Standards Council, which are responsible for regulating applicable transactions and issuing standards.

Expenditure trends and estimates

Table 34.12 Consumer and Corporate Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million											
Policy and Legislative Development	19.2	17.6	14.7	14.9	-8.0%	5.9%	17.4	20.1	19.2	8.8%	5.8%
Enforcement and Compliance	23.2	31.4	39.3	41.6	21.6%	12.1%	40.3	42.9	41.5	-0.1%	13.4%
Regulatory Services	214.3	232.0	233.4	237.8	3.5%	82.0%	240.9	257.9	268.4	4.1%	80.8%
Total	256.7	281.1	287.4	294.3	4.7%	100.0%	298.6	320.9	329.2	3.8%	100.0%
Change to 2016 Budget estimate				(19.2)			(28.3)	(24.9)	(35.9)		
Economic classification											
Current payments	68.7	70.3	68.2	71.7	1.4%	24.9%	71.9	80.8	75.6	1.8%	24.1%
Compensation of employees	48.7	57.2	54.5	62.8	8.9%	19.9%	53.8	61.6	55.4	-4.1%	18.8%
Goods and services ¹	20.0	13.1	13.8	8.9	-23.7%	5.0%	18.1	19.1	20.2	31.6%	5.3%
of which:											
Advertising	3.3	2.0	2.0	0.5	-46.7%	0.7%	2.1	1.7	1.8	55.2%	0.5%
Catering: Departmental activities	0.6	0.3	0.1	0.2	-32.4%	0.1%	0.4	0.8	0.9	63.4%	0.2%
Consultants: Business and advisory services	2.5	1.8	1.5	1.5	-16.7%	0.7%	4.3	5.2	5.5	55.1%	1.3%
Travel and subsistence	7.5	4.1	6.2	4.7	-14.3%	2.0%	8.8	8.4	8.8	23.5%	2.5%
Operating payments	0.7	0.6	0.7	-	-100.0%	0.2%	0.7	0.8	0.8	-	0.2%
Venues and facilities	1.1	0.9	0.8	0.3	-35.8%	0.3%	0.8	1.0	1.1	57.0%	0.3%

Table 34.12 Consumer and Corporate Regulation expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	186.8	210.5	219.1	222.5	6.0%	74.9%	226.8	240.1	253.5	4.4%	75.9%
Departmental agencies and accounts	182.4	205.5	213.6	217.6	6.1%	73.2%	221.6	234.6	247.8	4.4%	74.1%
Foreign governments and international organisations	4.2	4.4	5.3	4.9	5.3%	1.7%	5.2	5.5	5.8	5.5%	1.7%
Households	0.2	0.7	0.3	0.0	-59.0%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.6	0.3	0.1	0.1	-39.1%	0.1%	-	-	-	-100.0%	-
Machinery and equipment	0.6	0.1	0.1	0.1	-39.1%	0.1%	-	-	-	-100.0%	-
Software and other intangible assets	-	0.2	-	-	-	-	-	-	-	-	-
Payments for financial assets	0.6	-	0.0	-	-100.0%	0.1%	-	-	-	-	-
Total	256.7	281.1	287.4	294.3	4.7%	100.0%	298.6	320.9	329.2	3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	3.1%	3.2%	3.0%	2.8%	-	-	3.2%	3.2%	3.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	182.4	205.5	213.6	217.6	6.1%	73.2%	221.6	234.6	247.8	4.4%	74.1%
National Credit Regulator	63.7	68.8	66.7	69.6	3.0%	24.0%	73.1	77.3	81.6	5.5%	24.3%
National Gambling Board	27.7	29.8	32.0	30.1	2.8%	10.7%	31.6	33.5	35.3	5.5%	10.5%
National Consumer Tribunal	36.1	40.2	46.0	46.2	8.5%	15.0%	48.5	51.3	54.1	5.5%	16.1%
National Consumer Commission	44.5	53.4	54.6	56.6	8.4%	18.7%	52.6	55.9	59.0	1.4%	18.0%
Companies Tribunal	10.3	13.3	14.2	15.1	13.4%	4.7%	15.8	16.7	17.7	5.5%	5.3%
Foreign governments and international organisations											
Current	4.2	4.4	5.3	4.9	5.3%	1.7%	5.2	5.5	5.8	5.5%	1.7%
World Intellectual Property Organisation	4.2	4.4	5.3	4.9	5.3%	1.7%	5.2	5.5	5.8	5.5%	1.7%

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

Programme 6: Incentive Development and Administration

Programme purpose

Stimulate and facilitate the development of sustainable and competitive enterprises, through the efficient provision of effective and accessible incentive measures that support national priorities.

Objectives

- Stimulate and facilitate the development of sustainable and competitive enterprises by providing effective and accessible incentive measures that support national priorities, in accordance with government's 2014-2019 medium-term strategic framework, over the medium term.
- Support industrial development that will enhance productivity and bolster competitiveness through designing, administering, monitoring and evaluating the manufacturing incentives programme based on industrial policies and sector strategies developed by providing financial support in labour-intensive sectors on an ongoing basis.
- Contribute to the accelerated growth of manufacturing and internationally traded services over the long term by administering the Special Economic Zones Fund through the provision of incentives for industrial infrastructure development to:
 - attract foreign direct investment
 - develop growth-oriented domestic businesses, leading to increased employment, exports and regional development.

Subprogrammes

- *Broadening Participation Incentives* provides incentive programmes that promote broader participation in the mainstream economy of businesses owned by individuals from historically disadvantaged communities and marginalised regions.
- *Manufacturing Incentives* provides incentives to promote additional investment in the manufacturing sector. The manufacturing investment cluster comprises the following programmes and schemes: the manufacturing competitive enhancement programme, the capital projects feasibility programme, the automotive investment

scheme, the export marketing and investment assistance scheme, the sector specific assistance scheme, and the section 12I tax incentive scheme.

- *Services Investment Incentives* provides incentive programmes that promote increased investment and job creation in the services sector. The programmes include the business process services programme, and the film and television production incentive support programme for South African and foreign productions.
- *Infrastructure Investment Support* provides grants for two industrial infrastructure initiatives: the special economic zones and the critical infrastructure programme, which are aimed at enhancing infrastructure and industrial development, and increasing investment and exports of value-added commodities.
- *Product and Systems Development* reviews, monitors and develops incentive programmes to support the industrial policy action plan, and develops sector strategies to address market failures.
- *Strategic Partnership and Customer Care* facilitates access to targeted enterprises by reviewing the success of incentive schemes and improving them where possible.

Expenditure trends and estimates

Table 34.13 Incentive Development and Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R million											
Broadening Participation Incentives	129.3	2.4	26.6	65.3	-20.4%	1.0%	68.3	72.3	76.4	5.4%	1.2%
Manufacturing Incentives	3 338.6	3 612.3	3 983.5	4 467.0	10.2%	67.1%	3 963.2	3 949.1	2 811.0	-14.3%	62.2%
Services Investment Incentives	564.4	728.1	803.2	613.8	2.8%	11.8%	708.6	749.1	722.7	5.6%	11.4%
Infrastructure Investment Support	1 038.6	801.4	949.7	1 711.4	18.1%	19.6%	965.0	1 601.7	1 691.6	-0.4%	24.5%
Product and Systems Development	13.0	15.0	14.9	15.9	6.9%	0.3%	19.4	20.5	22.0	11.6%	0.3%
Strategic Partnership and Customer Care	17.9	17.5	17.9	18.3	0.8%	0.3%	22.1	23.3	25.0	10.9%	0.4%
Total	5 101.9	5 176.7	5 795.8	6 891.7	10.5%	100.0%	5 746.5	6 416.0	5 348.8	-8.1%	100.0%
Change to 2016 Budget estimate				(30.7)			(26.4)	1 320.8	(31.8)		
Economic classification											
Current payments	150.8	206.9	151.2	151.6	0.2%	2.9%	165.4	172.3	174.7	4.8%	2.7%
Compensation of employees	112.5	125.8	126.5	131.0	5.2%	2.2%	126.6	131.6	138.0	1.8%	2.2%
Goods and services ¹	38.4	81.1	24.8	20.6	-18.7%	0.7%	38.8	40.7	36.7	21.2%	0.6%
of which:											
Communication	0.5	0.6	0.6	0.2	-21.2%	-	0.6	0.7	0.7	42.6%	-
Consultants: Business and advisory services	15.0	62.2	5.1	5.4	-28.7%	0.4%	16.5	17.7	12.4	31.7%	0.2%
Legal services	2.7	4.1	3.9	3.2	6.0%	0.1%	3.6	3.8	4.0	7.6%	0.1%
Operating leases	0.8	0.8	0.8	0.6	-9.0%	-	0.9	0.9	1.0	17.5%	-
Travel and subsistence	14.8	11.3	9.7	10.3	-11.4%	0.2%	14.9	15.1	15.9	15.6%	0.2%
Venues and facilities	1.7	0.1	0.4	-	-100.0%	-	0.8	0.9	0.9	-	-
Transfers and subsidies¹	4 943.5	4 969.1	5 641.3	6 732.8	10.8%	97.0%	5 573.5	6 236.4	5 160.0	-8.5%	97.1%
Departmental agencies and accounts	-	-	-	256.0	-	1.1%	84.0	-	-	-100.0%	1.4%
Public corporations and private enterprises	4 943.2	4 968.5	5 640.6	6 476.0	9.4%	95.9%	5 488.7	6 235.5	5 159.1	-7.3%	95.7%
Households	0.3	0.6	0.7	0.8	34.3%	-	0.8	0.8	0.9	3.7%	-
Payments for capital assets	7.5	0.8	3.3	7.3	-0.7%	0.1%	7.6	7.3	14.1	24.4%	0.1%
Machinery and equipment	1.8	0.8	0.7	2.0	4.7%	-	2.1	2.2	2.3	5.2%	-
Software and other intangible assets	5.7	-	2.6	5.3	-2.4%	0.1%	5.5	5.1	11.7	30.4%	0.1%
Total	5 101.9	5 176.7	5 795.8	6 891.7	10.5%	100.0%	5 746.5	6 416.0	5 348.8	-8.1%	100.0%
Proportion of total programme expenditure to vote expenditure	61.3%	59.8%	61.2%	66.3%	-	-	62.0%	64.4%	58.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	-	256.0	-	1.1%	84.0	-	-	-100.0%	1.4%
National Research Foundation	-	-	-	256.0	-	1.1%	84.0	-	-	-100.0%	1.4%

Table 34.13 Incentive Development and Administration expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20			
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	887.4	608.2	735.6	1 410.0	16.7%	15.9%	695.4	1 391.0	1 557.3	3.4%	20.7%
Coega Development Corporation	308.2	–	–	–	-100.0%	1.3%	–	–	–	–	–
Various institutions: Special economic zones	449.2	608.2	735.6	1 310.0	42.9%	13.5%	605.4	1 300.0	1 457.3	3.6%	19.1%
Various institutions: Critical infrastructure programme	–	–	–	100.0	–	0.4%	90.0	91.0	100.0	–	1.6%
East London industrial development zone	100.0	–	–	–	-100.0%	0.4%	–	–	–	–	–
Richards Bay industrial development zone	30.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	400.6	329.5	304.1	285.3	-10.7%	5.7%	276.4	295.4	311.9	3.0%	4.8%
Broadening participation development incentives	72.9	–	–	–	-100.0%	0.3%	–	–	–	–	–
Various institutions: Support programme for industrial innovation	53.9	–	22.8	60.9	4.2%	0.6%	63.9	67.6	71.4	5.5%	1.1%
Various institutions: Export market and investment assistance	273.8	329.5	281.2	224.4	-6.4%	4.8%	212.5	227.7	240.5	2.3%	3.7%
Capital	140.0	81.3	74.2	190.0	10.7%	2.1%	119.5	120.1	122.9	-13.5%	2.3%
Various institutions: Critical infrastructure programme	140.0	81.3	74.2	190.0	10.7%	2.1%	119.5	120.1	122.9	-13.5%	2.3%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Current	3 515.3	3 949.4	4 526.7	4 590.7	9.3%	72.2%	4 397.4	4 429.1	3 167.0	-11.6%	68.0%
Various institutions: Services sector development incentives	555.0	715.0	789.7	600.0	2.6%	11.6%	692.5	732.1	704.4	5.5%	11.2%
Various institutions: Manufacturing development incentives	2 960.3	3 134.8	3 607.0	3 890.7	9.5%	59.2%	3 564.9	3 617.0	2 462.6	-14.1%	55.5%
Various institutions: Industrial development zones (other)	–	99.6	130.0	100.0	–	1.4%	140.0	80.0	–	-100.0%	1.3%

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

Programme 7: Trade and Investment South Africa

Programme purpose

Support export development and promote exports through targeted strategies, and effectively manage a network of foreign offices.

Objectives

- Promote the export of South African value-added goods and services in targeted high-growth markets, and sustain market share in traditional markets through the implementation of the integrated national export strategy and the market and product diversification strategy by participating in 17 national pavilions and 22 trade missions by March 2018.
- Facilitate markets for South African manufactured goods and services by promoting export and investment projects in high-yield targeted countries such as the Brazil-Russia-India-China-South Africa group of countries, African countries, and other developing countries by March 2018.
- Enhance the ongoing promotion of exports and investment by placing 48 foreign economic representatives in foreign economic missions to promote South Africa's comparative advantage in goods and services internationally over the medium term.
- Develop new and existing South African export capabilities to grow manufactured exports by providing appropriate information, financial support and practical assistance to sustain organic growth in traditional markets, and penetrate new high-growth markets on an ongoing basis.

- Manage and administer the foreign office network effectively through a highly experienced team that has a close partnership with the Department of International Relations and Cooperation on an ongoing basis.

Subprogrammes

- *African Bilateral Economic Relations* facilitates deeper and broader bilateral African trade and investment relations with African economies, and supports the deepening of regional integration.
- *Export Promotion and Marketing* promotes the export of South African value-added goods and services to increase market share in targeted high-growth markets and sustain market share in traditional markets.
- *Trade and Investment South Africa Executive Management Unit* promotes trade, and administers and provides corporate services to the *department's* foreign office network of foreign economic representatives to enable South African businesses to access global markets.
- *Export Development and Support* manages the national exporter development programme, which is designed to contribute to *positioning* South Africa as a reliable trade partner, and improve and expand the country's exporter base.

Expenditure trends and estimates

Table 34.14 Trade and Investment South Africa 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
African Bilateral Economic Relations	18.5	18.7	18.5	22.3	6.4%	5.2%	22.5	23.1	24.8	3.5%	5.6%
Export Promotion and Marketing	18.7	39.1	41.5	42.9	31.9%	9.4%	41.5	42.6	45.7	2.1%	10.5%
Trade and Investment South Africa (TISA) Executive Management Unit	243.4	264.1	386.0	328.5	10.5%	80.9%	306.8	299.8	365.4	3.6%	79.2%
Export Development and Support	26.0	7.7	17.0	17.1	-13.0%	4.5%	17.7	20.1	21.5	7.8%	4.7%
Total	306.6	329.6	462.9	410.9	10.2%	100.0%	388.5	385.5	457.3	3.6%	100.0%
Change to 2016				74.4			49.1	51.8	105.0		
Budget estimate											
Economic classification											
Current payments	221.9	216.0	260.9	237.3	2.3%	62.0%	205.8	192.2	253.2	2.2%	54.1%
Compensation of employees	135.1	147.7	177.8	159.6	5.7%	41.1%	157.5	143.4	201.6	8.1%	40.3%
Goods and services ¹	86.9	68.3	83.1	77.7	-3.7%	20.9%	48.3	48.8	51.6	-12.7%	13.8%
of which:											
Communication	2.2	1.9	2.5	1.5	-10.7%	0.5%	1.1	1.1	1.1	-9.8%	0.3%
Consultants: Business and advisory services	1.5	1.2	1.5	2.4	15.6%	0.4%	2.1	2.1	2.2	-2.5%	0.5%
Operating leases	23.0	19.5	23.6	25.4	3.3%	6.1%	6.9	6.9	6.9	-35.3%	2.8%
Travel and subsistence	26.9	23.8	24.0	21.0	-7.8%	6.3%	15.1	15.0	15.3	-10.1%	4.0%
Operating payments	18.1	7.7	14.8	12.4	-11.8%	3.5%	9.7	9.9	11.7	-1.9%	2.7%
Venues and facilities	5.4	4.3	4.6	7.1	9.3%	1.4%	7.9	8.4	9.0	8.5%	2.0%
Transfers and subsidies¹	83.2	110.5	200.3	171.6	27.3%	37.5%	180.6	191.0	201.7	5.5%	45.4%
Foreign governments and international organisations	9.8	-	-	-	-100.0%	0.6%	2.9	3.1	3.3	-	0.6%
Public corporations and private enterprises	73.3	110.4	200.0	171.6	32.8%	36.8%	177.6	187.9	198.5	5.0%	44.8%
Households	0.1	0.1	0.3	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	1.5	2.0	1.8	2.1	10.5%	0.5%	2.1	2.2	2.3	4.5%	0.5%
Machinery and equipment	1.5	2.0	1.8	2.1	10.5%	0.5%	2.1	2.2	2.3	4.5%	0.5%
Payments for financial assets	0.0	1.1	0.0	-	-100.0%	0.1%	-	-	-	-	-
Total	306.6	329.6	462.9	410.9	10.2%	100.0%	388.5	385.5	457.3	3.6%	100.0%
Proportion of total programme expenditure to vote expenditure	3.7%	3.8%	4.9%	4.0%	-	-	4.2%	3.9%	5.0%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	9.8	-	-	-	-100.0%	0.6%	2.9	3.1	3.3	-	0.6%
Export consultancy trust funds:											
International Bank for Reconstruction and Development (World Bank)	4.9	-	-	-	-100.0%	0.3%	1.5	1.5	1.6	-	0.3%
Export consultancy trust funds:											
International Finance Corporation	4.9	-	-	-	-100.0%	0.3%	1.5	1.5	1.6	-	0.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	73.3	110.4	200.0	171.6	32.8%	36.8%	177.6	187.9	198.5	5.0%	44.8%
Export Credit Insurance Corporation	73.3	110.4	200.0	171.6	32.8%	36.8%	177.6	187.9	198.5	5.0%	44.8%

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

Programme 8: Investment South Africa

Programme purpose

Support foreign direct investment flows and domestic investment by providing a one-stop shop for investment promotion, investor facilitation and aftercare support for investors.

Objectives

- Increase the quality and quantum of South Africa's fixed investment on an ongoing basis by:
 - marketing and promoting the country to ensure investment opportunities through dedicated investment promotion, facilitation and aftercare services
 - coordinating and leading the establishment of one-stop shops on behalf of government to facilitate investment for all investors
 - coordinating and facilitating the investment climate reform with the World Bank on the ease of doing business
 - developing a pipeline of potential projects and contributing to South Africa being a preferred destination for investment
 - undertaking aftercare forums with investors to retain and expand investment.
- Provide a dedicated service to all investors over the medium term by:
 - facilitating the entire investment value chain
 - developing an investment pipeline of possible projects through lead creation, marketing, project development, facilitation and aftercare.
- Provide specialist advisory services and policy advocacy to improve the investment climate by fast-tracking and unblocking investor issues to reduce red tape in government over the medium term.

Subprogrammes

- *Investment Promotion* facilitates an increase in the quality and quantity of foreign direct investment, and domestic and outward investment, by providing investment attraction, targeted lead generation and recruitment support.
- *Investment and Interdepartmental Clearing House* promotes and facilitates investment, and provides support services to the investment and interdepartmental clearing house. This subprogramme also provides a specialist advisory service, and fast-tracks, unblocks and reduces red tape for investors.
- *Investment Support and Aftercare* provides specialist advisory services through research, information marketing, aftercare and policy advocacy to facilitate new investment, and retain and expand existing investment.

Expenditure trends and estimates

Table 34.15 Investment South Africa 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 (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Investment Promotion	25.5	30.7	31.9	39.8	16.0%	81.8%	42.6	43.0	44.5	3.8%	83.1%
Investment and Interdepartmental Clearing House	6.5	7.1	6.1	4.0	-14.8%	15.1%	4.2	4.5	4.6	4.7%	8.4%
Investment Support and After Care	0.4	0.1	0.3	4.0	114.9%	3.1%	4.2	4.5	4.6	4.6%	8.4%
Total	32.4	38.0	38.3	47.8	13.9%	100.0%	50.9	52.0	53.7	3.9%	100.0%
Change to 2016 Budget estimate				(0.3)			2.4	0.8	(0.4)		

Table 34.15 Investment South Africa expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Current payments	32.1	37.7	38.1	47.4	14.0%	99.3%	50.5	51.5	53.2	3.9%	99.2%
Compensation of employees	22.4	26.6	27.4	31.0	11.4%	68.6%	33.2	33.4	34.1	3.2%	64.4%
Goods and services ¹	9.6	11.1	10.8	16.4	19.5%	30.7%	17.2	18.2	19.2	5.3%	34.7%
<i>of which:</i>											
Communication	0.1	0.2	0.2	0.2	7.2%	0.4%	0.2	0.2	0.2	5.1%	0.4%
Consultants: Business and advisory services	0.3	0.6	0.0	0.4	1.8%	0.8%	0.4	0.4	0.4	5.5%	0.7%
Contractors	–	0.0	–	6.3	–	4.0%	6.4	6.7	7.1	4.1%	13.0%
Travel and subsistence	6.0	5.8	7.9	6.6	3.3%	16.8%	7.0	7.4	7.8	5.7%	14.0%
Operating payments	0.7	0.9	0.5	0.7	-1.9%	1.8%	0.7	0.7	0.8	5.3%	1.4%
Venues and facilities	1.8	2.9	1.4	2.0	3.3%	5.2%	2.2	2.3	2.4	6.6%	4.3%
Transfers and subsidies¹	0.0	0.0	0.1	–	-100.0%	0.1%	–	–	–	–	–
Households	0.0	0.0	0.1	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	0.3	0.3	0.0	0.4	8.5%	0.6%	0.4	0.4	0.5	6.3%	0.8%
Machinery and equipment	0.3	0.3	0.0	0.4	8.5%	0.6%	0.4	0.4	0.5	6.3%	0.8%
Total	32.4	38.0	38.3	47.8	13.9%	100.0%	50.9	52.0	53.7	3.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.4%	0.5%	–	–	0.5%	0.5%	0.6%	–	–

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

Entity¹

National Gambling Board

Mandate

The National Gambling Board was established in terms of the National Gambling Act (2004), which makes provision for the coordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and provides for the regulation and development of uniform norms and standards. The board's mandate is derived from the National Gambling Act (2004), anti-money laundering and anti-terrorism financing legislation, the Broad-Based Black Economic Empowerment Act (2003), the codes of good practice for BEE, and the Employment Equity Act (1998).

Selected performance indicators

Table 34.16 National Gambling Board of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of research reports on impact of gambling presented to the accounting authority per year	Stakeholder and liaison	Entity mandate	– ¹	1	1	1	1	1	1
Number of consolidated three-tier compliance evaluation assessment reports produced per year	Compliance monitoring		– ¹	9	9	9	9	9	9
Number of reports on intervention and support provided to regulators and law enforcement agencies per year	Compliance monitoring		– ¹	8	8	8	8	8	8
Number of reports on illegal gambling produced per year	Compliance monitoring		– ¹	4	4	4	4	4	4

1. No historical data available.

Expenditure analysis

The National Gambling Board's primary focus over the medium term will be on providing oversight and regulation of the gambling industry, creating a fair regulatory environment that promotes equitable and socially responsible behaviour, monitoring the industry's market share and behaviour patterns, and eradicating illegal gambling. The national gambling policy was approved by Cabinet in 2016 as a response to hindrances to the

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

effectiveness of the National Gambling Act (2004). The National Gambling Amendment Bill has been approved for wider public consultation, and proposes reforming the regulatory structural framework to strengthen control mechanisms to minimise the abuse of gambling.

As part of providing oversight and regulation of the industry, the board plans to continue monitoring and evaluating the issuance of national and provincial licenses. This entails reviewing the revenue collection and audits of licensing authorities, ensuring their machines are certified and approved, and inspecting the compliance of licensees through provincial licensing authorities. The compliance monitoring programme is allocated R208 million over the medium term for this purpose. The allocation will fund the production of nine compliance evaluation assessment reports per year over the medium term. The staff complement is set to remain at 27 over the medium term to maintain the capacity of the compliance unit, with expenditure on compensation of employees projected to grow by 9.9 per cent, from R21.3 million in 2016/17 to R28.2 million in 2019/20.

The board plans to develop a national register of illegal gambling operators at a projected cost of R2 million. The register will become a central repository for all gambling operations, and allow the board to collaborate with law enforcement agencies to eradicate illegal gambling activities. To develop and roll out the register, the board aims to produce 12 reports on illegal gambling over the medium term. A national central electronic monitoring system, which manages and monitors the limited payout machine industry in South Africa, will allow the board to collect data on revenue made by machines, and ensure the industry is effectively monitored. The national central electronic monitoring system is projected to cost R159.3 million. Expenditure on goods and services is expected to increase from R24 million in 2016/17 to R127.7 million in 2019/20 as a result of the establishment of the national central electronic monitoring system and the national illegal gambling operators register, which are expected to account for 67.5 per cent of total spending on goods and services over the medium term.

To inform the public about legal and illegal forms of gambling, and address problem gambling, the board is planning to run five public awareness campaigns in each year over the MTEF period. The board will further conduct socioeconomic research on the benefits and dangers of gambling to inform and guide policy on gambling-related matters in the country. These activities are funded in the stakeholder and liaison programme, which has an allocation of R47.3 million over the medium term.

A projected 45.8 per cent, or R100.4 million, of the board's revenue over the medium term will come from transfers from the department. This will be supplemented by revenue from the national central electronic monitoring system. Revenue is projected to grow by 49.2 per cent over the medium term, from R47.8 million in 2016/17 to R158.8 million in 2019/20, because of the revised revenue model for the national central electronic monitoring system, which will allow for monitoring fees from limited payout machines to accrue to the board.

Programmes/objectives/activities

Table 34.17 National Gambling Board expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	19.2	22.0	19.6	23.3	6.5%	63.2%	22.5	24.6	24.2	1.3%	33.8%
Stakeholder and liaison	8.1	5.1	2.8	13.1	17.5%	19.9%	12.5	20.6	14.2	2.8%	20.4%
Compliance monitoring	6.3	2.1	5.1	11.0	20.3%	16.9%	9.2	79.0	119.8	121.4%	45.8%
Total	33.7	29.2	27.5	47.4	12.1%	100.0%	44.3	124.2	158.2	49.5%	100.0%

Statements of historical financial performance and position

Table 34.18 National Gambling Board statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2013/14 - 2016/17
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
Revenue									
Non-tax revenue	0.4	2.3	2.7	2.7	8.8	8.7	13.6	17.7	123.1%
Other non-tax revenue	0.4	2.3	2.7	2.7	8.8	8.7	13.6	17.7	123.1%
Transfers received	27.7	27.7	29.8	29.8	32.0	32.0	30.1	30.1	100.0%
Total revenue	28.1	30.0	32.5	32.5	40.8	40.7	43.7	47.8	104.1%

Table 34.18 National Gambling Board statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Expenses									
Current expenses	28.1	33.7	27.5	29.2	39.0	27.5	42.5	47.4	100.4%
Compensation of employees	15.2	11.4	12.3	9.2	11.3	8.9	22.9	21.3	82.0%
Goods and services	12.8	20.2	14.4	18.1	25.5	16.5	17.4	24.0	112.5%
Depreciation	0.2	2.1	0.9	1.9	2.2	2.2	2.2	2.1	153.6%
Total expenses	28.1	33.7	27.5	29.2	39.0	27.5	42.5	47.4	100.4%
Surplus/(Deficit)	-	(4.0)	5.0	3.0	2.0	13.0	1.0	-	
Statement of financial position									
Carrying value of assets	5.0	14.3	15.3	12.9	13.7	11.8	14.5	14.5	110.3%
<i>of which:</i>									
Acquisition of assets	-	(0.0)	-	(0.5)	(1.6)	(0.6)	(0.1)	(2.4)	210.2%
Inventory	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	43.8%
Receivables and prepayments	0.2	0.6	0.2	1.4	1.5	1.1	1.5	1.5	138.1%
Cash and cash equivalents	4.7	0.0	2.1	9.2	9.8	26.4	10.4	10.4	171.1%
Total assets	9.9	14.9	17.6	23.5	24.9	39.3	26.4	26.4	132.0%
Accumulated surplus/(deficit)	3.8	5.7	8.6	9.0	9.6	22.2	10.2	10.2	146.2%
Borrowings	-	0.1	-	-	-	-	-	-	-
Finance lease	-	5.7	-	-	-	-	-	-	-
Deferred income	-	-	-	6.5	-	8.0	-	-	-
Trade and other payables	5.7	2.7	6.5	7.1	14.3	7.3	15.2	15.2	77.5%
Provisions	0.5	0.7	2.5	0.9	1.0	1.8	1.0	1.0	89.4%
Total equity and liabilities	9.9	14.9	17.6	23.5	24.9	39.3	26.4	26.4	132.0%

Statements of estimates of financial performance and position**Table 34.19 National Gambling Board statements of estimates of financial performance and position**

R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	17.7	97.9%	18.6%	12.6	93.4	123.4	91.2%	54.2%
Other non-tax revenue	17.7	97.9%	18.6%	12.6	93.4	123.4	91.2%	54.2%
Transfers received	30.1	2.8%	81.4%	31.6	33.5	35.3	5.5%	45.8%
Total revenue	47.8	16.8%	100.0%	44.3	126.9	158.8	49.2%	100.0%
Expenses								
Current expenses	47.4	12.1%	100.0%	44.3	124.2	158.2	49.5%	303.3%
Compensation of employees	21.3	23.3%	35.6%	24.3	26.7	28.2	9.9%	34.8%
Goods and services	24.0	5.9%	58.1%	17.8	95.3	127.7	74.6%	62.0%
Depreciation	2.1	0.7%	6.3%	2.2	2.2	2.3	2.9%	3.2%
Total expenses	47.4	12.1%	100.0%	44.3	124.2	158.2	49.5%	100.0%
Surplus/(Deficit)	-	(1.0)		-	3.0	-	-	
Carrying value of assets	14.5	0.6%	58.9%	15.4	16.3	17.2	5.9%	54.9%
<i>of which:</i>								
Acquisition of assets	(2.4)	377.8%	-3.2%	-	-	-	-100.0%	-2.3%
Receivables and prepayments	1.5	39.0%	4.6%	1.6	1.7	1.8	5.9%	5.8%
Cash and cash equivalents	10.4	593.8%	36.5%	11.0	11.6	12.3	5.9%	39.2%
Total assets	26.4	21.1%	100.0%	28.0	29.7	31.3	5.9%	100.0%
Accumulated surplus/(deficit)	10.2	21.4%	42.9%	10.8	11.5	12.1	5.9%	38.6%
Trade and other payables	15.2	78.7%	31.0%	16.1	17.1	18.0	5.9%	57.5%
Provisions	1.0	12.9%	4.3%	1.1	1.2	1.2	5.9%	3.9%
Total equity and liabilities	26.4	21.1%	100.0%	28.0	29.7	31.3	5.9%	100.0%

Personnel information

Table 34.20 National Gambling Board personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost	
National Gambling Board		27	22	8.9	0.4	27	21.3	0.8	27	24.3	0.9	27	26.7	1.0	27	28.2	1.0	9.9%	100.0%
Salary level																			
1 – 6	1	1	4	0.4	0.1	1	0.2	0.2	–	–	–	–	–	–	–	–	–	-100.0%	0.9%
7 – 10	10	10	8	2.3	0.3	10	4.3	0.4	11	4.9	0.4	10	4.6	0.5	10	4.9	0.5	4.1%	38.0%
11 – 12	7	7	5	2.1	0.4	7	5.2	0.7	6	4.9	0.8	7	6.0	0.9	7	6.3	0.9	6.9%	25.0%
13 – 16	9	9	5	4.1	0.8	9	11.5	1.3	10	14.5	1.4	10	16.1	1.6	10	17.0	1.7	13.9%	36.1%

1. Rand million.

Other entities

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

- The **Companies and Intellectual Property Commission** was established in terms of section 185 of the Companies Act (2008) to function as an organ of state within the public administration but outside the public service. The commission regulates companies, close corporations, cooperatives, trademarks, patents, designs and copyright; and enforces rules and regulations. The commission's total budget for 2017/18 is R544.7 million.
- The **Companies Tribunal** was established in 2011 as a juristic entity in terms of the Companies Act (2008) and became operational in 2012. It is mandated to adjudicate and mediate disputes, and make orders. The tribunal is enjoined to deliver on this mandate in a manner that is simple, ethical, efficient, equitable, transparent, accountable and impartial, without fear, favour or prejudice. The tribunal's total budget for 2017/18 is R23.9 million.
- The **Export Credit Insurance Corporation of South Africa** was established in terms of the Export Credit and Foreign Investments Insurance Act (1957) to facilitate and encourage South Africa's export trade by underwriting export credit loans and investments outside South Africa. The corporation is mandated to evaluate export credit and foreign investment risks; provide export credit and foreign investment insurance cover on behalf of the South African government; and manage the interest make-up scheme for participating financial institutions to enable them to provide loans to South African firms that invest in capital projects abroad. The corporation's total budget for 2017/18 is R820.1 million.
- The **National Consumer Commission** was established in terms of section 85 of the Consumer Protection Act (2008), with jurisdiction across South Africa. The act seeks to promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection. It further seeks to provide for improved standards of consumer information, prohibit certain unfair marketing and business practices, promote responsible consumer behaviour, and promote a consistent legislative framework. The commission's total budget for 2017/18 is R54.3 million.
- The **National Consumer Tribunal** was established in terms of the National Credit Act (2005) as an independent adjudicative entity. It is mandated to review decisions made by the National Credit Regulator and the National Consumer Commission, as well as to adjudicate on applications and referrals in terms of the National Credit Act (2005) and the Consumer Protection Act (2008). The tribunal's total budget for 2017/18 is R63.3 million.
- The **National Credit Regulator** was established in terms of the National Credit Act (2005) and is responsible for the regulation of the South African credit industry. It enforces the act, and carries out education, research, policy development, the registration of industry participants and the investigation of complaints. The regulator is mandated to promote the development of an accessible credit market, particularly to address the needs of historically disadvantaged and low-income individuals, and remote, isolated or low-density communities. The regulator's total budget for 2017/18 is R130.7 million.

- The **National Empowerment Fund** was established in terms of the National Empowerment Fund Act (1998) to promote and facilitate black economic equality and transformation. In providing financial and non-financial support to black businesses and structuring accessible retail savings products for black people, the fund is mandated to implement the empowerment codes of good practice for BEE. The fund has five core divisions: SMMEs, rural development, venture capital, corporate finance, and women empowerment funds. The fund's total budget for 2017/18 is R470.3 million.
- The **National Lotteries Commission** was established in terms of the Lotteries Act (1997), and is mandated to regulate the national lottery and other lotteries, including fundraising society lotteries and promotional competitions. The commission also advises the Minister of Trade and Industry on policy matters relating to the national lottery and other lotteries. The commission ensures the protection of all participants, maximises revenue for good causes in a responsible manner, administers the National Lotteries Distribution Trust Fund, and disburses funds for good causes to the distributing agencies in an equitable and expeditious manner. The commission's total budget for 2017/18 is R498.2 million.
- The **National Metrology Institute of South Africa** is mandated by the Measurement Units and Measurement Standards Act (2006) to ensure that South Africa has a scientifically valid and internationally comparable and accepted measurement system, and that the international system of units is correctly applied. This is of paramount importance for manufacturing, trade, health and safety, and law enforcement. To fulfil this mandate, the institute: develops and maintains national measurement standards for South Africa; ensures that these are traceable to the primary international system of units; benchmarks these measurement standards against the measurement standards of other countries; submits the calibration and measurement capabilities to the international database as the entry for South Africa; and distributes the national capability through calibration and certified reference materials to calibration and testing laboratories in Southern Africa. The institute's total budget for 2017/18 is R171.1 million.
- The **National Regulator for Compulsory Specifications** was established in terms of the Measurement Unit and Measurement Standards Act (2006) as a public entity that administers compulsory specifications, otherwise known as technical regulations, on behalf of the Minister of Trade and Industry. The regulator is mandated to protect the health and safety of the public and the environment by administering and maintaining compulsory specifications, implementing a regulatory and compliance system, and engaging in market surveillance to ensure compliance. The regulator's total budget for 2017/18 is R403.2 million.
- The **South African Bureau of Standards** was established as a statutory body in terms of the Standards Act (2008), and is part of South Africa's standardisation, quality assurance, accreditation and metrology technical infrastructure. The bureau is mandated to provide standardisation and conformity assessment services to protect the integrity of the South African market, protect consumers, create a competitive advantage for South African industry, and facilitate access by South Africans to local and international markets. The bureau is the sole publisher of South African national standards, and is responsible for the technical work of the industrial policy action plan. Its total budget for 2017/18 is R962.4 million.
- The **South African National Accreditation System** was established in terms of the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act (2006). It is mandated to accredit or monitor for compliance with good laboratory practice; promote accreditation as a means of facilitating international trade to enhance South Africa's economic performance and bring about economic transformation; promote the competence and equivalence of accredited bodies; and promote the competence and equivalence of good laboratory practice facilities compliant with the act. The entity's total budget for 2017/18 is R100.1 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Coega Development Corporation	Development of infrastructure developments to enable investment in the zone	Various	5 689.0	308.2	–	–	–	–	–	–
East London industrial development zone	Development of infrastructure developments to enable investment in the zone	Various	1 817.5	100.0	–	–	–	–	–	–
Critical infrastructure programme	Development of infrastructure projects to supporting investment in mining, tourism, manufacturing and services	Various	1 473.2	140.0	81.3	74.2	290.0	209.5	211.1	222.9
Special economic zones: Investment incentives	Development of infrastructure for special economic zone	Feasibility	3 719.5	449.2	608.2	735.6	1 310.0	605.4	1 300.0	1 457.3
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Richards Bay industrial development zone	Development of infrastructure to enable investment in the zone	Various	672.0	30.0	–	–	–	–	–	–
Centurion Aerospace Village	Construction of aerospace industry infrastructure	Construction	407.3	15.8	16.7	17.5	18.4	19.4	15.5	16.4
Industrial development zone: Other	Development of infrastructure for industrial zone	Feasibility	–	–	99.6	130.0	50.0	140.0	80.0	–
Total			13 778.5	1 043.2	805.9	957.3	1 668.4	974.3	1 606.6	1 696.5

Vote 35

Transport

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	406.9	392.6	11.8	2.5	427.2	455.9
Integrated Transport Planning	81.7	81.5	–	0.2	86.0	91.8
Rail Transport	19 320.3	44.2	19 276.0	0.1	21 217.3	22 350.5
Road Transport	27 128.6	105.8	27 022.0	0.7	29 621.6	31 271.4
Civil Aviation	169.9	115.7	53.7	0.4	178.7	189.2
Maritime Transport	119.7	95.0	24.4	0.3	124.8	137.0
Public Transport	12 568.3	275.3	12 292.8	0.2	13 294.7	14 050.0
Subtotal	59 795.2	1 110.0	58 680.7	4.5	64 950.2	68 545.9
Direct charge against the National Revenue Fund						
International Oil Pollution Compensation Fund	10.0	–	10.0	–	10.2	10.4
Total expenditure estimates	59 805.2	1 110.0	58 690.7	4.5	64 960.4	68 556.3
Executive authority	Minister of Transport					
Accounting officer	Director General of Transport					
Website address	www.transport.gov.za					

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

Vote purpose

Lead the provision of an integrated, sustainable, reliable and safe transport system through planning, developing, coordinating, promoting and implementing transport policies, regulations and strategies.

Mandate

The Constitution identifies the legislative responsibilities of different spheres of government with regards to airports, road infrastructure, rail, maritime, road traffic management and public transport. Transport is a function that is legislated and executed at the national, provincial and local government levels. The implementation of transport functions at the national level takes place through public entities that are overseen by the department, each with a specific delivery mandate, as specified in legislation establishing these entities.

The 1996 White Paper on Transport defines the infrastructure and operations of rail, pipelines, roads, airports, harbours, and the intermodal operations of public transport and freight. The Department of Transport is responsible for the legislation and policies for all these sub-sectors.

The department is therefore responsible for conducting sector research, formulating legislation and policy to set the strategic direction of sub-sectors, assigning responsibilities to public entities and other spheres of government, regulating through setting norms and standards, and monitoring implementation.

Selected performance indicators

Table 35.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Lane kilometres of surfaced roads rehabilitated per year	Road Transport	Outcome 6: An efficient, competitive and responsive economic infrastructure network	392 km	1 650 km	1 937 km	2 360 km	1 500 km	1 600 km	1 700 km
Lane kilometres of roads resealed per year	Road Transport		– ¹	3 000 km	2 438 km	3 799 km	4 000 km	4 300 km	4 700 km
Kilometres of roads re-gravelled per year	Road Transport		3 692 km	3 000 km	4 560 km	4 534 km	5 300 km	5 800 km	5 900 km
Square kilometres of blacktop patching on roads (including pothole repairs) per year	Road Transport		1 050 988 km ²	810 000 km ²	1 497 281 km ²	1 221 968 km ²	900 000 km ²	900 000 km ²	900 000 km ²
Kilometres of gravel roads bladed per year	Road Transport		512 040 km	350 000 km	381 867 km	533 052 km	460 000 km	485 000 km	500 000 km

Table 35.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of average weekday bus rapid transit passenger trips per year: Rea Vaya (Johannesburg)	Public Transport		32 845	36 649	50 000	60 000	70 000	100 000	120 000
Total number of integrated public transport networks facilitated at the construction phase	Public Transport	Outcome 6: An efficient, competitive and responsive economic infrastructure network	3	4	11	12	13	13	13
Number of average weekday bus rapid transit passenger trips per year: My Citi (Cape Town)	Public Transport		37 000	68 310	84 686	86 380	76 895	77 664	78 441
Number of average weekday bus rapid transit passenger trips per year: GOGeorge (George)	Public Transport		- ¹	- ¹	- ¹	12 400	24 000	28 800	30 240
Number of average weekday bus rapid transit passenger trips per year: A re Yeng (Pretoria)	Public Transport		- ¹	- ¹	- ¹	4 500	9 000	50 000	80 000

1. No historical data available.

Expenditure analysis

Over the medium term, the Department of Transport will focus on improving mobility and access to social and economic activities by maintaining the provincial and national road networks, upgrading and maintaining rail infrastructure, and improving public transport for rail and road commuters. These activities contribute to the realisation of outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. The department's total expenditure over the medium term will mainly be driven by transfers to public entities, provinces and municipalities for infrastructure spending, operations and maintenance. These transfers constitute 98.1 per cent of the department's budget over the medium term.

The department's budget is expected to increase at an average annual rate of 6.8 per cent in the period ahead, from R56.3 billion in 2016/17 to R68.6 billion in 2019/20. However, spending on goods and services is expected to decrease at an average annual rate of 1 per cent, from R751.8 million in 2016/17 to R729.1 million in 2019/20, due to reprioritisations to other transport spending priorities. These include: R15.9 million to support the operations of the Maritime and Aeronautical Rescue Coordination Centre; R19 million to strengthen the regulatory capacity of the Ports Regulator of South Africa; and R6 million to develop rail economic regulation capacity in the department in preparation for the establishment of the Single Transport Economic Regulator. As part of Cabinet's decision to lower the national aggregate expenditure ceiling, the budget for goods and services has been reduced by R49.6 million over the MTEF period.

The department's budget for compensation of employees has been capped at R450 million in 2017/18, R470 million in 2018/19 and R505.9 million in 2019/20 – reflecting an increase at an average annual rate of 5.4 per cent over the medium term.

Maintaining the national and provincial road network

The department's allocations to the South African National Roads Agency allow it to strengthen and maintain the non-tolled national road network. This includes R4.8 billion for the upgrade of the R573 (Moloto Road), R29.6 billion for road rehabilitation, R13.9 billion for road operations and maintenance, and R1.5 billion for phase 1 of the Gauteng freeway improvement programme. Cabinet-approved budget reductions of R687.4 million to these transfers over the medium term are expected to delay upgrades and the strengthening of the non-toll network.

Given the significant backlogs in road maintenance, the *provincial roads maintenance grant* prioritises allocations based on road conditions, weather patterns and traffic. To reseal 13 000 lane kilometres and rehabilitate 4 800 kilometres of provincial roads, expenditure through the grant is expected to increase from R10.8 billion in 2016/17 to R12.2 billion in 2019/20.

Upgrading passenger rail infrastructure and services

The Passenger Rail Agency of South Africa is in the process of modernising its rail services. This includes buying new rolling stock for the Metrorail commuter service and locomotives for the agency's long-distance mainline passenger service; and upgrading stations and infrastructure. Over the medium term, spending on rail infrastructure in the *Rail Transport* programme is expected to grow from R19 billion in 2016/17 to R22.4 billion in 2019/20 as the agency acquires 70 new trains and continues to upgrade its signalling infrastructure and build depots. The first 18 trains are expected to be delivered by the end of 2017/18.

Although Cabinet approved a reduction of R1 billion on transfers to the agency over the medium term, R3 billion will be reprioritised over the period for the operations of the long-distance mainline passenger service, and R2.7 billion will be reprioritised for the renewal of rolling stock in 2019/20. Spending on Metrorail is expected to subsidise more than 484 million passenger trips per year in the period ahead, and spending on the mainline passenger service is expected to subsidise 2.3 million passengers over the medium term.

Improving public transport systems

The *public transport network grant* funds the infrastructure and operations of integrated public transport networks in 13 cities across South Africa. Over the medium term, the grant is expected to increase at an average annual rate of 7.6 per cent, from R5.6 billion in 2016/17 to R7 billion in 2019/20, to support construction in the 13 cities and fund the indirect operating costs of services in Johannesburg, Tshwane, Cape Town and George. The number of weekday passenger trips on these networks in these four cities is expected to increase from 163 280 in 2016/17 to 308 681 in 2019/20. A Cabinet-approved reduction of R622.4 million in the grant will be made over the medium term, which is expected to result in capital programmes being delayed or taking longer to complete.

Expenditure trends

Table 35.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Integrated Transport Planning														
3. Rail Transport														
4. Road Transport														
5. Civil Aviation														
6. Maritime Transport														
7. Public Transport														
Programme	2013/14			2014/15			2015/16			2016/17			Average: Annual Outcome/budget (R%)	Average: Annual Outcome/Adjusted appropriation (R%)
R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
Programme 1	353.1	362.4	315.6	382.9	424.9	377.5	383.5	383.5	420.8	394.8	392.8	392.8	99.5%	96.4%
Programme 2	80.6	79.1	66.4	81.2	81.2	75.0	80.6	88.1	88.8	79.0	79.0	79.0	96.2%	94.4%
Programme 3	11 240.8	11 239.8	11 232.8	15 034.6	15 034.6	15 035.5	18 311.4	18 311.4	18 305.3	18 985.5	18 985.5	18 985.5	100.0%	100.0%
Programme 4	19 541.5	19 580.5	20 665.6	21 645.3	21 645.3	22 202.9	22 784.9	23 042.7	22 889.2	24 525.6	24 799.1	24 799.1	102.3%	101.7%
Programme 5	140.0	243.3	148.6	148.3	150.4	161.0	149.5	149.5	145.3	253.2	253.2	253.2	102.5%	88.9%
Programme 6	105.3	104.4	102.3	110.6	110.6	99.6	110.0	121.1	142.9	121.7	120.8	120.8	104.0%	101.9%
Programme 7	10 814.1	10 792.3	10 505.6	11 323.8	11 323.8	11 195.7	11 537.4	11 518.9	11 328.6	11 655.4	11 655.4	11 655.4	98.6%	98.7%
Subtotal	42 275.3	42 401.7	43 036.8	48 726.5	48 770.7	49 147.1	53 357.3	53 615.1	53 320.8	56 015.2	56 285.9	56 285.9	100.7%	100.4%
Direct charge against the National Revenue Fund	-	-	-	-	-	-	-	-	-	-	1.7	1.7	-	100.0%
International Oil Pollution Compensation Fund	-	-	-	-	-	-	-	-	-	-	1.7	1.7	-	100.0%
Total	42 275.3	42 401.7	43 036.8	48 726.5	48 770.7	49 147.1	53 357.3	53 615.1	53 320.8	56 015.2	56 287.6	56 287.6	100.7%	100.4%
Change to 2016 Budget estimate											272.4			
Economic classification														
Current payments	917.0	1 047.6	1 996.5	968.1	1 006.5	1 405.1	1 061.4	1 069.1	1 084.2	1 192.1	1 183.9	1 183.9	137.0%	131.6%
Compensation of employees	360.1	344.2	304.4	383.4	382.9	345.9	378.6	389.8	382.9	437.1	432.1	432.1	94.0%	94.6%
Goods and services	556.8	703.4	1 692.2	584.7	623.6	1 059.2	682.8	679.3	701.4	754.9	751.8	751.8	163.0%	152.4%
Transfers and subsidies	41 353.8	41 347.0	41 020.4	47 754.2	47 755.8	47 706.8	52 291.7	52 540.3	52 219.4	54 818.8	55 096.2	55 096.2	99.9%	99.6%
Provinces and municipalities	18 850.9	18 892.5	18 892.5	20 140.3	20 140.3	20 140.3	20 840.0	20 796.8	20 521.1	21 297.0	21 572.7	21 572.7	100.0%	99.7%
Departmental agencies and accounts	10 782.8	10 782.8	10 700.0	12 203.0	12 203.9	12 283.4	12 837.5	13 148.5	13 148.3	14 234.0	14 234.0	14 234.0	-	-
Higher education institutions	10.2	10.2	10.2	10.8	10.8	-	11.3	-	-	-	-	-	31.6%	48.5%
Foreign governments and international organisations	9.5	9.5	7.9	10.1	10.1	8.8	10.5	10.7	46.8	11.2	12.9	12.9	184.8%	177.0%
Public corporations and private enterprises	11 159.1	11 159.1	11 159.1	14 946.3	14 946.3	14 946.3	18 222.0	18 222.0	18 222.0	18 890.3	18 890.3	18 890.3	100.0%	100.0%
Non-profit institutions	18.8	18.8	18.9	20.0	20.7	19.8	21.7	21.7	21.7	22.8	22.8	22.8	99.8%	99.0%
Households	522.4	474.1	231.8	423.8	423.8	308.3	348.7	340.6	259.4	363.6	363.6	363.6	70.1%	72.6%
Payments for capital assets	4.6	7.0	19.9	4.2	8.4	35.0	4.1	5.7	13.9	4.3	7.5	7.5	441.3%	266.3%
Buildings and other fixed structures	-	-	8.2	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	4.6	7.0	11.7	4.2	8.4	35.0	4.1	5.7	10.5	4.3	7.5	7.5	374.4%	226.0%
Software and other intangible assets	-	-	-	-	-	-	-	-	3.4	-	-	-	-	-
Payments for financial assets	-	-	0.1	-	-	0.3	-	-	3.3	-	-	-	-	-
Total	42 275.3	42 401.7	43 036.8	48 726.5	48 770.7	49 147.1	53 357.3	53 615.1	53 320.8	56 015.2	56 287.6	56 287.6	100.7%	100.4%

Expenditure estimates

Table 35.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration 2. Integrated Transport Planning 3. Rail Transport 4. Road Transport 5. Civil Aviation 6. Maritime Transport 7. Public Transport								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	392.8	2.7%	0.7%	406.9	427.2	455.9	5.1%	0.7%
Programme 2	79.0	0.0%	0.2%	81.7	86.0	91.8	5.2%	0.1%
Programme 3	18 985.5	19.1%	31.5%	19 320.3	21 217.3	22 350.5	5.6%	32.8%
Programme 4	24 799.1	8.2%	44.9%	27 128.6	29 621.6	31 271.4	8.0%	45.2%
Programme 5	253.2	1.3%	0.4%	169.9	178.7	189.2	-9.3%	0.3%
Programme 6	120.8	5.0%	0.2%	119.7	124.8	137.0	4.3%	0.2%
Programme 7	11 655.4	2.6%	22.1%	12 568.3	13 294.7	14 050.0	6.4%	20.7%
Subtotal	56 285.9	9.9%	100.0%	59 795.2	64 950.2	68 545.9	6.8%	100.0%
Direct charge against the National Revenue Fund	1.7	-	0.0%	10.0	10.2	10.4	83.0%	0.0%
International Oil Pollution Compensation Fund	1.7	-	0.0%	10.0	10.2	10.4	83.0%	0.0%
Total	56 287.6	9.9%	100.0%	59 805.2	64 960.4	68 556.3	6.8%	100.0%
Change to 2016 Budget estimate				(1 295.5)	(492.9)	(571.6)		
Economic classification								
Current payments	1 183.9	4.2%	2.8%	1 110.0	1 161.0	1 235.0	1.4%	1.9%
Compensation of employees	432.1	7.9%	0.7%	450.0	470.0	505.9	5.4%	0.7%
Goods and services	751.8	2.2%	2.1%	660.0	691.1	729.1	-1.0%	1.1%
Transfers and subsidies	55 096.2	10.0%	97.2%	58 690.7	63 794.6	67 316.3	6.9%	98.1%
Provinces and municipalities	21 572.7	4.5%	40.2%	22 743.4	24 222.2	25 589.6	5.9%	37.7%
Departmental agencies and accounts	14 234.0	9.7%	25.0%	16 279.5	17 987.2	18 989.0	10.1%	27.0%
Foreign governments and international organisations	12.9	10.5%	0.0%	27.7	28.6	29.5	31.9%	0.0%
Public corporations and private enterprises	18 890.3	19.2%	31.3%	19 216.4	21 108.5	22 235.0	5.6%	32.6%
Non-profit institutions	22.8	6.7%	0.0%	24.0	25.3	26.8	5.5%	0.0%
Households	363.6	-8.5%	0.6%	399.7	422.8	446.5	7.1%	0.7%
Payments for capital assets	7.5	2.3%	0.0%	4.5	4.7	5.0	-12.6%	0.0%
Machinery and equipment	7.5	2.3%	0.0%	4.5	4.7	5.0	-12.6%	0.0%
Total	56 287.6	9.9%	100.0%	59 805.2	64 960.4	68 556.3	6.8%	100.0%

Goods and services expenditure trends and estimates

Table 35.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R thousand											
Administrative fees	3 231	1 281	3 853	2 622	-6.7%	0.3%	2 790	2 953	3 141	6.2%	0.4%
Advertising	26 108	34 418	23 871	23 652	-3.2%	2.6%	23 058	23 769	25 127	2.0%	3.4%
Minor assets	1 757	1 820	1 515	2 968	19.1%	0.2%	2 533	2 660	2 810	-1.8%	0.4%
Audit costs: External	7 315	5 429	5 468	10 004	11.0%	0.7%	10 699	11 349	12 076	6.5%	1.6%
Bursaries: Employees	1 768	1 226	1 517	2 493	12.1%	0.2%	2 662	2 825	3 007	6.4%	0.4%
Catering: Departmental activities	1 292	1 744	3 460	3 153	34.6%	0.2%	4 811	5 032	5 318	19.0%	0.6%
Communication	60 693	60 471	54 439	164 541	39.4%	8.1%	67 735	70 967	74 938	-23.1%	13.4%
Computer services	12 933	7 937	13 069	9 839	-8.7%	1.0%	12 229	12 953	13 770	11.9%	1.7%
Consultants: Business and advisory services	1 385 468	718 486	354 079	329 730	-38.0%	66.3%	305 549	319 015	335 705	0.6%	45.6%
Infrastructure and planning services	46 079	-	-	48 119	1.5%	2.2%	51 754	54 127	57 093	5.9%	7.5%
Legal services	4 170	8 983	9 950	5 349	8.7%	0.7%	10 916	11 583	12 323	32.1%	1.4%
Contractors	2 520	2 553	3 351	2 641	1.6%	0.3%	1 948	2 061	2 191	-6.0%	0.3%
Agency and support/outsourced services	744	1 372	898	1 160	16.0%	0.1%	560	594	633	-18.3%	0.1%
Entertainment	215	429	307	720	49.6%	-	769	816	869	6.5%	0.1%
Inventory: Clothing material and accessories	-	36	1	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	5	-	-	-	-	-	-100.0%	-
Inventory: Other supplies	-	-	-	40	-	-	-	-	-	-100.0%	-
Consumable supplies	2 583	1 027	541	987	-27.4%	0.1%	996	1 046	1 108	3.9%	0.1%
Consumables: Stationery, printing and office supplies	8 393	4 895	5 467	5 437	-13.5%	0.6%	6 531	6 853	7 249	10.1%	0.9%
Operating leases	38 603	55 123	67 045	52 195	10.6%	5.1%	54 262	57 393	60 607	5.1%	7.9%
Property payments	5 116	4 787	5 380	5 762	4.0%	0.5%	6 397	6 783	7 216	7.8%	0.9%
Transport provided: Departmental activity	-	45 356	39 127	-	-	2.0%	-	-	-	-	-
Travel and subsistence	57 619	67 031	82 251	59 483	1.1%	6.3%	71 745	75 154	79 447	10.1%	10.1%
Training and development	2 835	4 004	4 975	7 662	39.3%	0.5%	8 626	9 104	9 654	8.0%	1.2%
Operating payments	2 223	21 973	5 505	4 401	25.6%	0.8%	4 503	4 716	4 993	4.3%	0.7%
Venues and facilities	20 502	8 774	15 282	8 793	-24.6%	1.3%	8 942	9 334	9 854	3.9%	1.3%
Total	1 692 167	1 059 155	701 351	751 756	-23.7%	100.0%	660 015	691 087	729 129	-1.0%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 35.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Provinces and municipalities											
Provincial revenue funds											
Current	4 552 521	4 832 709	4 939 448	5 400 292	5.9%	10.1%	5 722 871	5 990 298	6 325 755	5.4%	9.6%
Public transport operations grant	4 552 521	4 832 709	4 939 448	5 400 292	5.9%	10.1%	5 722 871	5 990 298	6 325 755	5.4%	9.6%
Capital	8 737 775	9 361 498	9 531 744	10 478 194	6.2%	19.4%	10 753 664	11 535 668	12 181 665	5.1%	18.4%
Provincial roads maintenance grant: Roads in support of electricity generation infrastructure component	808 900	803 002	830 000	801 000	-0.3%	1.7%	482 000	-	-	-100.0%	0.5%
Provincial roads maintenance grant: Roads maintenance component	7 519 488	7 956 245	8 221 154	9 379 071	7.6%	16.9%	10 001 664	11 325 668	12 181 665	9.1%	17.5%
Provincial roads maintenance grant: Disaster relief component	409 387	602 251	480 590	298 123	-10.0%	0.9%	270 000	210 000	-	-100.0%	0.3%
Provinces and municipalities											
Municipal bank accounts											
Current	52 205	75 223	96 842	101 514	24.8%	0.2%	107 309	113 533	119 891	5.7%	0.2%
Rural roads asset management systems grant	52 205	75 223	96 842	101 514	24.8%	0.2%	107 309	113 533	119 891	5.7%	0.2%
Capital	5 549 981	5 870 846	5 953 090	5 592 691	0.3%	11.7%	6 159 559	6 582 669	6 962 248	7.6%	10.3%
Public transport network grant	5 549 981	5 870 846	5 953 090	5 592 691	0.3%	11.7%	6 159 559	6 582 669	6 962 248	7.6%	10.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3 656 594	4 102 565	4 557 440	4 904 545	10.3%	8.8%	5 167 152	5 481 778	5 806 041	5.8%	8.7%
Transport Education and Training Authority	919	978	881	1 105	6.3%	-	1 161	1 228	1 297	5.5%	-
Railway Safety Regulator	46 513	51 504	53 379	55 987	6.4%	0.1%	59 564	63 018	66 547	5.9%	0.1%
Road Traffic Management Corporation	83 473	259 481	184 104	193 862	32.4%	0.4%	198 555	215 361	227 421	5.5%	0.3%
South African National Roads Agency: Gauteng freeway improvement project	-	-	301 000	425 100	-	0.4%	463 359	505 061	550 516	9.0%	0.8%
South African National Roads Agency	3 453 733	3 736 149	3 951 623	4 161 060	6.4%	7.8%	4 369 112	4 622 520	4 881 381	5.5%	7.4%
Road Traffic Infringement Agency	25 000	11 475	11 497	10 093	-26.1%	-	17 696	11 722	7 770	-8.3%	-
South African Civil Aviation Authority	18 155	19 239	20 124	21 191	5.3%	-	22 251	23 542	24 860	5.5%	-
South African Maritime Safety Authority	12 901	6 887	7 205	7 586	-16.2%	-	12 965	13 707	14 475	24.0%	-
Ports Regulator of South Africa	15 900	16 852	27 627	28 561	21.6%	-	22 489	25 619	31 774	3.6%	-
Capital	7 043 451	8 180 798	8 590 865	9 329 426	9.8%	16.9%	11 112 352	12 505 401	13 182 931	12.2%	18.8%
South African National Roads Agency: Non-toll network	6 448 616	7 515 300	7 721 054	7 935 587	7.2%	15.1%	9 063 668	9 884 293	10 648 218	10.3%	15.3%
South African National Roads Agency: Coal haulage road network	594 835	665 498	696 111	733 005	7.2%	1.4%	769 655	814 295	842 723	4.8%	1.3%
South African National Roads Agency: Moloto road upgrade	-	-	155 500	660 834	-	0.4%	1 279 029	1 806 813	1 691 990	36.8%	2.2%
South African National Roads Agency: Botswana river crossing	-	-	18 200	-	-	-	-	-	-	-	-
Higher education institutions											
Current	10 179	-	-	-	-100.0%	-	-	-	-	-	-
Universities of Pretoria, KwaZulu-Natal and Stellenbosch	10 179	-	-	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	7 900	8 783	46 824	12 864	17.6%	-	27 719	28 596	29 514	31.9%	-
African Civil Aviation Commission	3 773	3 915	4 862	4 744	7.9%	-	4 980	5 269	5 564	5.5%	-
International Civil Aviation Organisation	3 476	3 690	4 027	4 098	5.6%	-	4 303	4 553	4 808	5.5%	-
International Maritime Organisation	4	496	568	1 458	614.3%	-	1 531	1 620	1 711	5.5%	-
Cospas-Sarsat search and rescue satellite programme	405	403	411	482	6.0%	-	507	536	566	5.5%	-
Southern African Development Community: International Civil Aviation Organisation Mission	-	-	-	60	-	-	60	60	64	2.2%	-
SADC Aviation Safety Organisation	-	-	-	-	-	-	6 000	6 000	6 000	-	-
Indian Ocean Memorandum of Understanding	242	279	320	322	10.0%	-	338	358	377	5.4%	-
International Oil Pollution Compensation Fund	-	-	36 636	-	-	-	-	-	-	-	-
Direct charge: International Oil Pollution Compensation Fund	-	-	-	1 700	-	-	10 000	10 200	10 424	83.0%	-
Public corporations and private enterprises											
Subsidies on products and production (pc)											
Current	4 328 003	3 887 342	4 066 160	4 281 666	-0.4%	8.4%	5 495 749	5 756 503	6 022 867	12.0%	8.8%
Passenger Rail Agency of South Africa: Metrorail (operations)	3 678 003	3 458 925	3 618 036	3 809 769	1.2%	7.4%	4 000 183	4 232 194	4 469 197	5.5%	6.7%
Passenger Rail Agency of South Africa: Mainline passenger services (operations)	650 00	428 41	448 12	471 89	-10.1	1.0	1 495 566	1 524 309	1 553 670	48.8%	2.1%

Table 35.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Other transfers to public corporations											
Capital	6 831 110	11 058 959	14 155 887	14 608 601	28.8%	23.8%	13 720 669	15 351 980	16 212 092	3.5%	24.5%
Passenger Rail Agency of South Africa: Other capital programmes	4 851 197	3 906 624	8 234 603	7 206 878	14.1%	12.3%	5 875 403	7 051 689	4 762 103	-12.9%	10.2%
Passenger Rail Agency of South Africa: Rolling stock fleet renewal programme	–	5 699 959	2 560 508	4 170 266	–	6.3%	4 420 482	4 676 870	7 623 656	22.3%	8.5%
Passenger Rail Agency of South Africa: Signalling	1 105 180	810 711	1 875 973	1 844 184	18.6%	2.9%	1 912 835	2 023 779	2 137 111	5.0%	3.2%
Passenger Rail Agency of South Africa: Metrorail (refurbishment of coaches)	746 699	547 745	1 267 474	1 283 523	19.8%	2.0%	1 360 534	1 439 445	1 520 054	5.8%	2.3%
Passenger Rail Agency of South Africa: Mainline passenger service (refurbishment of coaches)	128 034	93 920	217 329	103 750	-6.8%	0.3%	151 415	160 197	169 168	17.7%	0.2%
Non-profit institutions											
Current	18 880	19 808	21 669	22 816	6.5%	–	23 957	25 347	26 766	5.5%	–
National Sea Rescue Institute	1 223	2 000	2 095	2 205	21.7%	–	2 316	2 451	2 589	5.5%	–
National Emergency Communications Division of the South African Radio League	73	77	80	84	4.8%	–	88	93	98	5.3%	–
Mountain Club of South Africa	73	77	80	84	4.8%	–	88	93	98	5.3%	–
Off Road Rescue Unit	73	77	80	84	4.8%	–	88	93	98	5.3%	–
K9 Search and Rescue Association of South Africa	73	77	80	84	4.8%	–	88	93	98	5.3%	–
South African National Taxi Council	17 365	17 500	19 254	20 275	5.3%	–	21 289	22 524	23 785	5.5%	–
Households											
Social benefits											
Current	883	691	1 200	178	-41.4%	–	187	198	210	5.7%	–
Employee social benefits	883	691	1 200	178	-41.4%	–	187	198	210	5.7%	–
Households											
Other transfers to households											
Current	230 897	307 577	258 210	363 381	16.3%	0.6%	399 475	422 645	446 314	7.1%	0.7%
Bursaries to non-employees	–	7 514	9 808	9 939	–	–	10 434	11 040	11 659	5.5%	–
Taxi recapitalisation	230 897	300 063	248 402	353 442	15.2%	0.6%	389 041	411 605	434 655	7.1%	0.6%
Total	41 020 379	47 706 799	52 219 379	55 096 168	10.3%	100.0%	58 690 663	63 794 616	67 316 294	6.9%	100.0%

Personnel information

Table 35.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average Salary level/Total (%)					
		2015/16	Unit cost	Cost	2016/17	Unit cost	Cost	2017/18	Unit cost	Cost	2018/19	Unit cost			Cost	2019/20	Unit cost	Cost	
Transport																			
Salary level	683	7	702	382.9	0.5	708	432.1	0.6	710	450.0	0.6	704	470.0	0.7	703	505.9	0.7	-0.2%	100.0%
1 – 6	145	1	150	39.3	0.3	151	39.8	0.3	150	40.7	0.3	149	42.8	0.3	149	46.3	0.3	-0.4%	21.2%
7 – 10	286	2	291	112.4	0.4	304	136.9	0.5	304	141.8	0.5	304	150.6	0.5	304	163.1	0.5	–	43.0%
11 – 12	139	–	143	99.9	0.7	137	112.4	0.8	131	110.9	0.8	126	112.1	0.9	126	121.4	1.0	-2.8%	18.4%
13 – 16	111	4	116	127.1	1.1	114	138.6	1.2	123	152.0	1.2	123	159.6	1.3	122	169.9	1.4	2.3%	17.1%
Other	2	–	2	4.2	2.1	2	4.4	2.2	2	4.6	2.3	2	4.9	2.4	2	5.2	2.6	–	0.3%
Programme	683	7	702	382.9	0.5	708	432.1	0.6	710	450.0	0.6	704	470.0	0.7	703	505.9	0.7	-0.2%	100.0%
Programme 1	333	5	344	174.4	0.5	341	196.9	0.6	341	199.8	0.6	339	209.2	0.6	339	225.1	0.7	-0.2%	48.1%
Programme 2	72	–	74	43.1	0.6	73	44.3	0.6	73	45.8	0.6	72	48.5	0.7	72	52.2	0.7	-0.5%	10.3%
Programme 3	36	–	36	19.9	0.6	36	23.3	0.6	38	25.5	0.7	38	26.3	0.7	38	28.5	0.8	1.8%	5.3%
Programme 4	88	1	90	45.3	0.5	86	54.3	0.6	85	57.9	0.7	84	61.4	0.7	84	66.0	0.8	-0.8%	12.0%
Programme 5	57	1	57	35.7	0.6	55	39.4	0.7	54	40.4	0.7	52	42.8	0.8	52	46.1	0.9	-1.9%	7.5%
Programme 6	31	–	34	20.1	0.6	33	23.8	0.7	34	28.4	0.8	34	27.1	0.8	33	29.1	0.9	–	4.7%
Programme 7	66	–	67	44.4	0.7	84	50.2	0.6	85	52.2	0.6	85	54.7	0.6	85	58.8	0.7	0.4%	12.0%

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

² Rand million.

Departmental receipts

Table 35.7 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
R thousand												
Departmental receipts	746 967	322 107	209 935	276 607	282 535	-27.7%	100.0%	295 589	309 491	326 822	5.0%	100.0%
Sales of goods and services produced by department	446	609	554	621	706	16.5%	0.1%	654	691	730	1.1%	0.2%
Sales by market establishments of which:	74	93	93	100	98	9.8%	-	105	110	116	5.8%	-
Rental parking: Covered and open	74	93	93	100	98	9.8%	-	105	110	116	5.8%	-
Administrative fees of which:	270	321	336	350	474	20.6%	0.1%	368	389	411	-4.6%	0.1%
Foreign operating permits	270	321	335	223	352	9.2%	0.1%	368	389	411	5.3%	0.1%
Access to Information Act (2000)	-	-	1	7	2	-	-	-	-	-	-100.0%	-
Public driver permits	-	-	-	120	120	-	-	-	-	-	-100.0%	-
Other sales of which:	102	195	125	171	134	9.5%	-	181	192	203	14.8%	0.1%
Commission on insurance	102	94	122	70	130	8.4%	-	74	78	82	-14.2%	-
Services rendered: Transport fees	-	77	-	77	-	-	-	81	86	91	-	-
Replacement of security cards and tender documents	-	14	-	14	-	-	-	15	16	17	-	-
Departmental publications	-	10	3	10	4	-	-	11	12	13	48.1%	-
Sales of scrap, waste, arms and other used current goods	3	2	2	-	3	-	-	32	34	36	128.9%	-
of which:	3	2	2	-	3	-	-	32	34	36	128.9%	-
Waste paper	3	2	2	-	3	-	-	32	34	36	128.9%	-
Transfers received	-	-	-	244	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	70	-	-	-	74	78	82	-	-
Interest, dividends and rent on land	74 007	230 734	205 644	250 908	257 187	51.5%	49.2%	268 958	281 601	297 370	5.0%	91.0%
Interest	74	6 937	1 130	908	1 187	152.2%	0.6%	158	167	176	-47.1%	0.1%
Dividends of which:	73 933	223 797	204 514	250 000	256 000	51.3%	48.6%	268 800	281 434	297 194	5.1%	90.9%
Special restructuring proceeds from Airports Company of South Africa	73 933	223 797	204 514	250 000	256 000	51.3%	48.6%	268 800	281 434	297 194	5.1%	90.9%
Sales of capital assets	-	-	-	300	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	672 511	90 762	3 735	24 464	24 639	-66.8%	50.7%	25 871	27 087	28 604	5.1%	8.7%
Total	746 967	322 107	209 935	276 607	282 535	-27.7%	100.0%	295 589	309 491	326 822	5.0%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 35.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	33.0	35.6	45.8	35.0	2.0%	9.9%	35.4	37.2	39.6	4.2%	8.8%
Management	48.4	44.7	53.2	73.5	14.9%	14.6%	76.5	78.4	83.9	4.6%	18.6%
Corporate Services	166.5	205.3	227.4	198.6	6.1%	53.0%	206.3	218.5	233.9	5.6%	50.9%
Communications	33.7	41.6	30.1	35.4	1.6%	9.3%	35.9	37.1	39.4	3.7%	8.8%
Office Accommodation	33.9	50.3	64.3	50.3	14.0%	13.2%	52.8	55.9	59.0	5.5%	13.0%
Total	315.6	377.5	420.8	392.8	7.6%	100.0%	406.9	427.2	455.9	5.1%	100.0%
Change to 2016 Budget estimate				(2.0)			5.0	6.0	7.1		
Economic classification	295.7	362.4	400.0	376.5	8.4%	95.2%	392.6	412.0	440.0	5.3%	96.3%
Current payments											
Compensation of employees	141.4	155.0	174.4	196.9	11.7%	44.3%	199.8	209.2	225.1	4.6%	49.4%
Goods and services ¹ of which:	154.3	207.4	225.6	179.6	5.2%	50.9%	192.7	202.8	214.9	6.2%	46.9%
Advertising	23.0	30.4	15.6	21.0	-2.9%	6.0%	20.2	20.8	22.0	1.5%	5.0%
Audit costs: External	7.0	5.4	5.5	10.0	12.5%	1.9%	10.7	11.3	12.0	6.5%	2.6%
Computer services	10.9	6.3	11.5	9.1	-5.8%	2.5%	11.2	11.9	12.6	11.4%	2.7%
Legal services	4.2	9.0	9.9	5.3	8.7%	1.9%	10.9	11.6	12.3	32.1%	2.4%
Operating leases	35.7	51.4	64.5	50.8	12.4%	13.4%	52.8	55.9	59.0	5.1%	13.0%
Travel and subsistence	24.7	29.4	39.9	30.4	7.2%	8.3%	37.0	38.8	41.0	10.6%	8.7%

Table 35.8 Administration expenditure trends and estimates by subprogramme and economic classification

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Transfers and subsidies¹	11.6	8.7	10.9	11.2	-1.0%	2.8%	11.8	12.5	13.2	5.5%	2.9%
Departmental agencies and accounts	0.9	1.0	0.9	1.1	6.3%	0.3%	1.2	1.2	1.3	5.5%	0.3%
Higher education institutions	10.2	-	-	-	-100.0%	0.7%	-	-	-	-	-
Households	0.5	7.7	10.0	10.1	180.6%	1.9%	10.6	11.2	11.9	5.5%	2.6%
Payments for capital assets	8.3	6.2	9.4	5.1	-15.1%	1.9%	2.5	2.7	2.8	-17.8%	0.8%
Machinery and equipment	8.3	6.2	6.1	5.1	-15.1%	1.7%	2.5	2.7	2.8	-17.8%	0.8%
Software and other intangible assets	-	-	3.4	-	-	0.2%	-	-	-	-	-
Payments for financial assets	0.1	0.2	0.5	-	-100.0%	0.1%	-	-	-	-	-
Total	315.6	377.5	420.8	392.8	7.6%	100.0%	406.9	427.2	455.9	5.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.8%	0.8%	0.7%	-	-	0.7%	0.7%	0.7%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	-	7.5	9.8	9.9	-	1.8%	10.4	11.0	11.7	5.5%	2.6%
Bursaries to non-employees	-	7.5	9.8	9.9	-	1.8%	10.4	11.0	11.7	5.5%	2.6%
Higher education institutions											
Current	10.2	-	-	-	-100.0%	0.7%	-	-	-	-	-
Universities of Pretoria, KwaZulu-Natal and Stellenbosch	10.2	-	-	-	-100.0%	0.7%	-	-	-	-	-

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

Programme 2: Integrated Transport Planning

Programme purpose

Integrate and harmonise macro-transport sector policies, strategies and legislation. Coordinate and develop sector-related policies, research activities, and regional and inter-sphere relations. Facilitate sector transformation and provide sector economic modelling and analysis.

Objectives

- Facilitate integrated macro-transport systems planning by:
 - submitting the revised White Paper on National Transport Policy to Cabinet in 2017
 - monitoring the implementation of the national transport master plan 2050 on a continuous basis.
- Promote the national, regional and continental integration of transport infrastructure operations and standards by submitting the road freight strategy to Cabinet in 2017.
- Enhance the economic regulation and socioeconomic transformation of the transport sector by submitting the Single Transport Economic Regulator Bill to Parliament and the green transport strategy to Cabinet by 2018.

Subprogrammes

- Macro Sector Planning* examines land use and transport planning in all spheres of government from a multimodal perspective, and manages and facilitates the implementation of the planning provisions contained in the National Land Transport Act (2009).
- Freight Logistics* develops and coordinates the implementation of freight logistics strategies aimed at unblocking bottlenecks in the freight logistics system and related supply chains, with particular emphasis on integrating elements of the system across all modes.
- Modelling and Economic Analysis* undertakes economic studies, provides innovative and enabling transport infrastructure funding options that respond to the socioeconomic needs of the national agenda, and applies economic analysis tools to transport sector policy development.
- Regional Integration* manages, coordinates and facilitates the development of strategies for engagements in the Southern African Development Community region and the rest of Africa.
- Research and Innovation* ensures research, innovation and monitoring of the transport sector for sustainability.

- *Integrated Transport Planning Administration Support* provides administrative support services to the programme.

Expenditure trends and estimates

Table 35.9 Integrated Transport Planning 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Macro Sector Planning	9.0	13.3	12.7	15.4	19.8%	16.3%	16.8	17.7	18.9	7.0%	20.4%
Freight Logistics	16.0	13.5	23.0	20.4	8.4%	23.6%	21.1	22.2	23.6	5.0%	25.8%
Modelling and Economic Analysis	21.8	19.8	25.8	17.2	-7.6%	27.4%	17.2	18.1	19.3	3.9%	21.2%
Regional Integration	6.1	7.7	8.2	6.6	2.5%	9.3%	6.7	7.1	7.6	4.9%	8.3%
Research and Innovation	7.4	14.1	13.4	13.1	21.3%	15.5%	13.5	14.2	15.2	5.0%	16.6%
Integrated Transport Planning Administration Support	6.1	6.6	5.6	6.2	0.6%	7.9%	6.4	6.7	7.1	4.9%	7.8%
Total	66.4	75.0	88.8	79.0	6.0%	100.0%	81.7	86.0	91.8	5.2%	100.0%
Change to 2016 Budget estimate				-			0.2	0.2	0.2		
Economic classification											
Current payments	65.5	74.1	87.6	78.8	6.3%	99.0%	81.5	85.8	91.6	5.2%	99.8%
Compensation of employees	31.7	36.6	43.1	44.3	11.8%	50.3%	45.8	48.5	52.2	5.7%	56.4%
Goods and services ¹	33.8	37.5	44.5	34.5	0.7%	48.6%	35.6	37.3	39.4	4.5%	43.4%
of which:											
Advertising	0.0	1.2	3.8	0.6	285.1%	1.8%	0.7	0.8	0.8	9.1%	0.9%
Catering: Departmental activities	0.1	0.1	0.1	0.4	90.2%	0.2%	1.2	1.2	1.3	45.7%	1.2%
Communication	0.4	0.6	0.7	0.6	14.6%	0.8%	0.7	0.7	0.7	4.8%	0.8%
Consultants: Business and advisory services	22.6	27.4	24.6	25.0	3.4%	32.2%	25.9	27.1	28.6	4.6%	31.5%
Travel and subsistence	4.3	5.2	7.5	4.5	2.0%	7.0%	4.7	4.9	5.2	4.5%	5.7%
Venues and facilities	1.4	0.8	4.8	2.2	15.0%	3.0%	1.9	2.0	2.1	-0.9%	2.4%
Transfers and subsidies¹	0.1	0.2	0.1	-	-100.0%	0.1%	-	-	-	-	-
Households	0.1	0.2	0.1	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	0.8	0.7	1.1	0.2	-38.0%	0.9%	0.2	0.2	0.2	5.2%	0.2%
Machinery and equipment	0.8	0.7	1.1	0.2	-38.0%	0.9%	0.2	0.2	0.2	5.2%	0.2%
Total	66.4	75.0	88.8	79.0	6.0%	100.0%	81.7	86.0	91.8	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.2%	0.2%	0.1%	-	-	0.1%	0.1%	0.1%	-	-

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

Programme 3: Rail Transport

Programme purpose

Facilitate and coordinate the development of sustainable rail transport policies, rail economic and safety regulation, and infrastructure development strategies that reduce system costs and improve customer service. Oversee rail public entities and the implementation of integrated rail services.

Objectives

- Enhance the performance, efficiency and reliability of the rail sector by facilitating the submission of the National Rail Bill to Cabinet in 2017.
- Develop alternative funding options for the rail sector through a due diligence study by 2019.
- Regulate and enhance rail safety and security by submitting the draft National Railway Safety Regulator Amendment Bill to Cabinet in 2017.

Subprogrammes

- *Rail Regulation* is responsible for the development of rail policy, and safety and economic regulations.
- *Rail Infrastructure and Industry Development* coordinates the development, maintenance of and investment in rail infrastructure.
- *Rail Operations* coordinates the implementation of integrated rail services, and monitors and analyses service delivery challenges facing the rail industry.

- *Rail Oversight* oversees and tracks the performance of the Passenger Rail Agency of South Africa and the Railway Safety Regulator, and manages the transfer payments to these entities.
- *Rail Administration Support* provides support services to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and business planning.

Expenditure trends and estimates

Table 35.10 Rail Transport expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Rail Regulation	5.6	10.4	11.7	18.7	49.1%	0.1%	19.2	20.2	21.4	4.7%	0.1%
Rail Infrastructure and Industry Development	14.9	13.7	7.6	8.7	-16.5%	0.1%	12.3	12.1	12.8	13.8%	0.1%
Rail Operations	4.2	9.9	4.9	7.9	23.0%	-	7.7	8.2	8.8	3.7%	-
Rail Oversight	11 205.6	14 998.0	18 278.2	18 946.3	19.1%	99.8%	19 276.0	21 171.5	22 301.5	5.6%	99.8%
Rail Administration Support	2.4	3.4	2.9	4.1	18.7%	-	5.1	5.4	6.0	13.9%	-
Total	11 232.8	15 035.5	18 305.3	18 985.5	19.1%	100.0%	19 320.3	21 217.3	22 350.5	5.6%	100.0%
Change to 2016 Budget estimate				-			(813.6)	(73.1)	(132.7)		
Economic classification											
Current payments	27.0	37.2	29.6	39.1	13.1%	0.2%	44.2	45.7	48.9	7.7%	0.2%
Compensation of employees	13.4	20.2	19.9	23.3	20.3%	0.1%	25.5	26.3	28.5	6.9%	0.1%
Goods and services ¹	13.6	17.0	9.6	15.8	5.1%	0.1%	18.6	19.4	20.4	8.9%	0.1%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.0	0.0	0.0	0.1	71.0%	-	0.1	0.1	0.1	0.5%	-
<i>Communication</i>	0.2	0.3	0.7	0.3	3.9%	-	0.3	0.3	0.3	6.8%	-
<i>Consultants: Business and advisory services</i>	12.0	14.4	5.0	7.4	-15.1%	0.1%	6.1	6.4	6.7	-3.2%	-
<i>Infrastructure and planning services</i>	-	-	-	6.5	-	-	10.5	11.0	11.5	20.8%	-
<i>Consumables: Stationery, printing and office supplies</i>	0.0	0.1	0.4	0.1	42.7%	-	0.2	0.2	0.2	22.5%	-
<i>Travel and subsistence</i>	0.5	1.2	1.9	1.2	30.8%	-	1.3	1.4	1.5	6.3%	-
Transfers and subsidies¹	11 205.6	14 997.8	18 275.5	18 946.3	19.1%	99.8%	19 276.0	21 171.5	22 301.5	5.6%	99.8%
Departmental agencies and accounts	46.5	51.5	53.4	56.0	6.4%	0.3%	59.6	63.0	66.5	5.9%	0.3%
Public corporations and private enterprises	11 159.1	14 946.3	18 222.0	18 890.3	19.2%	99.5%	19 216.4	21 108.5	22 235.0	5.6%	99.5%
Payments for capital assets	0.2	0.6	0.3	0.2	-7.0%	-	0.1	0.1	0.1	-9.9%	-
Machinery and equipment	0.2	0.6	0.3	0.2	-7.0%	-	0.1	0.1	0.1	-9.9%	-
Total	11 232.8	15 035.5	18 305.3	18 985.5	19.1%	100.0%	19 320.3	21 217.3	22 350.5	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	26.1%	30.6%	34.3%	33.7%	-	-	32.3%	32.7%	32.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	46.5	51.5	53.4	56.0	6.4%	0.3%	59.6	63.0	66.5	5.9%	0.3%
Railway Safety Regulator	46.5	51.5	53.4	56.0	6.4%	0.3%	59.6	63.0	66.5	5.9%	0.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	6 831.1	11 059.0	14 155.9	14 608.6	28.8%	73.4%	13 720.7	15 352.0	16 212.1	3.5%	73.2%
Passenger Rail Agency of South Africa: Other capital programmes	4 851.2	3 906.6	8 234.6	7 206.9	14.1%	38.1%	5 875.4	7 051.7	4 762.1	-12.9%	30.4%
Passenger Rail Agency of South Africa: Rolling stock fleet renewal programme	-	5 700.0	2 560.5	4 170.3	-	19.6%	4 420.5	4 676.9	7 623.7	22.3%	25.5%
Passenger Rail Agency of South Africa: Signalling	1 105.2	810.7	1 876.0	1 844.2	18.6%	8.9%	1 912.8	2 023.8	2 137.1	5.0%	9.7%
Passenger Rail Agency of South Africa: Metrorail (refurbishment of coaches)	746.7	547.7	1 267.5	1 283.5	19.8%	6.1%	1 360.5	1 439.4	1 520.1	5.8%	6.8%
Passenger Rail Agency of South Africa: Mainline passenger service (refurbishment of coaches)	128.0	93.9	217.3	103.8	-6.8%	0.9%	151.4	160.2	169.2	17.7%	0.7%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	4 328.0	3 887.3	4 066.2	4 281.7	-0.4%	26.1%	5 495.7	5 756.5	6 022.9	12.0%	26.3%
Passenger Rail Agency of South Africa: Metrorail (operations)	3 678.0	3 458.9	3 618.0	3 809.8	1.2%	22.9%	4 000.2	4 232.2	4 469.2	5.5%	20.2%
Passenger Rail Agency of South Africa: Mainline passenger services (operations)	650.0	428.4	448.1	471.9	-10.1%	3.1%	1 495.6	1 524.3	1 553.7	48.8%	6.2%

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

Programme 4: Road Transport

Programme purpose

Develop and manage an integrated road infrastructure network, regulate road transport and ensure safer roads. Oversee road public entities.

Objectives

- Ensure a sustainable road infrastructure network by:
 - submitting the White Paper on Roads Policy to Cabinet by 2018
 - monitoring the overall implementation of the S'hamba Sonke programme on a continuous basis
 - submitting the draft access road development plan to Cabinet by 2018.
- Regulate and enhance road transport safety and security by:
 - monitoring the rollout of the Administrative Adjudication of Road Traffic Offences Act (1998) on a continuous basis
 - monitoring and implementing the 2016-2030 national road safety strategy on a continuous basis
 - tabling the Road Accident Benefit Scheme Bill in Parliament in 2017.

Subprogrammes

- *Road Regulation* regulates road safety and traffic management, manages the electronic national traffic information system, and exercises oversight of the inspectorate for driving licences and vehicle testing stations.
- *Road Infrastructure and Industry Development* facilitates and coordinates the planning, development and implementation of a sustainable and reliable integrated road infrastructure network; as well as capacity enhancement in the industry.
- *Road Oversight* reviews and analyses the performance of road transport public entities and monitors their compliance with regulations and legislation. This subprogramme also transfers funds to the South African National Roads Agency, the Road Traffic Management Corporation and the Road Traffic Infringement Agency.
- *Road Administration Support* provides administrative support services to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and business planning.
- *Road Engineering Standards* develops and implements road engineering standards, coordinates the development of an asset management system for safe and resilient road infrastructure, and manages the provincial roads maintenance grant.

Expenditure trends and estimates

Table 35.11 Road Transport expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Road Regulation	1 222.0	521.9	158.0	34.6	-69.5%	2.1%	36.6	38.7	41.4	6.2%	0.1%
Road Infrastructure and Industry Development	34.0	35.8	39.1	34.9	0.8%	0.2%	37.1	39.0	41.5	5.9%	0.1%
Road Oversight	19 396.8	21 625.9	22 669.0	24 704.2	8.4%	97.6%	27 028.6	29 516.2	31 159.0	8.0%	99.6%
Road Administration Support	6.3	6.7	10.6	7.6	6.4%	–	7.9	8.3	8.8	5.0%	–
Road Engineering Standards	6.4	12.5	12.4	17.8	41.0%	0.1%	18.4	19.4	20.7	5.1%	0.1%
Total	20 665.6	22 202.9	22 889.2	24 799.1	6.3%	100.0%	27 128.6	29 621.6	31 271.4	8.0%	100.0%
Change to 2016 Budget estimate				273.6			(277.1)	(206.1)	(227.8)		
Economic classification											
Current payments	1 269.3	552.4	217.5	99.2	-57.2%	2.4%	105.8	111.6	119.1	6.3%	0.4%
Compensation of employees	34.6	40.9	45.3	54.3	16.2%	0.2%	57.9	61.4	66.0	6.8%	0.2%
Goods and services ¹	1 234.7	511.5	172.1	45.0	-66.9%	2.2%	48.0	50.2	53.0	5.7%	0.2%
of which:											
Advertising	1.3	0.8	2.1	1.5	6.6%	–	1.5	1.6	1.7	2.9%	–
Communication	0.6	0.7	0.9	0.9	14.1%	–	1.1	1.2	1.2	10.5%	–
Consultants: Business and advisory services	1 216.0	495.2	149.9	24.0	-73.0%	2.1%	25.6	26.8	28.3	5.7%	0.1%
Consumables: Stationery, printing and office supplies	0.4	1.6	0.9	1.3	44.3%	–	1.7	1.8	1.9	12.9%	–
Travel and subsistence	7.6	9.1	12.9	11.4	14.7%	–	12.4	13.0	13.8	6.4%	–
Venues and facilities	6.3	0.9	1.1	1.5	-37.8%	–	1.9	1.9	2.0	10.3%	–

Table 35.11 Road Transport expenditure trends and estimates by subprogramme and economic classification

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Transfers and subsidies¹	19 395.8	21 624.7	22 667.8	24 699.2	8.4%	97.6%	27 022.0	29 509.3	31 151.6	8.0%	99.6%
Provinces and municipalities	8 790.0	9 436.7	9 628.6	10 579.7	6.4%	42.4%	10 861.0	11 649.2	12 301.6	5.2%	40.2%
Departmental agencies and accounts	10 605.7	12 187.9	13 039.1	14 119.5	10.0%	55.2%	16 161.1	17 860.1	18 850.0	10.1%	59.4%
Households	0.2	0.0	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.5	25.7	1.1	0.7	11.3%	–	0.7	0.7	0.8	5.4%	–
Machinery and equipment	0.5	25.7	1.1	0.7	11.3%	–	0.7	0.7	0.8	5.4%	–
Payments for financial assets	0.0	0.0	2.8	–	-100.0%	–	–	–	–	–	–
Total	20 665.6	22 202.9	22 889.2	24 799.1	6.3%	100.0%	27 128.6	29 621.6	31 271.4	8.0%	100.0%
Proportion of total programme expenditure to vote expenditure	48.0%	45.2%	42.9%	44.1%	–	–	45.4%	45.6%	45.6%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3 562.2	4 007.1	4 448.2	4 790.1	10.4%	18.6%	5 048.7	5 354.7	5 667.1	5.8%	18.5%
Road Traffic Management Corporation	83.5	259.5	184.1	193.9	32.4%	0.8%	198.6	215.4	227.4	5.5%	0.7%
South African National Roads Agency: Gauteng freeway improvement project	–	–	301.0	425.1	–	0.8%	463.4	505.1	550.5	9.0%	1.7%
South African National Roads Agency	3 453.7	3 736.1	3 951.6	4 161.1	6.4%	16.9%	4 369.1	4 622.5	4 881.4	5.5%	16.0%
Road Traffic Infringement Agency	25.0	11.5	11.5	10.1	-26.1%	0.1%	17.7	11.7	7.8	-8.3%	–
Capital	7 043.5	8 180.8	8 590.9	9 329.4	9.8%	36.6%	11 112.4	12 505.4	13 182.9	12.2%	40.9%
South African National Roads Agency: Non-toll network	6 448.6	7 515.3	7 721.1	7 935.6	7.2%	32.7%	9 063.7	9 884.3	10 648.2	10.3%	33.3%
South African National Roads Agency: Coal haulage road network	594.8	665.5	696.1	733.0	7.2%	3.0%	769.7	814.3	842.7	4.8%	2.8%
South African National Roads Agency: Moloto road upgrade	–	–	155.5	660.8	–	0.9%	1 279.0	1 806.8	1 692.0	36.8%	4.8%
South African National Roads Agency: Botswana river crossing	–	–	18.2	–	–	–	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	52.2	75.2	96.8	101.5	24.8%	0.4%	107.3	113.5	119.9	5.7%	0.4%
Rural roads asset management systems grant	52.2	75.2	96.8	101.5	24.8%	0.4%	107.3	113.5	119.9	5.7%	0.4%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Capital	8 737.8	9 361.5	9 531.7	10 478.2	6.2%	42.1%	10 753.7	11 535.7	12 181.7	5.1%	39.8%
Provincial roads maintenance grant: Roads in support of electricity generation infrastructure component	808.9	803.0	830.0	801.0	-0.3%	3.6%	482.0	–	–	-100.0%	1.1%
Provincial roads maintenance grant: Roads maintenance component	7 519.5	7 956.2	8 221.2	9 379.1	7.6%	36.5%	10 001.7	11 325.7	12 181.7	9.1%	38.0%
Provincial roads maintenance grant: Disaster relief component	409.4	602.3	480.6	298.1	-10.0%	2.0%	270.0	210.0	–	-100.0%	0.7%

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

Programme 5: Civil Aviation

Programme purpose

Facilitate the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards through regulations, investigations and overseeing aviation public entities.

Objectives

- Enhance the performance, efficiency and reliability of the aviation sector by submitting the amendment of the Airports Company Act (1993) and the Air Traffic and Navigation Services Company Act (1993) to Cabinet by 2017.
- Regulate and enhance civil aviation safety and security by:
 - submitting the Civil Aviation Policy to Cabinet in 2017
 - facilitating the universal safety oversight audit conducted by the International Civil Aviation Organisation in 2017.
- Contribute to job creation in the transport sector by submitting the national aviation transformation strategy to Cabinet by 2017.

Subprogrammes

- *Aviation Policy and Regulations* develops and maintains the civil aviation regulatory regime to respond to national imperatives and international standards, norms and protocols.
- *Aviation Economic Analysis and Industry Development* provides aviation economic analysis and develops relevant frameworks for industry development and airfreight logistics activities.
- *Aviation Safety, Security, Environment and Search and Rescue* develops and monitors South Africa's aviation safety, security, environment, and search and rescue regime; and manages investigations of aviation accidents and serious incidents for the purposes of identifying deficiencies to make safety recommendations on mechanisms to address these deficiencies.
- *Aviation Oversight* monitors the performance of the Airports Company South Africa, the Air Traffic and Navigation Services Company and the South African Civil Aviation Authority, in line with the legislative framework.
- *Aviation Administration Support* provides project and financial administrative support to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and business planning.
- *Mthatha Airport* was created to facilitate the upgrade and refurbishment of Mthatha Airport in 2012/13 and 2013/14.

Expenditure trends and estimates

Table 35.12 Civil Aviation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million											
Aviation Policy and Regulations	27.4	26.1	26.6	23.7	-4.7%	14.7%	25.1	26.6	28.4	6.2%	13.1%
Aviation Economic Analysis and Industry Development	8.5	9.0	9.8	11.3	10.0%	5.5%	11.4	12.0	12.9	4.5%	6.0%
Aviation Safety, Security, Environment and Search and Rescue	61.8	64.7	57.7	169.3	39.9%	49.9%	71.5	74.9	79.3	-22.3%	49.9%
Aviation Oversight	35.1	37.8	40.6	43.9	7.8%	22.2%	56.9	59.8	62.9	12.8%	28.3%
Aviation Administration Support	7.7	23.4	6.4	5.0	-13.0%	6.0%	5.1	5.3	5.7	4.4%	2.7%
Mthatha Airport	8.2	-	4.1	-	-100.0%	1.7%	-	-	-	-	-
Total	148.6	161.0	145.3	253.2	19.4%	100.0%	169.9	178.7	189.2	-9.3%	100.0%
Change to 2016				-			10.5	10.9	11.1		
Budget estimate											
Economic classification											
Current payments	105.8	123.5	105.3	212.1	26.1%	77.2%	115.7	121.7	129.4	-15.2%	73.2%
Compensation of employees	31.3	32.4	35.7	39.4	8.0%	19.6%	40.4	42.8	46.1	5.4%	21.3%
Goods and services ¹	74.5	91.1	69.6	172.8	32.4%	57.6%	75.3	78.9	83.3	-21.6%	51.9%
of which:											
Communication	53.1	53.0	44.8	156.1	43.3%	43.3%	58.1	60.8	64.2	-25.6%	42.9%
Consultants: Business and advisory services	3.8	5.4	10.7	6.9	22.5%	3.8%	7.3	7.7	8.1	5.3%	3.8%
Consumables: Stationery, printing and office supplies	0.4	0.3	0.4	0.6	11.1%	0.3%	1.0	1.0	1.1	20.5%	0.5%
Travel and subsistence	7.2	8.6	8.9	7.5	1.3%	4.6%	7.2	7.6	8.0	2.2%	3.8%
Training and development	0.1	0.0	0.1	0.5	48.9%	0.1%	0.4	0.4	0.4	-4.9%	0.2%
Operating payments	0.1	18.6	0.3	0.2	39.1%	2.7%	0.4	0.4	0.4	31.1%	0.2%
Transfers and subsidies¹	33.9	36.6	39.2	40.7	6.3%	21.2%	53.7	56.5	59.3	13.4%	26.6%
Departmental agencies and accounts	24.7	26.1	27.3	28.8	5.3%	15.1%	35.2	37.2	39.3	11.0%	17.8%
Foreign governments and international organisations	7.7	8.0	9.3	9.4	7.0%	4.9%	15.9	16.4	17.0	21.9%	7.4%
Non-profit institutions	1.5	2.3	2.4	2.5	18.8%	1.2%	2.7	2.8	3.0	5.5%	1.4%
Households	0.1	0.1	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	9.0	0.9	0.8	0.4	-64.5%	1.6%	0.4	0.4	0.5	5.5%	0.2%
Buildings and other fixed structures	8.2	-	-	-	-100.0%	1.2%	-	-	-	-	-
Machinery and equipment	0.8	0.9	0.8	0.4	-18.9%	0.4%	0.4	0.4	0.5	5.5%	0.2%
Total	148.6	161.0	145.3	253.2	19.4%	100.0%	169.9	178.7	189.2	-9.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.3%	0.4%	-	-	0.3%	0.3%	0.3%	-	-

Table 35.12 Civil Aviation expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million													
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current		24.7	26.1	27.3	28.8	5.3%	15.1%	35.2	37.2	39.3	11.0%	17.8%	
South African Civil Aviation Authority		18.2	19.2	20.1	21.2	5.3%	11.1%	22.3	23.5	24.9	5.5%	11.6%	
South African Maritime Safety Authority		6.5	6.9	7.2	7.6	5.3%	4.0%	13.0	13.7	14.5	24.0%	6.2%	
Foreign governments and international organisations													
Current		7.7	8.0	9.3	9.3	6.8%	4.8%	15.8	16.4	16.9	22.0%	7.4%	
African Civil Aviation Commission		3.8	3.9	4.9	4.7	7.9%	2.4%	5.0	5.3	5.6	5.5%	2.6%	
International Civil Aviation Organisation		3.5	3.7	4.0	4.1	5.6%	2.2%	4.3	4.6	4.8	5.5%	2.2%	
Cospas-Sarsat search and rescue satellite programme		0.4	0.4	0.4	0.5	6.0%	0.2%	0.5	0.5	0.6	5.5%	0.3%	
SADC Aviation Safety Organisation		-	-	-	-	-	-	6.0	6.0	6.0	-	2.3%	
Non-profit institutions													
Current		1.2	2.0	2.1	2.2	21.7%	1.1%	2.3	2.5	2.6	5.5%	1.2%	
National Sea Rescue Institute		1.2	2.0	2.1	2.2	21.7%	1.1%	2.3	2.5	2.6	5.5%	1.2%	

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

Programme 6: Maritime Transport

Programme purpose

Promote a safe, reliable and economically viable maritime transport sector through the development and implementation of policies and strategies. Oversee maritime public entities.

Objectives

- Enhance the performance, efficiency and reliability of the maritime transport sector by developing an implementation plan for the approved national maritime transport policy by 2018.
- Regulate and enhance maritime transport safety and security by:
 - developing the draft Merchant Shipping Amendment Bill by 2018
 - preparing reports on the 2020 World Maritime Day project implementation plan by 2020.

Subprogrammes

- *Maritime Policy Development* develops and maintains a maritime regulatory regime that is responsive to national imperatives, and international standards, norms and protocols. This subprogramme is also responsible for the development and maintenance of maritime policies and strategies.
- *Maritime Infrastructure and Industry Development* facilitates the development of an integrated maritime infrastructure and maritime industry.
- *Implementation, Monitoring and Evaluations* ensures that legislation, policies and strategies pertaining to maritime safety, security and environmental protection are implemented.
- *Maritime Oversight* transfers allocations to public entities in the maritime field, the South African Maritime Safety Authority and the Ports Regulator of South Africa, and oversees these entities' compliance with relevant regulations and legislation.
- *Maritime Administration Support* provides project and financial administration support to the entire programme. This entails preparing submissions, facilitating branch and departmental meetings, implementing projects, and business planning.

Expenditure trends and estimates

Table 35.13 Maritime Transport 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Maritime Policy Development	9.2	11.1	11.7	10.0	2.7%	9.0%	9.9	10.4	11.1	3.5%	8.2%
Maritime Infrastructure and Industry Development	5.9	6.5	6.5	12.0	26.7%	6.6%	13.4	12.7	13.5	4.0%	10.3%
Implementation, Monitoring and Evaluations	60.1	58.8	53.7	59.4	-0.4%	49.8%	59.9	62.8	66.5	3.8%	49.5%
Maritime Oversight	23.5	18.6	67.5	34.4	13.5%	30.9%	29.3	32.8	39.4	4.6%	27.0%
Maritime Administration Support	3.5	4.7	3.5	5.0	12.5%	3.6%	7.2	6.1	6.5	9.1%	5.0%
Total	102.3	99.6	142.9	120.8	5.7%	100.0%	119.7	124.8	137.0	4.3%	100.0%
Change to 2016 Budget estimate				(0.9)			2.2	4.3	9.3		
Economic classification											
Current payments	79.1	81.4	77.2	89.7	4.3%	70.3%	95.0	96.8	102.8	4.6%	76.5%
Compensation of employees	16.5	19.6	20.1	23.8	12.9%	17.2%	28.4	27.1	29.1	7.0%	21.6%
Goods and services ¹	62.5	61.8	57.0	65.9	1.8%	53.1%	66.6	69.7	73.7	3.8%	54.9%
of which:											
Communication	0.3	0.3	0.3	0.4	13.3%	0.3%	0.4	0.4	0.4	1.8%	0.3%
Consultants: Business and advisory services	6.9	52.2	45.6	18.6	39.3%	26.5%	19.6	20.5	21.6	5.3%	16.0%
Infrastructure and planning services	46.1	-	-	41.6	-3.4%	18.8%	41.2	43.2	45.6	3.1%	34.2%
Operating leases	1.0	1.4	1.1	0.5	-20.0%	0.9%	1.3	1.4	1.5	41.6%	0.9%
Travel and subsistence	5.2	4.7	6.1	3.2	-15.1%	4.1%	3.2	3.4	3.6	3.7%	2.7%
Venues and facilities	0.7	0.9	0.8	0.5	-11.5%	0.6%	0.4	0.4	0.4	-7.1%	0.3%
Transfers and subsidies¹	22.6	17.7	65.2	30.3	10.3%	29.2%	24.4	27.6	33.9	3.7%	23.1%
Departmental agencies and accounts	22.3	16.9	27.6	28.6	8.6%	20.5%	22.5	25.6	31.8	3.6%	21.6%
Foreign governments and international organisations	0.2	0.8	37.5	1.8	94.5%	8.7%	1.9	2.0	2.1	5.5%	1.5%
Payments for capital assets	0.6	0.5	0.5	0.8	9.1%	0.5%	0.3	0.3	0.4	-23.3%	0.4%
Machinery and equipment	0.6	0.5	0.5	0.8	9.1%	0.5%	0.3	0.3	0.4	-23.3%	0.4%
Total	102.3	99.6	142.9	120.8	5.7%	100.0%	119.7	124.8	137.0	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.2%	0.3%	0.2%	-	-	0.2%	0.2%	0.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	22.3	16.9	27.6	28.6	8.6%	20.5%	22.5	25.6	31.8	3.6%	21.6%
South African Maritime Safety Authority	6.4	-	-	-	-100.0%	1.4%	-	-	-	-	-
Ports Regulator of South Africa	15.9	16.9	27.6	28.6	21.6%	19.1%	22.5	25.6	31.8	3.6%	21.6%
Foreign governments and international organisations											
Current	0.2	0.8	37.5	1.8	94.5%	8.7%	1.9	2.0	2.1	5.5%	1.5%
International Maritime Organisation	-	0.5	0.6	1.5	-	0.5%	1.5	1.6	1.7	5.5%	1.3%
Indian Ocean Memorandum of Understanding	0.2	0.3	0.3	0.3	10.0%	0.2%	0.3	0.4	0.4	5.4%	0.3%
International Oil Pollution Compensation Fund	-	-	36.6	-	-	7.9%	-	-	-	-	-

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

Programme 7: Public Transport

Programme purpose

Provide and regulate safe, secure, reliable, cost-effective and sustainable public transport services in South Africa through legislation, policies and strategies.

Objectives

- Provide integrated rural transport infrastructure and services by:
 - developing detailed integrated public transport network plans in four district municipalities by 2017
 - monitoring the implementation of the rural transport strategy on a continuous basis.
- Improve the access and reliability of public transport by:
 - monitoring the planning and implementation of integrated public transport networks in eight metropolitan and five local municipalities on a continuous basis
 - developing the draft regulations for the National Land Transport Amendment Act by 2018
 - developing a draft transport appeals tribunal amendment bill by 2018.

- Promote sustainable public transport by:
 - monitoring the implementation of recommendations of the taxi recapitalisation programme review report on a continuous basis
 - submitting the public transport subsidy policy to Cabinet by 2018.

Subprogrammes

- *Public Transport Regulation* manages the development and maintenance of policy, legislation and regulation; and coordinates and facilitates implementation. Responsibilities include managing public transport information, such as public transport systems developed in terms of the National Land Transport Act (2009).
- *Rural and Scholar Transport* develops and reviews rural, scholar and non-motorised transport strategies, and coordinates and evaluates their implementation.
- *Public Transport Industry Development* oversees and facilitates the implementation of public transport policy, legislation and strategy; develops public transport empowerment schemes; manages the taxi recapitalisation programme; and facilitates stakeholder relations and conflict resolution in the industry.
- *Public Transport Oversight* transfers public transport subsidies and manages the *public transport operations grant* in terms of the Division of Revenue Act.
- *Public Transport Administration Support* renders an administrative and financial support service to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and business planning.
- *Public Transport Network Development* develops norms and standards for integrated public transport systems to assist in providing accessible, reliable and affordable integrated public transport network services in municipalities. It also manages the *public transport network grant* in terms of the Division of Revenue Act.

Expenditure trends and estimates

Table 35.14 Public Transport expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Public Transport Regulation	12.9	14.0	15.2	34.9	39.2%	0.2%	35.0	36.3	38.7	3.6%	0.3%
Rural and Scholar Transport	7.2	13.7	8.6	48.1	88.2%	0.2%	48.7	51.3	54.3	4.1%	0.4%
Public Transport Industry Development	111.7	118.4	123.1	173.7	15.9%	1.2%	161.3	167.9	176.5	0.5%	1.3%
Public Transport Oversight	10 350.8	11 021.2	11 160.2	11 366.7	3.2%	98.2%	12 292.8	13 007.1	13 746.4	6.5%	97.8%
Public Transport Administration Support	18.7	21.8	14.2	14.9	-7.3%	0.2%	12.8	13.4	14.2	-1.5%	0.1%
Public Transport Network Development	4.3	6.6	7.2	17.1	58.0%	0.1%	17.8	18.7	19.9	5.1%	0.1%
Total	10 505.6	11 195.7	11 328.6	11 655.4	3.5%	100.0%	12 568.3	13 294.7	14 050.0	6.4%	100.0%
Change to 2016 Budget estimate				-			(232.7)	(245.3)	(249.3)		
Economic classification											
Current payments	154.3	174.1	167.1	288.5	23.2%	1.8%	275.3	287.4	303.3	1.7%	2.2%
Compensation of employees	35.5	41.3	44.4	50.2	12.2%	0.4%	52.2	54.7	58.8	5.4%	0.4%
Goods and services ¹	118.8	132.8	122.8	238.3	26.1%	1.4%	223.1	232.7	244.5	0.9%	1.8%
of which:											
Minor assets	0.3	0.1	0.1	0.0	-43.1%	-	1.2	1.2	1.3	197.8%	-
Communication	0.5	0.5	0.6	0.3	-20.9%	-	1.2	1.2	1.3	72.6%	-
Consultants: Business and advisory services	107.1	120.7	115.2	236.0	30.1%	1.3%	211.7	220.7	231.9	-0.6%	1.7%
Travel and subsistence	8.2	8.7	5.1	1.3	-46.0%	0.1%	5.9	6.2	6.5	71.5%	-
Training and development	0.0	0.0	0.1	-	-100.0%	-	1.5	1.6	1.7	-	-
Venues and facilities	1.1	1.5	0.9	0.4	-31.4%	-	0.5	0.6	0.6	19.1%	-
Transfers and subsidies¹	10 350.8	11 021.2	11 160.8	11 366.7	3.2%	98.2%	12 292.8	13 007.1	13 746.4	6.5%	97.8%
Provinces and municipalities	10 102.5	10 703.6	10 892.5	10 993.0	2.9%	95.5%	11 882.4	12 573.0	13 288.0	6.5%	94.5%
Non-profit institutions	17.4	17.5	19.3	20.3	5.3%	0.2%	21.3	22.5	23.8	5.5%	0.2%
Households	230.9	300.2	249.0	353.4	15.2%	2.5%	389.0	411.6	434.7	7.1%	3.1%
Payments for capital assets	0.6	0.4	0.6	0.2	-26.7%	-	0.2	0.2	0.3	5.1%	-
Machinery and equipment	0.6	0.4	0.6	0.2	-26.7%	-	0.2	0.2	0.3	5.1%	-
Total	10 505.6	11 195.7	11 328.6	11 655.4	3.5%	100.0%	12 568.3	13 294.7	14 050.0	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	24.4%	22.8%	21.2%	20.7%	-	-	21.0%	20.5%	20.5%	-	-

Table 35.14 Public Transport expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Non-profit institutions											
Current	17.4	17.5	19.3	20.3	5.3%	0.2%	21.3	22.5	23.8	5.5%	0.2%
South African National Taxi Council	17.4	17.5	19.3	20.3	5.3%	0.2%	21.3	22.5	23.8	5.5%	0.2%
Households											
Other transfers to households											
Current	230.9	300.1	248.4	353.4	15.2%	2.5%	389.0	411.6	434.7	7.1%	3.1%
Taxi recapitalisation	230.9	300.1	248.4	353.4	15.2%	2.5%	389.0	411.6	434.7	7.1%	3.1%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	5 550.0	5 870.8	5 953.1	5 592.7	0.3%	51.4%	6 159.6	6 582.7	6 962.2	7.6%	49.1%
Public transport network grant	5 550.0	5 870.8	5 953.1	5 592.7	0.3%	51.4%	6 159.6	6 582.7	6 962.2	7.6%	49.1%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	4 552.5	4 832.7	4 939.4	5 400.3	5.9%	44.1%	5 722.9	5 990.3	6 325.8	5.4%	45.5%
Public transport operations grant	4 552.5	4 832.7	4 939.4	5 400.3	5.9%	44.1%	5 722.9	5 990.3	6 325.8	5.4%	45.5%

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

Entities¹

Airports Company South Africa

Mandate

Airports Company South Africa is regulated in terms of the Airports Company Act (1993) and the Companies Act (1973), and is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). The company was formed to own and operate the nine principal South African airports, including the three main international gateways: OR Tambo International Airport in Johannesburg, Cape Town International Airport and King Shaka International Airport in Durban. The company is one of the concessionaires operating Mumbai International Airport in India and Guarulhos International Airport in Sao Paulo, Brazil.

Selected performance indicators

Table 35.15 Airports Company South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Average maintenance and engineering costs per international airport per year	Airport maintenance and engineering	Entity mandate	R308.3m	R236.5m	R237.8m	R280.5m	R309.5m	R333.9m	R352.7m
Average security and safety costs per international airport per year	Airport security and safety		R134.4m	R139.5m	R156.2m	R174.2m	R187.8m	R208.7m	R220.4m
Cost-benefit efficiency ratio per year	Airport management		70%	81%	78%	93%	88%	88%	88%
Number of departing passengers accommodated at all airports per year	Airport management		17 419 183	17 844 550	19 374 329	19 155 855	19 561 632	20 090 643	20 864 233
Number of arrival aircraft accommodated at all airports per year	Airport management		261 294	273 342	284 285	272 439	300 649	304 615	312 902
Employee cost per departing passenger per year	Airport management		R57	R60	R57	R58	R64	R66	R68
Aeronautical revenue per departing passenger per year	Airport management		R262	R276	R268	R179	R188	R187	R176
Non-aeronautical revenue per departing passenger per year	Airport management		R147	R160	R161	R167	R177	R156	R196

Expenditure analysis

Over the medium term, Airports Company South Africa will continue providing safe and secure services as well as infrastructure for passengers and airlines to transport people and goods. This will be achieved through the effective use of existing airport infrastructure and investments in airport infrastructure. Airports operated by the company are expected to accommodate 312 902 arriving aircraft and 20.9 million departing passengers per year by 2019/20, from 272 439 arriving aircraft and 19.2 million departing passengers in 2016/17. To support this

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

growth, the company will continue to focus on airport maintenance and engineering, as well as airport safety and security.

Airport maintenance and engineering costs are expected to increase over the medium term, at an average annual rate of 6.7 per cent, from R870 million in 2016/17 to R1.1 billion in 2019/20. Airport safety and security costs per international airport are also expected to increase from R505.7 million in 2016/17 to R661.1 million in 2019/20, at an average annual rate of 9.3 per cent. After administration costs, expenditure on airport maintenance and engineering in all airports accounts for the bulk of the company's total expenditure over the medium term, at 14.7 per cent, or R3 billion.

Spending on goods and services is expected to increase by 1.6 per cent over the medium, from R2.6 billion in 2016/17 to R2.7 billion in 2019/20. This is mainly because of the implementation of a new operational structure in 2017/18, which is expected to improve efficiency, and cost-containment initiatives planned over the medium term. However, aligning the remuneration policy with the new structure is expected to increase spending on compensation of employees at an average annual rate of 8 per cent, from R1.1 billion in 2016/17 to R1.4 billion in 2019/20, with the staff complement remaining at 3 120 over the period.

The company's aeronautical revenue is earned from passenger facilitation and airline services for which charges and tariffs such as aircraft landing and parking fees are collected. Non-aeronautical revenue is derived from property rental, advertising and car parking. Total revenue is expected to increase at an average annual rate of 5.3 per cent, from R6.7 billion in 2016/17 to R7.9 billion in 2019/20, largely driven by the growth in the number of departing passengers and arrival aircraft over the MTEF period. This offsets the effect of the downward adjustment of airport tariffs in 2017/18, which were determined by the regulating committee.

The tariff adjustment is linked to historical underspending of the capital budget and a claw back from a land sale transaction. To ensure financial and debt sustainability, the company's capital projects were scaled down to realign with revenue estimates over the medium term.

Programmes/objectives/activities

Table 35.16 Airports Company of South Africa 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	4 350.4	5 137.0	5 228.7	4 380.9	0.2%	73.6%	4 355.2	4 471.7	4 406.4	0.2%	67.3%
Airport maintenance and engineering	651.5	709.4	713.4	870.0	10.1%	11.4%	928.4	1 001.9	1 058.0	6.7%	14.7%
Airport security and safety	378.0	418.4	468.7	505.7	10.2%	6.8%	563.3	626.0	661.1	9.3%	9.0%
Airport management	581.9	478.8	520.7	528.8	-3.1%	8.2%	562.3	611.3	645.5	6.9%	9.0%
Total	5 961.9	6 743.6	6 931.5	6 285.4	1.8%	100.0%	6 409.2	6 710.9	6 771.0	2.5%	100.0%

Statements of historical financial performance and position

Table 35.17 Airports Company of South Africa statements of historical financial performance and position

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Budget estimate		Revised estimate		Average: Outcome/ Budget (%)
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2016/17	2016/17	2016/17			
R million													
Revenue													
Non-tax revenue	7 544.9	7 449.5	7 709.7	8 371.3	8 168.3	8 889.9	7 287.5	6 727.4					102.4%
Sale of goods and services other than capital assets	7 438.7	7 127.0	7 648.0	7 773.9	8 131.7	8 305.8	7 226.9	6 628.8					98.0%
of which:													
Sales by market establishment	7 438.7	7 127.0	7 648.0	7 773.9	8 131.7	8 305.8	7 226.9	6 628.8					98.0%
Aeronautical revenue	4 894.8	4 559.3	4 965.5	4 925.9	5 130.6	5 194.6	4 202.1	3 424.1					94.3%
Non-aeronautical revenue	2 543.9	2 567.7	2 682.6	2 848.0	3 001.1	3 111.1	3 024.8	3 204.8					104.3%
Other non-tax revenue	106.1	322.6	61.7	597.4	36.6	584.1	60.6	98.6					604.8%
Total revenue	7 544.9	7 678.1	7 709.7	8 371.3	8 164.3	8 889.9	7 287.5	6 727.4					103.1%
Expenses													
Current expenses	6 041.1	5 364.8	5 770.9	5 872.0	5 825.5	5 451.9	5 697.6	6 087.6					97.6%
Compensation of employees	952.2	992.8	1 070.5	1 066.2	989.2	1 113.3	1 090.8	1 117.9					104.6%
Goods and services	1 736.1	1 745.0	1 992.1	1 972.8	2 391.0	2 082.2	2 346.5	2 577.4					99.0%
Depreciation	1 776.4	1 402.5	1 348.3	1 393.5	1 306.4	1 163.1	1 326.9	1 314.8					91.6%
Interest, dividends and rent on land	1 576.3	1 224.5	1 360.1	1 439.6	1 138.8	1 093.4	933.5	1 077.5					96.5%
Total expenses	6 541.0	5 961.9	6 397.7	6 743.6	6 480.0	6 931.5	6 129.9	6 285.4					101.5%
Surplus/(Deficit)	1 004.0	1 716.0	1 312.0	1 628.0	1 684.0	1 958.0	1 158.0	442.0					

Table 35.17 Airports Company of South Africa statements of historical financial performance and position

Statement of financial position	2013/14		2014/15		2015/16		2016/17		Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2013/14		2014/15		2015/16		2016/17		
R million									
Carrying value of assets	25 416.1	24 126.4	23 180.7	23 981.4	24 337.0	24 428.1	25 544.8	22 692.9	96.7%
<i>of which:</i>									
Acquisition of assets	(1 626.6)	(928.0)	(1 327.8)	(776.4)	(1 354.6)	(1 164.2)	(2 534.6)	(966.3)	56.0%
Investments	979.7	2 781.6	932.8	2 086.9	–	3 000.1	–	1 942.8	513.0%
Inventory	0.9	1.2	6.2	1.4	1.2	1.5	1.2	1.4	57.1%
Receivables and prepayments	1 222.8	943.2	1 257.2	1 183.3	1 206.0	1 014.9	1 188.0	1 089.7	86.8%
Cash and cash equivalents	371.9	1 014.5	382.4	1 226.6	766.8	1 369.6	361.3	2 731.4	336.9%
Taxation	–	0.5	–	5.0	–	60.8	–	5.0	–
Derivatives financial instruments	–	–	–	0.7	–	–	–	–	–
Total assets	27 991.4	28 867.4	25 759.4	28 485.3	26 311.0	29 874.9	27 095.3	28 463.2	108.0%
Accumulated surplus/(deficit)	10 499.4	12 583.6	12 172.4	14 060.3	14 544.8	16 383.9	15 302.3	15 262.3	111.0%
Capital and reserves	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	100.0%
Borrowings	14 064.1	12 984.1	10 189.6	11 176.6	9 226.1	9 817.5	9 027.8	10 732.8	105.2%
Deferred income	–	72.3	346.9	66.2	172.0	68.1	172.0	141.2	50.3%
Trade and other payables	901.9	752.3	721.7	724.2	749.9	1 276.5	981.7	766.3	104.9%
Taxation	1 271.5	1 418.0	1 393.3	1 427.2	833.3	1 346.0	826.6	779.7	114.9%
Provisions	155.1	207.4	185.5	205.8	34.9	226.4	34.9	30.8	163.4%
Derivatives financial instruments	349.5	99.7	–	75.0	–	6.4	–	–	51.8%
Total equity and liabilities	27 991.4	28 867.4	25 759.4	28 485.3	26 311.0	29 874.9	27 095.3	28 463.2	108.0%

Statements of estimates of financial performance and position**Table 35.18 Airports Company of South Africa statements of estimates of financial performance and position**

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)		
				2016/17	2013/14 - 2016/17	2017/18			2018/19	2019/20
				2016/17	2013/14 - 2016/17	2017/18			2018/19	2019/20
R million										
Revenue										
Non-tax revenue	6 727.4	-3.3%	99.3%	7 262.8	7 603.1	7 863.3	5.3%	100.0%		
Sale of goods and services other than capital assets	6 628.8	-2.4%	94.4%	7 133.0	7 490.5	7 774.9	5.5%	98.5%		
<i>of which:</i>										
Sales by market establishment	6 628.8	-2.4%	94.4%	7 133.0	7 490.5	7 774.9	5.5%	98.5%		
Aeronautical revenue	3 424.1	-9.1%	56.9%	3 424.1	3 424.1	3 424.1	–	46.7%		
Non-aeronautical revenue	3 424.1	10.1%	37.5%	3 424.1	3 424.1	3 424.1	–	46.7%		
Other non-tax revenue	98.6	-32.6%	4.8%	129.9	112.6	88.5	-3.6%	1.5%		
Total revenue	6 727.4	-4.3%	100.0%	7 262.8	7 603.1	7 863.3	5.3%	100.0%		
Expenses										
Current expenses	6 087.6	4.3%	88.1%	6 026.5	6 310.9	6 281.0	1.0%	92.6%		
Compensation of employees	1 117.9	4.0%	16.6%	1 247.9	1 326.5	1 408.4	8.0%	19.5%		
Goods and services	2 577.4	13.9%	32.4%	2 472.7	2 609.6	2 706.5	1.6%	39.6%		
Depreciation	1 314.8	-2.1%	20.5%	1 365.8	1 406.6	1 450.5	3.3%	21.2%		
Interest, dividends and rent on land	1 077.5	-4.2%	18.7%	940.1	968.3	715.7	-12.8%	14.2%		
Total expenses	6 285.4	1.8%	100.0%	6 409.2	6 710.9	6 771.0	2.5%	100.0%		
Surplus/(Deficit)	442.0	(0.0)		854.0	892.0	1 092.0	35.2%			
Statement of financial position										
Carrying value of assets	22 692.9	-2.0%	82.3%	23 098.6	23 229.4	23 548.7	1.2%	81.0%		
<i>of which:</i>										
Acquisition of assets	(966.3)	1.4%	-3.3%	(1 771.5)	(1 537.4)	(1 769.9)	22.4%	-5.3%		
Investments	1 942.8	-11.3%	8.5%	1 942.8	1 942.8	1 942.8	–	6.8%		
Inventory	1.4	5.6%	0.0%	1.4	1.4	1.4	–	0.0%		
Receivables and prepayments	1 089.7	4.9%	3.7%	1 172.5	1 231.3	1 278.1	5.5%	4.2%		
Cash and cash equivalents	2 731.4	39.1%	5.5%	2 956.6	1 474.5	1 988.7	-10.0%	8.0%		
Taxation	5.0	121.1%	0.1%	5.0	5.0	5.0	–	0.0%		
Total assets	28 463.2	-0.5%	100.0%	29 177.0	27 884.4	28 764.7	0.4%	100.0%		
Accumulated surplus/(deficit)	15 262.3	6.6%	50.4%	16 116.1	17 008.2	18 100.6	5.9%	58.2%		
Capital and reserves	750.0	–	2.6%	750.0	750.0	750.0	–	2.6%		
Borrowings	10 732.8	-6.1%	38.7%	10 419.3	8 234.2	7 936.6	-9.6%	32.6%		
Deferred income	141.2	25.0%	0.3%	141.2	141.2	141.2	–	0.5%		
Trade and other payables	766.3	0.6%	3.0%	902.8	899.8	967.3	8.1%	3.1%		
Taxation	779.7	-18.1%	4.3%	816.7	820.1	838.1	2.4%	2.8%		
Provisions	30.8	-47.0%	0.6%	30.8	30.8	30.8	–	0.1%		
Total equity and liabilities	28 463.2	-0.5%	100.0%	29 177.0	27 884.4	28 764.7	0.4%	100.0%		

Personnel information

Table 35.19 Airports Company of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20							
Airports Company of South Africa		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	3 120	3 120	2 532	1 113.3	0.4	3 120	1 117.9	0.4	3 120	1 247.9	0.4	3 120	1 326.5	0.4	3 120	1 408.4	0.5	8.0%	100.0%
1 – 6	1 488	1 488	1 169	214.0	0.2	1 488	231.9	0.2	1 488	259.5	0.2	1 488	275.1	0.2	1 488	291.9	0.2	8.0%	47.7%
7 – 10	1 259	1 259	1 012	462.8	0.5	1 259	447.7	0.4	1 259	498.1	0.4	1 259	529.8	0.4	1 259	563.1	0.4	7.9%	40.4%
11 – 12	192	192	182	161.5	0.9	192	158.7	0.8	192	181.8	0.9	192	194.0	1.0	192	205.9	1.1	9.1%	6.2%
13 – 16	164	164	152	227.6	1.5	164	232.4	1.4	164	255.3	1.6	164	270.6	1.7	164	287.1	1.8	7.3%	5.3%
17 – 22	17	17	17	47.3	2.8	17	47.1	2.8	17	53.3	3.1	17	56.9	3.3	17	60.3	3.5	8.6%	0.5%

1. Rand million.

Passenger Rail Agency of South Africa

Mandate

The Passenger Rail Agency of South Africa is a schedule 3B public entity in terms of the Public Finance Management Act (1999). Its mandate is contained in the Legal Succession to the South African Transport Services Amendment Act (2008). The act requires the agency to provide rail commuter services within, to and from South Africa in the public interest. In consultation with the Department of Transport, it also provides for long-haul passenger rail and bus services within, to and from South Africa.

Selected performance indicators

Table 35.20 Passenger Rail Agency of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of new train sets delivered to Metrorail per year	Metrorail	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- ¹	- ¹	2	9	7	12	51
Number of Metrorail passenger trips per year	Metrorail		543 million	516 million	448 million	440 million	457 million	470 million	484 million
Percentage of Metrorail trains on time per year	Metrorail		83% (572 541/ 689 808)	81% (546 822/ 675 089)	81% (499 623/ 616 819)	80%	83%	85%	88%
Percentage of Metrorail rolling stock available per year	Metrorail		97% (693 986/ 715 449)	97% (673 785/ 694 624)	96% (629 432/ 655 658)	96%	96%	96%	96%
Number of Metrorail coaches refurbished per year	Metrorail		566	436	350	350	350	350	350
Customer satisfaction rating per year	Administration		69%	65%	57%	60%	62%	63%	64%
Number of Shosholoz Meyl passengers per year	Mainline passenger services (Shosholoz Meyl)		930 893	854 164	659 573	484 000	758 000	780 000	804 000
Number of Shosholoz Meyl coaches refurbished per year	Mainline passenger services (Shosholoz Meyl)		32	59	64	60	60	60	60
Number of new Shosholoz Meyl locomotives per year	Mainline passenger services (Shosholoz Meyl)		- ¹	9	4	0	9	16	0
Number of train station improvement projects completed per year	Passenger Rail Agency of South Africa: Corporate real estate solutions		80	65	53	47	47	47	47
Number of train station upgrade projects completed for commercialisation per year	Passenger Rail Agency of South Africa: Corporate real estate solutions	14	14	21	13	13	13	13	
Number of Autopax passengers per year	Autopax	Entity mandate	2.7 million	3.1 million	3 million	2.5 million	3 million	3 million	3 million

1. No historical data available.

Expenditure analysis

Over the medium term, the Passenger Rail Agency of South Africa will aim to improve the reliability of rail services and increase rail passenger ridership. To this end, the agency will continue to make investments in its capital infrastructure, including the refurbishment and overhaul of its coaches; acquire new rolling stock and locomotives; modernise depots and stations; and upgrade its signalling and other rail infrastructure. The agency also expects to finalise and implement its turnaround strategy to improve operational performance over the medium term.

The agency expects over the medium term to deliver 70 new train sets for Metrorail and 25 new locomotives for Shosholozza Meyl, complete 141 train station improvement projects, and refurbish 1 230 coaches for Metrorail and Shosholozza Meyl. The agency plans to spend R49.3 billion over the period for this purpose. These investments in infrastructure and the implementation of the agency's turnaround strategy are expected to stabilise the percentage of trains available for service at 96 per cent over the medium term. They are also expected to grow passenger trips from 440 million in 2016/17 to 484 million in 2019/20 for Metrorail, and passenger numbers from 484 000 in 2016/17 to 804 000 in 2019/20 for Shosholozza Meyl. Spending on goods and services over the period, as a result, is expected to increase at an average annual rate of 7.4 per cent, from R4.6 billion in 2016/17 to R5.7 billion in 2019/20. Likewise spending on compensation of employees is expected to increase at an average annual rate of 7.3 per cent, from R5.3 billion in 2016/17 to R6.6 billion in 2019/20, as personnel numbers grow from 16 749 to 17 007 over the same period.

The anticipated growth in passenger numbers is expected to increase fare revenue from R2.8 billion in 2016/17 to R4.3 billion in 2019/20, at an average annual rate of 15.7 per cent. The agency also derives revenue from transfers from the Department of Transport and rental income from property. Total revenue is expected to increase at an average annual rate of 7.8 per cent, from R10.9 billion in 2016/17 to R13.7 billion in 2019/20.

Programmes/objectives/activities

Table 35.21 Passenger Rail Agency of South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	1 630.2	1 720.5	1 921.3	1 830.3	3.9%	15.6%	1 553.2	1 650.6	1 733.4	-1.8%	12.7%
Metrorail	6 483.1	6 491.2	6 939.4	7 219.7	3.7%	59.7%	8 563.9	9 103.3	9 769.3	10.6%	64.5%
Main line passenger services (Shosholozza Meyl)	423.5	737.3	1 531.1	814.1	24.3%	7.5%	913.5	978.1	1 046.1	8.7%	7.0%
Passenger Rail Agency of South Africa: Corporate real estate solutions	735.0	865.1	884.7	916.6	7.6%	7.5%	697.2	761.9	807.4	-4.1%	6.0%
Intersite	41.3	32.4	29.5	35.2	-5.2%	0.3%	71.1	92.1	93.0	38.3%	0.5%
Autopax	943.2	1 021.2	987.1	1 058.2	3.9%	8.8%	1 114.4	1 184.6	1 255.5	5.9%	8.6%
Passenger Rail Agency of South Africa: Technical	-	77.4	90.8	87.6	-	0.5%	68.8	74.1	78.1	-3.7%	0.6%
Total	10 256.3	10 945.0	12 383.9	11 961.6	5.3%	100.0%	12 982.1	13 844.8	14 782.7	7.3%	100.0%

Statements of historical financial performance and position

Table 35.22 Passenger Rail Agency of South Africa statements of historical financial performance and position

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2013/14 - 2016/17	
	Budget	2013/14	Budget	2014/15	Budget	2015/16				2016/17
R million										
Revenue										
Non-tax revenue		3 732.2	4 250.3	3 990.1	3 961.4	4 760.3	4 160.1	4 581.3	3 957.1	95.7%
Sale of goods and services other than capital assets		3 731.0	3 629.4	3 988.8	3 640.0	4 482.7	3 584.9	4 390.2	3 605.6	87.1%
of which:										
Sales by market establishment		3 589.5	3 330.6	3 792.4	3 421.1	4 317.8	3 362.7	4 096.1	3 392.6	85.5%
Rental income		492.6	458.3	508.6	480.4	627.2	568.0	669.7	640.7	93.4%
Fare revenue		3 096.8	2 872.3	3 283.8	2 940.7	3 690.6	2 794.7	3 426.4	2 751.9	84.2%
Other sales		141.5	298.9	196.4	218.9	164.9	222.2	294.0	212.9	119.6%
Other non-tax revenue		1.2	620.9	1.3	321.4	277.6	575.2	191.1	351.5	396.6%
Transfers received		4 766.6	6 291.2	5 206.6	5 930.4	5 459.8	7 911.3	6 256.6	6 978.1	125.0%
Total revenue		8 498.8	10 541.5	9 196.7	9 891.8	10 220.1	12 071.5	10 837.9	10 935.2	112.1%
Expenses										
Current expenses		10 328.9	10 256.3	9 890.7	10 945.0	11 180.4	12 383.9	12 294.6	11 961.6	104.2%
Compensation of employees		4 488.0	4 439.9	3 777.5	4 665.7	4 794.0	4 800.9	5 129.5	5 345.0	105.8%
Goods and services		4 559.9	3 518.5	4 642.4	4 124.1	4 544.5	5 301.9	4 760.7	4 609.6	94.8%
Depreciation		1 276.9	1 976.2	1 469.7	2 136.3	1 507.8	2 271.4	2 058.8	1 998.8	132.8%
Interest, dividends and rent on land		4.1	321.8	1.1	18.9	334.2	9.7	345.5	8.2	52.4%
Total expenses		10 328.9	10 256.3	9 890.7	10 945.0	11 180.4	12 383.9	12 294.6	11 961.6	104.2%
Surplus/(Deficit)		(1 830.0)	285.0	(694.0)	(1 053.0)	(960.0)	(312.0)	(1 457.0)	(1 026.0)	

Table 35.22 Passenger Rail Agency of South Africa statements of historical financial performance and position

Statement of financial position	Budget		Audited outcome		Budget		Audited outcome		Budget estimate		Revised estimate		Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2016/17		2013/14 - 2016/17		
R million													
Carrying value of assets	31 300.1	31 380.2	41 326.4	34 147.9	43 886.5	37 450.7	51 061.7	43 279.0					87.3%
<i>of which:</i>													
Acquisition of assets	(7 682.2)	(7 682.2)	(10 685.6)	(11 038.0)	(14 103.5)	(9 029.4)	(15 010.4)	(12 831.4)					85.5%
Inventories	240.4	240.4	236.6	253.6	249.9	297.4	230.4	303.7					114.4%
Loans	-	24.2	24.2	-	-	-	-	-					100.0%
Receivables and prepayments	260.6	1 254.2	254.2	7 891.7	10 344.2	10 470.7	14 689.7	13 635.6					130.2%
Cash and cash equivalents	1 495.7	3 484.2	2 536.1	1 683.7	959.3	6 116.8	2 211.8	7 495.8					260.7%
Non-current assets held for sale	0.9	-	-	-	-	-	-	-					-
Defined benefit plan assets	7.6	7.6	7.6	4.2	3.2	6.0	2.5	4.2					105.2%
Taxation	0.1	-	-	-	-	-	-	-					-
Total assets	33 305.5	36 390.9	44 385.1	43 981.1	55 443.1	54 341.6	68 196.1	64 718.3					99.1%
Accumulated surplus/(deficit)	(5 189.5)	(2 928.2)	(3 622.2)	(2 534.9)	(4 658.5)	(2 847.3)	(6 115.2)	(3 873.8)					62.2%
Capital and reserves	4 248.3	4 248.3	4 248.3	4 248.3	4 248.3	4 248.3	4 248.3	4 248.3					100.0%
Capital reserve fund	30 900.2	30 310.6	39 702.3	37 963.9	49 489.0	48 274.6	61 521.8	60 186.8					97.3%
Borrowings	213.6	92.8	48.3	48.2	-	1.5	-	-					54.4%
Finance lease	-	-	-	-	2 731.2	-	2 882.6	-					-
Trade and other payables	2 467.0	4 040.7	3 370.9	3 563.1	2 949.9	3 906.2	4 955.3	3 464.4					109.0%
Provisions	664.8	626.8	637.7	692.6	683.3	758.4	703.4	692.6					103.0%
Derivatives financial instruments	1.0	-	-	-	-	-	-	-					-
Total equity and liabilities	33 305.5	36 390.9	44 385.1	43 981.1	55 443.1	54 341.6	68 196.1	64 718.3					99.1%

Statements of estimates of financial performance and position**Table 35.23 Passenger Rail Agency of South Africa statements of estimates of financial performance and position**

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)			
				2016/17	2013/14 - 2016/17	2017/18			2018/19	2019/20	2016/17 - 2019/20
R million											
Revenue											
Non-tax revenue	3 957.1	-2.4%	37.8%	4 770.4	5 071.1	5 340.5	10.5%	38.2%			
Sale of goods and services other than capital assets	3 605.6	-0.2%	33.5%	4 665.2	4 965.6	5 234.6	13.2%	36.8%			
<i>of which:</i>											
Sales by market establishment	3 392.6	0.6%	31.3%	4 488.5	4 743.1	5 004.5	13.8%	35.1%			
Rental income	640.7	11.8%	4.9%	834.0	707.5	746.4	5.2%	5.9%			
Fare revenue	2 751.9	-1.4%	26.3%	3 763.7	4 035.6	4 258.1	15.7%	29.4%			
Other sales	212.9	-10.7%	2.2%	176.6	222.5	230.1	2.6%	1.7%			
Other non-tax revenue	351.5	-17.3%	4.3%	105.3	105.5	105.8	-33.0%	1.4%			
Transfers received	6 978.1	3.5%	62.2%	7 568.6	7 976.5	8 366.6	6.2%	61.8%			
Total revenue	10 935.2	1.2%	100.0%	12 339.0	13 047.6	13 707.1	7.8%	100.0%			
Expenses											
Current expenses	11 961.6	5.3%	100.0%	12 982.1	13 844.8	14 782.7	7.3%	119.4%			
Compensation of employees	5 345.0	6.4%	42.3%	5 667.3	6 127.0	6 611.0	7.3%	44.3%			
Goods and services	4 609.6	9.4%	38.3%	5 126.3	5 380.9	5 704.8	7.4%	38.9%			
Depreciation	1 998.8	0.4%	18.5%	2 188.6	2 336.9	2 466.9	7.3%	16.8%			
Interest, dividends and rent on land	8.2	-70.6%	0.9%	-	-	-	-100.0%	0.0%			
Total expenses	11 961.6	5.3%	100.0%	12 982.1	13 844.8	14 782.7	7.3%	100.0%			
Surplus/(Deficit)	(1 026.0)	(3.0)		(643.0)	(797.0)	(1 076.0)	1.6%				
Statement of financial position											
Carrying value of assets	43 279.0	11.3%	74.9%	52 993.8	63 912.3	79 443.8	22.4%	71.2%			
<i>of which:</i>											
Acquisition of assets	(12 831.4)	18.6%	-20.7%	(15 537.9)	(16 429.0)	(17 349.0)	10.6%	-18.8%			
Inventories	303.7	8.1%	0.6%	288.5	274.1	260.4	-5.0%	0.4%			
Receivables and prepayments	13 635.6	121.5%	15.4%	17 407.7	20 941.2	20 901.2	15.3%	21.9%			
Cash and cash equivalents	7 495.8	29.1%	9.1%	5 595.9	4 235.1	2 543.0	-30.3%	6.5%			
Defined benefit plan assets	4.2	-18.2%	0.0%	5.6	5.3	5.0	6.2%	0.0%			
Total assets	64 718.3	21.2%	100.0%	76 291.5	89 368.0	103 153.3	16.8%	100.0%			
Accumulated surplus/(deficit)	(3 873.8)	9.8%	-6.3%	(4 465.7)	(5 217.3)	(6 252.9)	17.3%	-5.9%			
Capital and reserves	4 248.3	0.0%	8.9%	4 248.3	4 248.3	4 248.3	-0.0%	5.3%			
Capital reserve fund	60 186.8	25.7%	87.9%	71 834.6	84 986.5	98 854.9	18.0%	94.5%			
Trade and other payables	3 464.4	-5.0%	7.9%	3 940.7	4 575.4	5 487.8	16.6%	5.2%			
Provisions	692.6	3.4%	1.4%	733.8	775.1	815.3	5.6%	0.9%			
Total equity and liabilities	64 718.3	21.2%	100.0%	76 291.5	89 368.0	103 153.3	16.8%	100.0%			

Personnel information

Table 35.24 Passenger Rail Agency of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	18 027	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
			2015/16			2016/17			2017/18		2018/19		2019/20						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			2016/17 - 2019/20		
Passenger Rail Agency of South Africa			16 723	4 800.9	0.3	16 749	5 345.0	0.3	17 007	5 667.3	0.3	17 007	6 127.0	0.4	17 007	6 611.0	0.4	7.3%	100.0%
Salary level																			
1 – 6	5 947	3 862	7 952	1 271.4	0.2	5 947	988.5	0.2	5 947	1 036.9	0.2	5 947	1 121.0	0.2	5 947	1 209.6	0.2	7.0%	35.1%
7 – 10	10 317	12 190	8 131	2 793.7	0.3	10 083	3 483.9	0.3	10 317	3 705.1	0.4	10 317	4 005.6	0.4	10 317	4 322.1	0.4	7.5%	60.5%
11 – 12	258	1 388	226	171.9	0.8	244	193.7	0.8	258	210.3	0.8	258	227.3	0.9	258	245.3	1.0	8.2%	1.5%
13 – 16	400	500	339	375.4	1.1	396	466.3	1.2	400	484.0	1.2	400	523.3	1.3	400	564.6	1.4	6.6%	2.4%
17 – 22	85	87	75	188.6	2.5	79	212.7	2.7	85	231.0	2.7	85	249.7	2.9	85	269.4	3.2	8.2%	0.5%

1. Rand million.

Road Accident Fund

Mandate

The Road Accident Fund Act (1996) provides for the establishment of the Road Accident Fund, whose sole legal mandate is to compensate South African road users for loss or damage caused by motor vehicle accidents within the borders of South Africa.

Selected performance indicators

Table 35.25 Road Accident Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Direct claims as a percentage of total personal claims per year	Payment of claims to accident victims	Entity mandate	27% (R14.2bn/ R53.2bn)	30% (R17.8bn/ R58.6bn)	35% (R22.5bn/ R64.4bn)	38%	40%	42%	45%
Legal costs as a percentage of claim payments per year	Payment of claims to accident victims		21% (R4.6bn/ R20.9bn)	19% (R5.4bn/ R27.9bn)	13% (R5.2bn/ R38.9bn)	11%	9%	7%	5%
Number of open claims received but not finalised per year	Payment of claims to accident victims		198 407	179 778	184 899	174 867	182 101	196 866	219 908
Loss of support: Average value per claim	Payment of claims to accident victims		R392 744	R368 883	R379 702	– ¹	– ¹	– ¹	– ¹
Loss of earnings: Average value per claim	Payment of claims to accident victims		R649 912	R732 371	R739 214	– ¹	– ¹	– ¹	– ¹
General damages: Average value per claim	Payment of claims to accident victims		R211 003	R334 799	R385 673	– ¹	– ¹	– ¹	– ¹

1. Data not available.

Expenditure analysis

The Road Accident Fund's main focus over the medium term is on compensating road accident victims for losses and damages. The payment of claims to accident victims is expected to increase from R70.4 billion in 2016/17 to R95 billion in 2019/20, at an average annual rate of 10.5 per cent. This includes provisions for the payment of claims, which account for 53 per cent of total payments. Provision for outstanding claims is expected to increase as the value and number of claims reported is expected to remain high. The number of claims are expected to increase from 174 867 in 2016/17 to 219 908 in 2019/20.

The fund derives revenue from the fuel levy. An inflationary increase in the levy in 2017/18 is expected to increase total revenue at an average annual rate of 5.6 per cent over the MTEF period, from R35.3 billion in 2016/17 to R41.5 billion in 2019/20. As revenue growth is set to remain slower than growth in the average value of claims, the fund expects the accumulated deficit to increase from R183.1 billion in 2016/17 to R328.8 billion in 2019/20.

The entity's staff complement is expected to increase from 2 902 in 2016/17 to 2 952 in 2018/19 as the fund implements the new organisational structure, which is expected to increase productivity. As a result, expenditure on compensation of employees is expected to grow at an average annual rate of 8.6 per cent, from R1.3 billion in 2016/17 to R1.7 billion in 2019/20. Expenditure growth in goods and services is mainly driven by the fund's preparation to implement the road accident benefit scheme. Spending on this item is set to grow at an average annual rate of 4 per cent, from R765 million in 2016/17 to R860.2 million in 2019/20. The funding provides for ICT at the fund's new service centres and a systems upgrade.

Programmes/objectives/activities

Table 35.26 Road Accident Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	1 373.9	1 675.4	1 898.1	2 366.6	19.9%	3.4%	2 667.3	3 016.9	3 497.1	13.9%	3.5%
Payment of claims to accident victims	36 442.1	40 456.1	66 266.5	70 357.9	24.5%	96.6%	71 573.0	82 479.5	95 047.9	10.5%	96.5%
Total	37 816.0	42 131.5	68 164.6	72 724.6	24.4%	100.0%	74 240.3	85 496.4	98 545.0	10.7%	100.0%

Statement of historical financial performance and position

Table 35.27 Road Accident Fund statements of historical financial performance and position

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/ Budget (%) 2013/14 - 2016/17
	2013/14	2014/15	2014/15	2015/16	2016/17	2016/17	2017/18	2018/19	
Revenue									
Non-tax revenue	668.0	238.4	149.5	65.6	66.2	93.1	81.7	91.1	50.6%
Other non-tax revenue	668.0	238.4	149.5	65.6	66.2	93.1	81.7	91.1	50.6%
Transfers received	20 930.7	20 278.0	22 457.9	22 614.3	32 982.7	33 113.1	34 194.8	35 198.8	100.6%
Total revenue	21 598.7	20 516.4	22 607.4	22 679.9	33 048.9	33 206.2	34 276.4	35 289.9	100.1%
Expenses									
Current expenses	1 478.3	1 373.9	1 732.7	1 675.4	1 913.9	1 898.1	2 337.6	2 366.6	98.0%
Compensation of employees	966.0	854.7	1 178.3	1 080.9	1 195.8	1 264.4	1 291.4	1 349.0	98.2%
Goods and services	433.9	452.1	481.1	482.0	645.5	435.5	959.8	765.0	84.7%
Depreciation	66.6	38.1	61.0	45.2	59.6	47.2	72.6	52.4	70.4%
Interest, dividends and rent on land	11.7	28.9	12.4	67.3	13.0	151.0	13.7	200.3	880.8%
Transfers and subsidies	17 973.4	36 442.1	23 895.8	40 456.1	55 479.0	66 266.5	53 222.2	70 357.9	141.8%
Total expenses	19 451.7	37 816.0	25 628.5	42 131.5	57 392.9	68 164.6	55 559.8	72 724.6	139.7%
Surplus/(Deficit)	2 147.0	(17 300.0)	(3 021.0)	(19 452.0)	(24 344.0)	(34 958.0)	(21 283.0)	(37 435.0)	
Statement of financial position									
Carrying value of assets	279.7	268.2	313.7	281.8	301.8	227.2	333.0	270.4	85.3%
of which:									
Acquisition of assets	(86.7)	(51.0)	(82.5)	(57.6)	(90.8)	(40.9)	(95.6)	(95.6)	69.0%
Inventory	2.9	3.6	3.4	4.9	5.2	5.7	5.5	6.1	119.1%
Loans	-	133.0	148.6	140.9	149.2	147.1	158.2	156.0	126.5%
Accrued investment interest	21.0	16.1	36.8	4.4	4.6	9.5	4.9	10.1	59.6%
Receivables and prepayments	5 012.4	4 768.7	5 107.0	5 887.1	8 330.3	7 361.8	9 113.7	7 361.8	92.1%
Cash and cash equivalents	9 450.5	2 504.8	149.5	1 048.2	1 666.2	2 044.3	1 681.7	1 691.1	56.3%
Total assets	14 766.4	7 694.3	5 758.9	7 367.3	10 457.4	9 795.8	11 296.9	9 495.5	81.3%
Accumulated surplus/(deficit)	(43 232.7)	(90 925.5)	(52 159.1)	(110 377.1)	(134 667.5)	(145 335.5)	(156 004.6)	183 074.9	137.2%
Capital and reserves	72.2	127.8	123.6	130.5	130.5	83.4	130.5	83.4	93.0%
Trade and other payables	459.2	600.2	533.6	259.1	12 100.0	248.6	18 736.5	256.9	4.3%
Provisions	57 467.6	97 891.9	57 260.8	117 354.8	132 894.5	154 799.2	148 434.4	192 230.1	142.0%
Total equity and liabilities	14 766.4	7 694.3	5 758.9	7 367.3	10 457.4	9 795.8	11 296.9	9 495.5	81.3%

Statements of estimates of financial performance and position

Table 35.28 Road Accident Fund statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20	
				2017/18	2018/19	2019/20			
Revenue									
Non-tax revenue	91.1	-27.4%	0.5%	82.3	82.1	82.1	-3.4%	0.2%	
Other non-tax revenue	91.1	-27.4%	0.5%	82.3	82.1	82.1	-3.4%	0.2%	
Transfers received	35 198.8	20.2%	99.5%	37 148.3	39 265.7	41 464.6	5.6%	99.8%	
Total revenue	35 289.9	19.8%	100.0%	37 230.5	39 347.8	41 546.6	5.6%	100.0%	
Expenses									
Current expenses	2 366.6	19.9%	3.4%	2 667.3	3 016.9	3 497.1	13.9%	7.2%	
Compensation of employees	1 349.0	16.4%	2.1%	1 480.8	1 599.2	1 727.2	8.6%	1.9%	
Goods and services	765.0	19.2%	1.0%	809.8	826.3	860.2	4.0%	1.0%	
Depreciation	52.4	11.2%	0.1%	45.7	40.8	37.4	-10.6%	0.1%	
Interest, dividends and rent on land	200.3	90.6%	0.2%	331.1	550.5	872.3	63.3%	0.6%	
Transfers and subsidies	70 357.9	24.5%	96.6%	71 573.0	82 479.5	95 047.9	10.5%	96.5%	
Total expenses	72 724.6	24.4%	100.0%	74 240.3	85 496.4	98 545.0	10.7%	100.0%	
Surplus/(Deficit)	(37 435.0)	(0.0)		(37 010.0)	(46 149.0)	(56 998.0)	15.0%		

Table 35.28 Road Accident Fund statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Carrying value of assets	270.4	0.3%	3.1%	325.1	370.8	444.0	18.0%	3.5%
of which:								
Acquisition of assets	(95.6)	23.3%	-0.7%	(100.3)	(105.4)	(110.6)	5.0%	-1.0%
Inventory	6.1	19.1%	0.1%	6.4	6.8	7.2	6.0%	0.1%
Loans	156.0	5.5%	1.7%	165.3	175.3	185.8	6.0%	1.7%
Accrued investment interest	10.1	-14.4%	0.1%	10.7	11.4	12.0	6.0%	0.1%
Receivables and prepayments	7 361.8	15.6%	73.6%	7 699.0	7 842.6	7 881.8	2.3%	77.6%
Cash and cash equivalents	1 691.1	-12.3%	21.4%	1 682.3	1 682.1	1 682.1	-0.2%	17.0%
Total assets	9 495.5	7.3%	100.0%	9 888.9	10 088.8	10 212.9	2.5%	100.0%
Accumulated surplus/(deficit)	(183 074.9)	26.3%	-1 522.9%	(220 155.7)	(268 023.3)	(328 842.1)	21.6%	-2 507.7%
Capital and reserves	83.4	-13.3%	1.3%	83.4	83.4	83.4	-	0.8%
Trade and other payables	256.9	-24.6%	4.1%	272.3	288.7	306.0	6.0%	2.8%
Provisions	192 230.1	25.2%	1 617.5%	229 688.9	277 740.1	338 665.6	20.8%	2 604.0%
Total equity and liabilities	9 495.5	7.3%	100.0%	9 888.9	10 088.8	10 212.9	2.5%	100.0%

Personnel information

Table 35.29 Road Accident Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Road Accident Fund		2 902	2 902		2 728	1 264.4	0.5	2 902	1 349.0	0.5	2 952	1 480.8	0.5	2 952	1 599.2	0.6	8.6%	100.0%	
Salary level																			
1 – 6	102	102	157	15.4	0.1	102	11.9	0.1	102	12.9	0.1	102	13.9	0.1	102	15.0	0.1	8.0%	3.5%
7 – 10	2 239	2 239	2 063	776.1	0.4	2 239	835.2	0.4	2 289	925.9	0.4	2 289	1 000.0	0.4	2 289	1 080.0	0.5	8.9%	77.4%
11 – 12	369	369	336	256.9	0.8	369	275.6	0.7	369	297.6	0.8	369	321.4	0.9	369	347.2	0.9	8.0%	12.6%
13 – 16	185	185	165	193.7	1.2	185	207.1	1.1	185	223.7	1.2	185	241.6	1.3	185	260.9	1.4	8.0%	6.3%
17 – 22	7	7	7	22.2	3.2	7	19.1	2.7	7	20.7	3.0	7	22.3	3.2	7	24.1	3.4	8.0%	0.2%

1. Rand million.

South African National Roads Agency

Mandate

The South African National Roads Agency is a schedule 3A public entity established by the South African National Roads Agency Limited and National Roads Act (1998). The agency is responsible for the planning, design, construction, operation, management, control, maintenance and rehabilitation of the South African national road network, including the financing of the these functions. This includes both toll and non-toll roads.

Selected performance indicators

Table 35.30 South African National Roads Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past				Current	Projections		
			2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Smooth travel exposure: Percentage of travel undertaken per year on national roads with roughness less than 4.2 on international roughness index	Routine maintenance	Entity mandate	95%	96%	96%	95%	95%	95%	95%	
Low rut exposure: Percentage of travel undertaken per year on national roads with rut depth less than 20 mm	Routine maintenance		98%	99%	96%	99%	95%	95%	95%	
High texture exposure: Percentage of travel undertaken per year on national roads with macro-texture higher than 0.4 mm	Routine maintenance		98%	99%	99%	99%	95%	95%	95%	

Table 35.30 South African National Roads Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Bridge condition exposure index: Percentage of travel over or under bridges undertaken per year on national roads with overall condition index higher than 80	Routine maintenance	Entity mandate	93%	92%	93%	93%	90%	90%	90%
Length of network with active routine road maintenance contracts	Routine maintenance	Outcome 6: An efficient, competitive and responsive economic infrastructure network	19 704 km	21 403 km	21 490 km	21 579 km	21 946 km	21 946 km	21 946 km
Resurface length: Length of road ressealed/overlaid per year	Routine maintenance		1 290 km	851 km	1 563 km	900 km	1 000 km	1 100 km	1 100 km
Length of road strengthened/improved per year	Strengthening		659 km	687 km	370 km	450 km	475 km	500 km	500 km

Expenditure analysis

Over the medium term, the South African National Roads Agency will focus on preventative maintenance of the national road network, in line with the outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework to improve and preserve national road infrastructure. The agency plans to resurface 3 200 kilometres, and strengthen and improve 1 475 kilometres of road over the medium term.

Total expenditure is expected to increase at an average annual rate of 17.1 per cent, from R26.3 billion in 2016/17 to R42.2 billion in 2019/20. Spending on the improvements programme is expected to increase at an average annual rate of 65.2 per cent over the medium term, as the agency focuses on rehabilitation due to the extent of the road network that is beyond its design life. Expenditure on new facilities is expected to increase at an average annual rate of 42.9 per cent, from R4.5 billion in 2016/17 to R13.1 billion in 2019/20, as the agency plans to build new interchanges and additional lanes to existing roads. Spending on goods and services is expected to increase from R19.5 billion in 2016/17 to R35 billion in 2019/20 as the road maintenance programme continues.

The agency employs 330 personnel and this is expected to increase to 390 in 2019/20 due to the absorption of interns into the agency's organisational structure. As a result, spending on compensation of employees is expected to increase at an average annual rate of 12.7 per cent, from R275.2 million in 2016/17 to R393.9 million in 2019/20.

The agency's income mainly comprises revenue generated from toll fees and transfers from the Department of Transport. The total national road network comprises 14.5 per cent toll roads, with the remaining 85.5 per cent non-toll roads. Toll revenue is expected to increase from R5.3 billion in 2016/17 to R6.1 billion in 2019/20. Transfers from the Department of Transport for non-toll roads is expected to increase at an average annual rate of 10.2 per cent, from R13.9 billion in 2016/17 to R18.6 billion in 2019/20 for the strengthening and improvements of the road network.

Programmes/objectives/activities

Table 35.31 South African National Roads 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	6 132.1	8 967.5	8 172.6	7 796.3	8.3%	49.8%	7 316.2	7 459.3	8 191.3	1.7%	23.6%
Routine maintenance	1 304.6	1 440.5	888.3	8 925.5	89.8%	15.2%	7 625.6	6 254.8	5 037.8	-17.4%	22.2%
Strengthening	3 042.2	1 002.6	1 522.9	2 021.8	-12.7%	12.3%	2 721.2	4 968.2	2 036.6	0.2%	8.9%
Improvements	1 610.8	1 116.4	1 586.3	3 074.6	24.0%	10.8%	6 461.3	11 275.6	13 873.5	65.2%	24.4%
New facilities	715.5	1 219.4	2 347.8	4 477.3	84.3%	11.9%	5 537.6	6 149.6	13 055.3	42.9%	20.9%
Total	12 805.1	13 746.5	14 517.8	26 295.5	27.1%	100.0%	29 661.9	36 107.6	42 194.6	17.1%	100.0%

Statements of historical financial performance and position

Table 35.32 South African National Roads Agency statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	3 341.2	33 174.8	4 692.5	6 941.0	5 099.8	7 891.8	7 045.8	6 357.1	269.4%
Sale of goods and services other than capital assets	3 341.2	3 703.3	4 546.0	6 678.1	4 441.6	5 438.4	6 406.6	5 839.2	115.6%
<i>of which:</i>									
<i>Sales by market establishment</i>	3 341.2	3 518.9	4 221.4	6 376.2	4 091.6	5 114.5	6 163.6	5 369.7	114.4%
<i>Toll Income</i>	3 341.2	3 481.6	4 193.5	6 331.8	4 044.9	5 063.9	6 143.6	5 295.4	113.8%
<i>Concession income</i>	–	5.2	–	7.8	7.1	2.9	–	–	221.9%
<i>Rental income on leased properties</i>	–	32.1	27.9	36.6	39.7	47.7	20.0	74.3	217.7%
<i>Other sales</i>	–	184.4	324.6	302.0	350.0	323.9	243.0	469.6	139.5%
Other non-tax revenue	–	29 471.5	146.4	262.9	658.2	2 453.4	639.2	517.8	2 265.1%
Transfers received	7 809.7	5 075.0	8 197.9	5 369.4	12 542.5	6 577.4	13 915.6	13 915.6	72.9%
Total revenue	11 150.9	38 249.8	12 890.4	12 310.4	17 642.3	14 469.2	20 961.4	20 272.7	136.2%
Expenses									
Current expenses	13 944.1	12 805.1	23 362.8	13 746.5	17 771.3	14 517.8	26 560.8	26 295.5	82.5%
Compensation of employees	143.0	200.3	200.3	208.8	244.6	256.6	275.2	275.2	109.0%
Goods and services	7 321.1	6 856.0	18 123.7	8 498.9	11 555.6	7 713.2	19 811.7	19 546.3	75.0%
Depreciation	3 430.7	2 246.1	1 594.9	1 594.9	2 559.1	2 902.9	2 866.2	2 866.2	92.0%
Interest, dividends and rent on land	3 049.3	3 502.8	3 444.0	3 444.0	3 402.0	3 645.2	3 607.7	3 607.7	105.2%
Total expenses	13 944.1	12 805.1	23 362.8	13 746.5	17 771.3	14 517.8	26 560.8	26 295.5	82.5%
Surplus/(Deficit)	(2 793.0)	25 445.0	(10 472.0)	(1 436.0)	(129.0)	(49.0)	(5 599.0)	(6 023.0)	
Statement of financial position									
Carrying value of assets	271 919.0	305 167.8	277 511.4	310 181.6	314 083.7	316 758.8	322 546.5	322 546.5	105.8%
<i>of which:</i>									
<i>Acquisition of assets</i>	(8 071.6)	(8 732.3)	(12 199.2)	(9 129.4)	(12 381.0)	(8 492.2)	(10 650.9)	(10 650.9)	85.5%
Investments	2 921.3	1 016.9	596.1	712.5	464.1	925.9	515.3	294.3	65.6%
Receivables and prepayments	1 719.7	1 158.1	2 357.8	4 967.2	4 157.8	7 661.3	3 956.9	3 956.9	145.5%
Cash and cash equivalents	3 631.9	4 150.9	3 939.0	9 479.4	5 939.0	9 490.1	4 433.7	4 433.7	153.6%
Non-current assets held for sale	–	86.7	139.6	27.0	139.6	20.1	146.6	146.6	65.9%
Total assets	280 191.9	311 580.5	284 543.9	325 367.7	324 784.2	334 856.2	331 598.9	331 377.9	106.7%
Accumulated surplus/(deficit)	(6 226.4)	(7 557.9)	(4 611.6)	(8 506.5)	(4 860.9)	(8 627.9)	(2 070.7)	(3 939.0)	161.1%
Capital and reserves	205 398.0	240 431.5	210 590.3	240 103.1	239 681.1	241 008.0	239 681.1	239 681.1	107.4%
Capital reserve fund	34 906.3	28 578.6	31 559.0	33 738.1	34 559.0	38 071.7	37 219.3	37 219.3	99.5%
Borrowings	42 191.4	30 083.8	36 627.0	36 714.2	38 144.2	38 842.7	39 749.3	39 749.3	92.8%
Finance lease	–	–	–	0.4	–	0.8	–	–	–
Deferred income	1 270.8	7 019.7	1 061.2	8 777.9	7 347.8	11 006.3	7 949.1	7 949.1	197.1%
Trade and other payables	2 331.4	1 811.7	2 730.3	3 719.4	2 930.6	4 172.9	2 130.6	3 777.9	133.2%
Benefits payable	–	28.6	–	–	–	–	–	–	–
Provisions	10.0	409.7	28.6	420.4	43.9	379.1	50.6	50.6	946.9%
Managed funds (e.g. poverty alleviation fund)	310.5	1 027.8	469.5	–	849.1	–	800.0	800.0	75.2%
Derivatives financial instruments	–	9 747.0	6 089.5	10 400.6	6 089.5	10 002.5	6 089.5	6 089.5	198.4%
Total equity and liabilities	280 191.9	311 580.5	284 543.9	325 367.7	324 784.2	334 856.2	331 598.9	331 377.9	–

Statements of estimates of financial performance and position

Table 35.33 South African National Roads Agency statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue									
Non-tax revenue	11 726.8	-29.3%	57.3%	12 707.3	10 620.1	12 959.9	3.4%	42.2%	
Sale of goods and services other than capital assets	11 208.9	44.7%	32.6%	12 689.0	10 601.0	12 489.7	3.7%	41.3%	
<i>of which:</i>									
<i>Sales by market establishment</i>	5 369.7	15.1%	30.7%	4 995.4	5 246.0	6 187.1	4.8%	19.1%	
<i>Toll Income</i>	5 295.4	15.0%	30.4%	7 327.2	5 157.0	6 092.8	4.8%	20.9%	
<i>Rental income on leased properties</i>	74.3	32.2%	0.3%	41.3	89.0	94.3	8.3%	0.3%	
<i>Other sales</i>	469.6	36.6%	1.9%	325.2	109.0	115.5	-37.3%	0.9%	
Other non-tax revenue	517.8	-74.0%	24.7%	18.2	19.1	470.3	-3.2%	0.9%	
Transfers received	13 915.6	40.0%	42.7%	15 944.8	17 633.0	18 614.8	10.2%	57.8%	
Total revenue	25 642.4	-12.5%	100.0%	28 652.1	28 253.1	31 574.8	7.2%	100.0%	
Expenses									
Current expenses	26 295.5	27.1%	100.0%	29 661.9	36 107.6	42 194.6	17.1%	224.5%	
Compensation of employees	275.2	11.2%	1.5%	312.0	368.2	393.9	12.7%	1.0%	
Goods and services	19 546.3	41.8%	60.7%	22 926.6	29 316.4	35 018.0	21.5%	79.0%	
Depreciation	2 866.2	8.5%	15.0%	3 296.2	3 296.0	3 480.6	6.7%	9.8%	
Interest, dividends and rent on land	3 607.7	1.0%	22.8%	3 127.0	3 127.0	3 302.1	-2.9%	10.2%	
Total expenses	26 295.5	27.1%	100.0%	29 661.9	36 107.6	42 194.6	17.1%	100.0%	
Surplus/(Deficit)	(653.0)	(1.0)		(1 010.0)	(7 854.0)	(10 620.0)	153.4%		

Table 35.33 South African National Roads Agency statements of estimates of financial performance and position

Statement of financial position		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2016/17	2013/14 - 2016/17	2017/18		
R million									
Carrying value of assets		322 546.5	1.9%	96.3%	284 412.0	294 071.7	357 748.3	3.5%	97.3%
of which:									
Acquisition of assets		(10 650.9)	6.8%	-2.8%	(13 312.1)	(14 111.4)	(14 817.9)	11.6%	-4.1%
Investments		294.3	-33.9%	0.2%	593.2	339.3	518.5	20.8%	0.1%
Receivables and prepayments		3 956.9	50.6%	1.3%	3 457.6	3 630.5	3 100.0	-7.8%	1.1%
Cash and cash equivalents		4 433.7	2.2%	2.1%	4 502.4	4 727.5	5 430.6	7.0%	1.5%
Non-current assets held for sale		146.6	19.1%	0.0%	-	-	32.1	-39.7%	0.0%
Total assets		331 377.9	2.1%	100.0%	292 965.1	302 769.0	366 829.5	3.4%	100.0%
Accumulated surplus/(deficit)		(3 939.0)	-19.5%	-	(711.6)	3 592.7	20 303.9	-272.7%	1.3%
Capital and reserves		239 681.1	-0.1%	-	239 681.1	236 577.6	236 577.6	-0.4%	74.2%
Capital reserve fund		37 219.3	9.2%	-	44 373.2	51 304.1	58 928.0	16.6%	14.8%
Borrowings		39 749.3	9.7%	-	-	-	36 440.9	-2.9%	5.5%
Deferred income		7 949.1	4.2%	-	6 545.7	8 156.3	8 507.8	2.3%	2.4%
Trade and other payables		3 777.9	27.8%	-	3 076.7	3 138.3	2 755.2	-10.0%	1.0%
Provisions		50.6	-50.2%	-	-	-	66.8	9.7%	0.0%
Managed funds (e.g. poverty alleviation fund)		800.0	-8.0%	-	-	-	353.9	-23.8%	0.1%
Derivatives financial instruments		6 089.5	-14.5%	-	-	-	2 895.4	-21.9%	0.7%
Total equity and liabilities		331 377.9	2.1%	-	292 965.1	302 769.0	366 829.5	3.4%	100.0%

Personnel information

Table 35.34 South African National Roads Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost		
South African National Roads Agency		330	390	325	256.6	0.8	330	275.2	0.8	355	312.0	0.9	390	368.2	0.9	390	393.9	1.0	12.7%	100.0%
Salary level																				
1 – 6	10	10	10	1.3	0.1	10	1.6	0.2	10	1.8	0.2	10	1.9	0.2	10	2.0	0.2	7.0%	2.7%	
7 – 10	178	188	173	70.3	0.4	178	77.6	0.4	188	86.4	0.5	188	92.5	0.5	188	98.9	0.5	8.4%	50.8%	
11 – 12	55	95	55	45.7	0.8	55	50.3	0.9	65	61.4	0.9	95	93.0	1.0	95	99.4	1.0	25.5%	20.9%	
13 – 16	84	94	84	122.4	1.5	84	134.4	1.6	89	150.4	1.7	94	168.0	1.8	94	179.7	1.9	10.2%	24.7%	
17 – 22	3	3	3	16.8	5.6	3	11.3	3.8	3	12.1	4.0	3	13.0	4.3	3	13.9	4.6	7.0%	0.8%	

1. Rand million.

Other entities

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

- The **Air Traffic and Navigation Services Company** provides safe, orderly and efficient air traffic navigational and associated services to the air traffic management community. The company's estimated expenditure for 2017/18 is R1.5 billion.
- The **Cross-Border Road Transport Agency** is a schedule 3A public entity established in terms of the Cross Border-Road Transport Act (1998). The agency's legislative mandate requires it to advise the Minister of Transport on cross-border road transport policy, regulate access to the market by the road transport freight and passenger industry in respect of cross-border road transport by issuing permits, undertake road transport law enforcement, and play a facilitative role in contributing to economic prosperity of the region. The agency's estimated expenditure for 2017/18 is R214.9 million.
- The **driving licence card account** manufactures credit card format driving licences, based on orders received from driving licence testing centres, and generates its own revenue through the sale of the licence cards. The entity's estimated expenditure for 2017/18 is R214.3 million.
- The **Ports Regulator of South Africa** performs functions that relate mainly to the regulation of pricing and other aspects of economic regulation, the promotion of equal access to ports facilities and services, the monitoring of the industry's compliance with the regulatory framework, and the hearing of any complaints and appeals lodged with it. The regulator's estimated expenditure for 2017/18 is R22.8 million.

- The **Railway Safety Regulator** oversees and promotes safe railway operations through appropriate support, monitoring and enforcement, guided by an enabling regulatory framework, including regulations for all rail operators in South Africa and those of neighbouring countries whose rail operations enter South Africa. The regulator's estimated expenditure for 2017/18 is R262.5 million.
- The **Road Traffic Infringement Agency** promotes road traffic quality by providing for a scheme to discourage road traffic infringements to support the prosecution of offences in terms of national and provincial laws relating to road traffic, and implements a points demerit system. The agency's estimated expenditure for 2017/18 is R387.9 million.
- The **Road Traffic Management Corporation** pools national and provincial government resources for the provision of road traffic management. This includes cooperative and coordinated road traffic strategic planning, regulation, facilitation and law enforcement. The corporation's estimated expenditure for 2017/18 is R736.7 million.
- The **South African Civil Aviation Authority** promotes, regulates and enforces civil aviation safety and security standards across the aviation industry. The entity's estimated expenditure for 2017/18 is R653.3 million.
- The **South African Maritime Safety Authority** promotes South Africa's maritime interests, ensures the safety of life and property at sea, and prevents and combats the pollution of the marine environment by ships. Functions of the entity are also defined as per international maritime conventions to which South Africa is a signatory. The entity's estimated expenditure for 2017/18 is R408.8 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Departmental infrastructure										
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
South African National Roads Agency	Development and upkeep of national road network	Various	–	7 043.5	8 180.8	8 891.9	8 891.9	11 112.4	12 505.4	13 182.9
Passenger Rail Agency of South Africa	Maintenance and rehabilitation of passenger rail infrastructure	Construction	–	7 481.1	11 059.0	11 595.4	11 595.4	9 300.2	10 675.1	8 588.4
Public transport infrastructure grant	Provision of public transport infrastructure and systems for municipalities	Various	–	4 668.7	4 678.0	–	–	–	–	–
Passenger Rail Agency of South Africa: Rolling stock	Provision of new rolling stock	Various	–	–	6 048.0	2 560.5	4 170.3	4 420.5	4 676.9	7 623.7
Provincial roads maintenance grant	Maintenance of provincial road infrastructure	Various	–	7 519.5	9 361.5	9 531.7	10 202.5	10 753.7	11 535.7	12 181.7
Public transport network grant	Funding for accelerated construction and improvement of public and non-motorised transport infrastructure	Various	–	–	–	5 953.1	5 592.7	6 159.6	6 582.7	6 962.2
Total			–	26 712.7	39 327.2	38 532.6	40 452.7	41 746.2	45 975.7	48 538.9

Vote 36

Water and Sanitation

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 628.4	1 542.3	22.0	64.1	1 658.0	1 755.3
Water Planning and Information Management	816.5	739.6	1.2	75.6	884.0	949.8
Water Infrastructure Development	12 251.7	623.1	8 090.1	3 538.5	13 499.3	14 318.3
Water Sector Regulation	410.8	396.5	1.1	13.2	519.5	491.4
Total expenditure estimates	15 107.4	3 301.5	8 114.5	3 691.5	16 560.8	17 514.8
Executive authority	Minister of Water and Sanitation					
Accounting officer	Director General of Water and Sanitation					
Website address	www.dwa.gov.za					

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

Vote purpose

Ensure the availability of water resources, facilitate equitable and sustainable socioeconomic development, and ensure universal access to water and sanitation services.

Mandate

The mandate of the Department of Water and Sanitation is set out in the National Water Act (1998) and the Water Services Act (1997). The department's legislative mandate is to ensure that the country's water resources are protected, managed, used, developed, conserved and controlled by regulating and supporting the delivery of effective water supply and sanitation. This is done in accordance with the requirements of water-related policies and legislation that are critical for delivering on the people's right to have access to sufficient food and water, growing the economy, and eradicating poverty.

Selected performance indicators

Table 36.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of analysed reports on progress against the approved annual international relations implementation plan per year	Administration	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	-1	-1	-1	4	4	4	4
Number of river systems with water resources classes and determined resource quality objectives per year	Water Planning and Information Management	Outcome 10: Protect and enhance our environmental assets and natural resources	-1	-1	-1	2	4	2	3
Number of mega regional bulk infrastructure project phases completed per year	Water Infrastructure Development	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-1	-1	-1	1	3	3	1
Number of large regional bulk infrastructure project phases completed per year	Water Infrastructure Development		-1	-1	-1	4	26	13	8
Number of small regional bulk infrastructure project phases completed per year	Water Infrastructure Development		-1	-1	-1	12	20	19	7
Number of small projects completed through the Accelerated Community Infrastructure Programme per year	Water Infrastructure Development		-1	-1	-1	20	52	48	40
Number of small projects completed through the water services infrastructure grant per year	Water Infrastructure Development		-1	-1	-1	60	41	62	67

Table 36.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of existing bucket sanitation backlog systems in formal settlements replaced with adequate sanitation services per year	Water Infrastructure Development	Outcome 9: Responsive, accountable, effective and efficient local government	4 393	20 581	28 365	4 135	25 382	— ²	— ²
Percentage of water use authorisation applications finalised within 300 working days of application	Water Sector Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	— ¹	23% (375/1652)	91% (262/288)	80%	80%	80%	80%
Number of wastewater systems assessed for compliance with the green drop regulatory standards per year	Water Sector Regulation		967	967	— ³	963	963	963	963
Number of water supply systems assessed for compliance with blue drop regulatory standards per year	Water Sector Regulation		913	913	— ³	1 036	1 036	1 036	1 036

1. No historical data available.

2. Indicator phased out from 2017/18.

3. No blue or green drop assessments were conducted in 2015/16 since only 60 per cent of the assessments were done in 2014/15 there was a need to verify this below the norm performance in 2015/16.

Expenditure analysis

The National Development Plan (NDP) recognises the importance of secure water supply in achieving equitable access to water for all households, supporting economic growth and eradicating poverty. Over the medium term, the Department of Water and Sanitation will develop and invest in water infrastructure, monitor and protect South Africa's water resources, and improve the regulation of the entire water sector value chain. The department's work contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network), outcome 9 (responsive, accountable, effective and efficient local government) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework.

The department will continue to focus on developing bulk raw water and water services infrastructure. Transfers and subsidies, and payment for capital assets have a budget of R38.7 billion and account for 78.9 per cent of the total budget R49.2 billion over the medium term. These investments are largely accounted for in the *Water Infrastructure Development* programme. In the period ahead, the department plans to eradicate and replace bucket sanitation backlogs in formal settlements. It will also strengthen its regulatory function by finalising the Water and Sanitation Bill, developing a performance management regulatory tool and implementing the revised raw water pricing strategy, while working towards establishing an independent regulator for the water sector.

Expenditure on compensation of employees is expected to increase at an average annual rate of 6.3 per cent over the medium term and will remain within the lowered expenditure ceiling as the department plans to reduce its staff complement of 3 682 by 294 non-core posts over the medium term.

National water resources and water services infrastructure

The department will continue to focus its spending on the development, operations and management of water infrastructure. The *Water Infrastructure Development* programme is responsible for funding raw, regional and local infrastructure, and constitutes an estimated 81.7 per cent of the department's total budget over the medium term. The budget for this programme is expected to increase at an average annual rate of 3.9 per cent.

The *regional bulk infrastructure grant* will be allocated R18.4 billion, towards the construction of 7 mega, 47 large and 46 small regional bulk water and sanitation infrastructure projects in the period ahead. The *water services infrastructure grant* will continue to prioritise the 27 most impoverished district municipalities countrywide through 170 small interim water and sanitation infrastructure projects. The scope of the *water services infrastructure grant* has also been expanded to include the eradication of the outstanding 25 382 bucket sanitation systems in formal settlements over the medium term. The *water services infrastructure grant* is expected an annual growth rate of 4.1 per cent over the medium term.

The department plans to implement 140 small water services interventions over the medium term through the *Accelerated Community Infrastructure Programme* subprogramme, which has a budget allocation of R1.5 billion, growing at an average annual rate of 4.6 per cent over the period despite reprioritising R100 million for water resource management functions.

The *Water Infrastructure Development* programme also transfers funds to the Water Trading Entity, which is responsible for the sale of raw water, and the development and management of raw water infrastructure, on behalf of the department. Transfers and subsidies are expected to increase at an average annual rate of 9.3 per cent, from R8.1 billion in 2017/18 to R9.7 billion in 2019/20, accounting for 65.3 per cent of the programme budget. The transfer to the Water Trading Entity amounts to R5.7 billion over the medium term, including funds for the implementation of a long term solution for acid mine drainage. Transfers to water boards amount to R3.4 billion over the medium term for implementation of bulk water and sanitation projects on behalf of the department.

Strengthening regulation, pricing and policy

The department plans to finalise the revision of the Water and Sanitation Bill which aims to improve the turnaround time for finalising the authorisation of water-use licence applications to ensure compliance with drinking and wastewater standards. The aim is to annually finalise 80 per cent of water-use authorisation applications within 300 working days of receipt, in the medium term.

To enhance its regulatory function, the department plans to develop a performance management regulatory tool to actively assess compliance by water users in the mining, industrial and agriculture sectors, as well as water service authorities with the drinking and wastewater regulatory standards. The department also plans to strengthen its regulatory function by implementing the revised raw water pricing strategy, which aims to implement pricing reforms to allow for reasonable cost recovery and investment in the water sector and continue to work towards establishing an independent regulator for the water sector over the MTEF period. To pursue these activities, the budget for the *Water Sector Regulation* programme is expected to increase from R410.8 million in 2017/18 to R491.4 million in 2019/20, growing at an average annual rate of 15.5 per cent.

In 2014, the department initiated a process to consolidate catchment agencies as part of the institutional realignment of the water sector to increase efficiency through economies of scale. Over the medium term, the department intends to support the review of water resource management functions and overall institutional reform in catchment management agencies. To support this, spending on goods and services is expected to increase at an average annual rate of 20.8 per cent in the period ahead from R123.2 million in 2016/17 to R217.4 million in 2019/20 in the *Water Sector Regulation* programme, driven mainly by consulting services. Further expenditure on consultants is accounted for in the *Water Planning and Information Management* programme for technical advice for designing new projects, and developing policies to guide the construction and management of water and sanitation infrastructure, due to an additional allocation of R140 million over the medium term reprioritised from the *Accelerated Community Infrastructure Programme* subprogramme.

Expenditure trends

Table 36.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Water Planning and Information Management														
3. Water Infrastructure Development														
4. Water Sector Regulation														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	1 536.7	1 703.8	1 355.4	-	1 404.0	1 335.6	1 526.2	1 487.5	1 448.1	1 642.7	1 591.9	1 591.9	121.8%	92.6%
Programme 2	731.6	721.5	634.0	-	853.6	812.5	814.0	744.0	701.0	853.7	831.0	831.0	124.1%	94.6%
Programme 3	7 704.1	7 736.8	7 941.4	-	11 199.3	9 310.9	13 875.0	13 230.4	13 147.0	12 430.0	12 782.4	12 782.4	127.0%	96.1%
Programme 4	214.6	213.4	575.2	-	190.5	157.6	231.3	284.6	260.9	318.8	319.2	319.2	171.7%	130.3%
Total	10 187.0	10 375.6	10 505.9	-	13 647.4	11 616.7	16 446.5	15 746.5	15 557.0	15 245.3	15 524.6	15 524.6	127.0%	96.2%
Change to 2016 Budget estimate												279.3		

Table 36.2 Vote expenditure trends by programme and economic classification

Economic classification	2013/14			2014/15			2015/16			2016/17			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million														
Current payments	2 694.4	2 707.4	2 517.1	-	3 058.5	2 595.6	3 175.0	3 122.2	2 903.3	3 319.2	3 205.9	3 205.9	122.1%	92.8%
Compensation of employees	1 227.2	1 181.5	1 139.7	-	1 388.0	1 275.7	1 492.1	1 428.4	1 360.4	1 667.3	1 540.2	1 540.2	121.2%	96.0%
Goods and services	1 465.1	1 525.7	1 377.3	-	1 670.3	1 318.8	1 682.9	1 687.2	1 536.4	1 651.9	1 665.6	1 665.6	122.9%	90.1%
Interest and rent on land	2.1	0.2	0.1	-	0.1	1.1	-	6.5	6.5	-	0.1	0.1	368.2%	111.4%
Transfers and subsidies	3 916.4	3 918.1	4 020.7	-	4 563.9	4 588.8	6 086.4	5 072.6	5 077.3	7 480.3	7 484.2	7 484.2	121.1%	100.6%
Provinces and municipalities	1 024.0	1 024.1	1 129.5	-	1 033.3	1 051.4	2 155.4	2 305.5	2 305.7	4 695.4	4 695.4	4 695.4	116.6%	101.4%
Departmental agencies and accounts	2 431.5	2 431.5	2 437.1	-	2 737.8	2 739.5	2 516.8	1 739.2	1 744.8	1 713.7	1 713.7	1 713.7	-	-
Higher education institutions	-	-	-	-	-	-	0.6	2.0	-	-	-	-	-	-
Foreign governments and international organisations	188.6	188.6	182.3	-	185.2	185.2	180.9	189.3	189.2	188.4	188.4	188.4	133.5%	99.1%
Public corporations and private enterprises	250.0	250.0	244.2	-	580.0	579.9	1 200.0	802.0	801.7	844.8	844.8	844.8	107.7%	99.8%
Non-profit institutions	-	0.7	1.2	-	1.9	1.8	1.9	2.0	0.7	2.8	2.8	2.8	136.7%	86.8%
Households	22.2	23.1	26.5	-	25.7	31.0	30.7	32.7	35.2	35.3	39.3	39.3	149.6%	109.2%
Payments for capital assets	3 576.2	3 750.0	3 916.0	-	6 025.0	4 432.2	7 185.1	7 551.8	7 571.4	4 445.8	4 834.5	4 834.5	136.5%	93.7%
Buildings and other fixed structures	3 475.6	3 642.1	3 859.7	-	5 937.3	4 368.4	7 084.7	7 419.0	7 456.0	4 334.6	4 697.3	4 697.3	136.8%	93.9%
Machinery and equipment	93.2	100.3	55.7	-	83.4	53.5	74.0	92.3	86.5	87.7	109.3	109.3	119.6%	79.1%
Land and sub-soil assets	-	-	-	-	0.9	-	-	-	-	-	-	-	-	-
Software and other intangible assets	7.3	7.6	0.7	-	3.4	10.3	26.5	40.4	29.0	23.4	27.9	27.9	118.5%	85.7%
Payments for financial assets	-	-	52.1	-	-	0.1	-	-	4.8	-	-	-	-	-
Total	10 187.0	10 375.6	10 505.9	-	13 647.4	11 616.7	16 446.5	15 746.5	15 557.0	15 245.3	15 524.6	15 524.6	127.0%	96.2%

Expenditure estimates

Table 36.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Water Planning and Information Management									
3. Water Infrastructure Development									
4. Water Sector Regulation									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
R million									
Programme 1	1 591.9	-2.2%	10.8%	1 628.4	1 658.0	1 755.3	3.3%	10.3%	
Programme 2	831.0	4.8%	5.6%	816.5	884.0	949.8	4.6%	5.4%	
Programme 3	12 782.4	18.2%	81.2%	12 251.7	13 499.3	14 318.3	3.9%	81.7%	
Programme 4	319.2	14.4%	2.5%	410.8	519.5	491.4	15.5%	2.7%	
Total	15 524.6	14.4%	100.0%	15 107.4	16 560.8	17 514.8	4.1%	100.0%	
Change to 2016 Budget estimate				(930.8)	(598.9)	(640.6)			
Economic classification									
Current payments	3 205.9	5.8%	21.1%	3 301.5	3 479.5	3 658.7	4.5%	21.1%	
Compensation of employees	1 540.2	9.2%	10.0%	1 651.9	1 720.2	1 851.3	6.3%	10.5%	
Goods and services	1 665.6	3.0%	11.1%	1 649.6	1 759.3	1 807.3	2.8%	10.6%	
Interest and rent on land	0.1	-32.1%	-	-	-	-	-100.0%	-	
Transfers and subsidies	7 484.2	24.1%	39.8%	8 114.5	9 254.0	9 771.2	9.3%	53.5%	
Provinces and municipalities	4 695.4	66.1%	17.3%	5 194.9	5 619.5	5 933.2	8.1%	33.1%	
Departmental agencies and accounts	1 713.7	-11.0%	16.2%	1 586.1	2 269.2	2 396.2	11.8%	12.3%	
Foreign governments and international organisations	188.4	-	1.4%	197.7	209.2	220.9	5.5%	1.3%	
Public corporations and private enterprises	844.8	50.1%	4.6%	1 098.5	1 115.8	1 178.3	11.7%	6.5%	
Non-profit institutions	2.8	55.2%	-	1.2	2.1	2.2	-7.2%	-	
Households	39.3	19.4%	0.2%	36.1	38.2	40.3	0.9%	0.2%	
Payments for capital assets	4 834.5	8.8%	39.0%	3 691.5	3 827.4	4 085.0	-5.5%	25.4%	
Buildings and other fixed structures	4 697.3	8.9%	38.3%	3 561.2	3 675.2	3 925.6	-5.8%	24.5%	
Machinery and equipment	109.3	2.9%	0.6%	87.2	106.6	111.2	0.6%	0.6%	
Software and other intangible assets	27.9	54.3%	0.1%	43.1	45.6	48.1	19.9%	0.3%	
Total	15 524.6	14.4%	100.0%	15 107.4	16 560.8	17 514.8	4.1%	100.0%	

Goods and services expenditure trends and estimates

Table 36.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2013/14 - 2016/17	2017/18	2018/19		
Administrative fees	6 639	5 341	10 545	11 848	21.3%	0.6%	13 990	14 947	16 470	11.6%	0.8%	
Advertising	21 574	38 383	33 825	55 133	36.7%	2.5%	48 249	38 874	41 305	-9.2%	2.7%	
Minor assets	5 015	5 905	10 764	15 745	46.4%	0.6%	21 204	22 187	23 373	14.1%	1.2%	
Audit costs: External	22 487	22 955	29 313	31 225	11.6%	1.8%	22 818	33 765	38 180	6.9%	1.8%	
Bursaries: Employees	2 493	3 382	3 710	4 119	18.2%	0.2%	4 140	4 431	4 625	3.9%	0.3%	
Catering: Departmental activities	9 819	6 130	11 250	11 386	5.1%	0.7%	12 584	13 762	14 570	8.6%	0.8%	
Communication	33 234	42 814	57 692	38 777	5.3%	2.9%	51 651	59 679	59 586	15.4%	3.0%	
Computer services	175 890	126 921	100 511	144 730	-6.3%	9.3%	152 000	142 525	150 613	1.3%	8.6%	
Consultants: Business and advisory services	188 258	171 052	97 868	153 826	-6.5%	10.4%	184 344	173 679	155 105	0.3%	9.7%	
Infrastructure and planning services	184 660	142 003	241 215	145 374	-7.7%	12.1%	177 513	266 488	271 574	23.2%	12.5%	
Laboratory services	1 183	3 729	4 438	6 558	77.0%	0.3%	9 543	12 390	13 581	27.5%	0.6%	
Legal services	8 774	6 827	8 109	6 777	-8.2%	0.5%	7 537	9 178	10 275	14.9%	0.5%	
Science and technological services	-	-	1 777	910	-	-	940	3 119	3 294	53.5%	0.1%	
Contractors	92 683	112 230	160 910	259 960	41.0%	10.6%	127 396	119 279	129 591	-20.7%	9.2%	
Agency and support/outourced services	27 827	45 340	41 033	6 191	-39.4%	2.0%	52 771	61 314	65 733	119.8%	2.7%	
Entertainment	624	177	673	426	-11.9%	-	1 607	1 711	1 835	62.7%	0.1%	
Fleet services (including government motor transport)	597	1 724	1 554	3 092	73.0%	0.1%	2 553	2 772	2 907	-2.0%	0.2%	
Housing	-	-	44	-	-	-	-	-	-	-	-	
Inventory: Clothing material and accessories	1 544	2 987	4 329	5 733	54.9%	0.2%	5 620	5 482	6 067	1.9%	0.3%	
Inventory: Farming supplies	86	72	79	137	16.8%	-	534	549	565	60.4%	-	
Inventory: Food and food supplies	1 526	117	399	471	-32.4%	-	527	550	453	-1.3%	-	
Inventory: Fuel, oil and gas	726	1 868	2 515	6 271	105.2%	0.2%	6 810	7 234	8 138	9.1%	0.4%	
Inventory: Learner and teacher support material	-	9	2 468	1 298	-	0.1%	2 603	2 772	2 927	31.1%	0.1%	
Inventory: Materials and supplies	964	6 791	14 598	6 607	90.0%	0.5%	7 199	8 182	8 940	10.6%	0.4%	
Inventory: Medical supplies	35	119	183	269	97.3%	-	274	304	360	10.2%	-	
Inventory: Medicine	-	-	108	30	-	-	55	256	273	108.8%	-	
Medsas inventory interface	-	-	-	35	-	-	200	200	211	82.0%	-	
Inventory: Other supplies	8 079	16 790	6 377	13 599	19.0%	0.8%	6 641	7 367	7 975	-16.3%	0.5%	
Consumable supplies	5 441	6 167	13 436	19 309	52.5%	0.8%	16 346	18 421	19 118	-0.3%	1.1%	
Consumables: Stationery, printing and office supplies	19 119	14 705	24 208	29 557	15.6%	1.5%	34 953	37 307	38 326	9.0%	2.0%	
Operating leases	229 784	231 764	275 322	304 928	9.9%	17.7%	338 441	334 812	353 809	5.1%	19.4%	
Rental and hiring	6 192	2 331	4 615	2 828	-23.0%	0.3%	3 675	3 764	4 093	13.1%	0.2%	
Property payments	60 089	48 250	121 681	90 238	14.5%	5.4%	71 801	71 728	76 355	-5.4%	4.5%	
Transport provided: Departmental activity	7 297	620	3 561	2 557	-29.5%	0.2%	4 214	4 681	4 941	24.6%	0.2%	
Travel and subsistence	204 791	207 033	176 382	213 030	1.3%	13.6%	174 193	183 336	178 374	-5.7%	10.9%	
Training and development	21 562	17 405	36 237	33 257	15.5%	1.8%	39 636	44 785	47 482	12.6%	2.4%	
Operating payments	12 354	17 184	17 553	23 041	23.1%	1.2%	24 691	25 989	28 336	7.1%	1.5%	
Venues and facilities	15 972	9 684	17 157	16 313	0.7%	1.0%	20 366	21 436	17 975	3.3%	1.1%	
Total	1 377 318	1 318 809	1 536 439	1 665 585	6.5%	100.0%	1 649 619	1 759 255	1 807 335	2.8%	100.0%	

Transfers and subsidies expenditure trends and estimates

Table 36.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2013/14 - 2016/17	2017/18	2018/19		
Provinces and municipalities												
Municipal bank accounts												
Current	321	563	660	419	9.3%	-	440	464	490	5.4%	-	
Vehicle licences	315	557	657	419	10.0%	-	440	464	490	5.4%	-	
Other transfers to households	4	6	3	-	-100.0%	-	-	-	-	-	-	
Regional Services Council levies	2	-	-	-	-100.0%	-	-	-	-	-	-	
Capital	1 129 173	1 050 790	2 305 029	4 694 982	60.8%	43.4%	5 194 464	5 619 056	5 932 679	8.1%	61.9%	
Regional bulk infrastructure grant	-	-	-	1 850 000	-	8.7%	1 865 000	2 060 000	2 175 360	5.5%	23.0%	
Water services infrastructure grant	1 129 173	1 050 790	2 305 029	2 844 982	36.1%	34.6%	3 329 464	3 559 056	3 757 319	9.7%	39.0%	

Table 36.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	227 014	168 627	174 116	169 202	-9.3%	3.5%	176 173	185 862	196 270	5.1%	2.1%
Communication	2	2 178	4	-	-100.0%	-	-	-	-	-	-
Energy and Water Services Sector	28	2 204	3 037	2 202	328.4%	-	2 674	2 828	2 986	10.7%	-
Education and Training Authority	-	-	6 704	-	-	-	-	-	-	-	-
Water Information Management	-	-	-	-	-	-	-	-	-	-	-
Water Trading Entity	167 145	164 245	164 371	165 000	-0.4%	3.1%	173 000	183 034	193 284	5.4%	2.1%
Water Research Commission	-	-	-	2 000	-	-	499	-	-	-100.0%	-
Breede-Overberg Catchment Management Agency	31 623	-	-	-	-100.0%	0.1%	-	-	-	-	-
Inkomati Catchment Management Agency	28 216	-	-	-	-100.0%	0.1%	-	-	-	-	-
Capital	2 210 057	2 570 909	1 570 722	1 544 462	-11.3%	37.3%	1 409 881	2 083 294	2 199 959	12.5%	20.9%
Water Trading Entity	2 210 057	2 570 909	1 570 722	1 544 462	-11.3%	37.3%	1 409 881	2 083 294	2 199 959	12.5%	20.9%
Foreign governments and international organisations											
Current	182 254	185 176	189 231	188 370	1.1%	3.5%	197 743	209 212	220 927	5.5%	2.4%
Orange-Senqu River Basin Commission	510	608	546	611	6.2%	-	638	675	713	5.3%	-
African Ministers' Council on Water	99	-	97	102	1.0%	-	106	112	118	5.0%	-
Limpopo Watercourse Commission	-	300	350	207	-	-	176	186	196	-1.8%	-
Komati River Basin Water Authority	181 645	184 268	188 238	187 450	1.1%	3.5%	196 823	208 239	219 900	5.5%	2.3%
Public corporations and private enterprises											
Subsidies on products and production											
Current	81	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations	81	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	244 080	579 919	801 748	844 773	51.3%	11.7%	1 098 503	1 115 816	1 178 302	11.7%	12.2%
Amatola Water Board: Regional bulk infrastructure	-	150 000	169 060	-	-	1.5%	88 554	92 386	-	-	0.5%
Magaies Water Board: Regional bulk infrastructure	231 433	70 000	150 000	142 769	-14.9%	2.8%	58 385	-	-	-100.0%	0.6%
Umgeni Water Board: Regional bulk infrastructure	-	216 719	279 140	423 004	-	4.3%	518 405	653 711	1 040 784	35.0%	7.6%
Sedibeng Water Board: Regional bulk infrastructure	-	143 200	203 548	279 000	-	3.0%	433 159	369 719	137 518	-21.0%	3.5%
Botshelo Water Board	12 647	-	-	-	-100.0%	0.1%	-	-	-	-	-
Non-profit institutions											
Current	1 181	1 803	681	2 766	32.8%	-	1 160	2 092	2 209	-7.2%	-
Women in water awards	818	700	100	700	-5.1%	-	-	-	-	-100.0%	-
South African youth water prize	19	25	22	24	8.1%	-	25	26	27	4.0%	-
Various institutions: 2020 vision for water education programme	344	430	556	1 242	53.4%	-	1 135	1 266	1 337	2.5%	-
Water Institute of Southern Africa	-	648	-	800	-	-	-	800	845	1.8%	-
Non-profit institution	-	-	3	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	11 331	10 996	8 869	23 733	27.9%	0.3%	19 375	20 459	21 620	-3.1%	0.2%
Employee social benefits	11 329	10 996	8 869	23 648	27.8%	0.3%	19 375	20 459	21 620	-2.9%	0.2%
Other transfer	2	-	-	85	249.0%	-	-	-	-	-100.0%	-
Households											
Other transfers to households											
Current	15 171	20 016	26 288	15 535	0.8%	0.4%	16 759	17 727	18 720	6.4%	0.2%
Employee social benefits	-	5 174	-	-	-	-	-	-	-	-	-
Bursaries for non-employees	12 480	13 486	15 726	15 535	7.6%	0.3%	16 759	17 727	18 720	6.4%	0.2%
Other transfers to households	440	-	-	-	-100.0%	-	-	-	-	-	-
Resource poor farmers	2 251	1 356	10 562	-	-100.0%	0.1%	-	-	-	-	-
Total	4 020 663	4 588 799	5 077 344	7 484 242	23.0%	100.0%	8 114 498	9 253 982	9 771 176	9.3%	100.0%

Personnel information

Table 36.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts estimated for 31 March 2017	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Water and Sanitation																			
Salary level	4 301	195	3 512	1 360.4	0.4	3 682	1 540.2	0.4	3 540	1 651.9	0.5	3 403	1 720.2	0.5	3 388	1 851.3	0.5	-2.7%	100.0%
1 – 6	1 676	102	1 425	294.1	0.2	1 495	327.4	0.2	1 412	336.9	0.2	1 371	353.3	0.3	1 362	380.5	0.3	-3.1%	40.2%
7 – 10	1 764	49	1 415	601.5	0.4	1 471	681.8	0.5	1 431	722.9	0.5	1 360	749.1	0.6	1 360	810.8	0.6	-2.6%	40.1%
11 – 12	666	42	535	263.9	0.5	563	304.9	0.5	521	318.1	0.6	499	326.8	0.7	493	348.1	0.7	-4.3%	14.8%
13 – 16	195	2	137	200.9	1.5	153	226.1	1.5	176	274.0	1.6	173	290.9	1.7	173	312.0	1.8	4.2%	4.8%
Programme	4 301	195	3 512	1 360.4	0.4	3 682	1 540.2	0.4	3 540	1 651.9	0.5	3 403	1 720.2	0.5	3 388	1 851.3	0.5	-2.7%	100.0%
Programme 1	1 964	79	1 717	617.7	0.4	1 785	704.2	0.4	1 709	753.9	0.4	1 587	754.0	0.5	1 572	807.3	0.5	-4.1%	47.5%
Programme 2	989	49	877	350.7	0.4	922	401.6	0.4	850	418.4	0.5	836	447.4	0.5	836	483.3	0.6	-3.2%	24.6%
Programme 3	1 010	19	583	216.2	0.4	654	257.5	0.4	625	259.4	0.4	624	280.8	0.4	624	303.5	0.5	-1.6%	18.0%
Programme 4	338	48	335	175.8	0.5	321	176.9	0.6	356	220.1	0.6	356	238.1	0.7	356	257.2	0.7	3.5%	9.9%

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

2. Rand million.

Departmental receipts

Table 36.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2013/14 - 2016/17	2017/18		
Departmental receipts	65 950	15 333	11 008	20 874	20 874	-31.9%	100.0%	14 146	11 687	11 740	-17.5%	100.0%
Sales of goods and services produced by department	2 774	2 356	2 546	2 423	2 423	-4.4%	8.9%	2 535	2 576	2 629	2.8%	17.4%
Sales by market establishments	1 943	935	920	802	802	-25.5%	4.1%	961	998	1 039	9.0%	6.5%
of which:												
Market establishment: Rental dwelling	1 788	722	656	585	585	-31.1%	3.3%	748	785	824	12.1%	5.0%
Market establishment: Non-residential building	–	23	78	30	30	–	0.1%	23	23	25	-5.9%	0.2%
Market establishment: Rental parking	155	190	186	187	187	6.5%	0.6%	190	190	190	0.5%	1.3%
Administrative fees	26	67	102	62	62	33.6%	0.2%	65	65	65	1.6%	0.4%
of which:												
Services rendered: Transport fees	–	52	50	48	48	–	0.1%	50	50	50	1.4%	0.3%
Sales: Tender documents	–	11	36	–	–	–	–	–	–	–	–	–
Sales: Maps	12	–	12	10	10	-5.9%	–	11	11	11	3.2%	0.1%
Replacement of security cards	–	4	4	4	4	–	–	4	4	4	–	–
Sales: Water potable	14	–	–	–	–	-100.0%	–	–	–	–	–	–
Other sales	805	1 354	1 524	1 559	1 559	24.6%	4.6%	1 509	1 513	1 525	-0.7%	10.4%
of which:												
Rental capital assets	15	22	67	76	76	71.8%	0.2%	66	70	82	2.6%	0.5%
Sales: Departmental publications and production	240	3	3	15	15	-60.3%	0.2%	10	10	10	-12.6%	0.1%
Services rendered: Commission on insurance and garnishee	550	772	803	745	745	10.6%	2.5%	720	720	720	-1.1%	5.0%
Sales: Meals and refreshments	–	557	510	473	473	–	1.4%	513	513	513	2.7%	3.4%
Services rendered: Boarding service-staff/boardings service-private	–	–	141	250	250	–	0.3%	200	200	200	-7.2%	1.5%
Sales of scrap, waste, arms and other used current goods	9	4	30	–	–	-100.0%	–	11	11	11	–	0.1%
of which:												
Sales: Scrap	6	4	28	–	–	-100.0%	–	11	11	11	–	0.1%
Sales: Waste paper	3	–	2	–	–	-100.0%	–	–	–	–	–	–
Transfers received	–	63	–	–	–	–	0.1%	–	–	–	–	–
Interest, dividends and rent on land	4 612	2 544	2 428	1 604	1 604	-29.7%	9.9%	1 600	1 600	1 600	-0.1%	11.0%
Interest	4 612	2 544	2 428	1 604	1 604	-29.7%	9.9%	1 600	1 600	1 600	-0.1%	11.0%
Sales of capital assets	–	–	31	20	20	–	–	–	–	–	-100.0%	–
Transactions in financial assets and liabilities	58 555	10 366	5 973	16 827	16 827	-34.0%	81.1%	10 000	7 500	7 500	-23.6%	71.6%
Total	65 950	15 333	11 008	20 874	20 874	-31.9%	100.0%	14 146	11 687	11 740	-17.5%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department. Develop and promote international relations on water resources with neighbouring countries.

Objective

- Improve regional water resource management by monitoring progress quarterly against the annual international relations implementation plan, as approved by the Department of International Relations and Cooperation.

Subprogrammes

- *Ministry* provides administrative and logistical support to the minister and deputy minister and their support staff, and makes provision for their salaries.
- *Departmental Management* provides policy and strategic direction for water and sanitation management. This includes enterprise-wide support services comprising administrative support to the director general, corporate planning, and monitoring and evaluation; and the provision for salaries and operational budgets of the department's regional office heads.
- *Internal Audit* provides independent, objective assurance and advisory services to improve the department's operations.
- *Corporate Services* provides enterprise-wide support, comprising human resources, legal services, and communications, the learning and development academy, and transformation policy and coordination.
- *Financial Management* ensures the efficient management of daily financial operations, processes and systems.
- *Office Accommodation* makes payments for rental charges on all leased office space occupied by the department; and for municipal services such as electricity, water, and sewage and waste removal.
- *Programme Management Unit* provides for improved coordination and governance in the management of the departmental projects.
- *International Water Support* strategically coordinates, promotes and manages international relations on water and sanitation between countries through bilateral and multilateral cooperation instruments and organisations, in line with legislative provisions. This subprogramme also pursues national interests in African and global multilateral organisations and forums.

Expenditure trends and estimates

Table 36.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Ministry	45.3	43.3	45.9	52.3	4.9%	3.3%	48.0	56.9	60.8	5.2%	3.3%
Departmental Management	185.7	135.4	91.6	112.5	-15.4%	9.2%	96.1	105.6	112.8	0.1%	6.4%
Internal Audit	18.2	21.1	29.8	38.3	28.0%	1.9%	38.7	40.4	43.3	4.2%	2.4%
Corporate Services	534.1	598.7	626.8	738.6	11.4%	43.6%	746.0	757.2	801.4	2.8%	45.9%
Financial Management	239.9	208.5	196.3	232.0	-1.1%	15.3%	236.9	232.7	244.5	1.8%	14.3%
Office Accommodation	259.3	253.7	374.1	346.9	10.2%	21.5%	376.3	374.9	395.9	4.5%	22.5%
Programme Management Unit	45.8	42.2	46.5	33.1	-10.3%	2.9%	46.3	48.5	51.8	16.1%	2.7%
International Water Support	27.0	32.7	37.2	38.2	12.3%	2.4%	40.0	41.8	44.8	5.5%	2.5%
Total	1 355.4	1 335.6	1 448.1	1 591.9	5.5%	100.0%	1 628.4	1 658.0	1 755.3	3.3%	100.0%
Change to 2016				(68.0)			(63.6)	(120.4)	(122.7)		
Budget estimate											
Economic classification											
Current payments	1 265.0	1 280.7	1 368.1	1 504.8	6.0%	94.6%	1 542.3	1 551.6	1 649.4	3.1%	94.2%
Compensation of employees	578.0	616.1	617.7	704.2	6.8%	43.9%	753.9	754.0	807.3	4.7%	45.5%
Goods and services ¹	686.9	663.6	743.9	800.7	5.2%	50.5%	788.3	797.7	842.1	1.7%	48.7%
of which:											
Advertising	15.3	30.9	25.6	46.8	45.0%	2.1%	38.8	28.9	30.4	-13.4%	2.2%
Communication	26.0	28.7	38.5	24.1	-2.6%	2.0%	31.2	37.0	36.0	14.3%	1.9%
Computer services	97.5	79.6	38.2	58.4	-15.7%	4.8%	83.7	73.0	77.4	9.9%	4.4%
Operating leases	228.3	230.7	272.3	302.1	9.8%	18.0%	334.0	330.1	348.6	4.9%	19.8%
Property payments	59.8	46.0	119.6	78.6	9.5%	5.3%	61.1	64.8	68.5	-4.5%	4.1%
Travel and subsistence	100.6	88.6	72.6	64.2	-13.9%	5.7%	56.3	55.7	59.0	-2.8%	3.5%
Interest and rent on land	0.1	1.0	6.5	-	-100.0%	0.1%	-	-	-	-	-

Table 36.8 Administration expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	19.9	21.3	20.8	22.0	3.5%	1.5%	22.0	23.3	24.6	3.7%	1.4%
Departmental agencies and accounts	0.0	4.4	3.0	2.2	318.7%	0.2%	2.7	2.8	3.0	10.7%	0.2%
Foreign governments and international organisations	0.6	0.9	1.0	0.9	14.7%	0.1%	0.9	1.0	1.0	3.7%	0.1%
Non-profit institutions	0.8	0.7	0.1	0.7	-5.1%	-	-	-	-	-100.0%	-
Households	18.4	15.3	16.7	18.2	-0.4%	1.2%	18.4	19.5	20.5	4.1%	1.2%
Payments for capital assets	18.4	33.6	59.2	65.0	52.2%	3.1%	64.1	83.1	81.3	7.7%	4.4%
Machinery and equipment	18.3	23.7	30.1	38.1	27.6%	1.9%	22.0	38.5	34.3	-3.4%	2.0%
Software and other intangible assets	0.1	9.8	29.0	27.0	484.5%	1.2%	42.1	44.6	47.1	20.4%	2.4%
Payments for financial assets	52.0	0.1	-	-	-100.0%	0.9%	-	-	-	-	-
Total	1 355.4	1 335.6	1 448.1	1 591.9	5.5%	100.0%	1 628.4	1 658.0	1 755.3	3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	12.9%	11.5%	9.3%	10.3%	-	-	10.8%	10.0%	10.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	4.4	3.0	2.2	328.4%	0.2%	2.7	2.8	3.0	10.7%	0.2%
Communication	-	2.2	0.0	-	-	-	-	-	-	-	-
Energy and Water Services Sector	-	2.2	3.0	2.2	328.4%	0.1%	2.7	2.8	3.0	10.7%	0.2%
Education and Training Authority	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations											
Current	0.5	0.9	0.9	0.8	17.1%	0.1%	0.8	0.9	0.9	3.6%	0.1%
Orange-Senqu River Basin Commission	0.5	0.6	0.5	0.6	6.2%	-	0.6	0.7	0.7	5.3%	-
Limpopo Watercourse Commission	-	0.3	0.4	0.2	-	-	0.2	0.2	0.2	-1.8%	-
Households											
Other transfers to households											
Current	12.5	13.5	15.7	15.5	7.6%	1.0%	16.8	17.7	18.7	6.4%	1.0%
Bursaries for non-employees	12.5	13.5	15.7	15.5	7.6%	1.0%	16.8	17.7	18.7	6.4%	1.0%

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

Programme 2: Water Planning and Information Management

Programme purpose

Ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and the environment, by developing a knowledge base and implementing effective policies, procedures and integrated planning strategies both for water resources and water services.

Objectives

- Ensure the protection of water resources by implementing an integrated water quality management strategy and determining resource quality objectives for nine river systems by March 2019.
- Ensure a coordinated approach to water and sanitation infrastructure planning, monitoring and evaluation by developing and implementing the water and sanitation master plan by March 2019.
- Protect water resources and improve water quality by developing and implementing the integrated water quality management strategy to by March 2019.

Subprogrammes

- *Water Planning, Information Management and Support* provides strategic leadership and overall management to the programme.
- *Integrated Planning* develops comprehensive plans that guide infrastructure development, systems and services management in the water sector.

- *Water Ecosystems* develops and implements measures to protect water resources. This entails determining resource direct measures by classifying water resource systems, determining reserves, conducting resource quality assessments and developing pollution control guidelines as well as rehabilitation measures and protocols.
- *Water Information Management* ensures the development and maintenance of systems and programmes for data and information acquisition and management, and builds the knowledge base on all aspects of water for informed water management decisions.
- *Water Services and Local Water Management* entails the formulation and development of strategies, guidelines and plans for water services and management of water at local level.
- *Sanitation Planning and Management* provides a national strategy for the planning of sanitation services and supports municipalities to plan for the provision of sustainable sanitation services.
- *Policy and Strategy* develops, monitors and reviews the implementation of water and sanitation sector policies and strategies.

Expenditure trends and estimates

Table 36.9 Water Planning and Information 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 (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million											
Water Planning, Information Management and Support	4.7	5.6	3.9	6.3	10.6%	0.7%	4.7	5.0	5.4	-5.3%	0.6%
Integrated Planning	182.2	217.7	159.0	93.0	-20.1%	21.9%	114.2	130.9	141.2	14.9%	13.8%
Water Ecosystems	46.9	48.0	50.2	50.4	2.4%	6.6%	61.2	65.5	69.8	11.4%	7.1%
Water Information Management	373.0	527.1	456.0	532.0	12.6%	63.4%	503.9	532.7	575.7	2.7%	61.6%
Water Services and Local Water Management	-	-	-	112.6	-	3.8%	97.3	103.7	110.0	-0.8%	12.2%
Sanitation Planning and Management	5.4	1.8	-	11.6	29.0%	0.6%	16.3	19.7	21.0	21.9%	2.0%
Policy and Strategy	21.7	12.3	31.9	25.1	4.9%	3.1%	18.8	26.4	26.7	2.2%	2.8%
Total	634.0	812.5	701.0	831.0	9.4%	100.0%	816.5	884.0	949.8	4.6%	100.0%
Change to 2016 Budget estimate				(31.6)			(61.9)	(44.0)	(30.2)		
Economic classification											
Current payments	550.7	754.9	632.4	754.2	11.0%	90.4%	739.6	804.5	866.4	4.7%	90.9%
Compensation of employees	261.6	373.8	350.7	401.6	15.4%	46.6%	418.4	447.4	483.3	6.4%	50.3%
Goods and services ¹	289.1	381.1	281.6	352.6	6.8%	43.8%	321.2	357.2	383.1	2.8%	40.6%
of which:											
Communication	3.1	8.7	8.0	6.6	29.1%	0.9%	8.9	9.9	10.4	16.6%	1.0%
Computer services	77.5	46.3	48.9	74.4	-1.4%	8.3%	45.4	44.4	49.4	-12.7%	6.1%
Consultants: Business and advisory services	8.6	31.9	17.6	20.4	33.4%	2.6%	33.6	34.1	39.1	24.3%	3.7%
Infrastructure and planning services	125.7	124.2	84.9	100.1	-7.3%	14.6%	119.2	135.7	143.3	12.7%	14.3%
Travel and subsistence	44.4	70.7	43.4	61.0	11.2%	7.4%	33.7	46.4	46.2	-8.9%	5.4%
Training and development	3.0	4.6	8.1	7.0	32.5%	0.8%	8.4	8.7	9.2	9.3%	1.0%
Transfers and subsidies¹	1.5	11.5	8.7	1.6	2.3%	0.8%	1.2	1.3	1.4	-3.8%	0.2%
Provinces and municipalities	-	0.6	0.7	0.4	329.1%	0.1%	0.4	0.4	0.5	5.4%	-
Departmental agencies and accounts	-	-	6.7	-	-	0.2%	-	-	-	-	-
Public corporations and private enterprises	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Households	1.4	11.0	1.3	1.2	-5.4%	0.5%	0.8	0.8	0.9	-7.7%	0.1%
Payments for capital assets	81.7	46.1	55.0	75.2	-2.7%	8.7%	75.6	78.1	82.0	2.9%	8.9%
Buildings and other fixed structures	52.8	28.5	26.0	30.0	-17.1%	4.6%	31.7	33.6	35.5	5.7%	3.8%
Machinery and equipment	28.4	17.2	29.0	44.3	15.9%	4.0%	42.9	43.6	45.4	0.8%	5.1%
Software and other intangible assets	0.5	0.4	-	0.9	19.5%	0.1%	1.0	1.0	1.1	4.6%	0.1%
Payments for financial assets	-	-	4.8	-	-	0.2%	-	-	-	-	-
Total	634.0	812.5	701.0	831.0	9.4%	100.0%	816.5	884.0	949.8	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	6.0%	7.0%	4.5%	5.4%	-	-	5.4%	5.3%	5.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	6.7	-	-	0.2%	-	-	-	-	-
Water Information Management	-	-	6.7	-	-	0.2%	-	-	-	-	-

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

Programme 3: Water Infrastructure Development

Programme purpose

Develop, rehabilitate and refurbish raw water resources and water services infrastructure to meet the socioeconomic and environmental needs of South Africa.

Objectives

- Ensure the effective and sustainable management of water resources by transferring and monitoring funds to the Water Trading Entity for the design, construction, commissioning and rehabilitation of bulk raw water infrastructure, including dam safety rehabilitation, on an ongoing basis.
- Ensure adequate water availability through water resources infrastructure development and management, and enhance the provision of sustainable and reliable water supply and sanitation services through the *regional bulk infrastructure grant*, the *water services infrastructure grant* and the *Accelerated Community Infrastructure* subprogramme on a continuous basis.

Subprogrammes

- *Strategic Infrastructure Development and Management* provides for the design, construction, commissioning and management of new and existing water resource infrastructure.
- *Operation of Water Resources* funds expenditure on water resource management activities conducted by the department or catchment management agencies within water management areas.
- *Regional Bulk Infrastructure Grant* provides for the development of new infrastructure and the refurbishment, upgrading and replacing of ageing infrastructure servicing extensive areas across municipal boundaries.
- *Water Services Infrastructure Grant* provides for the construction of new infrastructure and the rehabilitation of existing water and sanitation infrastructure, through the grant transfer of water services schemes to water services institutions. The allocation prioritises the 27 poor districts municipalities.
- *Accelerated Community Infrastructure Programme* provides for rapid emergency interventions related to the refurbishment of wastewater treatment infrastructure, water conservation and water-demand management, and municipal water supply; and supports resource-poor farmers.

Expenditure trends and estimates

Table 36.10 Water Infrastructure Development 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Strategic Infrastructure Development and Management	2 391.7	2 755.2	1 759.0	1 731.9	-10.2%	20.0%	1 606.7	2 291.5	2 419.9	11.8%	15.2%
Operation of Water Resources	167.1	164.2	164.4	165.0	-0.4%	1.5%	173.0	183.0	193.3	5.4%	1.4%
Regional Bulk Infrastructure Grant	3 314.8	3 941.2	5 408.0	6 262.4	23.6%	43.8%	5 822.8	6 142.3	6 482.0	1.2%	46.8%
Water Services Infrastructure Grant	1 589.1	2 085.3	5 401.6	4 146.7	37.7%	30.6%	4 169.5	4 424.0	4 678.2	4.1%	33.0%
Accelerated Community Infrastructure Programme	478.6	365.0	414.1	476.4	-0.2%	4.0%	479.7	458.5	544.9	4.6%	3.7%
Total	7 941.4	9 310.9	13 147.0	12 782.4	17.2%	100.0%	12 251.7	13 499.3	14 318.3	3.9%	100.0%
Change to 2016 Budget estimate				411.3			(878.1)	(608.8)	(579.8)		
Economic classification											
Current payments	578.1	404.4	647.2	646.8	3.8%	5.3%	623.1	617.4	668.3	1.1%	4.8%
Compensation of employees	238.3	188.2	216.2	257.5	2.6%	2.1%	259.4	280.8	303.5	5.6%	2.1%
Goods and services ¹	339.8	216.2	431.0	389.2	4.6%	3.2%	363.6	336.6	364.8	-2.1%	2.8%
of which:											
Computer services	0.3	0.2	12.8	11.7	241.0%	0.1%	15.3	14.0	14.8	8.1%	0.1%
Consultants: Business and advisory services	109.7	95.1	49.6	62.3	-17.2%	0.7%	70.9	53.8	59.1	-1.7%	0.5%
Infrastructure and planning services	50.4	9.0	154.2	43.3	-4.9%	0.6%	54.2	58.4	55.7	8.7%	0.4%
Contractors	70.4	49.0	99.4	188.7	38.9%	0.9%	84.9	76.9	84.3	-23.5%	0.8%
Agency and support/outourced services	20.6	9.6	21.8	(15.0)	-189.9%	0.1%	30.9	32.8	38.9	-237.5%	0.2%
Travel and subsistence	48.5	33.1	40.6	47.1	-1.0%	0.4%	41.0	31.6	34.5	-9.9%	0.3%
Interest and rent on land	-	-	-	0.1	310.2%	-	-	-	-	-100.0%	-

Table 36.10 Water Infrastructure Development expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	3 926.7	4 555.2	5 046.9	7 455.4	23.8%	48.6%	8 090.1	9 228.0	9 743.7	9.3%	65.3%
Provinces and municipalities	1 129.5	1 050.8	2 305.0	4 695.0	60.8%	21.3%	5 194.5	5 619.1	5 932.7	8.1%	40.6%
Departmental agencies and accounts	2 377.2	2 735.2	1 735.1	1 709.5	-10.4%	19.8%	1 582.9	2 266.3	2 393.2	11.9%	15.0%
Foreign governments and international organisations	181.6	184.3	188.2	187.5	1.1%	1.7%	196.8	208.2	219.9	5.5%	1.5%
Public corporations and private enterprises	231.4	579.9	801.7	844.8	54.0%	5.7%	1 098.5	1 115.8	1 178.3	11.7%	8.0%
Non-profit institutions	0.3	0.4	0.6	1.2	53.4%	-	1.1	1.3	1.3	2.5%	-
Households	6.6	4.7	16.2	17.5	38.2%	0.1%	16.3	17.3	18.3	1.4%	0.1%
Payments for capital assets	3 436.5	4 351.2	7 453.0	4 680.2	10.8%	46.1%	3 538.5	3 653.9	3 906.3	-5.8%	29.9%
Buildings and other fixed structures	3 428.5	4 339.8	7 430.0	4 667.3	10.8%	46.0%	3 529.5	3 641.6	3 890.2	-5.9%	29.8%
Machinery and equipment	8.0	11.4	23.0	12.9	17.3%	0.1%	9.1	12.3	16.2	7.8%	0.1%
Payments for financial assets	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-
Total	7 941.4	9 310.9	13 147.0	12 782.4	17.2%	100.0%	12 251.7	13 499.3	14 318.3	3.9%	100.0%
Proportion of total programme expenditure to vote expenditure	75.6%	80.2%	84.5%	82.3%	-	-	81.1%	81.5%	81.7%	-	-

Details of selected transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	167.1	164.2	164.4	165.0	-0.4%	1.5%	173.0	183.0	193.3	5.4%	1.4%
Water Trading Entity	167.1	164.2	164.4	165.0	-0.4%	1.5%	173.0	183.0	193.3	5.4%	1.4%
Capital	2 210.1	2 570.9	1 570.7	1 544.5	-11.3%	18.3%	1 409.9	2 083.3	2 200.0	12.5%	13.7%
Water Trading Entity	2 210.1	2 570.9	1 570.7	1 544.5	-11.3%	18.3%	1 409.9	2 083.3	2 200.0	12.5%	13.7%
Foreign governments and international organisations											
Current	181.6	184.3	188.2	187.5	1.1%	1.7%	196.8	208.2	219.9	5.5%	1.5%
Komati River Basin Water Authority	181.6	184.3	188.2	187.5	1.1%	1.7%	196.8	208.2	219.9	5.5%	1.5%
Households											
Social benefits											
Current	4.4	3.3	5.6	17.5	58.6%	0.1%	16.3	17.2	18.2	1.4%	0.1%
Employee social benefits	4.4	3.3	5.6	17.5	58.6%	0.1%	16.3	17.2	18.2	1.4%	0.1%
Households											
Other transfers to households											
Current	2.3	1.4	10.6	-	-100.0%	-	-	-	-	-	-
Resource poor farmers	2.3	1.4	10.6	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	231.4	579.9	801.7	844.8	54.0%	5.7%	1 098.5	1 115.8	1 178.3	11.7%	8.0%
Amatola Water Board: Regional bulk infrastructure	-	150.0	169.1	-	-	0.7%	88.6	92.4	-	-	0.3%
Magalies Water Board: Regional bulk infrastructure	231.4	70.0	150.0	142.8	-14.9%	1.4%	58.4	-	-	-100.0%	0.4%
Umgeni Water Board: Regional bulk infrastructure	-	216.7	279.1	423.0	-	2.1%	518.4	653.7	1 040.8	35.0%	5.0%
Sedibeng Water Board: Regional bulk infrastructure	-	143.2	203.5	279.0	-	1.4%	433.2	369.7	137.5	-21.0%	2.3%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	1 129.2	1 050.8	2 305.0	4 695.0	60.8%	21.3%	5 194.5	5 619.1	5 932.7	8.1%	40.6%
Regional bulk infrastructure grant	-	-	-	1 850.0	-	4.3%	1 865.0	2 060.0	2 175.4	5.5%	15.0%
Water services infrastructure grant	1 129.2	1 050.8	2 305.0	2 845.0	36.1%	17.0%	3 329.5	3 559.1	3 757.3	9.7%	25.5%

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

Programme 4: Water Sector Regulation

Programme purpose

Ensure the development, implementation, monitoring and review of regulations across the water supply chain in accordance with the provisions of the National Water Act (1998) and the Water Services Act (1997).

Objectives

- Create an enabling environment for the economic and social regulation of water by revising the water pricing strategy and developing the economic regulation strategy by 2017/18.

- Improve efficiency and effectiveness in the delivery of water and provide dignified sanitation by establishing operationally and financially viable catchment management agencies and regional water utilities by 2017/18.
- Ensure the equitable allocation of water resources for social and economic development by processing 80 per cent of water use authorisation applications within 300 working days from the date of receipt.
- Strengthen regulation by implementing monitoring programmes for drinking water quality, wastewater quality and mine water quality on an ongoing basis; and implementing mitigation measures in catchments with potential for acid mine drainage.
- Coordinate and monitor compliance with standards, licence conditions and regulations across all sectors to ensure that water resources are protected on an ongoing basis.
- Ensure the effective enforcement of compliance with water legislation by monitoring, conducting investigations and providing legal support in cases of unlawful water use, on an ongoing basis.

Subprogrammes

- *Water Sector Regulation Management and Support* provides strategic leadership and overall management to the programme.
- *Economic and Social Regulation* ensures that pricing is efficient, equitable and cost reflective to protect the interests of the consumers and sector through the provision of sustainable water resources and water services.
- *Water Use Authorisation and Administration* enables equitable access to water using various regulatory instruments.
- *Water Supply Services and Sanitation Regulation* regulates the provision of drinking water and the management of wastewater.
- *Compliance Monitoring and Enforcement* coordinates and monitors compliance to the water sector value-chain standards, licence conditions and regulations; and ensures enforcement against non-compliance. This includes the management of mine water in South Africa, with specific emphasis on acid mine management.
- *Institutional Oversight* involves institutional governance and oversight of all water institutions, and facilitates their establishment and development.

Expenditure trends and estimates

Table 36.11 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Water Sector Regulation Management and Support	0.9	3.4	34.1	37.3	252.5%	5.8%	38.3	40.9	41.0	3.2%	9.0%
Economic and Social Regulation	378.0	4.5	12.3	33.4	-55.5%	32.6%	29.6	32.7	35.5	2.1%	7.5%
Water Use Authorisation and Administration	54.6	62.6	44.4	58.5	2.3%	16.8%	69.2	84.5	78.5	10.3%	16.7%
Water Supply Services and Sanitation Regulation	23.1	16.0	15.7	21.3	-2.6%	5.8%	25.0	35.8	28.8	10.4%	6.4%
Compliance Monitoring and Enforcement	13.5	35.8	83.5	86.9	86.2%	16.7%	126.3	138.5	127.4	13.6%	27.5%
Institutional Oversight	105.1	35.3	70.9	81.9	-8.0%	22.3%	122.5	187.1	180.2	30.1%	32.8%
Total	575.2	157.6	260.9	319.2	-17.8%	100.0%	410.8	519.5	491.4	15.5%	100.0%
Change to 2016 Budget estimate				(32.4)			72.9	174.5	127.0		
Economic classification											
Current payments	123.2	155.6	255.7	300.1	34.5%	63.6%	396.5	505.9	474.6	16.5%	96.3%
Compensation of employees	61.7	97.6	175.8	176.9	42.0%	39.0%	220.1	238.1	257.2	13.3%	51.2%
Goods and services ¹	61.5	57.9	79.9	123.2	26.1%	24.6%	176.5	267.8	217.4	20.8%	45.1%
of which:											
Computer services	0.6	0.9	0.5	0.2	-26.4%	0.2%	7.5	11.1	8.9	239.4%	1.6%
Consultants: Business and advisory services	30.3	23.1	20.1	36.3	6.1%	8.4%	68.9	73.7	43.1	5.9%	12.7%
Infrastructure and planning services	8.2	8.0	1.4	0.1	-74.9%	1.4%	4.1	72.4	72.5	723.2%	8.6%
Agency and support/outourced services	1.7	0.2	2.1	7.0	60.5%	0.8%	5.9	7.4	4.5	-13.8%	1.4%
Travel and subsistence	11.3	14.6	19.8	40.7	53.4%	6.6%	43.2	49.7	38.8	-1.6%	9.9%
Training and development	0.9	1.1	4.7	5.4	79.3%	0.9%	6.0	8.1	6.6	6.8%	1.5%
Transfers and subsidies¹	72.6	0.8	1.0	5.2	-58.5%	6.1%	1.1	1.4	1.5	-34.2%	0.5%
Departmental agencies and accounts	59.8	-	-	2.0	-67.8%	4.7%	0.5	-	-	-100.0%	0.1%
Public corporations and private enterprises	12.6	-	-	-	-100.0%	1.0%	-	-	-	-	-
Non-profit institutions	-	0.6	-	0.8	-	0.1%	-	0.8	0.8	1.8%	0.1%
Households	0.1	0.1	0.9	2.4	218.1%	0.3%	0.6	0.6	0.6	-35.7%	0.2%

Table 36.11 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Payments for capital assets	379.4	1.3	4.3	14.0	-66.7%	30.4%	13.2	12.3	15.3	3.1%	3.1%
Buildings and other fixed structures	378.4	0.1	-	-	-100.0%	28.8%	-	-	-	-	-
Machinery and equipment	0.9	1.2	4.3	14.0	146.5%	1.6%	13.2	12.3	15.3	3.1%	3.1%
Total	575.2	157.6	260.9	319.2	-17.8%	100.0%	410.8	519.5	491.4	15.5%	100.0%
Proportion of total programme expenditure to vote expenditure	5.5%	1.4%	1.7%	2.1%	-	-	2.7%	3.1%	2.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	59.8	-	-	2.0	-67.8%	4.7%	0.5	-	-	-100.0%	0.1%
Water Research Commission	-	-	-	2.0	-	0.2%	0.5	-	-	-100.0%	0.1%
Breede-Overberg Catchment Management Agency	31.6	-	-	-	-100.0%	2.4%	-	-	-	-	-
Inkomati Catchment Management Agency	28.2	-	-	-	-100.0%	2.1%	-	-	-	-	-
Non-profit institutions											
Current	-	0.6	-	0.8	-	0.1%	-	0.8	0.8	1.8%	0.1%
Water Institute of Southern Africa	-	0.6	-	0.8	-	0.1%	-	0.8	0.8	1.8%	0.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	12.6	-	-	-	-100.0%	1.0%	-	-	-	-	-
Botshelo Water Board	12.6	-	-	-	-100.0%	1.0%	-	-	-	-	-

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

Entities¹

Consolidated water boards

Mandate

The water boards derive their mandate from the Water Services Act (1997) and are categorised as national government business enterprises in terms of schedule 3B of the Public Finance Management Act (1999). The primary activity of water boards is to provide bulk water and sanitation services to water service institutions in the designated areas in which they operate. Historically, water boards were established in areas with significant urban development, but rural areas have since been included. The services provided by water boards have also expanded to include the provision of retail water and sanitation services, and management services and training on behalf of municipalities and the Department of Water and Sanitation. Water boards are used as implementing agents where the capacity to implement projects is inadequate.

In 2014, the Minister of Water and Sanitation reduced the number of water boards from 12 to 9 as part of an institutional realignment of the sector and a reform measure to increase efficiency and achieve economies of scale. In line with this, both Botshelo and Pelladrikt have been incorporated into Sedibeng Water, and Bushbuckridge Water has been incorporated into Rand Water. The draft Water and Sanitation Bill, which is currently under review, proposes that water boards operate as regional water utilities in future.

Selected performance indicators

Table 36.12 Consolidated water boards volume¹ of bulk treated water sales

Water board	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Volumes of bulk water sales by Amatola water board per year	Water board activities	Outcome 6. An efficient, competitive and responsive economic infrastructure network	31 723	33 189	33 630	34 876	38 364	42 400	46 420
Volumes of bulk water sales by Bloem water board per year	Water board activities		76 182	91 737	79 993	85 448	91 409	92 323	93 246
Volumes of bulk water sales by Botshelo water board per year	Water board activities		13 100	14 900	- ²	- ²	- ²	- ²	- ¹
Volumes of bulk water sales by Bushbuckridge water board per year	Water board activities		35 137	49 694	- ³	- ³	- ³	- ³	- ²

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

Table 36.12 Consolidated water boards volume¹ of bulk treated water sales

Water board	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Volumes of bulk water sales by Lepelle northern water board per year	Water board activities	Outcome 6. An efficient, competitive and responsive economic infrastructure network	97 637	97 637	9 7809	30 040	100 141	100 141	100 141
Volumes of bulk water sales by Magalies water board per year	Water board activities		75 503	82 038	81 959	89 821	95 251	101 054	107 117
Volumes of bulk water sales by Mhlathuze water board per year	Water board activities		40 208	44 176	40 208	43 800	45 625	45 625	45 625
Volumes of bulk water sales by Overberg water board per year	Water board activities		4 075	4 270	4 253	4 498	4 043	4 043	4 043
Volumes of bulk water sales by Pelladriфт water board per year	Water board activities		4 013	3 075	— ⁴	— ⁴	— ⁴	— ⁴	— ⁴
Volumes of bulk water sales by Rand water board per year	Water board activities		1 526 861	1 608 229	1 709 519	1 420 651	1 444 176	1 472 322	1 496 678
Volumes of bulk water sales by Sedibeng water board per year	Water board activities		92 346	96 524	117 562	119 408	122 397	125 420	128 526
Volumes of bulk water sales by Umgeni water board per year	Water board activities		439 544	446 548	435 726	414 159	449 828	459 372	469 597

1. Measured in thousand kilolitres.

2. Botshelo Water was disestablished in 2014/15 in line with the institutional reform and realignment process. Operations have since been incorporated into the Magalies and Sedibeng water boards.

3. Bushbuckridge Water was disestablished in 2014/15 and operations were incorporated into Rand Water.

4. Pelladriфт Water was disestablished in 2014/15 and operations were incorporated into Sedibeng Water.

Expenditure analysis

The water boards implement infrastructure projects on behalf of the Department of Water and Sanitation. This contributes to the attainment of outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. Through their activities in water resource management, they also contribute to outcome 9 (responsive, accountable, effective and efficient local government) and outcome 10 (protect and enhance our environmental assets and natural resources) of the framework.

The water boards' spending focus over the medium term will be on bulk water and wastewater treatment services. An amount of R57.2 billion or 81 per cent of total water boards' budget has been allocated to this primary mandate. Rand and Umgeni water boards are the two largest water boards with 80 per cent of the market share measured in terms of volumes supplied. The two water boards account for 78 per cent of the R20 billion projected for spending on acquisition of assets related to investment in new water supply augmentation infrastructure projects, rehabilitation, operations and maintenance of existing ageing infrastructure over the medium term.

Expenditure is estimated to grow at an average annual rate of 10.5 per cent; and is driven by increases in raw water purchase costs, energy costs for pumping-related activities, and chemical costs for purification and labour costs. The goods and services budget is expected to grow from R11.9 billion in 2017/18 to R14.8 billion in 2019/20 at an average growth rate of 11.2 per cent.

Sales of bulk water make up R68.4 billion, or 93.9 per cent, of the total revenue for the water boards. Bulk water sales are projected to grow at an average annual rate of 13.3 per cent over the medium term because of tariff increases and sales volume growth. However, receivables and prepayments are low when compared to the projected revenue figures as water boards anticipate to collect less than their expected billing over the medium term because of non-payment by the water users.

Programmes/objectives/activities

Table 36.13 Consolidated water boards expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	2 645.7	3 230.4	3 269.4	3 486.3	9.6%	22.1%	3 892.5	4 297.4	4 615.0	9.8%	22.6%
Water boards activities	10 091.3	10 743.2	11 736.9	11 957.8	5.8%	77.9%	13 145.8	14 661.9	16 198.3	10.6%	77.4%
Total	12 737.0	13 973.7	15 006.2	15 444.1	6.6%	100.0%	17 038.3	18 959.3	20 813.4	10.5%	100.0%

Statements of historical financial performance and position**Table 36.14 Consolidated water boards statements of historical financial performance and position**

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	13 670.2	14 923.7	15 959.4	17 102.7	18 046.7	18 655.5	20 849.4	19 097.3	101.8%
Sale of goods and services other than capital assets	12 821.5	13 479.8	15 117.1	15 663.1	17 213.0	17 215.9	19 961.3	17 651.7	98.3%
<i>of which:</i>									
Administrative fees	–	15.1	0.2	20.3	17.2	16.0	18.3	44.3	268.6%
Sales of bulk water	12 821.5	13 464.7	15 116.9	15 642.8	17 135.1	17 199.9	19 878.1	17 566.5	98.3%
Other sales	–	–	–	–	60.7	–	64.9	40.9	32.6%
Other non-tax revenue	848.7	1 443.9	842.4	1 439.6	833.7	1 439.5	888.1	1 445.6	169.0%
Transfers received	–	–	–	–	13.9	–	13.2	–	–
Total revenue	13 670.2	14 923.7	15 959.4	17 102.7	18 060.6	18 655.5	20 862.6	19 097.3	101.8%
Expenses									
Current expenses	11 990.0	12 737.0	13 745.2	13 915.8	15 565.9	14 911.5	17 515.2	15 337.3	96.7%
Compensation of employees	2 364.7	2 671.8	2 702.2	3 078.1	3 011.6	3 141.5	3 324.4	3 344.3	107.3%
Goods and services	8 796.9	9 303.8	10 249.8	10 026.9	11 476.8	10 878.7	12 779.3	10 808.1	94.7%
Depreciation	647.7	666.2	664.9	768.3	895.0	853.0	1 145.1	1 061.0	99.9%
Interest, dividends and rent on land	180.8	95.3	128.3	42.5	182.4	38.3	266.5	123.9	39.6%
Transfers and subsidies	–	–	–	57.9	–	94.7	–	106.8	–
Total expenses	11 990.0	12 737.0	13 745.2	13 973.7	15 565.9	15 006.2	17 515.2	15 444.1	97.2%
Surplus/(Deficit)	1 680.0	2 187.0	2 214.0	3 129.0	2 495.0	3 649.0	3 347.0	3 653.0	
Statement of financial position									
Carrying value of assets	20 967.3	21 400.2	25 838.4	26 840.4	29 622.7	32 081.4	40 413.3	37 954.5	101.2%
<i>of which:</i>									
Acquisition of assets	(4 693.2)	(3 720.0)	(5 171.8)	(5 433.0)	(6 461.7)	(5 962.5)	(8 714.2)	(6 109.5)	84.8%
Investments	1 687.2	3 573.4	1 622.4	2 760.4	2 171.6	2 948.1	1 933.3	1 729.9	148.5%
Inventory	112.6	309.3	115.2	199.3	186.9	219.4	353.8	216.8	122.9%
Loans	–	5.0	5.7	4.6	4.6	105.2	4.9	85.1	1 315.4%
Accrued investment interest	–	40.7	–	33.8	–	28.4	–	28.4	472 401.9%
Receivables and prepayments	1 820.9	3 730.7	2 340.7	4 843.6	3 998.0	5 435.0	3 786.1	4 673.7	156.4%
Cash and cash equivalents	1 650.4	2 125.7	1 966.0	2 243.8	2 325.6	3 128.0	1 817.9	2 466.7	128.4%
Non-current assets held for sale	69.5	1.6	13.5	1.5	1.5	0.4	–	–	4.1%
Defined benefit plan assets	7.7	20.8	–	26.4	–	30.1	–	45.4	1 597.0%
Total assets	26 315.5	31 207.4	31 902.0	36 953.8	38 311.0	43 975.9	48 309.3	47 200.4	110.0%
Accumulated surplus/(deficit)	15 485.5	16 702.7	18 082.4	19 380.1	20 056.8	22 701.5	24 237.4	25 397.7	108.1%
Capital and reserves	2 569.3	3 501.2	2 045.3	3 577.6	3 555.7	3 606.6	3 562.0	4 039.8	125.5%
Capital reserve fund	200.0	93.9	–	166.0	–	212.7	–	70.2	271.4%
Borrowings	4 489.2	4 270.0	6 314.5	5 413.9	6 646.3	7 433.8	11 479.7	7 771.8	86.0%
Finance lease	–	9.6	–	0.9	0.4	0.1	–	1.3	2 710.6%
Accrued interest	32.4	27.4	28.6	26.8	59.7	58.9	83.1	58.2	84.0%
Deferred income	181.0	788.9	1 351.5	1 401.4	1 643.8	1 703.6	2 765.8	2 125.9	101.3%
Trade and other payables	2 758.9	4 765.3	3 324.8	5 815.7	5 184.4	7 238.1	5 282.4	6 683.9	148.1%
Benefits payable	–	–	–	–	1.2	–	1.5	1.5	55.3%
Taxation	–	17.3	–	20.0	7.1	43.8	7.6	7.1	600.0%
Provisions	434.9	965.1	688.6	1 084.7	1 152.2	973.8	821.7	967.4	128.9%
Managed funds (e.g. poverty alleviation fund)	–	–	–	–	–	–	–	5	–
Derivatives financial instruments	33.3	65.9	66.2	66.8	3.2	3.2	68.1	70.6	120.9%
Total equity and liabilities	26 184.4	31 207.4	31 902.0	36 953.8	38 311.0	43 975.9	48 309.3	47 200.4	110.1%

Statements of estimates of financial performance and position**Table 36.15 Consolidated water boards statements of estimates of financial performance and position**

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	19 097.3	8.6%	100.0%	21 561.7	24 292.7	26 417.8	11.4%	100.0%
Sale of goods and services other than capital assets	17 651.7	9.4%	91.7%	20 115.9	22 906.7	25 609.8	13.2%	94.2%
<i>of which:</i>								
Administrative fees	44.3	43.0%	0.1%	46.0	47.5	48.7	3.3%	0.2%
Sales of bulk water	17 566.5	9.3%	91.5%	20 032.6	22 836.4	25 540.2	13.3%	93.9%
Other sales	40.9	–	0.1%	37.3	22.9	20.9	-20.1%	0.1%
Other non-tax revenue	1 445.6	–	8.3%	1 445.8	1 386.0	808.0	-17.6%	5.8%
Total revenue	19 097.3	8.6%	100.0%	21 561.7	24 292.7	26 417.8	11.4%	100.0%

Table 36.15 Consolidated water boards statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Expenses								
Current expenses	15 337.3	6.4%	99.6%	16 920.6	18 831.1	20 673.6	10.5%	126.9%
Compensation of employees	3 344.3	7.8%	21.4%	3 541.0	3 814.1	4 135.7	7.3%	20.6%
Goods and services	10 808.1	5.1%	71.8%	11 989.0	13 436.3	14 846.1	11.2%	70.6%
Depreciation	1 061.0	16.8%	5.8%	1 229.3	1 367.3	1 473.5	11.6%	7.1%
Interest, dividends and rent on land	123.9	9.1%	0.5%	161.3	213.4	218.3	20.8%	1.0%
Transfers and subsidies	106.8	-	0.4%	117.7	128.2	139.7	9.4%	0.7%
Total expenses	15 444.1	6.6%	100.0%	17 038.3	18 959.3	20 813.3	10.5%	100.0%
Surplus/(Deficit)	3 653.0			4 523.0	5 333.0	5 604.0	15.3%	
Statement of financial position								
Carrying value of assets	37 954.5	21.0%	73.6%	44 162.7	49 138.2	54 929.9	13.1%	81.9%
of which:								
Acquisition of assets	(6 109.5)	18.0%	-13.3%	(7 142.3)	(7 022.9)	(6 385.9)	1.5%	-11.9%
Investments	1 729.9	-21.5%	7.3%	1 965.9	1 973.5	2 259.9	9.3%	3.5%
Inventory	216.8	-11.2%	0.6%	232.3	241.9	261.0	6.4%	0.4%
Loans	85.1	157.5%	0.1%	69.1	5.1	46.0	-18.5%	0.1%
Accrued investment interest	28.4	-11.4%	0.1%	28.4	28.4	28.4	-	0.1%
Receivables and prepayments	4 673.7	7.8%	11.8%	4 901.8	4 817.3	4 970.5	2.1%	8.6%
Cash and cash equivalents	2 466.7	5.1%	6.3%	2 618.1	2 939.8	4 042.1	17.9%	5.3%
Defined benefit plan assets	45.4	29.7%	0.1%	46.2	23.1	24.0	-19.1%	0.1%
Total assets	47 200.4	14.8%	100.0%	54 024.6	59 167.3	66 561.9	12.1%	100.0%
Accumulated surplus/(deficit)	25 397.7	15.0%	52.8%	29 093.3	33 073.3	39 308.1	15.7%	55.7%
Capital and reserves	4 039.8	4.9%	9.4%	4 796.4	5 095.3	6 036.3	14.3%	8.8%
Capital reserve fund	70.2	-9.2%	0.3%	70.2	70.2	70.2	-	0.1%
Borrowings	7 771.8	22.1%	15.4%	9 643.3	10 308.9	10 448.7	10.4%	16.9%
Finance lease	1	-49.4%	-	1	-	-	-100.0%	-
Accrued interest	58.2	28.6%	0.1%	56.8	54.3	55.3	-1.7%	0.1%
Deferred income	2 125.9	39.2%	3.7%	2 383.4	2 783.4	2 938.3	11.4%	4.5%
Trade and other payables	6 683.9	11.9%	15.4%	6 840.2	6 563.9	6 377.1	-1.6%	11.9%
Benefits payable	1.5	-	-	1.6	1.8	-	-100.0%	-
Taxation	7.1	-25.8%	0.1%	7.8	8.4	7.4	1.6%	-
Provisions	967.4	0.1%	2.6%	1 050.1	1 120.9	1 227.2	8.3%	1.9%
Managed funds (e.g. poverty alleviation fund)	5	-	-	5	5	5	-	-
Derivatives financial instruments	70.6	2.3%	0.1%	76.0	81.9	88.2	7.7%	0.1%
Total equity and liabilities	47 200.4	14.8%	100.0%	54 024.6	59 167.3	66 561.9	12.1%	100.0%

Rand Water

Mandate

Rand Water was established in terms of the Water Services Act (1997) and is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). The core mandate of the entity is to abstract raw water from the Vaal River basin, treat, transport and store it, and ultimately deliver potable water to municipalities and, to a smaller extent, mines and industries around Gauteng. Its operations also extend to areas in Limpopo, North West, Mpumalanga, and northern Free State. Overall, Rand Water serves between 16 million and 19 million people, with 98 per cent of its water abstraction coming from the Vaal River system.

Selected performance indicators

Table 36.16 Rand Water performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Net debt/equity ratio per year	Administration	Outcome 12: An efficient, effective and development-oriented public service	0.4	0.4	0.3	0.4	0.4	0.3	0.3
Debt service ratio per year	Administration		5.7	5.3	5.2	4.7	4.2	3.0	3.0
Cost of debt per year	Administration		8% (206 049/ 2 512 551)	7% (269 049/ 3 674 901)	9% (405 351/ 4 418 873)	10%	9%	10%	13%
Costs per kilolitre per year	Bulk water	Outcome 6: An efficient, competitive and responsive economic infrastructure network	R4.90	R5.30	R5.20	R6.40	R7	R7.60	R8.20
Avoidable water loss as a percentage of total water produced (non-revenue water)	Bulk water		3.5% (4 690/ 132 442)	3.0% (4 083/ 136 018)	3.2% (4 424/ 136 666)	3.5%	3.5%	3.5%	3.5%
Volume ¹ of water sold	Bulk water		1 526 861	1 686 057	1 709 519	1 420 651	1 444 176	1 472 322	1 496 678

1. Measured in thousand kilolitres.

Expenditure analysis

Rand Water manages the water infrastructure network and its supply capacity, and connects households in

Gauteng, Limpopo, Mpumalanga and Free State to affordable, sufficient and safe water and decent sanitation in line with the NDP's vision of universal access to clean, potable water for all by 2030. The entity contributes to outcomes 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. The spending focus for Rand Water over the medium term is on providing bulk water and related activities, which are expected to account for 83.8 per cent of total expenditure.

Spending on providing bulk water is projected to grow from R7.4 billion in 2016/17 to R10.3 billion in 2019/20 because of increases in raw water purchase costs, energy costs, chemical costs and labour costs. Water purchases are expected to increase at an average rate of 13.5 per cent and chemical costs at 17 per cent. This is because of the inclusion of a charge for acid mine drainage, and deteriorating water quality at the Vaal catchment management area as a result of drought and flood conditions. Over the medium, spending on goods and services is projected to grow from R6.7 billion in 2016/17 to R9.3 billion in 2019/20 at an average rate of 11.4 per cent.

Another primary cost driver is the acquisition of capital assets which is necessary to ensure that Rand Water contributes to the objective of universal access to water. The major projects that will be undertaken in the programme during this period will help ensure that Rand Water meets the projected increase in demand from 1.4 billion litres in 2017/18 to 1.5 billion litres in 2019/20. Capital spending on infrastructure is expected to increase from R2.7 billion in 2016/17 to R3.7 billion in 2019/20 because of higher treatment and pumping costs. Rand Water will continue to fund capital expenditure through accumulated profits and cash reserves, after providing for liquidity requirements. As part of its diverse funding strategy, the entity will also continue to raise any additional funds through the debt capital market and other sources in a prudent and sustainable manner.

Rand Water derives its revenue from the sale of bulk water and work done on behalf of municipalities and the Department of Water and Sanitation. Total revenue is expected to grow at an annual rate of 14.7 per cent over the medium term from R10.9 billion in 2016/17 to R16.5 billion in 2019/20, owing to projected tariff increases, from R6.4 per kilolitre in 2016/17 to R8.2 per kilolitre in 2019/20.

To ensure that Rand Water can fulfil its mandate effectively as it embarks on its growth strategy, the number of posts is set to increase from 3 420 in 2016/2017 to 3 512 in 2017/18, 3 606 in 2018/19 and 3 700 by 2019/20. Expenditure on compensation of employees is projected to grow at a rate of 6.3 per cent over the medium term, from R1.8 billion in 2016/17 to R2.2 billion in 2019/20.

Programmes/objectives/activities

Table 36.17 Rand Water expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	1 294.8	1 364.3	1 508.3	1 385.8	2.3%	15.9%	1 378.7	1 481.8	1 573.4	4.3%	13.9%
Bulk water	6 273.3	7 043.4	7 457.5	7 377.6	5.6%	80.6%	8 312.5	9 265.9	10 299.1	11.8%	83.8%
Secondary activities	719.3	145.0	102.8	218.6	-32.8%	3.5%	230.1	241.7	254.2	5.2%	2.3%
Total	8 287.4	8 552.7	9 068.7	8 982.1	2.7%	100.0%	9 921.2	10 989.4	12 126.6	10.5%	100.0%

Statements of historical financial performance and position

Table 36.18 Rand Water statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2013/14 - 2016/17
	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	
Revenue									
Non-tax revenue	8 732.3	9 469.2	9 904.6	9 990.7	11 742.3	11 233.6	13 713.3	10 909.3	94.4%
Sale of goods and services other than capital assets	8 447.8	8 664.9	9 342.1	9 802.5	11 248.3	10 950.9	13 178.2	10 712.0	95.1%
of which:									
Sales of bulk water	8 447.8	8 664.9	9 342.1	9 802.5	11 248.3	10 950.9	13 178.2	10 712.0	95.1%
Other non-tax revenue	284.5	804.3	562.5	188.2	494.0	282.7	535.1	197.3	78.5%
Total revenue	8 732.3	9 469.2	9 904.6	9 990.7	11 742.3	11 233.6	13 713.3	10 909.3	94.4%

Table 36.18 Rand Water statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Expenses									
Current expenses	7 682.5	8 287.4	8 679.4	8 552.7	10 128.1	9 068.7	11 404.5	8 982.1	92.1%
Compensation of employees	1 312.9	1 651.2	1 535.3	1 842.4	1 682.1	1 720.1	1 816.7	1 813.1	110.7%
Goods and services	6 080.9	6 351.4	6 831.7	6 387.4	7 982.4	6 984.8	9 031.0	6 703.9	88.3%
Depreciation	280.5	280.3	312.3	323.0	463.6	363.7	556.9	433.0	86.8%
Interest, dividends and rent on land	8.2	4.5	-	-	-	-	-	32.2	446.2%
Total expenses	7 682.5	8 287.4	8 679.4	8 552.7	10 128.1	9 068.7	11 404.5	8 982.1	92.1%
Surplus/(Deficit)	1 050.0	1 182.0	1 225.0	1 438.0	1 614.0	2 165.0	2 309.0	1 927.0	
Statement of financial position									
Carrying value of assets	12 059.1	12 313.4	15 454.0	15 143.0	14 835.6	18 081.5	22 053.1	20 727.4	102.9%
<i>of which:</i>									
Acquisition of assets	(2 594.0)	(2 243.7)	(2 602.3)	(2 579.7)	(2 579.7)	(2 925.6)	(4 163.0)	(2 722.7)	87.7%
Investments	-	483.2	-	482.3	482.3	461.7	436.2	389.8	197.8%
Inventory	61.0	244.8	64.0	122.4	122.5	129.7	284.2	137.3	119.3%
Loans	-	5.0	5.7	4.6	4.6	5.2	4.9	5.1	130.8%
Receivables and prepayments	1 006.3	1 385.4	1 058.3	1 764.5	1 765.1	1 860.9	1 438.2	1 825.0	129.8%
Cash and cash equivalents	831.5	871.5	1 017.2	1 154.1	1 154.1	1 470.1	484.9	1 045.0	130.2%
Non-current assets held for sale	-	1.6	-	1.5	1.5	0.4	-	-	234.1%
Defined benefit plan assets	-	-	-	-	-	-	-	21.4	-
Total assets	13 957.9	15 304.9	17 599.1	18 672.4	18 365.6	22 009.5	24 701.6	24 151.0	107.4%
Accumulated surplus/(deficit)	9 445.3	9 718.0	10 809.0	11 145.0	11 158.5	13 295.1	14 318.4	15 272.3	108.1%
Borrowings	2 472.9	2 510.1	4 495.0	3 672.4	3 675.2	4 418.7	7 023.6	4 815.6	87.3%
Deferred income	78.6	200.7	108.7	491.2	170.2	475.8	238.3	503.6	280.5%
Trade and other payables	1 961.1	2 470.2	2 128.5	2 970.1	2 970.5	3 745.4	3 054.9	3 458.2	125.0%
Taxation	-	2.5	-	2.5	-	-	-	-	-
Provisions	-	345.9	-	330.3	391.2	74.5	-	30.7	199.7%
Derivatives financial instruments	-	57.5	57.8	60.9	-	-	66.3	70.6	152.1%
Total equity and liabilities	13 957.9	15 304.9	17 599.1	18 672.4	18 365.6	22 009.5	24 701.6	24 151.0	107.4%

Statements of estimates of financial performance and position**Table 36.19 Rand Water statements of estimates of financial performance and position**

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	10 909.3	4.8%	100.0%	12 655.0	14 573.5	16 467.8	14.7%	100.0%
Sale of goods and services other than capital assets	10 712.0	7.3%	96.3%	12 367.9	14 234.4	16 072.8	14.5%	97.8%
<i>of which:</i>								
Sales of bulk water	10 712.0	7.3%	96.3%	12 367.9	14 234.4	16 072.8	14.5%	97.8%
Other non-tax revenue	197.3	-37.4%	3.7%	287.1	339.1	395.1	26.0%	2.2%
Total revenue	10 909.3	4.8%	100.0%	12 655.0	14 573.5	16 467.8	14.7%	100.0%
Expenses								
Current expenses	8 982.1	2.7%	100.0%	9 921.2	10 989.4	12 126.6	10.5%	118.8%
Compensation of employees	1 813.1	3.2%	20.2%	1 865.2	2 010.7	2 175.6	6.3%	18.8%
Goods and services	6 703.9	1.8%	75.7%	7 539.1	8 379.5	9 266.7	11.4%	75.8%
Depreciation	433.0	15.6%	4.0%	516.9	599.1	684.3	16.5%	5.3%
Interest, dividends and rent on land	32.2	92.0%	0.1%	-	-	-	-100.0%	0.1%
Total expenses	8 982.1	2.7%	100.0%	9 921.2	10 989.4	12 126.6	10.5%	100.0%
Surplus/(Deficit)	1 927.0			2 734.0	3 584.0	4 341.0	31.1%	
Statement of financial position								
Carrying value of assets	20 727.4	19.0%	82.4%	24 656.0	28 435.0	32 144.7	15.8%	86.2%
<i>of which:</i>								
Acquisition of assets	(2 722.7)	6.7%	-13.3%	(3 902.6)	(3 734.5)	(3 709.6)	10.9%	-11.6%
Investments	389.8	-6.9%	2.4%	389.8	389.8	389.8	-	1.3%
Inventory	137.3	-17.5%	0.9%	144.5	151.8	159.8	5.2%	0.5%
Loans	5.1	1.1%	-	5.1	5.1	5.1	-0.6%	-
Receivables and prepayments	1 825.0	9.6%	8.6%	2 056.2	2 261.5	2 469.7	10.6%	7.1%
Cash and cash equivalents	1 045.0	6.2%	5.7%	1 102.9	1 642.6	2 278.4	29.7%	4.8%
Defined benefit plan assets	21.4	-	-	22.2	23.1	24.0	4.0%	0.1%
Total assets	24 151.0	16.4%	100.0%	28 376.8	32 908.9	37 471.5	15.8%	100.0%
Accumulated surplus/(deficit)	15 272.3	16.3%	61.7%	18 006.1	21 590.2	25 931.4	19.3%	65.4%
Borrowings	4 815.6	24.3%	19.0%	5 913.5	6 653.1	6 646.2	11.3%	19.7%
Deferred income	503.6	35.9%	2.0%	530.0	556.8	586.0	5.2%	1.8%
Trade and other payables	3 458.2	11.9%	15.8%	3 819.2	3 993.7	4 185.0	6.6%	12.8%
Provisions	30.7	-55.4%	1.1%	31.9	33.2	34.5	4.0%	0.1%
Derivatives financial instruments	70.6	7.1%	0.2%	76.0	81.9	88.2	7.7%	0.3%
Total equity and liabilities	24 151.0	16.4%	100.0%	28 376.8	32 908.9	37 471.5	15.8%	100.0%

Personnel information

Table 36.20 Rand Water personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Actual	Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20					
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost		
Rand Water	3 796	3 796	3 323	1 720.1	0.5	3 420	1 813.1	0.5	3 512	1 865.2	0.5	3 606	2 010.7	0.6	3 700	2 175.6	0.6	6.3%	100.0%
Salary level	3 796	3 796	3 323	1 720.1	0.5	3 420	1 813.1	0.5	3 512	1 865.2	0.5	3 606	2 010.7	0.6	3 700	2 175.6	0.6	6.3%	100.0%
1 – 6	778	778	757	420.6	0.6	763	421.2	0.6	765	387.2	0.5	769	391.7	0.5	773	410.3	0.5	-0.9%	21.6%
7 – 10	2 381	2 381	2 014	780.5	0.4	2 088	826.0	0.4	2 161	863.2	0.4	2 234	957.5	0.4	2 307	1 044.9	0.5	8.2%	61.7%
11 – 12	473	473	402	306.9	0.8	416	335.9	0.8	430	367.4	0.9	445	399.4	0.9	459	436.7	1.0	9.1%	12.3%
13 – 16	154	154	140	188.2	1.3	143	204.5	1.4	146	220.4	1.5	148	233.8	1.6	151	253.7	1.7	7.4%	4.1%
17 – 22	10	10	10	24.0	2.4	10	25.4	2.5	10	26.9	2.7	10	28.2	2.8	10	29.9	3.0	5.6%	0.3%

1. Rand million

Trans-Caledon Tunnel Authority

Mandate

The Trans-Caledon Tunnel Authority was established in 1986 as a specialised liability management entity, and it derives its mandate from the National Water Act (1998). It is responsible for financing and implementing the development of bulk raw water infrastructure and providing treasury management services to the department and water boards. The authority also plays an important role in providing financial advisory services (structuring and raising project finance, debt management and tariff setting), project implementation services, and other technical support to the department and water boards.

Selected performance indicators

Table 36.21 Trans-Caledon Tunnel Authority performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of 14.5 km pipeline completed per year	Mooi-Mgeni transfer scheme	Outcome 6: An efficient, competitive and responsive infrastructure network	10%	92%	100%	- ¹	- ¹	- ¹	- ¹
Percentage of 40km pipeline completed per year	Olifants River water resource development project		48%	85%	99%	100%	- ¹	- ¹	- ¹
Percentage of 43 km pipeline completed per year	Mokolo Crocodile water augmentation project		62%	99%	100%	- ¹	- ¹	- ¹	- ¹
Percentage of 160 km pipeline completed per year	Mokolo Crocodile water augmentation project		- ²	- ²	- ²	- ²	40%	20%	40%
Central Basin: Percentage of construction of new plant completed per year	Acid mine drainage		95%	100%	- ¹	- ¹	- ¹	- ¹	- ¹
Eastern Basin: Percentage of construction of new plant completed per year	Acid mine drainage		- ²	36%	98%	100%	- ¹	- ¹	- ¹

1. Projects completed.

2. No historical data available.

Expenditure analysis

The Trans-Caledon Tunnel Authority is a special purpose vehicle responsible for the debt management of water infrastructure projects and risk management, to ensure the efficient and sustainable financing and implementation of national water resources infrastructure projects on behalf of the Department of Water and Sanitation. Over the next decade, the entity will focus on coordinating the strategic integrated project on national water and sanitation infrastructure integrated projects. This is expected to enable the financing, construction and operation of water resources and water services infrastructure. Through this, the authority contributes to the NDP's goal for universal access to affordable, sufficient and safe water and decent sanitation by 2030.

The Vaal River system programme is the major driver of expenditure over the medium term. This programme houses both the completed phase 1 of the Lesotho highlands water project as well as the planning activities for the financing of the second phase of the project. The objective of the project is to increase water delivery from the Polihali Dam in Lesotho to South Africa to secure water for the Vaal River system. Spending in this programme also includes debt for infrastructure to finalise the acid mine drainage short-term solution and allocations to commence the long-term solutions in the same project. The budget for this programme grows from R6.1 billion in 2017/18 to R9.9 billion in 2019/20 over the medium term at an average annual rate of

7.6 per cent. As a result, this programme constitutes 67.6 per cent of the total budget of the entity over the medium term.

The authority will continue to finance debt repayment for all projects nearing completion such as the water transfer scheme of the phase 2 of the Mooi-Mgeni transfer scheme and the pipeline of phase 1 of the Mokolo Crocodile water augmentation project. Other projects in this category include the Berg water project for the City of Cape Town, the Komati Water Scheme, and the Vaal River eastern sub-system water augmentation project. All these projects are allocated a total budget of R8.7 billion over the medium term. Except for the Mokolo Crocodile water augmentation project, which includes a second phase which is planned to start in 2017/18, these projects have negative growth rates over the medium term as they are in close-out phase.

Phase 2 of the Mokolo Crocodile water augmentation project aims to provide additional water in Lephalale in Limpopo. Construction is due to start in 2017/18, and the authority plans to complete 40 per cent of the construction of the pipeline by 2017/18, 60 per cent by 2018/19, and 100 per cent by 2019/20. An amount of R6.4 billion has been earmarked for this project over the medium term, growing at an average rate of 66.1 per cent. The authority will also initiate the Olifants River water resource development project, which has an allocation of R4.4 billion, growing from R292.7 million in 2016/17 to R1.4 billion in 2019/20, at an average annual rate of 69.1 per cent over the medium term.

As a result of construction and administration costs for existing and new projects, spending on goods and services is expected to grow at an average annual rate of 36.9 per cent over the medium term, from R4.2 billion in 2016/17 to R10.8 billion in 2019/20. The entity anticipates its borrowings to grow from R35.4 billion in 2017/18 to R45.8 billion in 2019/20 for both existing and new projects. Despite this, the authority's interest payments are expected to decline from R5.5 billion in 2016/17 to R4.5 billion in 2019/20 at an average annual rate of 6.3 per cent. This is due to the entity having anticipated to auction bonds in 2016/17 which did not materialise, resulting in lower than anticipated interest charges in 2016/17. The entity expects to auction the bonds over the medium term, and the maturity of the two water stock programme bonds in 2017/18 and 2018/19 whose final interest payments and principal amounts will be due.

Programmes/objectives/activities

Table 36.22 Trans-Caledon Tunnel 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Vaal River System	3 203.7	3 121.0	5 369.4	7 946.4	35.4%	65.1%	6 116.7	6 709.3	9 909.1	7.6%	67.6%
Berg water project	97.5	92.7	83.0	59.6	-15.1%	1.2%	62.9	41.6	34.7	-16.5%	0.5%
Vaal River eastern subsystem augmentation project	571.0	367.8	377.3	335.5	-16.2%	6.0%	466.0	337.2	327.5	-0.8%	3.4%
Mooi-Mgeni transfer scheme	600.3	567.6	472.0	402.2	-12.5%	7.5%	262.4	162.4	151.4	-27.8%	2.3%
Olifants River water resource development project	540.6	513.7	304.3	292.7	-18.5%	6.2%	1 635.1	1 402.4	1 414.4	69.1%	10.6%
Komati water scheme augmentation project	329.1	132.6	119.6	131.3	-26.4%	2.6%	482.3	129.5	129.2	-0.5%	2.1%
Mokolo Crocodile water augmentation project	427.8	273.8	420.9	791.5	22.8%	6.4%	444.9	1 932.0	3 629.0	66.1%	13.5%
Acid mine drainage	594.6	574.8	-	-	-100.0%	4.9%	-	-	-	-	-
Other projects: Kriel	-	-	-	-	-	-	2.5	0.2	-	-	0.0%
Total	6 364.5	5 643.9	7 146.4	9 959.2	16.1%	100.0%	9 472.7	10 714.6	15 595.4	16.1%	100.0%

Statements of historical financial performance and position

Table 36.23 Trans-Caledon Tunnel Authority statements of historical financial performance and position

Statement of financial performance										Average: Outcome/ Budget (%)
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2013/14 - 2016/17	
	2013/14		2014/15		2015/16		2016/17			
Revenue										
Non-tax revenue	6 665.4	5 014.5	8 103.8	5 453.7	4 418.5	5 424.5	6 529.0	7 241.4		90.0%
Sale of goods and services other than capital assets	5 105.4	2 958.0	6 355.7	2 547.5	4 871.6	2 904.4	4 699.4	4 490.1		61.3%
of which:										
Construction revenue	5 105.4	2 958.0	6 355.7	2 547.5	4 871.6	2 904.4	4 699.4	4 490.1		61.3%
Other non-tax revenue	1 560.0	2 056.5	1 748.0	2 906.2	(453.1)	2 520.0	1 829.6	2 751.2		218.5%
Total revenue	6 665.4	5 014.5	8 103.8	5 453.7	4 418.5	5 424.5	6 529.0	7 241.4		90.0%

Table 36.23 Trans-Caledon Tunnel Authority statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
R million	Budget 2013/14	Audited outcome	Budget 2014/15	Audited outcome	Budget 2015/16	Audited outcome	Budget estimate 2016/17	Revised estimate	
Expenses									
Current expenses	7 378.5	6 364.5	8 750.3	5 643.9	7 630.3	7 146.4	7 563.7	9 959.2	92.9%
Compensation of employees	170.0	131.7	181.0	146.1	212.0	172.1	225.8	241.7	87.7%
Goods and services	4 926.1	2 833.5	6 106.7	2 392.7	4 648.2	2 726.2	4 461.5	4 224.7	60.5%
Depreciation	9.2	11.8	9.8	10.2	11.4	6.1	12.1	23.7	121.6%
Interest, dividends and rent on land	2 273.2	3 387.4	2 452.7	3 095.0	2 758.7	4 242.0	2 864.3	5 469.1	156.5%
Total expenses	7 378.5	6 364.5	8 750.3	5 643.9	7 630.3	7 146.4	7 563.7	9 959.2	92.9%
Surplus/(Deficit)	(713.0)	(1 350.0)	(647.0)	(190.0)	(3 212.0)	(1 722.0)	(1 035.0)	(2 718.0)	
Statement of financial position									
Carrying value of assets	36.6	22.7	34.1	13.0	23.0	11.8	25.7	23.0	59.0%
<i>of which:</i>									
Acquisition of assets	–	(19.8)	–	(1.1)	(11.0)	(4.3)	(3.0)	–	179.6%
Investments	3 486.4	3 466.8	4 569.1	4 011.0	11 499.0	4 705.1	12 041.4	9 346.2	68.1%
Receivables and prepayments	31 174.2	28 196.8	32 515.2	28 987.8	36 127.7	25 941.1	35 573.5	29 489.5	83.2%
Cash and cash equivalents	–	–	–	–	–	1.4	–	–	–
Taxation	–	25.4	–	47.5	–	40.7	–	–	–
Total assets	34 697.1	31 711.7	37 118.4	33 059.3	47 649.7	30 700.1	47 640.6	38 858.7	80.4%
Accumulated surplus/(deficit)	4 761.9	2 274.0	4 948.0	2 084.3	8 747.0	362.2	7 712.4	(2 596.3)	8.1%
Borrowings	29 028.1	26 953.1	31 110.7	27 882.0	38 129.3	28 439.9	39 142.3	40 849.5	90.3%
Trade and other payables	907.1	2 009.0	1 040.3	2 618.0	773.4	1 451.2	785.8	605.5	190.6%
Taxation	–	87.0	–	108.0	–	100.8	–	–	–
Provisions	–	388.5	–	367.1	–	343.6	–	–	–
Derivatives financial instruments	–	–	–	–	–	2.5	–	–	–
Total equity and liabilities	34 697.1	31 711.6	37 099.0	33 059.3	47 649.7	30 700.1	47 640.6	38 858.7	80.4%

Statements of estimates of financial performance and position**Table 36.24 Trans-Caledon Tunnel Authority statements of estimates of financial performance and position**

Statement of financial performance								
R million	Revised estimate 2016/17	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	7 241.4	13.0%	100.0%	16 281.9	10 178.8	14 129.1	25.0%	100.0%
Sale of goods and services other than capital assets	4 490.1	14.9%	55.3%	5 536.4	7 304.9	11 089.7	35.2%	61.6%
<i>of which:</i>								
Construction revenue	4 490.1	14.9%	55.3%	5 536.4	7 304.9	11 089.7	35.2%	61.6%
Other non-tax revenue	2 751.2	10.2%	44.7%	10 745.6	2 873.9	3 039.5	3.4%	38.4%
Total revenue	7 241.4	13.0%	100.0%	16 281.9	10 178.8	14 129.1	25.0%	100.0%
Expenses								
Current expenses	9 959.2	16.1%	100.0%	9 472.7	10 714.6	15 595.4	16.1%	165.4%
Compensation of employees	241.7	22.4%	2.4%	208.2	219.7	231.7	-1.4%	2.0%
Goods and services	4 224.7	14.2%	41.9%	5 308.8	7 064.9	10 836.4	36.9%	58.5%
Depreciation	23.7	26.2%	0.2%	19.4	20.4	21.6	-3.2%	0.2%
Interest, dividends and rent on land	5 469.1	17.3%	55.6%	3 936.4	3 409.7	4 505.7	-6.3%	39.3%
Total expenses	9 959.2	16.1%	100.0%	9 472.7	10 714.6	15 595.4	16.1%	100.0%
Surplus/(Deficit)	(2 718.0)			6 809.0	(536.0)	(1 466.0)	-18.6%	
Statement of financial position								
Carrying value of assets	23.0	0.4%	0.1%	14.1	5.1	4.5	-42.1%	–
Investments	9 346.2	39.2%	15.6%	8 012.4	4 941.1	3 431.6	-28.4%	15.0%
Receivables and prepayments	29 489.5	1.5%	84.2%	35 564.3	39 343.9	50 099.9	19.3%	85.0%
Total assets	38 858.7	7.0%	100.0%	43 590.9	44 290.1	53 535.9	11.3%	100.0%
Accumulated surplus/(deficit)	(2 596.3)	-204.5%	2.0%	7 944.0	7 862.4	7 238.4	-240.7%	10.7%
Borrowings	40 849.5	14.9%	91.8%	35 359.0	36 074.9	45 828.6	3.9%	88.3%
Trade and other payables	605.5	-33.0%	5.1%	287.9	352.8	468.9	-8.2%	1.0%
Total equity and liabilities	38 858.7	7.0%	100.0%	43 590.9	44 290.1	53 535.9	11.3%	100.0%

Personnel information

Table 36.25 Trans-Caledon Tunnel Authority personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate level/Total (%)	Average Salary level/Total (%)					
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost		
		Number	Cost		Number	Cost		Number	Cost		Number	Cost				Number	Cost			
Trans-Caledon Tunnel Authority		228	228	149	172.1	1.2	228	241.7	1.1	228	208.2	0.9	228	219.7	1.0	228	231.7	1.0	-1.4%	100.0%
Salary level																				
1 – 6	9	9	–	–	–	–	9	0.6	0.1	9	0.7	0.1	9	0.7	0.1	9	0.8	0.1	7.0%	3.9%
7 – 10	94	94	46	24.6	0.5	94	49.5	0.5	94	36.1	0.4	94	37.6	0.4	94	39.2	0.4	-7.5%	41.2%	
11 – 12	33	33	25	18.6	0.7	33	22.8	0.7	33	24.4	0.7	33	26.1	0.8	33	28.0	0.8	7.0%	14.5%	
13 – 16	81	81	69	100.8	1.5	81	137.7	1.7	81	113.8	1.4	81	119.7	1.5	81	125.9	1.6	-3.0%	35.5%	
17 – 22	11	11	9	28.2	3.1	11	31.0	2.8	11	33.2	3.0	11	35.5	3.2	11	38.0	3.5	7.0%	4.8%	

1. Rand million

Umgeni Water

Mandate

Umgeni Water was established in terms of the Water Services Act (1997) to provide water and sanitation services in its service area. It is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). The entity supplies water for the use of approximately 6 million consumers in KwaZulu-Natal. The entity's area of operation is largely rural in nature; however, it supplies the urban conurbation of eThekweni. The key focus of Umgeni Water is rural development.

Selected performance indicators

Table 36.26 Umgeni Water performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past		Current	Projections			
			2013/14	2014/15		2015/16	2016/17	2017/18	2018/19
Net debt to equity ratio per year	Administration	Outcome 12: An efficient, effective and development-oriented public service	-0.077	-0.1	–	0.2	0.2	0.2	0.2
Debt service ratio per year	Administration		5.1	5.7	4.6	2.5	2.8	2.7	3.2
Costs per kilolitre (R/k) per year	Bulk activities	Outcome 6: An efficient, competitive and responsive economic infrastructure network	R3.7	R2.9	R3.3	R4.7	R4.7	R5.2	R5.6
Volume ¹ of water sold per year	Bulk activities		439 544	446 548	435 726	414 159	449 828	459 372	469 597

1. Measured in thousand kilolitres.

Expenditure analysis

Umgeni Water's strategic functions include the development of infrastructure to increase growth and improve access to water in its service areas and KwaZulu-Natal. This is in keeping with the NDP's vision that all South Africans have access to affordable, sufficient and safe and decent water and sanitation. The entity contributes mainly to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework.

The entity's focus over the medium term will be on planning, constructing, operating and maintaining regional bulk infrastructure in its service area. In this regard, the entity will take more responsibility for regional water resources infrastructure to achieve greater integration with bulk water and sanitation systems. These activities will see a significant growth of expenditure in bulk water and wastewater treatment services. Expenditure on bulk water activities is expected to grow at an annual rate of 12.1 per cent, from R1 billion in 2016/17 to R1.4 billion in 2019/20. Expenditure on wastewater services is expected to grow from R102.3 million in 2016/17 to R150.4 million in 2019/20 at an average rate of 13.7 per cent.

To support Umgeni Water's rural development drive, R1.1 billion has been set aside for regional bulk infrastructure projects over the medium term driven by increased water sales volumes of 1 per cent as well as increases in the goods and services expenditure by 12.9 per cent from R1.2 billion in 2016/17 to R1.8 billion in 2019/20, related to increased input costs such as electricity and chemicals.

The major projects that the entity will focus on over the medium term include the Mshwati bulk water supply, Greater Mpofana bulk water supply project and phase 1 of the Lower Thukela bulk water supply project. The budget for acquisition of assets declines by 12.7 per cent from R2 billion in 2016/17 to R1.3 billion in 2019/20, as it is expected that most projects will be completed towards the end of the medium term.

The entity derives its income primarily from the sale of bulk water and anticipates increases in the volumes of water sold from 449 828 kilolitres in 2017/18 to 469 597 kilolitres in 2019/20, and tariffs increasing from R4.7 per kilolitre in 2017/18 to R5.6 per kilolitre in 2019/20. Revenue is expected to grow from R2.7 billion in 2016/17 to R3.9 billion in 2019/20 at an average annual rate of 12.8 per cent. The revenue from secondary activities declines by 9.1 per cent over the medium term, because of reduced work related to these activities, and expenditure on secondary activities is projected to decline by 40.5 per cent from R175.4 million in 2016/17 to R37 million in 2019/20.

Programmes/objectives/activities

Table 36.27 Umgeni Water 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 (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	356.0	680.1	730.0	787.3		30.3%	35.5%	1 044.4	1 238.9	1 344.6	19.5%	43.1%
Bulk activities	976.4	794.3	856.5	1 026.9		1.7%	51.1%	1 174.8	1 299.3	1 447.3	12.1%	48.8%
Waste water	58.6	62.2	75.3	102.3		20.4%	4.1%	127.4	138.0	150.4	13.7%	5.1%
Other activities	282.0	93.6	109.0	175.4		-14.6%	9.3%	22.8	34.9	37.0	-40.5%	3.0%
Total	1 673.0	1 630.1	1 770.8	2 091.9		7.7%	100.0%	2 369.5	2 711.1	2 979.4	12.5%	100.0%

Statements of historical financial performance and position

Table 36.28 Umgeni Water statements of historical financial performance and position

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/ Budget (%)
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2013/14 - 2016/17	
Revenue									
Non-tax revenue	2 018.3	2 355.5	2 282.0	2 415.3	2 437.8	2 552.0	2 681.6	2 686.7	106.3%
Sale of goods and services other than capital assets	1 958.9	2 204.1	2 231.5	2 245.5	2 391.1	2 377.3	2 643.6	2 599.9	102.2%
<i>of which:</i>									
<i>Sales of bulk water</i>	1 958.9	2 204.1	2 231.5	2 245.5	2 391.1	2 377.3	2 643.6	2 599.9	102.2%
Other non-tax revenue	59.4	151.3	50.5	169.7	46.6	174.7	38.0	86.7	299.4%
Total revenue	2 018.3	2 355.5	2 282.0	2 415.3	2 437.8	2 552.0	2 681.6	2 686.7	106.3%
Expenses									
Current expenses	1 626.6	1 673.0	1 857.7	1 572.3	1 915.3	1 676.1	2 128.5	1 985.1	91.7%
Compensation of employees	355.8	331.6	463.6	426.0	437.7	473.0	483.2	496.3	99.2%
Goods and services	1 047.3	1 190.2	1 215.1	1 005.4	1 271.2	1 037.9	1 296.2	1 237.8	92.6%
Depreciation	128.4	105.6	108.3	138.1	76.7	164.0	190.3	228.9	126.4%
Interest, dividends and rent on land	95.1	45.6	70.7	2.8	129.6	1.2	158.8	22.0	15.8%
Transfers and subsidies	-	-	-	57.9	-	94.7	-	106.8	-
Total expenses	1 626.6	1 673.0	1 857.7	1 630.1	1 915.3	1 770.8	2 128.5	2 091.9	95.2%
Surplus/(Deficit)	392.0	682.0	424.0	785.0	522.0	781.0	553.0	595.0	
Statement of financial position									
Carrying value of assets	4 730.7	4 010.6	4 984.8	5 556.2	7 201.0	7 144.0	8 847.7	8 892.7	99.4%
<i>of which:</i>									
<i>Acquisition of assets</i>	(976.0)	(779.0)	(1 204.2)	(1 693.0)	(2 133.4)	(2 034.3)	(2 311.9)	(1 977.9)	97.9%
Investments	1 014.3	2 257.6	1 075.9	1 661.6	1 003.2	1 928.0	735.2	729.3	171.8%
Inventory	9.4	11.5	9.6	12.1	12.4	14.7	12.9	17.5	125.9%
Accrued investment interest	-	40.7	-	33.8	-	28.4	-	28.4	472 401.9%
Receivables and prepayments	261.4	452.4	298.5	345.0	338.0	398.8	368.6	411.2	126.9%
Cash and cash equivalents	51.5	32.7	1.3	37.9	13.7	43.9	16.0	13.2	154.8%
Non-current assets held for sale	14.5	-	13.5	-	-	-	-	-	-
Total assets	6 081.9	6 805.5	6 383.6	7 646.6	8 568.2	9 557.7	9 980.4	10 092.4	110.0%
Accumulated surplus/(deficit)	3 466.0	3 973.3	3 894.9	4 796.3	5 141.2	5 540.9	5 694.3	6 100.2	112.2%
Capital and reserves	442.8	442.8	442.8	442.8	442.8	442.8	442.8	442.8	100.0%
Borrowings	1 383.3	1 250.0	1 181.5	1 171.8	1 943.3	2 029.4	2 724.7	1 950.6	88.5%
Accrued interest	32.4	27.4	28.6	26.8	59.7	58.9	83.1	58.2	84.0%
Trade and other payables	418.7	602.7	289.7	606.5	389.5	776.5	394.5	769.6	184.6%
Provisions	338.6	500.8	537.6	596.5	588.5	706.1	640.9	770.8	122.3%
Derivatives financial instruments	-	8.4	8.4	5.9	3.2	3.2	-	-	151.4%
Total equity and liabilities	6 081.9	6 805.5	6 383.6	7 646.6	8 568.2	9 557.7	9 980.4	10 092.4	110.0%

Statements of estimates of financial performance and position

Table 36.29 Umgeni Water statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)		Average: Expenditure/ Total (%)			Average growth rate (%)		Average: Expenditure/ Total (%)	
			2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20		
R million					Medium-term estimate						
Revenue											
Non-tax revenue		2 686.7	4.5%	100.0%	3 083.6	3 451.2	3 860.9	12.8%	100.0%		
Sale of goods and services other than capital assets		2 599.9	5.7%	94.1%	3 031.3	3 398.6	3 795.7	13.4%	98.0%		
of which:											
Sales of bulk water		2 599.9	5.7%	94.1%	3 031.3	3 398.6	3 795.7	13.4%	98.0%		
Other non-tax revenue		86.7	-16.9%	5.9%	52.3	52.6	65.2	-9.1%	2.0%		
Total revenue		2 686.7	4.5%	100.0%	3 083.6	3 451.2	3 860.9	12.8%	100.0%		
Expenses											
Current expenses		1 985.1	5.9%	96.5%	2 251.8	2 582.9	2 839.7	12.7%	138.8%		
Compensation of employees		496.3	14.4%	24.1%	540.1	579.8	629.1	8.2%	22.3%		
Goods and services		1 237.8	1.3%	62.6%	1 340.1	1 556.0	1 782.3	12.9%	58.2%		
Depreciation		228.9	29.4%	8.7%	292.8	327.3	315.2	11.3%	11.5%		
Interest, dividends and rent on land		22.0	-21.5%	1.0%	78.8	119.8	113.0	72.5%	3.1%		
Transfers and subsidies		106.8	-	3.5%	117.7	128.2	139.7	9.4%	4.9%		
Total expenses		2 091.9	7.7%	100.0%	2 369.5	2 711.1	2 979.4	12.5%	100.0%		
Surplus/(Deficit)		595.0			714.0	740.0	882.0	14.0%			
Statement of financial position											
Carrying value of assets		8 892.7	30.4%	73.6%	9 809.3	10 856.7	11 624.2	9.3%	88.5%		
of which:											
Acquisition of assets		(1 977.9)	36.4%	-18.6%	(1 476.1)	(1 531.9)	(1 317.5)	-12.7%	-13.9%		
Investments		729.3	-31.4%	20.6%	807.6	789.4	816.7	3.8%	6.8%		
Inventory		17.5	15.3%	0.2%	20.5	23.7	27.0	15.4%	0.2%		
Accrued investment interest		28.4	-11.4%	0.4%	28.4	28.4	28.4	-	0.2%		
Receivables and prepayments		411.2	-3.1%	4.9%	468.5	506.2	546.6	10.0%	4.1%		
Cash and cash equivalents		13.2	-26.0%	0.4%	15.9	19.8	26.6	26.2%	0.2%		
Total assets		10 092.4	14.0%	100.0%	11 150.1	12 224.2	13 069.4	9.0%	100.0%		
Accumulated surplus/(deficit)		6 100.2	15.4%	59.9%	6 729.3	7 554.5	8 426.2	11.4%	61.8%		
Capital and reserves		442.8	-	5.3%	442.8	442.8	442.8	-	3.8%		
Borrowings		1 950.6	16.0%	18.6%	2 320.9	2 591.9	2 512.7	8.8%	20.1%		
Accrued interest		58.2	28.6%	0.5%	56.8	54.3	55.3	-1.7%	0.5%		
Trade and other payables		769.6	8.5%	8.1%	757.9	657.3	621.4	-6.9%	6.1%		
Provisions		770.8	15.5%	7.5%	842.4	923.3	1 011.1	9.5%	7.6%		
Total equity and liabilities		10 092.4	14.0%	100.0%	11 150.1	12 224.2	13 069.4	9.0%	100.0%		

Personnel information

Table 36.30 Umgeni Water personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment										Number							
		Actual			Revised estimate			Medium-term expenditure estimate				Average growth rate (%)	Average Salary level/Total (%)						
Number of funded posts	Number of posts on approved establishment	2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Umgeni Water																			
Salary level	865	865	1 048	473.0	0.5	865	496.3	0.6	1 146	540.1	0.5	1 146	579.8	0.5	1 156	629.1	0.5	8.2%	100.0%
1 - 6	92	92	111	27.2	0.2	92	45.2	0.5	177	27.2	0.2	177	30.1	0.2	177	33.9	0.2	-9.2%	14.2%
7 - 10	633	633	722	274.4	0.4	633	326.3	0.5	698	256.8	0.4	698	268.9	0.4	708	300.0	0.4	-2.8%	64.1%
11 - 12	108	108	174	122.5	0.7	108	85.6	0.8	200	170.3	0.9	200	185.6	0.9	200	196.1	1.0	31.8%	16.2%
13 - 16	31	31	40	46.0	1.2	31	36.4	1.2	68	79.6	1.2	68	88.2	1.3	68	89.5	1.3	35.0%	5.3%
17 - 22	1	1	1	2.9	2.9	1	2.9	2.9	3	6.2	2.1	3	6.9	2.3	3	9.8	3.3	50.5%	0.2%

1. Rand million.

Water Trading Entity

Mandate

The Water Trading Entity was established in 1983 to separate the sale of raw water and related services from appropriated funds in the Department of Water and Sanitation. It was eventually converted to a trading account through the Public Finance Management Act (1999) in 2008. This was done to create an entity that would manage the recovery of usage costs to support the long term sustainability of the country's water resources. The entity is mandated to undertake the construction of new water infrastructure and wastewater treatment infrastructure through the water infrastructure build programme; and the rehabilitation and refurbishment of existing water resource infrastructure through the dam safety rehabilitation programme. It does this to ensure a

sustainable water supply for both domestic and industrial use. The entity is further mandated to undertake water resources management, which includes the management of water quality, conservation and the allocation of water through catchment management agencies.

Selected performance indicators

Table 36.31 Water Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of actual versus planned billing per year	Administration	Outcome 12: An efficient, effective and development-oriented public service	100.4% (7 298 824/ 7 266 888)	100.1% (7 685 935/ 7 680 587)	- ¹	- ¹	- ¹	- ¹	- ¹
Percentage of reduction in outstanding debt over 60 days	Administration		89% (4 072 264/ 4 575 577)	62% (2 555 727/ 4 122 141)	- ¹	- ¹	- ¹	- ¹	- ¹
Reduction in the number of days for the payment and collection outstanding ²	Administration		- ²	- ²	150	120	100	100	100
Number of water conveyance projects rehabilitated per year	Operations, maintenance and refurbishment of national water resources schemes	Outcome 6: An efficient, competitive and responsive economic infrastructure network	22	12	12	- ³	- ³	- ³	- ³
Number of kilometres of conveyance systems rehabilitated per year	Operations, maintenance and refurbishment of national water resources schemes		- ⁴	- ⁴	- ⁴	36 km	40 km	45 km	50km
Percentage spent on asset refurbishment and betterment against budget	Operations, maintenance and refurbishment of national water resources schemes		70% (383 317/ 547 596)	88% (642 973/ 730 651)	77% (247 549/ 321 492)	100%	- ³	- ³	- ³
Percentage of planned maintenance projects completed per year as per the approved asset management plan	Operations, maintenance and refurbishment of national water resources schemes		- ⁴	- ⁴	- ⁴	90%	90%	90%	90%
Percentage of unscheduled maintenance projects completed per year as a proportion of planned maintenance projects	Operations, maintenance and refurbishment of national water resources schemes		- ⁴	- ⁴	- ⁴	10% or less	10% or less	10% or less	10% or less
Number of raw water projects completed per year	Water Infrastructure Development		1	1	1	1	1	0 ⁵	2
Total number of dam safety rehabilitation projects completed (cumulative) ⁶	Implementation of dam safety projects	Outcome 10: Protect and enhance our environmental assets and natural resources	35	38	39	40	41	45	49
Number of dam safety rehabilitation projects completed per year to meet dam safety regulations per year	Implementation of dam safety projects		0 ⁶	3	1	1	1	4	4
Number of rivers in which the river eco-status monitoring programme has been implemented to measure the ecological health of the system per year	Water resource management		118	119	98	66	71	71	71

1. Targets were replaced from 2015/16.

2. Indicator amended to account for the time it takes to collect debt, in line with the entity's annual performance plan.

3. Starting from 2016/17, the indicator was amended to no longer report on total water conveyance projects rehabilitated but on the total kilometres of conveyance water projects.

4. No historical data available.

5. No water resources infrastructure project planned for completion in 2018/19 as all projects in the pipeline are not advanced far enough to be completed according to the project plan.

6. The number of dam safety rehabilitation projects will no longer be reported cumulatively, but per year as from 2015/16.

Expenditure analysis

The Water Trading Entity's objective is to develop new water resources and ensure sufficient water is available to all users as aligned to outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. The development of new infrastructure and the investment in existing infrastructure remains an important area of focus for the entity in line with outcome 6 (an efficient competitive and responsive economic infrastructure network). The entity also plans to improve its licensing and billing systems, and debt collection.

Overall, 52.8 per cent or R16.6 billion of the total budget of the Water Trading Entity within the financing and investment in raw water infrastructure programme is allocated towards making payments to the Trans-Caledon Tunnel Authority for the debt repayment for completed and operational, and new projects constructed on behalf of the entity. The budget for this purpose grows at an average rate of 5 per cent over the medium term.

The entity plans to complete the construction of three raw water projects over the medium term. The first is Mdloti River water development project in 2017/18, which entails the raising of Hazelmere Dam wall to increase the water supply to Umgeni water for distribution to the KwaZulu-Natal north coast. This project has a budget of R2 billion over the medium term. The second project that the entity plans to complete is the construction of the Groot Letaba River development project to meet the growing demand in the Tzaneen area. This project has a budget allocation of R743.6 million over the period. The third project is phase 2D of the Olifants River development project which is the construction of a bulk distribution system between Steelpoort and Mooihoek with a budget of R1.1 billion over the medium term. The entity plans to complete these three projects in 2019/20.

Other new projects the entity anticipates to undertake over the medium term include phase 2 of the Lesotho Water Highlands project, the long term solution for acid mine drainage, phases 2B and 2C of the Olifants River water resource development project, phase 2A of the Mokolo Crocodile water augmentation and phase 2 of the Mooi-Mgeni transfer scheme. These will be implemented by the Trans-Caledon Tunnel Authority.

The Water Trading Entity will also focus on the operations, maintenance and refurbishment of existing infrastructure. These activities have a budget of R5.1 billion over the medium term, making up 15.8 per cent of the total budget, with a growth rate of 10 per cent. The key infrastructure projects in this spending category will include the rebuilding of the Vlakfontein canal and the rehabilitation of Boskop, Vaalharts, Ncora, Pongolaspoort, Nzhelele and Lindleyspoort canals. The entity plans to complete 90 per cent of scheduled maintenance on this project each year with a provision for 10 per cent deviation.

The entity will continue to supply raw water to strategic users such as industry, water boards and municipalities. The expenditure related to the operations and maintenance of the infrastructure for the raw water supplied amounts to R5.6 billion over the medium term. Other areas of focus for the entity over the medium term include the dam-safety rehabilitation project which ensures the continued structural and operational safety of dams under the ownership of the Department of Water and Sanitation. Expenditure on this activity is expected to increase from R294.9 million in 2017/18 to R380.4 million in 2019/20, growing at 17.3 per cent annually.

Water resources management activities such as monitoring the eco-status of 71 rivers each year remain an integral part of the Water Trading Entity's work and have been allocated a budget of R552.2 million in 2017/18 and R618.1 million in 2019/20 at an average growth rate of 5.5 per cent over the medium term.

The entity plans to reduce the number of days for the payment and collection of outstanding debt from 150 in 2015/16 to 100 each year over the medium term, as it intensifies efforts to improve the licensing and billing systems. It has also appointed a debt collector to improve debt collection, and plans to litigate against serial defaulters to ensure payment for water services. The results of these measures should bolster the revenues collected by the entity and improves its financial viability. As a result, over the medium term, the revenue from the sale of raw water is expected to grow annually by 9 per cent, from R8.4 billion in 2016/17 to R10.8 billion in 2019/20.

Transfers received from the department accounts for 14.1 per cent of total revenues over the medium term, with a total allocation of R5.1 billion and an average growth rate of 9.9 per cent. This allocation funds the social portion of the national water resources infrastructure, public interest functions in water resources management and supplements the revenues of the entity.

Programmes/objectives/activities

Table 36.32 Water Trading Entity expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20		
Administration	417.6	440.0	386.5	383.3	-2.8%	4.8%	467.7	584.6	617.3	17.2%	5.0%
Implementation of water resources management activities	439.6	389.1	383.8	525.9	6.2%	5.1%	552.2	585.4	618.1	5.5%	5.6%
Operations, maintenance and refurbishment of national water resources schemes	853.4	1 380.1	1 270.8	1 397.9	17.9%	14.3%	1 537.7	1 691.4	1 860.6	10.0%	15.8%
Financing and investment in raw water infrastructure	4 630.6	5 562.5	3 840.3	4 991.1	2.5%	55.6%	5 290.5	5 509.3	5 780.6	5.0%	52.8%
Bulk water supply to strategic users	951.9	1 856.8	1 538.1	1 660.6	20.4%	17.4%	1 765.0	1 872.5	1 977.4	6.0%	17.8%
Implementation of dam safety projects	301.4	197.8	170.0	236.0	-7.8%	2.7%	294.9	360.2	380.4	17.3%	3.1%
Total	7 594.5	9 826.2	7 589.6	9 194.8	6.6%	100.0%	9 908.0	10 603.4	11 234.5	6.9%	100.0%

Statements of historical financial performance and position

Table 36.33 Water Trading Entity statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
Revenue									
Non-tax revenue	7 618.9	16 008.8	15 825.3	18 884.7	19 556.8	18 792.6	18 597.3	17 274.4	115.2%
Sale of goods and services other than capital assets	7 562.6	15 623.5	15 765.6	17 930.9	19 461.8	18 320.9	18 492.9	17 213.0	112.7%
<i>of which:</i>									
<i>Sales by market establishments</i>	7 562.6	7 811.7	7 882.8	8 965.5	9 730.9	9 160.5	9 246.5	8 606.5	100.4%
<i>Sales of water</i>	7 083.3	6 967.8	7 668.7	8 098.0	8 729.8	8 697.4	9 002.4	8 370.8	98.9%
<i>Construction revenue</i>	467.9	827.2	202.2	853.8	988.6	449.9	230.3	221.9	124.5%
<i>Lease revenue earned</i>	11.3	16.8	11.9	13.6	12.5	13.2	13.8	13.8	115.9%
Other non-tax revenue	56.3	385.3	59.7	953.8	94.9	471.7	104.4	61.4	593.6%
Transfers received	1 865.1	2 377.2	2 410.7	2 399.3	1 735.1	1 522.0	1 709.5	1 499.5	101.0%
Total revenue	9 484.0	18 386.0	18 236.0	21 284.0	21 291.9	20 314.6	20 306.8	18 774.0	113.6%
Expenses									
Current expenses	7 178.5	7 594.5	7 838.9	9 826.2	7 954.4	7 589.6	8 936.3	9 194.8	107.2%
Compensation of employees	909.4	678.2	944.4	697.3	979.3	804.7	1 000.6	908.5	80.6%
Goods and services	2 531.3	3 781.9	2 683.4	4 764.3	2 699.3	4 475.6	3 567.6	5 763.2	163.6%
Depreciation	2 372.0	1 797.7	2 463.1	2 032.1	2 554.4	1 882.8	2 609.8	2 071.0	77.8%
Interest, dividends and rent on land	1 365.8	1 336.8	1 748.0	2 332.5	1 721.3	426.5	1 758.3	452.1	69.0%
Total expenses	7 178.5	7 594.5	7 838.9	9 826.2	7 954.4	7 589.6	8 936.3	9 194.8	107.2%
Surplus/(Deficit)	2 306.0	10 791.0	10 397.0	11 458.0	13 338.0	12 725.0	11 371.0	9 579.0	
Statement of financial position									
Carrying value of assets	98 783.6	89 442.4	103 681.9	89 625.1	91 920.7	92 537.8	92 833.5	95 275.7	94.7%
<i>of which:</i>									
<i>Acquisition of assets</i>	(2 183.1)	(1 497.9)	(2 599.5)	(1 302.5)	(2 610.2)	(2 224.8)	(3 904.3)	(1 950.2)	61.7%
Inventory	185.3	169.2	194.4	120.0	126.9	148.0	134.3	134.3	89.2%
Receivables and prepayments	2 478.5	3 808.4	2 599.9	5 663.3	4 721.6	6 614.7	3 777.3	5 083.7	155.9%
Cash and cash equivalents	1 639.7	1 924.9	1 720.1	1 545.9	2 346.6	42.9	2 482.7	138.9	44.6%
Total assets	103 087.0	95 344.9	108 196.2	96 954.3	99 115.8	99 343.4	99 227.7	100 632.6	95.8%
Accumulated surplus/(deficit)	67 390.4	66 432.5	72 436.9	68 413.1	69 245.9	71 960.4	70 313.3	71 294.5	99.5%
Capital and reserves	300.2	268.6	314.9	345.3	330.3	362.6	347.8	326.3	100.7%
Borrowings	32 963.8	27 221.0	34 579.1	26 715.3	28 631.8	25 809.0	27 610.7	27 873.8	86.9%
Finance lease	15.4	49.4	16.2	50.6	17.0	51.2	17.9	48.7	300.7%
Trade and other payables	637.3	1 178.0	668.6	1 254.2	701.3	997.5	738.5	914.4	158.2%
Provisions	887.3	195.4	180.6	175.7	189.5	162.6	199.5	175.0	48.7%
Derivatives financial instruments	892.6	-	-	-	-	-	-	-	-
Total equity and liabilities	103 087.0	95 344.9	108 196.2	96 954.3	99 115.8	99 343.4	99 227.7	100 632.6	95.8%

Statements of estimates of financial performance and position

Table 36.34 Water Trading Entity statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2016/17	2013/14 - 2016/17	2017/18		
R million									
Revenue									
Non-tax revenue		8 667.9	-18.5%	90.1%	9 694.2	10 606.0	11 042.7	8.4%	85.9%
Sale of goods and services other than capital assets		8 606.5	-18.0%	87.8%	9 579.4	10 479.6	10 903.7	8.2%	85.0%
of which:									
Sales by market establishments		8 606.5	3.3%	43.9%	9 579.4	10 479.6	10 903.7	8.2%	85.0%
Sales of water		8 370.8	6.3%	40.8%	10 374.2	10 374.2	10 841.0	9.0%	85.9%
Construction revenue		221.9	-35.5%	3.0%	278.7	88.8	44.4	-41.5%	1.4%
Lease revenue earned		13.8	-6.4%	0.1%	16.6	16.6	18.3	10.0%	0.1%
Other non-tax revenue		61.4	-45.8%	2.3%	114.9	126.4	139.0	31.3%	0.9%
Transfers received		1 499.5	-14.2%	9.9%	1 236.7	1 888.9	1 991.2	9.9%	14.1%
Total revenue		10 167.5	-17.9%	100.0%	10 931.0	12 494.8	13 033.9	8.6%	100.0%
Expenses									
Current expenses		9 194.8	6.6%	100.0%	9 908.0	10 603.4	11 234.5	6.9%	127.6%
Compensation of employees		908.5	10.2%	9.1%	972.1	1 040.0	1 118.9	7.2%	9.9%
Goods and services		5 763.2	15.1%	55.0%	6 256.3	6 647.8	6 933.4	6.4%	62.6%
Depreciation		2 071.0	4.8%	22.9%	2 199.4	2 359.2	2 508.6	6.6%	22.3%
Interest, dividends and rent on land		452.1	-30.3%	13.0%	480.1	556.4	673.5	14.2%	5.3%
Total expenses		9 194.8	6.6%	100.0%	9 908.0	10 603.4	11 234.5	6.9%	100.0%
Surplus/(Deficit)		973.0	(1.0)		1 023.0	1 891.0	1 799.0	22.7%	
Statement of financial position									
Carrying value of assets		95 275.7	2.1%	93.5%	96 784.4	100 765.8	105 076.0	3.3%	95.4%
of which:									
Acquisition of assets		(1 950.2)	9.2%	-1.8%	(1 899.2)	(2 089.1)	(2 298.1)	5.6%	-2.0%
Inventory		134.3	-7.4%	0.1%	120.8	108.8	97.9	-10.0%	0.1%
Receivables and prepayments		5 083.7	10.1%	5.4%	4 159.9	3 369.5	3 032.5	-15.8%	3.8%
Cash and cash equivalents		138.9	-58.4%	0.9%	538.9	895.8	1 384.3	115.2%	0.7%
Total assets		100 632.6	1.8%	100.0%	101 603.9	105 139.8	109 590.8	2.9%	100.0%
Accumulated surplus/(deficit)		71 294.5	2.4%	-	69 686.8	70 334.1	77 720.6	2.9%	69.3%
Capital and reserves		326.3	6.7%	-	313.0	281.7	264.3	-6.8%	0.3%
Borrowings		27 873.8	0.8%	-	30 667.4	33 593.2	30 696.5	3.3%	29.5%
Finance lease		48.7	-0.5%	-	46.8	46.3	41.6	-5.1%	-
Trade and other payables		914.4	-8.1%	-	701.6	666.5	633.2	-11.5%	0.7%
Provisions		175.0	-3.6%	-	188.3	218.0	234.6	10.3%	0.2%
Total equity and liabilities		100 632.6	1.8%	-	101 603.9	105 139.8	109 590.8	2.9%	100.0%

Personnel information

Table 36.35 Water Trading Entity personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Water Trading Entity		3 440	804.7	0.2	3 439	908.5	0.3	3 440	972.1	0.3	3 440	1 040.0	0.3	3 440	1 118.9	0.3	7.2%	100.0%	
Salary level	4 229	4 229																	
1 - 6	2 557	2 557	2 052	269.4	0.1	2 052	304.4	0.1	2 052	325.7	0.2	2 052	348.5	0.2	2 052	375.0	0.2	7.2%	59.7%
7 - 10	1 546	1 546	1 276	428.4	0.3	1 275	482.5	0.4	1 276	516.3	0.4	1 276	552.4	0.4	1 276	594.4	0.5	7.2%	37.1%
11 - 12	120	120	106	100.1	0.9	106	113.6	1.1	106	121.6	1.1	106	129.9	1.2	106	139.7	1.3	7.1%	3.1%
13 - 16	6	6	6	7.0	1.2	6	7.9	1.3	6	8.5	1.4	6	9.1	1.5	6	9.8	1.6	7.2%	0.2%

1. Rand million

Other entities

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

- The **Breede-Gouritz Catchment Management Agency** plays a key role in the use, protection and development of water resources in the Breede-Gouritz water management area. The agency's total budget for 2017/18 is estimated to be R82.7 million.
- The **Inkomati-Usuthu Catchment Management Agency** plays a key role in the use, protection, and development of water resources in the Inkomati-Usuthu water management area. The agency's total budget for 2017/18 is estimated to be R109.2 million.

- The **Water Research Commission** was established in terms of the Water Research Act (1971) and is listed as a schedule 3A public entity. The commission's mandate is to conduct research on water by determining needs and priorities for research, stimulating and funding water research, promoting the effective transfer of information and technology, and enhancing knowledge and capacity building in the water sector. Research is informed by government policies, needs, and international trends. The commission's total budget for 2017/18 is estimated to be R304.6 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
(Jozini) Pongolapoort bulk water scheme (Pipeline)	Construction of new bulk water scheme	Construction	1 376.0	147.8	359.9	290.0	45.0	119.0	-	-
Sedibeng bulk regional sewerage	Construction of new wastewater treatment works	Feasibility	3 000.0	-	-	26.9	50.0	5.5	87.7	197.8
De Hoop: Greater Sekhukhune district municipality regional bulk water and wastewater infrastructure	Construction of new bulk water infrastructure linking communities with the De Hoop Dam	Design	4 088.0	88.4	139.9	7.1	28.5	-	-	-
Mogalakwena bulk water supply phase 1	Upgrade of boreholes and construction of new bulk water scheme	Construction	1 650.0	115.6	107.5	252.8	140.0	150.0	160.0	183.6
Sebokeng Waste Treatment Works phase 1 and phase 2	Upgrade of existing wastewater treatment works	Construction	1 123.6	32.0	93.7	99.8	174.6	165.5	190.7	90.9
Westonaria/Randfontein regional bulk wastewater treatment works (Zuurbekom)	Construction of new wastewater treatment works	Design	1 570.0	-	35.6	7.1	15.0	55.3	80.5	190.9
Mooihoek/Tubatse bulk water supply	Augmentation of existing bulk water scheme	Construction	1 000.0	49.1	7.0	73.1	120.0	105.0	-	-
Nebo bulk water supply	Construction of new bulk water scheme	Construction	1 400.0	54.6	41.9	38.4	145.0	55.0	60.0	90.0
Magalies water supply to Waterberg	Construction of new bulk water scheme	Feasibility	1 891.0	-	0.7	-	17.0	5.0	15.0	40.0
Giyani Water Services phase 2 (Emergency)	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	2 511.4	-	-	799.8	140.4	240.0	-	-
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Matoks bulk water supply	Construction of new bulk water scheme	Feasibility	880.0	0.9	0.6	-	-	1.5	19.9	-
Ndlambe bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	879.0	71.2	38.2	79.6	77.9	25.0	-	-
Xhora east bulk water supply	Construction of new bulk water scheme	Construction	620.2	7.0	50.4	70.6	115.3	53.4	26.0	3.2
Meyerton wastewater treatment works phase 1	Upgrade of existing wastewater treatment works	Construction	257.5	0.2	-	41.4	49.5	55.0	45.5	7.0
Mbizana regional bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	910.8	160.1	88.9	13.4	80.0	-	-	-
Westonaria/Randfontein regional bulk wastewater treatment works (Hannes van Niekerk)	Upgrade of existing wastewater treatment works	Handed over	266.0	67.0	-	-	-	-	-	-
Western highveld regional bulk water supply	Upgrade of existing bulk water scheme	Construction	486.0	49.1	-	21.9	-	-	-	-
Lebalele central and North regional water supply	Construction of new bulk water scheme	Feasibility	600.0	-	-	-	20.6	5.0	40.0	80.0
Nzhelele Valley bulk water supply	Construction of new bulk water scheme	Feasibility	600.0	0.3	0.2	-	-	1.5	20.0	-
Madibeng bulk water supply phase 2	Upgrade of existing bulk water scheme	Construction	446.6	15.9	41.0	53.1	187.6	50.0	60.0	60.0
Upgrading of the Homevale wastewater treatment plant (Sol Plaatjie wastewater treatment works)	Upgrade of existing wastewater treatment works	Construction	298.0	15.6	36.6	-	-	-	-	-
Nketoana bulk water supply phase 1	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	304.0	11.8	22.9	34.0	40.0	30.0	40.0	40.0
Sterkfontein Dam scheme phase 1	Construction of new bulk water scheme	Construction	330.0	47.6	-	-	-	-	-	-
Potchefstroom water treatment works upgrade	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	400.0	-	7.6	-	19.0	20.0	40.0	-
Sinthumule Kutama bulk water augmentation phase 3	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	751.6	24.4	97.6	25.2	52.0	25.0	75.0	60.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Moutse bulk water supply phases 1-5	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	720.0	206.9	31.3	31.3	17.2	60.0	40.0	50.0
Glen Alpine bulk water supply	Construction of new bulk water scheme	Feasibility	345.0	–	0.5	–	15.0	1.5	15.0	–
Lephalale/Eskom: Bulk water augmentation	Augmentation of existing bulk water scheme	Feasibility	330.0	0.3	1.2	–	–	5.0	10.0	39.0
Moretele bulk water supply phase 1 (Klipdrift)	Construction of new bulk water scheme	Construction	640.6	16.9	24.9	117.4	38.5	35.0	68.0	13.3
Bitou cross border bulk water supply	Construction of new bulk sewage conveyance pipelines	Feasibility	250.0	2.4	1.9	–	5.0	–	–	–
West Coast desalination plant	Construction of new desalination plant	Design	563.2	4.5	10.0	–	–	–	–	5.0
Mncwasa bulk water supply	Construction of new bulk water scheme	Handed over	264.2	12.1	30.5	16.2	–	–	–	–
Kalahari East to Mier pipeline	Supply of water	Construction	468.1	–	2.8	134.1	36.9	1.5	–	–
Emalahleni bulk water supply phase 2	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	335.6	14.8	–	–	4.7	10.2	20.0	15.0
Ohrigstad bulk water supply	Upgrade of existing bulk water scheme	Feasibility	450.0	–	0.1	–	–	–	–	–
Northern Nzikazi bulk water supply phase 1	Construction of new bulk water scheme	Construction	367.3	0.3	–	46.3	66.0	38.8	19.0	29.4
Aganang bulk water supply	Upgrade of existing bulk water scheme	Design	350.0	0.5	–	–	40.0	20.0	25.0	70.0
Sundwana water supply	Construction of new bulk water scheme	Feasibility	591.0	–	–	–	–	5.0	20.0	15.0
Mpumalanaga Lowveld feasibility studies	Construction of new bulk water scheme	Feasibility	800.0	–	–	–	1.7	1.5	5.0	10.0
Ngwathe bulk sewer phase 2	Upgrade of existing waste water treatment works	Construction	300.0	6.5	4.9	19.8	20.0	10.0	25.0	25.0
Dihlabeng bulk water supply phase 2	Construction of new bulk water scheme	Construction	255.0	–	17.2	36.1	26.0	20.0	10.0	20.0
Dukuduku resettlement bulk water supply	Construction of new bulk water scheme	Construction	350.0	30.0	26.8	15.0	15.2	1.0	–	–
Giyani bulk water supply relief phase 1 (Nandoni Nsami)	Construction of new bulk water scheme	Construction	589.9	35.0	1.0	–	19.9	200.0	256.2	–
Mametya Sekororo bulk water supply phase 1	Construction of new bulk water scheme	Construction	310.7	92.5	18.9	24.2	35.0	40.0	40.0	70.0
Tokologo regional water supply phase 2	Upgrade of bulk water scheme	Construction	320.0	–	7.9	20.0	50.1	45.0	40.0	50.0
Ngwathe boreholes	Development of borehole to augment existing bulk water scheme	Handed over	250.0	2.1	–	–	–	–	–	–
Msukaligwa regional water supply scheme phase 1	Construction of new bulk water scheme	Design	407.0	18.5	5.5	–	–	3.0	10.0	90.0
Emalahleni water treatment works, (refurbishment)	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	335.6	–	29.1	24.8	45.2	–	–	–
Mafikeng South bulk water supply phase 2 (upgrade of water treatment works)	Construction of new bulk water scheme	Construction	286.6	21.2	30.1	31.5	50.0	43.0	59.6	55.0
Mathjabeng bulk sewer (Welkom)	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	420.0	–	–	–	10.0	5.0	25.1	50.0
Thembisile water scheme (Loskop)	Construction of new bulk water scheme	Feasibility	324.4	–	–	4.2	12.2	39.5	71.4	100.7
Western Highveld bulk water supply scheme (Rust de Winter)	Construction of new bulk water scheme	Feasibility	643.0	–	41.1	–	51.1	5.0	17.0	25.0
Welbedacht pipeline	Construction of new bulk water scheme	Tender	500.0	–	–	–	–	105.0	109.0	274.8

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Small projects (total project cost of less than R250 million over the project life cycle)										
Graaff-Reinet emergency water supply scheme	Upgrade of existing bulk water scheme	Construction	50.8	5.2	0.6	2.2	23.4	25.0	10.0	3.5
Sundays River bulk water supply (Paterson)	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	106.5	6.4	6.6	8.9	5.5	1.0	-	-
Steytlerville water supply scheme	Augmentation of existing bulk water scheme	Construction	111.3	12.5	20.0	32.1	23.9	2.0	-	-
Ibika water supply	Construction of new bulk water scheme	Handed over	64.8	4.2	-	9.0	2.0	-	-	-
Ikwezi bulk water supply	Upgrade of existing bulk water scheme	Feasibility	50.6	0.3	2.7	0.5	12.6	5.0	17.0	2.0
Kirkwood water treatment works	Upgrade of existing bulk water scheme	Feasibility	22.2	-	1.0	1.1	8.5	5.0	11.0	2.0
Misgund bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Feasibility	13.6	-	0.4	0.4	9.0	5.0	4.0	1.0
Matatiele bulk water supply	Construction of new bulk water scheme	Construction	182.3	1.2	24.8	25.8	66.0	20.0	2.0	-
Mount Ayliff bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Handed over	208.8	13.1	14.4	3.3	40.0	-	-	-
Jagersfontein/Fauresmith: Bulk water supply phase 2	Construction of new bulk water scheme	Construction	60.7	26.5	7.7	6.0	10.0	3.0	-	-
Tokoloko regional water supply phase 1	Construction of new bulk water scheme	Handed over	223.0	15.1	-	-	-	-	-	-
Dihlabeng bulk water supply phase 1	Construction of new bulk water scheme	Handed over	97.0	21.0	-	-	-	-	-	-
Phumelela bulk water supply phase 2	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	166.0	23.3	10.0	5.8	27.4	50.0	23.0	-
Moqhaka bulk water supply (Streyrus Kroonstad WTW) phase 1	Construction of new bulk water scheme	Construction	90.4	11.9	8.8	32.9	30.0	20.0	-	-
Moqhaka bulk sewer	Construction of bulk sewer	Construction	105.0	-	11.1	30.6	10.0	-	-	-
Nala bulk sewer (Wesselsbron/Monyakeng)	Construction of bulk sewer	Feasibility	46.0	4.0	13.7	23.0	5.3	1.0	-	-
Tswelopele bulk water supply phase 1	Construction of new bulk water scheme	Construction	85.0	-	-	10.1	24.2	30.0	20.0	-
Ratlou bulk water supply phase 1 (Setlagole)	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	218.1	2.1	4.7	16.0	50.0	45.0	55.0	40.0
Maluti-a-Phofung bulk water supply phase 2	Construction of new bulk water scheme	Construction	240.0	-	34.7	34.9	48.5	30.0	40.0	40.0
Greater Eston water scheme	Construction of new bulk water scheme	Handed over	192.0	43.8	31.8	-	-	-	-	-
Driefontein Complex bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Handed over	196.1	56.7	14.3	-	-	-	-	-
Emadlangeni bulk regional scheme	Construction of new bulk water scheme	Handed over	50.3	-	8.5	-	-	-	-	-
Hlabisa regional bulk water supply	Construction of new bulk water scheme	Handed over	166.9	30.0	38.7	8.0	-	-	-	-
Port Nolloth bulk water supply	Construction of new bulk water scheme	Design	44.1	-	1.1	-	15.9	-	15.0	21.8
Colesberg bulk water supply	Construction of new bulk water scheme	Design	123.8	35.4	6.9	1.3	-	-	-	-
Noupoort bulk water supply	Construction of new bulk water scheme	Construction	77.7	3.5	15.4	40.6	-	-	-	-
De Aar bulk water supply	Upgrade of existing bulk water scheme	Design	43.7	1.1	0.1	-	22.9	-	20.0	6.8
Hopetown water treatment works bulk water supply (Thembellihle)	Upgrade of existing bulk water scheme	Handed over	75.0	2.7	1.5	-	-	-	-	-
Strydenburg groundwater project	Provision of groundwater development	Handed over	21.0	-	3.3	8.3	5.7	-	-	-
Heuningvlei scheme bulk water supply	Construction of new bulk water scheme	Handed over	142.3	52.2	5.6	9.0	-	-	-	-
Kuruman bulk water supply phase1 (resevoir)	Upgrade of existing bulk water scheme	Construction	186.9	6.2	22.9	15.6	-	-	-	-
Kathu wastewater treatment works	Construction of new wastewater treatment works	Handed over	230.0	0.6	-	-	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
R million										
Windsorton to Holpan bulk water supply phase 1 (pipeline)	Upgrade of existing bulk water scheme	Tender	43.9	0.2	-	3.5	23.1	14.7	-	-
Nooitgegagt bulk water supply	Construction of new bulk water scheme	Design	200.0	-	-	-	-	92.0	160.0	185.0
Niekerkshoop bulk water supply	Supply of water	Handed over	11.1	6.1	0.5	-	-	-	-	-
Mafube bulk sewer phase 1	Construction of new bulk water scheme	Construction	126.0	-	6.2	47.0	30.0	20.0	30.0	20.0
Pixley ka Seme bulk water supply	Upgrade of existing groundwater water scheme	Feasibility	40.0	2.1	0.8	-	-	-	-	-
Marydale bulk water supply	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	11.2	-	-	0.9	10.0	7.6	-	-
Uppington wastewater treatment works	Construction of a new wastewater treatment works in Uppington	Feasibility	15.7	-	-	-	15.0	20.0	30.0	21.4
Kakamas wastewater treatment works	Construction of new wastewater treatment works	Feasibility	50.0	0.6	0.2	0.3	-	0.8	-	10.0
Warrenton water treatment works	Upgrade of existing water treatment works and new bulk water scheme	Feasibility	30.6	0.7	3.0	-	20.3	26.8	-	-
Gariep Dam to Norvaltspond bulk water supply	Construction of new bulk water scheme	Construction	15.1	-	0.6	-	-	-	-	-
Vanderkloof/Renosterberg bulk water supply phase 1	Construction of new bulk water scheme	Construction	32.1	-	5.4	20.0	-	-	-	-
Driekoppies bulk water supply upgrades	Construction of new bulk water scheme	Design	93.0	-	-	0.3	13.2	18.5	42.5	65.4
Acornhoek bulk water supply	Augmentation of existing bulk water scheme	Handed over	191.7	28.7	4.1	-	-	-	-	-
Sibange bulk water supply phase 1	Construction of new bulk water scheme	Design	108.7	-	-	0.5	15.2	15.5	45.5	33.4
Thaba Chweu groundwater development	Provision of groundwater development	Construction	8.5	3.3	-	-	-	-	-	-
Hoxane bulk water supply	Upgrade of existing water treatment works and construction of new bulk water scheme	Design	128.3	0.4	0.5	31.3	42.8	41.6	4.4	-
Wolmaransstad wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	137.8	1.5	14.3	66.0	55.7	25.0	-	-
Nahoon Dam (Buffalo City municipality)	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	150.0	2.4	-	-	-	-	-	-
Ngqamakwe water supply	Upgrade of existing wastewater treatment works	Feasibility	60.0	-	1.8	-	-	4.0	5.0	20.0
Worcester bulk water supply	Construction of new bulk water scheme	Construction	190.6	33.4	13.2	-	-	-	-	-
Grabouw wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	61.6	8.5	5.4	2.2	-	-	-	-
Swellendam wastewater treatment works	Upgrade of existing wastewater treatment works	Handed over	61.2	10.1	13.1	-	-	-	-	-
Struisbaai wastewater treatment works	Upgrade of existing wastewater treatment works	Handed over	11.4	5.6	-	-	-	-	-	-
Oudtshoorn groundwater supply	Provision of groundwater development	Feasibility	190.0	18.0	10.1	11.0	20.2	-	20.0	40.0
Beaufort West bulk water supply	Upgrade of existing wastewater treatment works and construction of new wastewater treatment works	Feasibility	46.3	0.2	-	-	-	-	5.0	15.0
Vanrhynsdorp raw water supply	Augmentation of existing bulk water scheme	Design	83.2	-	-	-	-	-	5.0	10.0
Klawer bulk water supply	Augmentation of existing bulk water scheme from boreholes	Design	25.7	-	-	-	-	-	4.0	10.0
Paarl bulk sewer phase 3	Construction of new bulk sewage conveyance pipelines	Construction	207.8	39.3	19.4	39.0	1.9	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Calitzdorp and Ladysmith wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	77.5	0.2	3.0	0.7	10.0	27.9	30.0	27.0
Kannaland Dam relocation	Augmentation of existing bulk water scheme	Feasibility	72.9	2.1	11.6	–	19.2	21.0	30.0	50.0
Moretele bulk water supply (North)	Augmentation of existing bulk water scheme	Feasibility	100.0	–	–	32.6	9.5	3.9	2.5	70.0
Makana bulk water supply (James Kleynhans)	Augmentation of existing bulk water scheme	Design	66.0	2.0	1.6	3.5	41.0	25.0	25.0	15.0
Ntabankulu bulk water supply	Construction of new bulk water scheme	Feasibility	245.0	–	1.7	–	1.5	2.0	2.0	10.0
Capricorn master plan	Development of master plan	Master plan	3.1	–	0.3	–	–	–	–	–
Sekhukhune master plan	Development of master plan	Master plan	3.1	0.8	0.4	–	–	–	–	–
Bushbuckridge master plan	Development of master plan	Master plan	3.5	–	1.2	–	–	–	–	–
Upgrade of Delmas wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Design	75.7	–	–	13.3	23.1	29.8	28.8	3.0
Upgrade of Botleng wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	57.7	–	–	18.5	18.0	0.5	–	–
Upgrade of Balfour wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Tender	85.5	0.5	–	21.3	23.0	33.4	15.3	3.5
Belmont wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	142.0	–	–	–	17.5	17.0	6.0	15.0
Makana bulk sewer	Upgrade of existing wastewater treatment works	Feasibility	15.0	–	–	–	–	4.0	–	–
Mayfield wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	72.5	–	–	–	27.5	6.0	20.0	8.0
Kinira regional bulk water supply	Construction of new bulk water scheme	Feasibility	34.5	–	–	–	1.5	2.0	2.0	8.0
Mount Ayliff bulk peri-urban water supply	Construction of new bulk water scheme	Feasibility	187.4	–	–	2.5	20.0	20.0	75.4	35.0
Mkemane regional bulk water supply	Construction of new bulk water scheme	Feasibility	52.0	–	–	–	2.5	1.0	2.0	15.0
Trompsburg bulk sewer	Upgrade of existing wastewater treatment works	Feasibility	76.0	–	–	–	5.7	–	–	–
Upgrading of Deneysville wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	150.0	–	–	–	10.0	8.5	30.0	–
Masilonyana bulk sewer (Brandfort and Winburg)	Upgrade of existing wastewater treatment works	Feasibility	70.0	–	–	–	11.9	3.0	20.0	20.0
Reitz upgrading wastewater treatment plant	Upgrade of existing wastewater treatment works	Feasibility	55.0	–	–	–	11.0	–	–	–
Mantsopa bulk sewer (Ladybrand)	Upgrade of existing wastewater treatment works	Feasibility	30.0	–	–	–	3.0	2.0	20.0	1.0
Rothdene pump station and raising main	Upgrade of existing wastewater treatment works	Feasibility	37.4	–	–	–	21.4	18.0	19.5	–
Mohlakeng pump station and sewer outfall	Upgrade of existing wastewater treatment works	Feasibility	70.0	–	–	5.9	36.0	6.8	43.7	147.5
Koster wastewater treatment works upgrade	Upgrade of existing wastewater treatment works	Design	115.2	2.0	8.0	9.3	26.0	40.0	30.0	–
Ventersdorp bulk water supply	Construction of new bulk water scheme	Construction	55.0	10.9	5.9	–	1.3	1.3	–	–
Nebo bulk water supply (De Hoop Augmentation/North/South/Steelpoort)	Construction of new bulk water scheme	Design	150.2	–	–	–	40.0	5.0	50.0	90.0
Douglas water treatment works upgrading	Upgrade of existing water treatment works	Design	14.8	–	–	0.8	14.0	0.8	21.2	15.0
Ermelo bulk water supply phase 2	Construction of new bulk water scheme	Construction	46.9	–	16.4	7.6	–	–	–	–

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Carolina Silobela bulk water scheme	Construction of new bulk water scheme	Feasibility	200.0	1.0	0.2	-	-	-	-	-
Provincial high catalytic projects (Mutash Hub)	Construction of new bulk water scheme for various purposes	Feasibility	200.0	1.4	-	-	19.6	1.5	18.7	-
Reitz&Lindley Cons Grey PL	Construction of sewer main	Construction	45.0	-	-	-	39.0	5.0	-	-
Clocolan construction of sewer main	Construction of sewer main	Construction	60.0	-	-	-	-	60.0	-	-
Clocolan construction of pump station	Construction of pump station	Construction	10.0	-	-	-	-	10.0	-	-
Senekal construction of sewer main	Construction of sewer main	Construction	40.0	-	-	-	-	40.0	-	-
Senekal construction of pump station	Construction of pump station	Construction	10.0	-	-	-	-	10.0	-	-
Petrus Steyn refurbishment of a plant	Refurbishment of a package plant	Construction	5.9	-	-	-	-	5.9	-	-
Dealesville construction of sewer main	Construction of sewer main	Construction	2.0	-	-	-	-	2.0	-	-
Dealesville construction of pump station	Construction of pump station	Construction	6.5	-	-	-	-	6.5	-	-
Eastern Cape region	Construction of water supply and sanitation backlog	Construction	-	-	42.2	4.9	5.9	-	-	-
Free State Region	Construction of water supply and sanitation backlog	Construction	-	-	27.5	48.7	21.1	-	-	-
KwaZulu-Natal Region	Construction of water supply and sanitation backlog	Construction	-	-	5.3	150.6	-	185.0	-	-
Limpopo Region	Construction of water supply and sanitation backlog	Construction	-	-	269.7	178.4	150.0	97.1	273.0	242.0
Mpumalanga Region	Construction of water supply and sanitation backlog	Construction	-	-	21.0	199.4	71.5	-	-	-
North West Region	Construction of water supply and sanitation backlog	Construction	-	-	46.1	7.2	113.6	160.0	335.2	400.2
Community Infrastructure: Water Supply	Construction of new and refurbishment of existing water infrastructures	Construction	-	25.7	69.5	51.4	51.6	52.9	44.7	47.8
Wastewater infrastructure: Refurbishment	Upgrade of existing wastewater treatment works	Construction	-	120.9	92.9	96.9	112.7	145.9	123.3	131.8
Eastern Cape	Sanitation backlog	Construction	-	-	-	-	-	10.0	-	-
Free State	Sanitation backlog	Construction	-	-	-	-	-	64.5	-	-
Northern Cape	Sanitation backlog	Construction	-	-	-	-	-	70.5	-	-
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Olifants River water resources development project: De Hoop Dam phase 2A	Supply of water to new mining developments; augmentation of domestic water supplies to urban and rural users in the middle of the Olifants River catchment area and to various communities on the Nebo Plateau and Sekhukhune	Construction	3 074.0	268.7	152.7	19.5	-	-	-	-
Olifants River water resources development project phases 2B and 2G	Construction of Flag Boshielo to Mokopane pipeline and second pipeline between Flag Boshielo to Mokopane	Feasibility	13 114.0	-	645.3	-	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
R million										
Olifants River water resources development project phase 2C	Construction of bulk distribution works from Flag Boshielo to Mokopane, De Hoop to Steelpoort, Steelpoort to Mooihoek, Mooihoek to Olifantspoort and Nebo Plateau to Roossenekal	Construction	3 400.0	521.0	-	-	-	-	-	-
Olifants River water resources development project phase 2D	Construction of second pipeline between Steelpoort weir to and Mooihoek	Feasibility	834.5	-	-	-	33.2	25.8	31.0	-
Olifants River water resources development project phases 2E and 2F	Construction of second pipeline parallel to Lebalelo scheme and Lebalelo Scheme to Olifantspoort	Construction	2 412.2	-	-	-	58.1	66.0	85.8	917.4
Groot Letaba River water development project: Nwamitwa Dam	Meeting of projected growing primary supply requirements for 2025, improvement of water availability for the riverine ecosystem and building of Nwamitwa Dam	Design	1 325.0	-	-	25.6	-	-	-	211.2
Dam safety rehabilitation programme	Rehabilitation of assets and improvement of dam safety	Design	2 800.0	248.0	225.5	170.0	44.7	35.4	89.4	360.3
Water resources project: Raising of Clanwilliam Dam	Upgrading of existing dam to stabilise distortion and augmentation of agricultural water supply to meet increasing demands	Feasibility	2 500.0	44.5	177.2	196.2	136.0	65.7	133.1	-
Mokolo River and West Crocodile River water augmentation project phases 2A	Augmentation of domestic and industrial water supply to the new Eskom/independent power producer power stations to extend associated mining activities and accommodate growing population in the area	Construction	11 267.0	-	-	-	17.7	25.8	-	-
Lusikisiki regional water supply scheme: Zalu Dam on the Xura River	Development of bulk water and wastewater infrastructure to enable the connection of municipal reticulation infrastructure	Feasibility	5 000.0	-	-	-	-	-	-	340.4
Acid mine drainage	Construction of water treatment works	Feasibility	-	-	-	-	683.8	1 110.0	1 526.7	-
OR Tambo Mthatha King Sabata Dalindyebo district municipality bulk water supply and sanitation	Augmentation of existing bulk water scheme	Construction	3 001.5	151.3	317.8	457.5	350.5	325.0	334.5	300.0
Vaal Gamagara scheme phase 1	Upgrade of existing bulk water scheme	Construction	18 000.0	25.3	40.0	53.8	65.0	350.0	350.0	137.5
Polokwane wastewater treatment works	Upgrade of existing wastewater treatment works	Design	1 043.8	0.2	1.1	-	50.0	90.0	128.5	346.2
Polokwane bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	1 832.0	-	-	-	130.2	119.7	158.5	300.0
Umgeni Water Board: Lower Thukela bulk water supply scheme	Construction of new bulk water scheme	Construction	1 044.0	107.0	185.0	279.1	213.1	209.6	41.3	-
Umshwathi bulk water supply scheme	Construction of new bulk water scheme	Tender	2 308.7	-	-	-	209.9	142.0	350.9	670.7
Greater Mthonjaneni bulk water supply phase 2	Construction of new bulk water scheme	Construction	1 228.2	32.2	48.8	211.8	182.2	36.4	50.0	40.0
Ngcebo BWS (iLembe)	Construction of new bulk water scheme	Construction	1 420.7	79.8	53.9	106.5	156.1	145.0	90.0	65.0
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Groot Letaba River water development project: Raising of Tzaneen Dam	Meeting of projected growing primary supply requirements for 2025; improvement of water availability for the riverine ecosystem and raising of Tzaneen Dam	Design	125.0	-	-	15.2	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Mdloti River development project: Raising of Hazelmere Dam	Augmentation of water supply to Umgeni Water for treatment, for KwaZulu-Natal North coast	Design	360.0	11.6	4.9	188.2	50.7	10.4	-	-
Mopani district municipality emergency works	Refurbishment of dilapidated infrastructure	Construction	80.0	103.9	89.1	100.7	-	-	-	-
Mzimkulu River: Nwabeni off-channel storage	Assurance of a reliable water supply to the Northern part of the lower KwaZulu-Natal South coast during dry periods	Feasibility	650.0	-	-	-	-	-	-	37.8
Taung/Naledi bulk water supply phase 2	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	733.8	97.6	111.9	63.7	69.3	55.0	30.0	-
Namakwa bulk water supply phase 1	Upgrade of existing bulk water scheme	Construction	648.3	186.1	103.5	149.7	119.0	83.2	19.7	-
Pilanesberg South bulk water supply phase 2	Upgrade of existing bulk water scheme and construction of new bulk water scheme	Construction	796.6	124.4	69.7	150.0	100.6	58.4	-	-
Amatola Water: Refurbishment of 6 existing plants and downstream infrastructure	Upgrade of existing bulk water scheme	Construction	500.0	-	150.0	169.1	92.4	88.6	92.4	-
Greater Mamusa bulk water supply phase 1 (Refurbishment)	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	444.3	0.6	19.9	46.8	55.0	101.0	90.0	90.0
Chris Hani district municipality Ncora bulk water supply (cluster 4)	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	421.7	35.0	84.0	72.6	68.3	45.0	40.0	8.0
Chris Hani district municipality Ngcobo bulk water supply (cluster 6)	Construction of new bulk water scheme and spring protection	Construction	321.7	26.9	63.4	48.0	63.3	35.0	7.0	5.0
Xonxa Dam BWS	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	444.0	77.9	95.7	68.3	58.0	26.0	7.0	5.0
Mhlabatshane bulk water supply	Construction of new bulk water scheme	Construction	483.5	37.7	52.2	8.8	12.8	-	-	-
Greytown BWS Phase 2	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	950.0	28.3	37.8	93.6	116.4	98.9	60.0	40.0
Middledrift BWS	Construction of new water treatment works	Construction	340.0	-	-	24.1	79.0	30.0	54.8	50.0
Greater Bulwer phase 2	Upgrade of existing water treatment works	Construction	343.3	-	33.4	14.0	60.0	90.0	100.0	97.9
Nongoma bulk water supply	Construction of new bulk water scheme	Construction	529.1	56.2	31.1	131.8	110.4	70.0	65.2	-
Dukuduku resettlement bulk water supply	Construction of new bulk water scheme	Construction	266.4	30.0	26.8	15.0	15.2	-	-	-
Greater Mpofana regional bulk water supply phases 1-3	Construction of new bulk water scheme	Feasibility	469.3	-	-	-	-	86.8	161.6	255.5
Driefontein Phase 3 (Spioenkop to Ladysmith) bulk water supply	Construction of bulk water scheme	Feasibility	350.0	-	-	-	-	85.1	100.0	50.0
Maphumulo BWS	Construction of bulk water scheme	Feasibility	294.6	-	-	-	-	80.0	100.0	114.6
Chris Hani district municipality bulk water supply: Quthubeni (cluster 9) phase 1	Construction of new bulk water scheme	Construction	208.0	40.2	13.8	32.9	15.0	95.0	75.0	7.0
Middelburg groundwater supply	Development of borehole to augment existing bulk water scheme	Construction	32.5	0.6	0.1	0.8	6.4	6.0	3.0	-
Masilonyana bulk water supply phase 1	Upgrade of existing bulk water scheme	Design	304.9	15.1	45.8	41.9	32.0	15.0	30.0	50.0
Driefontein Indaka bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	378.5	-	66.7	20.8	80.0	10.0	-	-
Mandlakazi bulk water supply phase 5	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	94.0	5.8	14.8	57.0	27.7	40.0	89.7	50.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Balf/Siyati/Grey/Willem/Nthor bulk water supply	Construction of new bulk water scheme	Various	590.7	0.5	7.9	7.7	36.6	42.0	31.3	124.2
Msukaligwa regional water supply scheme phase 1	Construction of new bulk water scheme	Design	407.0	18.5	5.5	–	–	3.0	10.0	90.0
Empuluzi and Methula bulk water scheme	Upgrade of existing bulk water scheme	Feasibility	291.0	–	0.1	–	–	5.0	41.9	98.8
Kagisano Molopo bulk water supply	Upgrade of existing water treatment works and new bulk water scheme	Feasibility	350.0	–	2.9	18.0	9.0	26.0	37.0	40.0
Stellenbosch wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Construction	304.3	10.0	18.0	48.1	32.8	–	–	–
Small projects (total project cost of less than R250 million over the project life cycle)										
Bushbuckridge water treatment plant, pipelines and reservoirs	Supply of water to Bushbuckridge area	Handed over	144.5	100.0	44.5	–	–	–	–	–
Molopo Eye water treatment plant, pipelines and reservoirs	Supply of water to North West	Handed over	39.8	22.5	–	–	–	–	–	–
Ermelo water treatment plant, pipelines and reservoirs	Supply of water to Bushbuckridge area	Handed over	48.5	48.5	–	–	–	–	–	–
Zeerust water treatment plant, pipelines and reservoirs	Supply of water to Zeerust area	Handed over	14.2	5.4	17.4	–	–	–	–	–
Mzimvubu water project	Supply of water	Construction	–	308.2	571.2	–	83.5	70.7	217.3	332.8
Abaqulusi, Nongoma and Jozini water intervention projects	Supply of water	Construction	–	–	66.8	–	–	–	–	–
Lady Grey bulk water supply	Construction of new bulk water scheme	Feasibility	128.5	–	–	2.5	10.4	3.0	10.0	20.0
Sterkspruit bulk water supply	Construction of new bulk water scheme	Feasibility	50.0	–	0.5	–	2.5	3.0	13.0	20.0
Coffee bay water treatment works	Upgrade of existing water treatment works	Feasibility	130.0	–	–	–	12.7	2.5	7.0	13.0
Setsoto bulk water supply phases 1 and 2	Construction of new bulk water scheme	Construction	147.6	4.0	13.5	40.6	31.5	20.0	20.0	10.0
Rouxville/Smithfileid/Zastron Mohokare bulk water supply phase 1	Construction of new bulk water scheme	Construction	180.3	22.0	28.6	44.1	45.0	20.0	30.0	20.0
Mantsopa bulk water supply phase 1	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	250.0	0.4	3.4	13.4	33.6	15.0	20.0	30.0
Ngwathe bulk water supply phase 2	Construction of new bulk water scheme	Construction	250.0	2.1	2.9	6.8	15.0	15.0	30.0	40.0
Lushuhwane bulk water scheme	Construction of new bulk water and sanitation schemes	Design	91.9	–	0.5	–	25.4	28.1	36.5	3.0
Upgrade of Balfour wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Tender	85.5	0.5	–	21.3	23.0	33.4	15.3	3.5
Bushbuckridge water services (Cunningmore to Newington BWS) phase 1	Construction of new bulk water scheme	Feasibility	190.0	–	–	–	50.0	3.0	–	–
Eerstehoeck/Ekulindeni bulk water supply	Construction of new bulk water supply and upgrade of existing water treatment works	Feasibility	115.1	–	1.2	–	–	3.0	25.6	34.8
Amsterdam wastewater treatment works phase 1	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	30.5	–	2.2	–	12.3	5.0	23.0	5.0
Van Wyksvlei groundwater phase 1 (pipeline upgrade)	Construction of new bulk water scheme	Design	94.7	0.2	2.9	1.8	15.0	30.0	46.8	–
Hantam desalination plant (Brandvlei)	Construction of new desalination plant	Construction	66.6	0.7	–	4.1	5.3	–	30.0	9.5
Loeriesfontein bulk water supply phase 1 (pipeline)	Construction of new bulk water scheme	Construction	95.4	1.4	8.0	3.6	14.2	50.4	17.2	–

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Ritchie wastewater treatment works bucket eradication programme	Construction of bulk water supply line and extension of the treatment works as well as associated infrastructure.	Construction	40.4	–	–	3.0	15.0	20.0	10.6	–
Williston bulk water supply	Construction of new bulk water scheme	Feasibility	47.0	–	1.9	0.5	–	–	30.0	27.0
Britstown oxidation ponds	Upgrade of existing waste water treatment works	Design	30.6	–	–	–	15.0	–	30.0	4.8
Danielskuil wastewater treatment works	Upgrade of existing water treatment works	Feasibility	12.6	–	–	–	–	–	–	12.6
Kathu bulk water supply	Construction of new bulk water scheme	Feasibility	90.0	0.6	0.1	–	–	–	21.6	45.0
Christiana wastewater treatment works	Upgrade of existing water treatment works	Feasibility	55.5	–	–	–	–	–	–	–
Citrusdal wastewater treatment works phase 2	Construction of new wastewater treatment works	Construction	52.7	3.8	6.8	19.6	2.7	–	–	–
Clanwilliam/Lamberts Bay regional water supply	Upgrade of existing bulk water scheme	Construction	61.5	21.0	0.9	–	14.4	0.6	–	–
Tulbagh bulk water supply (Witzenberg)	Construction of new bulk water scheme	Construction	76.8	8.3	0.9	–	27.8	13.4	10.0	20.0
Clanwilliam water treatment works	Upgrade of existing bulk water scheme	construction	31.3	0.9	2.2	–	4.0	4.0	–	–
Hofmeyer groundwater	Development of borehole to augment existing bulk water scheme	Construction	64.0	2.3	23.2	12.0	6.8	1.5	–	–
Eastern Cape region	Water supply and sanitation backlog	Construction	–	86.8	158.0	441.8	503.5	485.5	494.6	484.0
Free State region	Water supply and sanitation backlog	Construction	–	20.8	–	15.0	131.0	250.0	340.3	279.3
Gauteng region	Water supply and sanitation backlog	Design	–	–	–	–	70.0	150.0	175.0	184.9
KwaZulu-Natal region	Water supply and sanitation backlog	Construction	–	267.5	263.6	803.1	855.6	890.0	1 064.6	1 125.1
Limpopo region	Water supply and sanitation backlog	Construction	–	93.5	27.4	130.5	540.3	527.5	605.0	690.0
Mpumalanga region	Water supply and sanitation backlog	Construction	–	89.5	21.0	263.7	398.7	415.0	300.0	359.0
Northern Cape region	Water supply and sanitation backlog	Construction	–	16.4	64.2	87.7	141.0	260.5	225.0	255.0
North West region	Water supply and sanitation backlog	Construction	–	27.2	1.5	62.0	204.9	321.0	334.6	358.0
Western Cape region	Water supply and sanitation backlog	Construction	–	–	–	–	–	30.0	20.0	22.0
Total			139 007.3	5 670.0	6 821.1	8 940.0	10 695.2	11 298.7	12 500.7	13 263.6

Vote 37

Arts and Culture

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	266.5	258.8	–	7.7	291.3	309.8
Institutional Governance	386.0	93.4	57.0	235.6	481.1	415.3
Arts and Culture Promotion and Development	1 154.3	143.3	1 011.0	–	1 203.5	1 251.9
Heritage Promotion and Preservation	2 643.1	136.0	2 507.1	–	2 515.7	2 775.3
Total expenditure estimates	4 449.8	631.4	3 575.2	243.3	4 491.7	4 752.3

Executive authority Minister of Arts and Culture
Accounting officer Director General of Arts and Culture
Website address www.dac.gov.za

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

Vote purpose

Contribute to sustainable economic development and enhance job creation by preserving, protecting and developing South African arts, culture and heritage to sustain a socially cohesive and democratic nation.

Mandate

The Department of Arts and Culture derives its mandate from the following legislation:

- the Heraldry Act (1962)
- the Culture Promotion Act (1983)
- the National Archives and Record Service of South Africa Act (1996)
- the Legal Deposit Act (1997)
- the South African Geographical Names Council Act (1998)
- the Cultural Institutions Act (1998)
- the National Council for Library and Information Act (2001)
- the National Heritage Resources Act (1999)
- the Use of Official Languages Act (2012).

Broadly, this legislation mandates the department to:

- preserve, develop, protect and promote the cultural, heritage and linguistic diversity and legacy of South Africa
- lead nation building and social cohesion through societal transformation
- enhance archives and records management structures and systems and promote access to information
- provide leadership to the art and culture sector so as to accelerate its transformation.

Selected performance indicators

Table 37.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of community conversations on social cohesion and nation building conducted per year	Institutional Governance	Outcome 14: A diverse, socially cohesive society with a common national identity	- ¹	45	33	33	33	33	33
Number of flagship cultural events supported per year	Arts and Culture Promotion and Development		27	22	25	27	20	20	18
Number of community arts programmes activated per year	Arts and Culture Promotion and Development		- ²	9	100	150	200	200	200
Number of language practice bursaries awarded per year	Arts and Culture Promotion and Development		280	284	463	320	320	300	300
Number of artists placed in schools per year	Arts and Culture Promotion and Development	Outcome 1: Quality basic education	200	240	352	340	340	380	420
Number of bursaries in heritage studies awarded per year	Heritage Promotion and Preservation	Outcome 14: A diverse, socially cohesive society with a common national identity	50	73	71	65	65	65	65
Number of flagpoles and flags installed at schools per year	Heritage Promotion and Preservation		2 192	14 415	3 532	500	500	1 000	1 000
Number of community libraries built per year	Heritage Promotion and Preservation		16	17	44	23	26	29	32
Number of community libraries upgraded per year	Heritage Promotion and Preservation		40	20	35	55	40	45	50
Percentage of schools that have booklets and posters (frames) of national symbols and orders per year	Heritage Promotion and Preservation		- ²	22.3% (5 359/ 24 000)	27.2% (6 535/ 24 000)	25% (6 000/ 24 000)	26.8% (6 430/ 24 000)	- ³	- ³

1. No target was set, therefore no conversations were held.

2. These are new indicators to give effect to outcome 14 of government's 2014-2019 medium term strategic framework.

3. Indicator discontinued from 2018/19.

Expenditure analysis

The National Development Plan (NDP) emphasises the need for transforming society and uniting the country. These long-term objectives guide the department's strategic plan and activities over the medium term, as do outcome 1 (quality basic education), outcome 4 (decent employment through inclusive growth) and outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework. Over the medium term, the department will focus on developing arts, culture and heritage infrastructure; positioning the cultural and creative industries as drivers of economic growth and job creation; and contributing to social cohesion and nation building.

Developing arts, culture and heritage infrastructure

The department's infrastructure development initiatives in the *Institutional Governance* programme, the *Arts and Culture Promotion and Development* programme and the *Heritage Promotion and Preservation* programme aim to establish and maintain world-class heritage sites to boost tourism and create job opportunities. Plans to provide financial support to 74 infrastructure projects at various stages of completion are estimated to cost R1.5 billion over the MTEF period, after Cabinet-approved reductions of R108.4 million due to persistent underspending.

Construction of the liberation heritage route, which will consist of a series of sites that express the key aspects of the South African liberation experience, will be prioritised over the MTEF period. The department intends to focus on developing three key sites per province. Construction on these sites, including a Liberation Movements Museum, is set to begin in 2018/19 at a projected cost of R136 million over the medium term. An additional R100 000 over the medium term has been budgeted in the *Heritage Promotion and Preservation* programme for the National Heroes' Acre, with more than 500 bronze statues of those who helped create a free South Africa. An advisory panel has been appointed to oversee a national architectural competition for the design of the acre by 2019/20. Spending on infrastructure in these programmes is to redress South Africa's historical imbalances in the heritage sector and contribute to social transformation.

The *community library services grant* was established to support the building of community and dual purpose libraries to provide access to knowledge and information to improve the socioeconomic status of communities; and contribute to improved school performance, especially in areas where schools do not have libraries. Through this grant, the department plans to build 87 new libraries and upgrade 135 existing libraries, at an estimated cost of R4.5 billion over the medium term. The department will also prioritise the provision of 63 service points for dual purpose libraries, which serve both the general community and its surrounding schools, to enhance learning outcomes at schools. Slow spending on the *community library services grant* by some

provinces has led to the department reprioritising R71.2 million over the MTEF period to alleviate operational funding pressures at the Pan South African Language Board and museums in KwaZulu-Natal.

Positioning the cultural and creative industries as drivers of economic development

An amount of R918.1 million has been earmarked in the *Arts and Culture Promotion and Development* programme for the implementation of the Mzansi golden economy strategy over the medium term. The primary objective of the strategy is to provide skills development and sustainable job creation opportunities for South African artists. The budget includes an estimated R364 million for 58 flagship festivals as well as large and small cultural events taking place across the country. Over the medium term, the department will provide support to fashion, animation, theatre, dance, craft, music and live events. The department also aims to support 120 touring ventures and 60 public art programmes over the period. Through the Mzansi golden economy strategy, the department aims to create an estimated 25 500 part-time jobs over the medium term.

An amount of R80 million from flagship cultural events has been reprioritised over the MTEF period to create a venture capital fund. The fund aims to support the development of small, medium and micro enterprises, and sustainable arts and culture projects administered by previously disadvantaged South Africans. A further R90 million in the *Arts and Culture Promotion and Development* programme is budgeted for interventions, such as incubators and master classes, over the MTEF period. Over the next three years, R17.5 million is earmarked in the *National Language Services* subprogramme to target 920 students for the language bursary programme. These initiatives aim to provide skills training, create jobs, and empower artists to participate in the economy.

Contributing to social cohesion and nation building

Over the medium term, the department plans to host 99 community conversations to provide a platform for individuals and organisations to discuss their differences and form a common understanding of what it means to be South African. An estimated R12.3 million will be spent over the period in the *Institutional Governance* programme for this purpose. In addition, the department plans to host a national social cohesion summit in 2017/18 to gauge progress made in achieving the resolutions of the 2012 summit. The planned summit will provide an opportunity for government, business, labour, youth formations, media, and civil society organisations to sign a compact on working together to address social issues such as racism and xenophobia. An amount of R8 million in 2017/18 has been budgeted for the summit.

The Young Patriots programme has been established to prioritise youth development. The programme aims to encourage young people to participate actively in building the capacity of the arts, culture and heritage sectors, and to gain meaningful skills through service delivery improvement initiatives, moral regeneration initiatives and youth social cohesion advocates programmes. The department will also support moral regeneration initiatives that aim to promote social cohesion and nation building. An amount of R22.7 million is allocated towards these initiatives in the *Social Cohesion and Nation Building* subprogramme.

Expenditure trends

Table 37.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Institutional Governance														
3. Arts and Culture Promotion and Development														
4. Heritage Promotion and Preservation														
Programme														
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	214.5	214.1	242.7	228.3	234.4	253.2	244.0	242.4	253.9	283.5	264.9	267.2	104.8%	106.4%
Programme 2	216.7	256.9	296.2	240.1	100.0	283.2	424.1	397.6	231.7	360.7	321.5	299.0	89.4%	103.2%
Programme 3	1 025.6	898.1	888.4	1 032.9	1 031.5	995.0	1 076.2	1 076.2	973.0	1 094.7	1 068.3	1 056.3	92.5%	96.0%
Programme 4	1 460.9	1 548.6	1 379.2	2 026.5	2 158.8	1 962.9	2 175.6	2 109.9	2 303.7	2 332.0	2 407.9	2 403.3	100.7%	97.9%
Total	2 917.8	2 917.8	2 806.5	3 527.7	3 524.7	3 494.3	3 919.9	3 826.0	3 762.4	4 070.9	4 062.6	4 025.7	97.6%	98.3%
Change to 2016 Budget estimate											(8.3)			

Table 37.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Current payments	669.1	680.9	496.9	693.3	609.0	538.4	640.2	634.7	590.6	597.2	588.8	584.0	85.0%	87.9%
Compensation of employees	196.4	196.4	190.8	209.9	209.9	206.3	221.9	220.4	214.4	238.3	238.3	238.3	98.1%	98.2%
Goods and services	472.7	484.5	306.1	483.4	399.1	332.0	418.4	414.4	376.1	358.8	350.5	345.6	78.5%	82.5%
Interest and rent on land	-	-	-	-	-	0.1	-	-	0.2	-	-	-	-	-
Transfers and subsidies	2 241.7	2 229.9	2 281.8	2 827.1	2 908.4	2 807.0	3 162.1	3 073.8	3 058.1	3 220.2	3 266.1	3 254.1	99.6%	99.3%
Provinces and municipalities	597.8	597.8	606.3	1 016.2	1 032.8	1 019.7	1 311.0	1 274.3	1 274.3	1 357.1	1 357.1	1 357.1	99.4%	99.9%
Departmental agencies and accounts	1 535.9	1 535.9	1 436.9	1 643.4	1 606.4	1 496.7	1 449.0	1 428.7	1 459.8	1 522.2	1 569.8	1 569.8	-	-
Higher education institutions	-	-	-	12.5	1.0	0.6	-	-	0.1	-	-	-	5.2%	66.3%
Foreign governments and international organisations	1.8	-	2.9	3.0	3.2	3.1	3.7	4.2	4.0	3.7	4.2	4.2	116.7%	122.9%
Public corporations and private enterprises	-	-	54.1	2.4	11.6	69.3	201.3	176.0	108.1	146.2	104.3	101.8	95.2%	114.2%
Non-profit institutions	38.5	38.5	102.3	121.9	205.4	193.1	166.5	162.0	186.3	163.3	205.6	196.1	138.2%	110.8%
Households	67.7	57.6	79.3	27.7	48.0	24.5	30.6	28.6	25.6	27.7	25.1	25.1	100.6%	96.9%
Payments for capital assets	7.0	7.0	27.7	7.4	7.4	148.4	117.5	117.5	113.1	253.4	207.6	187.6	123.7%	140.4%
Buildings and other fixed structures	-	-	8.2	-	-	137.9	107.1	107.1	104.2	239.8	186.9	166.9	120.2%	141.8%
Machinery and equipment	7.0	7.0	7.0	7.4	7.4	6.9	7.4	7.4	2.6	7.4	10.3	10.3	92.0%	83.7%
Heritage assets	-	-	-	-	-	-	-	-	0.3	-	2.0	2.0	-	114.2%
Software and other intangible assets	-	-	12.6	-	-	3.6	3.0	3.0	6.0	6.2	8.4	8.4	332.2%	268.5%
Payments for financial assets	-	-	0.1	-	-	0.5	-	-	0.6	-	-	-	-	-
Total	2 917.8	2 917.8	2 806.5	3 527.7	3 524.7	3 494.3	3 919.9	3 826.0	3 762.4	4 070.9	4 062.6	4 025.7	97.6%	98.3%

Expenditure estimates

Table 37.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Institutional Governance								
3. Arts and Culture Promotion and Development								
4. Heritage Promotion and Preservation								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Programme 1	267.2	7.7%	7.2%	266.5	291.3	309.8	5.1%	6.4%
Programme 2	299.0	5.2%	7.9%	386.0	481.1	415.3	11.6%	8.9%
Programme 3	1 056.3	5.6%	27.8%	1 154.3	1 203.5	1 251.9	5.8%	26.3%
Programme 4	2 403.3	15.8%	57.1%	2 643.1	2 515.7	2 775.3	4.9%	58.3%
Total	4 025.7	11.3%	100.0%	4 449.8	4 491.7	4 752.3	5.7%	100.0%
Change to 2016 Budget estimate				(42.8)	(51.2)	(50.1)		
Economic classification								
Current payments	584.0	-5.0%	15.7%	631.4	657.2	692.9	5.9%	14.5%
Compensation of employees	238.3	6.7%	6.0%	232.5	253.5	272.9	4.6%	5.6%
Goods and services	345.6	-10.7%	9.7%	398.9	403.6	420.1	6.7%	8.9%
Transfers and subsidies	3 254.1	13.4%	80.9%	3 575.2	3 591.8	3 766.3	5.0%	80.1%
Provinces and municipalities	1 357.1	31.4%	30.2%	1 420.0	1 498.6	1 580.2	5.2%	33.0%
Departmental agencies and accounts	1 569.8	0.7%	42.3%	1 831.5	1 629.5	1 869.2	6.0%	38.9%
Higher education institutions	-	-	0.0%	-	2.5	3.5	-	0.0%
Foreign governments and international organisations	4.2	-	0.1%	4.6	4.8	5.1	6.3%	0.1%
Public corporations and private enterprises	101.8	72.0%	2.4%	118.4	256.4	100.6	-0.4%	3.3%
Non-profit institutions	196.1	-	4.8%	171.0	172.2	178.7	-3.0%	4.1%
Households	25.1	-24.2%	1.1%	29.7	27.8	29.0	5.0%	0.6%
Payments for capital assets	187.6	199.6%	3.4%	243.3	242.7	293.1	16.0%	5.5%
Buildings and other fixed structures	166.9	-	3.0%	221.6	223.2	281.5	19.0%	5.0%
Machinery and equipment	10.3	13.9%	0.2%	7.7	8.2	8.6	-5.7%	0.2%
Heritage assets	2.0	-	0.0%	9.0	-	-	-100.0%	0.1%
Software and other intangible assets	8.4	-	0.2%	5.0	11.3	3.0	-29.0%	0.2%
Total	4 025.7	11.3%	100.0%	4 449.8	4 491.7	4 752.3	5.7%	100.0%

Goods and services expenditure trends and estimates

Table 37.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
Administrative fees	4 919	4 614	8 169	1 456	-33.4%	1.4%	2 171	2 345	2 517	20.0%	0.5%
Advertising	4 301	14 385	7 807	3 556	-6.1%	2.2%	12 621	13 078	13 505	56.0%	2.7%
Minor assets	132	212	204	730	76.8%	0.1%	319	350	375	-19.9%	0.1%
Audit costs: External	4 776	8 223	12 442	7 028	13.7%	2.4%	9 266	9 971	10 727	15.1%	2.4%
Bursaries: Employees	482	699	519	737	15.2%	0.2%	774	824	870	5.7%	0.2%
Catering: Departmental activities	2 961	3 695	4 399	2 741	-2.5%	1.0%	3 811	4 013	4 318	16.4%	0.9%
Communication	9 318	9 260	8 864	8 216	-4.1%	2.6%	8 828	9 436	9 972	6.7%	2.3%
Computer services	5 979	12 567	11 428	14 510	34.4%	3.3%	11 457	12 122	12 804	-4.1%	3.2%
Consultants: Business and advisory services	5 166	4 452	12 820	16 717	47.9%	2.9%	28 001	24 594	25 518	15.1%	6.0%
Legal services	569	-	-	4 424	98.1%	0.4%	4 956	5 150	5 236	5.8%	1.3%
Science and technological services	1 294	4 882	2 969	6 180	68.4%	1.1%	7 342	4 628	3 900	-14.2%	1.4%
Contractors	40 771	81 392	89 269	80 307	25.4%	21.4%	83 367	67 822	72 357	-3.4%	19.3%
Agency and support/outsource services	105 190	51 925	20 930	15 094	-47.6%	14.2%	24 379	21 600	23 480	15.9%	5.4%
Entertainment	332	121	148	112	-30.4%	0.1%	264	276	289	37.2%	0.1%
Fleet services (including government motor transport)	5 820	2 765	2 326	1 347	-38.6%	0.9%	2 793	2 859	2 925	29.5%	0.6%
Inventory: Fuel, oil and gas	25	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	-	46 118	12 194	4 492	-	4.6%	-	-	-	-100.0%	0.3%
Consumable supplies	9 867	1 582	737	1 152	-51.1%	1.0%	7 321	7 565	7 882	89.8%	1.5%
Consumables: Stationery, printing and office supplies	623	1 314	1 108	2 559	60.2%	0.4%	3 270	3 509	3 722	13.3%	0.8%
Operating leases	9 710	14 992	66 711	67 671	91.0%	11.7%	90 950	106 664	112 571	18.5%	24.0%
Rental and hiring	629	44	53	9 000	142.8%	0.7%	100	120	130	-75.6%	0.6%
Property payments	8 407	11 271	40 087	18 046	29.0%	5.7%	27 042	33 615	30 221	18.8%	6.9%
Travel and subsistence	73 908	46 856	63 682	67 617	-2.9%	18.5%	58 674	61 289	64 076	-1.8%	16.0%
Training and development	2 021	3 304	1 576	2 942	13.3%	0.7%	2 452	2 594	2 739	-2.4%	0.7%
Operating payments	3 622	4 465	4 638	6 257	20.0%	1.4%	4 700	4 776	5 257	-5.6%	1.3%
Venues and facilities	5 313	2 853	2 987	7 592	12.6%	1.4%	4 047	4 433	4 664	-15.0%	1.3%
Total	306 135	331 991	376 067	350 483	4.6%	100.0%	398 905	403 633	420 055	6.2%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 37.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
Provinces and municipalities											
Provincial revenue funds											
Current	389 739	670 424	854 907	647 989	18.5%	22.5%	423 074	440 838	454 012	-11.2%	13.8%
Community library services grant	389 739	670 424	854 907	647 989	18.5%	22.5%	423 074	440 838	454 012	-11.2%	13.8%
Capital	205 047	345 786	419 407	709 143	51.2%	14.7%	996 886	1 057 777	1 126 198	16.7%	27.4%
Community library services grant	205 047	345 786	419 407	709 143	51.2%	14.7%	996 886	1 057 777	1 126 198	16.7%	27.4%
Provinces and municipalities											
Provincial agencies and funds											
Current	11 500	3 501	3	-	-100.0%	0.1%	-	-	-	-	-
Vehicle licences	-	1	3	-	-	-	-	-	-	-	-
Various Institutions: Mzansi golden economy (cultural events)	11 500	3 500	-	-	-100.0%	0.1%	-	-	-	-	-
Provinces and municipalities											
Municipal agencies and funds											
Current	-	2	-	-	-	-	-	-	-	-	-
Vehicle licences	-	2	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 108 355	1 220 381	1 274 745	1 303 586	5.6%	43.0%	1 600 243	1 492 567	1 582 538	6.7%	42.1%
Gifts and donations	144	-	-	-	-100.0%	-	-	-	-	-	-
Office accommodation	62 411	63 805	-	-	-100.0%	1.1%	-	-	-	-	-
Communication licences	-	7	7	-	-	-	-	-	-	-	-
Public Sector Education and Training Authority	-	632	-	-	-	-	-	-	-	-	-
National Youth Development Agency	-	-	-	6 200	-	0.1%	12 000	-	-	-100.0%	0.1%
Pan South African Language Board	95 680	83 497	90 905	93 514	-0.8%	3.2%	108 634	116 355	125 203	10.2%	3.1%
Artscape	47 821	50 755	53 090	55 904	5.3%	1.8%	58 699	62 107	65 585	5.5%	1.7%
The Market Theatre	26 196	27 810	39 089	42 419	17.4%	1.2%	44 540	47 123	49 762	5.5%	1.3%
National Arts Council	87 554	91 865	97 589	101 182	4.9%	3.3%	106 241	112 403	118 698	5.5%	3.1%

Table 37.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Performing Arts Centre of the Free State	35 487	37 690	39 424	41 513	5.4%	1.4%	47 589	46 117	48 700	5.5%	1.3%
The Playhouse Company	40 570	43 085	48 632	41 165	0.5%	1.5%	49 838	52 729	55 682	10.6%	1.4%
The South African State Theatre	42 393	45 028	47 099	49 595	5.4%	1.6%	52 075	55 095	58 180	5.5%	1.5%
Windybrow Theatre	10 082	10 703	28 195	-	-100.0%	0.4%	-	-	-	-	-
National Film and Video Foundation	105 223	147 588	116 721	122 907	5.3%	4.3%	129 052	136 537	144 183	5.5%	3.8%
Mzansi golden economy: Art bank resources	-	3 000	-	3 000	-	0.1%	6 000	7 500	10 000	49.4%	0.2%
Mzansi golden economy: Public art	1 030	500	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Mzansi golden economy (cultural events)	-	5 500	3 900	4 500	-	0.1%	13 500	15 500	18 264	59.5%	0.4%
Various institutions: Mzansi golden economy (touring ventures)	-	3 733	-	-	-	-	-	-	-	-	-
Various institutions: Mzansi golden economy (artists in schools)	-	1 000	900	1 300	-	-	1 300	2 600	2 746	28.3%	0.1%
Various institutions: Mzansi golden economy (export market development and promotion)	-	-	-	7 000	-	0.1%	-	-	-	-100.0%	-
Various institutions: Mzansi golden economy (entrepreneur and local content development)	-	-	9 700	20 000	-	0.3%	30 000	50 000	52 800	38.2%	1.1%
Performing arts institutions: Mzansi golden economy (incubators entrepreneur and local content development)	-	-	-	10 510	-	0.1%	8 000	9 000	9 504	-3.3%	0.3%
Die Afrikaanse Taalmuseum en Monument	4 963	5 308	6 521	7 413	14.3%	0.2%	8 711	8 156	8 616	5.1%	0.2%
Freedom Park: Pretoria	66 372	70 470	71 158	65 548	-0.4%	2.4%	96 613	86 352	91 193	11.6%	2.4%
Iziko Museums: Cape Town	61 515	65 331	80 768	78 773	8.6%	2.5%	95 644	86 380	91 230	5.0%	2.5%
Luthuli Museum: Stanger	7 465	8 890	9 477	10 027	10.3%	0.3%	14 113	13 869	14 647	13.5%	0.4%
KwaZulu-Natal Museum: Pietermaritzburg	16 359	17 376	21 663	23 152	12.3%	0.7%	36 686	34 038	35 955	15.8%	0.9%
National Heritage Council	53 588	55 917	58 475	61 574	4.7%	2.0%	64 653	68 403	72 234	5.5%	1.9%
National Museum: Bloemfontein	38 415	41 085	47 566	49 070	8.5%	1.5%	100 378	53 300	56 290	4.7%	1.8%
Nelson Mandela Museum: Mthatha	18 900	20 124	21 612	25 029	9.8%	0.8%	26 779	26 745	28 247	4.1%	0.8%
Robben Island Museum: Cape Town	61 586	66 805	95 662	72 054	5.4%	2.6%	89 438	80 872	85 403	5.8%	2.3%
South African Heritage Resources Agency	43 666	46 417	48 552	56 125	8.7%	1.7%	57 861	56 985	60 176	2.4%	1.6%
The National English Literary Museum: Grahamstown	8 148	8 657	9 545	15 585	24.1%	0.4%	12 155	10 745	11 347	-10.0%	0.4%
Voortrekker Museum: Pietermaritzburg	11 236	11 935	13 190	14 000	7.6%	0.4%	17 297	17 250	18 230	9.2%	0.5%
War Museum of the Boer Republics: Bloemfontein	8 022	8 613	9 907	10 555	9.6%	0.3%	22 084	11 726	12 384	5.5%	0.4%
William Humphreys Art Gallery: Kimberley	5 613	5 960	7 546	8 151	13.2%	0.2%	9 967	9 487	10 022	7.1%	0.3%
Ditsong Museums of South Africa: Pretoria	62 450	66 350	77 880	81 745	9.4%	2.5%	125 777	85 462	90 256	3.4%	2.7%
National Library of South Africa	69 838	84 077	102 231	105 338	14.7%	3.2%	135 398	109 395	115 526	3.1%	3.3%
South African Library for the Blind	15 626	16 612	17 741	18 738	6.2%	0.6%	19 221	20 336	21 475	4.6%	0.6%
Radio and television licences	2	2	-	-	-100.0%	-	-	-	-	-	-
Human languages technologies projects	-	4 254	-	-	-	-	-	-	-	-	-
Capital	328 576	276 326	185 064	266 229	-6.8%	9.3%	231 251	136 951	286 619	2.5%	6.5%
Heritage legacy projects	151 596	43 103	-	-	-100.0%	1.7%	-	-	-	-	-
Gauteng Tourism Authority	-	-	-	200	-	-	-	-	-	-100.0%	-
Artscape: Capital works projects	45 650	-	-	14 750	-31.4%	0.5%	30 000	15 000	1 000	-59.2%	0.4%
The South African State Theatre: Capital works projects	9 774	20 052	-	7 300	-9.3%	0.3%	5 000	4 000	41 060	77.8%	0.4%
The Playhouse Company: Capital works projects	2 000	24 400	-	10 762	75.2%	0.3%	4 770	1 900	18 500	19.8%	0.3%
Performing Arts Centre of the Free State: Capital works projects	4 362	5 000	-	30 000	90.2%	0.3%	21 000	10 500	1 000	-67.8%	0.4%
The Market Theatre: Capital works projects	22 464	15 000	-	12 001	-18.9%	0.4%	22 000	20 000	20 000	18.6%	0.5%
National Film and Video Foundation: Capital works projects	-	-	-	-	-	-	15 000	15 000	10 000	-	0.3%
Provincial Departmental Agencies	-	-	-	570	-	-	-	-	-	-100.0%	-
National Heritage Council	-	-	-	21 150	-	0.2%	-	-	-	-100.0%	0.1%
Iziko Museums: Cape Town (capital works projects)	26 371	51 690	40 206	62 046	33.0%	1.6%	68 537	-	19 939	-31.5%	1.1%
Nelson Mandela Museum: Mthatha (capital works projects)	13 718	10 230	1 303	6 750	-21.1%	0.3%	1 925	-	6 000	-3.9%	0.1%
South African Heritage Resources Agency: Capital works projects	-	-	25 000	2 134	-	0.2%	2 000	-	30 000	141.3%	0.2%
KwaZulu-Natal Museum: Pietermaritzburg (capital works projects)	17 736	936	-	-	-100.0%	0.2%	1 000	-	33 542	-	0.2%
Luthuli Museum: Stanger (capital works projects)	1 854	883	-	5 967	47.6%	0.1%	1 250	-	-	-100.0%	0.1%
Voortrekker Museum: Pietermaritzburg (capital works projects)	5 046	1 279	11 428	-	-100.0%	0.2%	1 000	-	3 250	-	-
William Humphreys Art Gallery: Kimberley (capital works projects)	340	1 200	-	1 000	43.3%	-	1 000	-	-	-100.0%	-
War Museum of the Boer Republics: Bloemfontein (capital works projects)	1 803	620	1 347	1 148	-14.0%	-	1 000	-	1 673	13.4%	-

Table 37.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Die Afrikaanse Taalmuseum en Monument: Paarl (capital works projects)	549	1 000	420	2 000	53.9%	-	2 000	-	580	-33.8%	-
Ditsong Museums of South Africa: Pretoria (capital works projects)	19 141	14 343	3 974	667	-67.3%	0.3%	-	-	-	-100.0%	-
National Museum: Bloemfontein (capital works projects)	415	13 062	-	395	-1.6%	0.1%	2 000	-	10 000	193.6%	0.1%
The National English Literary Museum: Grahamstown (capital works projects)	3	36 514	63 218	42 673	2322.9%	1.2%	2 635	-	2 000	-63.9%	0.3%
Robben Island Museum: Cape Town (capital works projects)	5 754	17 530	27 621	26 816	67.0%	0.7%	10 454	48 000	65 000	34.3%	1.1%
Freedom Park: Pretoria (capital works projects)	-	12 982	-	-	-	0.1%	2 000	-	10 224	-	0.1%
National Library of South Africa: Capital works projects	-	4 353	10 547	16 864	-	0.3%	31 914	10 244	11 851	-11.1%	0.5%
South African Library for the Blind: Capital works projects	-	2 149	-	1 036	-	-	4 766	12 307	1 000	-1.2%	0.1%
Higher education institutions											
Current	-	570	80	-	-	-	-	2 500	3 500	-	-
Mzansi golden economy: Public art	-	480	-	-	-	-	-	-	-	-	-
Various institutions: Mzansi golden economy (cultural events)	-	-	80	-	-	-	-	-	-	-	-
Various institutions: Mzansi golden economy (touring ventures)	-	90	-	-	-	-	-	-	-	-	-
Human languages technologies projects	-	-	-	-	-	-	-	2 500	3 500	-	-
Foreign governments and international organisations											
Current	2 915	3 127	3 998	4 203	13.0%	0.1%	4 573	4 809	5 050	6.3%	0.1%
Commonwealth Foundation	1 915	2 027	2 298	2 403	7.9%	0.1%	2 708	2 865	3 025	8.0%	0.1%
African World Heritage Fund	1 000	1 100	1 700	1 800	21.6%	-	1 865	1 944	2 025	4.0%	0.1%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	-	3 409	1 505	1 290	-	0.1%	1 483	2 000	2 000	15.7%	-
Various institutions	-	1 489	50	-	-	-	-	-	-	-	-
Various institutions: Mzansi golden economy (20 years of freedom)	-	400	-	-	-	-	-	-	-	-	-
Arts and culture industries: Entrepreneur and local content development	-	1 520	80	-	-	-	-	-	-	-	-
Human languages technologies projects	-	-	-	-	-	-	1 183	2 000	2 000	-	-
Intsyst Labs cc	-	-	1 375	1 290	-	-	300	-	-	-100.0%	-
Capital	-	-	-	-	-	-	12 000	37 410	-	-	0.3%
National Heritage Monument	-	-	-	-	-	-	12 000	17 410	-	-	0.2%
Polokwane Performing Arts Centre - Incubator	-	-	-	-	-	-	-	20 000	-	-	0.1%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	-	64 901	97 659	96 457	-	2.3%	75 000	79 686	82 000	-5.3%	2.3%
Mzansi golden economy: Public art	-	1 135	1 185	1 000	-	-	1 000	1 000	1 056	1.8%	-
Various institutions: Mzansi golden economy (cultural events)	-	47 929	73 638	74 032	-	1.7%	40 000	41 000	40 572	-18.2%	1.4%
Various institutions: Mzansi golden economy (touring ventures)	-	9 381	5 490	6 000	-	0.2%	7 500	8 000	8 448	12.1%	0.2%
Various institutions: Mzansi golden economy (National Cultural Industries Skills Academy)	-	-	-	-	-	-	9 000	10 000	10 560	-	0.2%
Various institutions: Mzansi golden economy (artists in schools)	-	2 200	1 800	1 300	-	-	1 300	2 600	2 746	28.3%	0.1%
Various institutions: Mzansi golden economy (export market development and promotion)	-	-	-	2 800	-	-	4 000	3 000	3 168	4.2%	0.1%
Various institutions: Mzansi golden economy (entrepreneur and local content development)	-	-	9 000	5 000	-	0.1%	3 000	3 000	3 168	-14.1%	0.1%
Arts and culture industries: Local market development and promotion	-	4 256	3 528	5 200	-	0.1%	9 000	10 000	10 560	26.6%	0.2%
Human languages technologies projects	-	-	-	-	-	-	-	1 086	1 722	-	-
Council for Scientific and Industrial Research	-	-	3 018	1 125	-	-	200	-	-	-100.0%	-
Capital	54 112	1 000	8 895	6 549	-50.5%	0.6%	29 906	137 282	16 609	36.4%	1.3%
Heritage legacy projects	54 112	-	-	-	-100.0%	0.5%	-	-	-	-	-
National Heroes Acre	-	-	-	-	-	-	-	100 000	-	-	0.7%
Capital works projects	-	1 000	8 895	6 549	-	0.1%	27 906	37 282	16 609	36.4%	0.6%
Afrivibe Entertainment: Incubator	-	-	-	-	-	-	2 000	-	-	-	-
Non-profit institutions											
Current	102 252	172 004	150 793	158 796	15.8%	5.1%	168 292	170 443	178 749	4.0%	4.8%
Various institutions	-	10 043	13 735	14 234	-	0.3%	17 241	18 372	19 609	11.3%	0.5%
Gcwala-Ngamasiko Cultural Festival	-	1 000	2 000	1 700	-	-	2 360	2 497	2 637	15.8%	0.1%
!Kauru African contemporary art touring exhibition	-	2 000	-	-	-	-	-	-	-	-	-
Voortrekker Monument	-	-	1 284	-	-	-	-	-	-	-	-
Moral Regeneration Movement	-	-	1 500	3 500	-	-	3 500	3 500	3 500	-	0.1%

Table 37.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20
R thousand											
Business and Arts South Africa	6 898	7 312	7 648	11 053	17.0%	0.3%	8 456	8 946	9 447	-5.1%	0.3%
Mzansi golden economy: Public art	6 520	6 990	1 756	3 000	-22.8%	0.2%	3 000	4 000	3 000	-	0.1%
Various institutions: Mzansi golden economy (cultural events)	81 511	98 382	82 664	64 000	-7.7%	2.9%	53 200	52 400	52 610	-6.3%	1.6%
Various institutions: Mzansi golden economy (touring ventures)	640	10 097	11 313	13 500	176.3%	0.3%	11 000	11 000	13 008	-1.2%	0.3%
Various institutions: Mzansi golden economy (National Cultural Industries Skills Academy)	-	-	-	10 069	-	0.1%	16 599	17 300	18 269	22.0%	0.4%
Various institutions: Mzansi golden economy (artists in schools)	-	4 000	9 374	9 400	-	0.2%	12 400	12 800	13 517	12.9%	0.3%
Various institutions: Mzansi golden economy (community arts development)	-	-	-	-	-	-	9 366	8 500	10 280	-	0.2%
Various institutions: Mzansi golden economy (export market development and promotion)	-	-	-	2 800	-	-	4 000	2 500	2 640	-1.9%	0.1%
Various institutions: Mzansi golden economy (entrepreneur and local content development)	-	-	-	1 000	-	-	1 000	1 000	1 056	1.8%	-
Arts and culture industries: Local market development and promotion	-	15 247	8 228	6 937	-	0.3%	9 000	10 000	10 560	15.0%	0.3%
Arts and culture industries: Community arts development	-	3 672	-	8 000	-	0.1%	7 087	6 960	7 350	-2.8%	0.2%
Engelenburg House Art Collection: Pretoria	273	289	302	318	5.2%	-	334	353	373	5.5%	-
Blind South Africa	6 410	6 795	7 108	7 485	5.3%	0.2%	7 859	8 315	8 781	5.5%	0.2%
Library and Information Association of South Africa	-	4 469	2 566	1 800	-	0.1%	1 890	2 000	2 112	5.5%	0.1%
South African National Council for the Blind	-	-	982	-	-	-	-	-	-	-	-
African Renaissance Institute	-	-	333	-	-	-	-	-	-	-	-
Valoyi Traditional Authority Trust	-	500	-	-	-	-	-	-	-	-	-
Human languages technologies projects	-	1 208	-	-	-	-	-	-	-	-	-
Capital	21 055	35 465	46 830	46 830	-	0.9%	2 739	1 750	-	-100.0%	0.4%
Adams College	-	4 562	-	3 598	-	0.1%	489	-	-	-100.0%	-
Voortrekker Monument	-	357	-	113	-	-	250	1 750	-	-100.0%	-
Liliesleaf Farm	-	10 600	500	-	-	0.1%	-	-	-	-	-
Valoyi Traditional Authority Trust	-	-	3 109	-	-	-	-	-	-	-	-
National Heritage Company	-	-	15 000	16 113	-	0.3%	-	-	-	-100.0%	0.1%
The Sankofa Arts Charitable Trust	-	-	-	3 000	-	-	-	-	-	-100.0%	-
Steve Biko Foundation	-	-	996	-	-	-	-	-	-	-	-
The Trevor Huddleston CR Memorial Centre	-	-	900	-	-	-	-	-	-	-	-
Capital works projects	-	-	14 595	-	-	0.1%	-	-	-	-	-
Kwazulu-Natal Arts and Culture Trust	-	-	-	96	-	-	-	-	-	-100.0%	-
Northern Cape Theatre	-	-	-	2 000	-	-	-	-	-	-100.0%	-
Non-profit organisations	-	-	-	21 910	-	0.2%	-	-	-	-100.0%	0.2%
Caiphus Katse Semenya Foundation: Incubator	-	-	-	-	-	-	2 000	-	-	-	-
Blind South Africa: Capital works projects	-	1 345	365	-	-	-	-	-	-	-	-
Die Erfenisstigting	-	4 191	-	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	301	3 578	1 122	98	-31.2%	-	-	-	-	-100.0%	-
Employee social benefits	301	3 578	1 122	-	-100.0%	-	-	-	-	-	-
Kenneth Arthur Bogosi Bolokwe	-	-	-	98	-	-	-	-	-	-100.0%	-
Households											
Other transfers to households											
Current	78 959	20 939	24 461	24 969	-31.9%	1.3%	29 704	27 798	29 019	5.1%	0.8%
Employee social benefits	-	-	710	-	-	-	-	-	-	-	-
Arts and youth development	15 350	5 651	5 246	9 338	-15.3%	0.3%	9 806	10 375	10 956	5.5%	0.3%
Visual and performing arts projects	24 805	-	-	-	-100.0%	0.2%	-	-	-	-	-
Cultural industries	9 161	-	-	-	-100.0%	0.1%	-	-	-	-	-
2014 African Nations Championship	7 000	-	-	-	-100.0%	0.1%	-	-	-	-	-
Mzansi golden economy: Public art	830	830	225	500	-15.5%	-	500	500	528	1.8%	-
Various institutions: Mzansi golden economy (cultural events)	-	710	2 166	1 000	-	-	1 500	1 500	1 584	16.6%	-
Various institutions: Mzansi golden economy (touring ventures)	-	1 214	1 397	2 000	-	-	4 500	2 000	2 112	1.8%	0.1%
Various Institutions: Mzansi golden economy (export market development and promotion)	-	-	-	-	-	-	1 500	1 500	1 584	-	-
Arts and culture industries: Local market development and promotion	-	1 081	884	800	-	-	-	-	-	-100.0%	-
Heritage projects	8 458	2 550	4 974	5 331	-14.3%	0.2%	5 598	5 923	6 255	5.5%	0.2%
Projects that conserve archival material	849	1 114	-	-	-100.0%	-	-	-	-	-	-
Language development projects	12 506	7 789	8 859	6 000	-21.7%	0.3%	6 300	6 000	6 000	-	0.2%
Total	2 281 756	2 807 003	3 058 104	3 266 139	12.7%	100.0%	3 575 151	3 591 811	3 766 294	4.9%	100.0%

Personnel information

Table 37.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20		
Arts and Culture																			
Salary level	481	65	468	214.4	0.5	475	238.3	0.5	393	232.5	0.6	396	253.5	0.6	393	272.9	0.7	-6.1%	100.0%
1 – 6	101	24	98	19.9	0.2	101	22.7	0.2	73	18.3	0.3	74	20.0	0.3	71	20.9	0.3	-11.1%	19.3%
7 – 10	203	5	202	79.0	0.4	202	86.3	0.4	180	82.5	0.5	180	89.6	0.5	180	96.9	0.5	-3.8%	44.8%
11 – 12	92	2	89	61.2	0.7	93	69.5	0.7	84	67.9	0.8	85	74.4	0.9	85	80.6	0.9	-3.0%	20.9%
13 – 16	57	8	49	48.7	1.0	53	54.3	1.0	54	59.2	1.1	55	64.6	1.2	55	69.3	1.3	1.2%	13.1%
Other	28	26	30	5.5	0.2	26	5.5	0.2	2	4.6	2.3	2	4.9	2.4	2	5.2	2.6	-57.5%	1.9%
Programme	481	65	468	214.4	0.5	475	238.3	0.5	393	232.5	0.6	396	253.5	0.6	393	272.9	0.7	-6.1%	100.0%
Programme 1	194	29	192	95.0	0.5	193	102.5	0.5	153	94.1	0.6	149	98.5	0.7	149	106.2	0.7	-8.3%	38.9%
Programme 2	62	10	57	27.8	0.5	58	32.9	0.6	48	34.1	0.7	49	37.8	0.8	49	40.8	0.8	-5.5%	12.3%
Programme 3	95	14	94	43.4	0.5	95	48.8	0.5	78	49.0	0.6	81	55.5	0.7	81	59.9	0.7	-5.2%	20.2%
Programme 4	130	12	125	48.1	0.4	129	54.1	0.4	114	55.3	0.5	117	61.7	0.5	114	66.0	0.6	-4.0%	28.6%

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

2. Rand million.

Departmental receipts

Table 37.7 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
R thousand												
Departmental receipts	544	3 301	2 970	2 342	2 342	62.7%	100.0%	1 940	2 095	2 238	-1.5%	100.0%
Sales of goods and services produced by department	247	263	318	305	305	7.3%	12.4%	360	401	429	12.0%	17.4%
Sales by market establishments of which:	16	15	15	20	20	7.7%	0.7%	15	17	19	-1.7%	0.8%
Rental parking: Covered and open	16	15	15	20	20	7.7%	0.7%	15	17	19	-1.7%	0.8%
Administrative fees of which:	4	5	5	6	6	14.5%	0.2%	6	10	10	18.6%	0.4%
Promotion of Access to Information Act (2005)	4	5	3	5	5	7.7%	0.2%	4	7	8	17.0%	0.3%
Duplicate certificates	-	-	2	1	1	-	-	2	3	2	26.0%	0.1%
Other sales of which:	227	243	298	279	279	7.1%	11.4%	339	374	400	12.8%	16.2%
Coat of arms	106	108	151	150	150	12.3%	5.6%	200	220	240	17.0%	9.4%
Photocopy and faxes	42	50	62	42	42	-	2.1%	50	60	70	18.6%	2.6%
Commission on insurance and gamishee	77	78	80	80	80	1.3%	3.4%	82	85	78	-0.8%	3.8%
Departmental production	1	2	-	2	2	26.0%	0.1%	-	-	-	-100.0%	-
Transportation fees	1	5	5	5	5	71.0%	0.2%	7	9	12	33.9%	0.4%
Sales of scrap, waste, arms and other used current goods	-	-	4	-	-	-	-	3	5	7	-	0.2%
of which:												
Waste paper	-	-	3	-	-	-	-	1	2	3	-	0.1%
Replacement of access cards	-	-	1	-	-	-	-	2	3	4	-	0.1%
Fines, penalties and forfeits	1	4	-	-	-	-100.0%	0.1%	-	-	-	-	-
Interest, dividends and rent on land	17	12	8	11	11	-13.5%	0.5%	7	9	12	2.9%	0.5%
Interest	17	12	8	11	11	-13.5%	0.5%	7	9	12	2.9%	0.5%
Sales of capital assets	-	25	125	-	-	-	1.6%	-	-	-	-	-
Transactions in financial assets and liabilities	279	2 997	2 515	2 026	2 026	93.6%	85.4%	1 570	1 680	1 790	-4.0%	82.0%
Total	544	3 301	2 970	2 342	2 342	62.7%	100.0%	1 940	2 095	2 238	-1.5%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 37.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Ministry	3.8	4.2	4.2	4.3	4.2%	1.6%	4.6	4.9	5.2	5.9%	1.7%
Management	68.9	53.6	61.0	50.5	-9.8%	23.1%	46.9	46.8	48.3	-1.5%	17.0%
Corporate Services	74.6	87.9	85.1	95.4	8.5%	33.8%	82.0	88.1	94.9	-0.2%	31.8%
Office of the CFO	21.6	27.5	30.8	29.2	10.6%	10.8%	27.2	29.2	32.4	3.5%	10.4%
Office Accommodation	73.6	79.9	72.8	85.4	5.1%	30.7%	105.8	122.3	129.1	14.7%	39.1%
Total	242.7	253.2	253.9	264.9	3.0%	100.0%	266.5	291.3	309.8	5.3%	100.0%
Change to 2016				(16.2)			(35.2)	(43.6)	(46.1)		
Budget estimate											
Economic classification											
Current payments	171.6	176.7	246.6	253.4	13.9%	83.6%	258.8	283.2	301.1	5.9%	96.8%
Compensation of employees	80.5	89.5	95.0	102.8	8.5%	36.2%	94.1	98.5	106.2	1.1%	35.4%
Goods and services ¹	91.1	87.2	151.4	150.6	18.2%	47.3%	164.7	184.7	195.0	9.0%	61.4%
of which:											
Audit costs: External	4.8	8.1	9.8	6.9	13.2%	2.9%	7.7	8.2	8.7	7.7%	2.8%
Communication	5.1	5.0	5.0	4.1	-7.1%	1.9%	4.9	5.2	5.5	10.7%	1.7%
Computer services	4.7	8.4	11.1	14.5	45.9%	3.8%	6.5	6.9	7.3	-20.6%	3.1%
Operating leases	9.6	14.6	65.8	66.5	90.8%	15.4%	88.3	103.9	109.6	18.2%	32.5%
Property payments	5.8	11.3	18.0	18.0	45.9%	5.2%	26.9	28.5	30.1	18.6%	9.1%
Travel and subsistence	27.5	16.9	23.7	15.3	-17.8%	8.2%	9.9	10.4	11.0	-10.3%	4.1%
Interest and rent on land	-	0.1	0.1	-	-	-	-	-	-	-	-
Transfers and subsidies¹	62.8	67.6	1.1	-	-100.0%	12.9%	-	-	-	-	-
Departmental agencies and accounts	62.5	64.4	0.0	-	-100.0%	12.5%	-	-	-	-	-
Households	0.3	3.1	1.1	-	-100.0%	0.4%	-	-	-	-	-
Payments for capital assets	8.3	8.6	6.0	11.6	11.8%	3.4%	7.7	8.2	8.6	-9.4%	3.2%
Machinery and equipment	7.0	4.9	2.5	10.3	13.9%	2.4%	7.7	8.2	8.6	-5.7%	3.1%
Software and other intangible assets	1.3	3.6	3.6	1.3	-0.6%	1.0%	-	-	-	-100.0%	0.1%
Payments for financial assets	0.0	0.3	0.3	-	-100.0%	0.1%	-	-	-	-	-
Total	242.7	253.2	253.9	264.9	3.0%	100.0%	266.5	291.3	309.8	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	8.6%	7.2%	6.7%	6.5%	-	-	6.0%	6.5%	6.5%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	62.4	63.8	-	-	-100.0%	12.4%	-	-	-	-	-
Office accommodation	62.4	63.8	-	-	-100.0%	12.4%	-	-	-	-	-

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

Programme 2: Institutional Governance

Programme purpose

Coordinate and manage all cross-cutting functions of the department and its public entities. Provide support and oversight to these public entities.

Objectives

- Develop a coherent policy and legislative environment for the arts, culture and heritage sector to ensure that the sector achieves its developmental objectives by:
 - hosting a joint sector-wide strategic planning session annually
 - signing annual shareholder compacts with all the department's public entities

- hosting 12 governance forums between the department and its public entities annually.
- Lead, coordinate and implement social cohesion and nation building programmes together with stakeholders and society through:
 - recruiting 300 youth volunteers as Young Patriots in 2017/18
 - supporting 20 public platforms advocating social cohesion per year
 - hosting 33 community conversations annually.
- Build relationships and partnerships locally and internationally through the development of a positive image of South Africa's rich arts, culture and heritage infrastructure sector by:
 - supporting 12 international programmes over the medium term
 - supporting 4 projects based in Africa annually.
- Develop, preserve, protect and promote heritage through the coordination and management of arts, culture and heritage infrastructure by supporting 12 arts, culture and heritage infrastructure projects by March 2018.

Subprogrammes

- *International Cooperation* assists in building continental and international relations for the promotion and development of South African arts, culture and heritage.
- *Social Cohesion and Nation Building* is responsible for the implementation of the national social cohesion strategy and the mainstreaming of arts, culture and heritage in targeted groups, which includes implementing arts and culture in schools. It is also responsible for the coordination of outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework.
- *Coordination, Monitoring, Evaluation and Good Governance* provides sector-wide planning, monitoring and evaluation, and coordinates the institutional development and governance of arts and culture public entities.
- *Capital Works* funds and administers capital allocations for the construction and maintenance of heritage infrastructure, new commemorative structures under national legacy projects, and grants for maintenance and other capital projects annually.

Expenditure trends and estimates

Table 37.9 Institutional Governance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
International Cooperation	37.4	33.5	31.3	35.7	-1.5%	12.2%	37.3	40.8	43.1	6.5%	9.8%
Social Cohesion and Nation Building											
Building	35.3	38.7	33.4	45.7	9.0%	13.5%	62.3	53.5	56.7	7.4%	13.6%
Coordination, Monitoring, Evaluation and Good Governance	9.7	9.4	13.9	20.3	28.1%	4.7%	38.1	33.2	31.0	15.1%	7.6%
Capital Works	213.9	201.6	153.2	219.7	0.9%	69.6%	248.3	353.7	284.5	9.0%	69.0%
Total	296.2	283.2	231.7	321.5	2.8%	100.0%	386.0	481.1	415.3	8.9%	100.0%
Change to 2016 Budget estimate				(42.9)			(55.9)	(41.9)	(137.8)		
Economic classification											
Current payments	65.1	63.6	84.1	78.7	6.5%	25.7%	93.4	93.4	94.9	6.4%	22.5%
Compensation of employees	23.5	26.7	27.8	32.1	10.9%	9.7%	34.1	37.8	40.8	8.3%	9.0%
Goods and services ¹	41.6	36.9	56.3	46.6	3.9%	16.0%	59.3	55.6	54.1	5.1%	13.4%
of which:											
Catering: Departmental activities	0.9	0.6	0.9	1.2	9.5%	0.3%	1.6	1.7	1.9	14.8%	0.4%
Communication	1.4	1.6	1.4	1.4	-0.3%	0.5%	1.7	1.9	2.0	13.3%	0.4%
Contractors	9.7	10.3	6.4	9.6	-0.6%	3.2%	23.3	10.2	11.0	4.9%	3.4%
Agency and support/outsourced services	10.7	8.2	5.7	7.5	-10.9%	2.8%	7.0	9.3	10.5	11.5%	2.1%
Property payments	-	-	21.1	-	-	1.9%	-	5.0	-	-	0.3%
Travel and subsistence	13.3	10.0	11.6	18.9	12.3%	4.7%	19.4	20.5	21.3	4.1%	5.0%

Table 37.9 Institutional Governance expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	223.0	79.8	43.0	50.3	-39.1%	35.0%	57.0	153.2	36.0	-10.6%	18.5%
Departmental agencies and accounts	151.6	43.1	-	0.2	-89.0%	17.2%	12.0	-	-	-100.0%	0.8%
Foreign governments and international organisations	1.9	2.0	2.3	2.4	7.9%	0.8%	2.7	2.9	3.0	8.0%	0.7%
Public corporations and private enterprises	54.1	1.5	0.1	-	-100.0%	4.9%	12.0	117.4	-	-	8.1%
Non-profit institutions	-	27.6	35.2	38.3	-	8.9%	20.5	22.6	22.0	-16.9%	6.4%
Households	15.4	5.7	5.5	9.4	-15.0%	3.2%	9.8	10.4	11.0	5.1%	2.5%
Payments for capital assets	8.2	139.8	104.5	192.5	186.8%	39.3%	235.6	234.5	284.5	13.9%	59.0%
Buildings and other fixed structures	8.2	137.8	104.2	186.9	184.0%	38.6%	221.6	223.2	281.5	14.6%	56.9%
Machinery and equipment	-	2.0	0.0	-	-	0.2%	-	-	-	-	-
Heritage assets	-	-	0.3	2.0	-	0.2%	9.0	-	-	-100.0%	0.7%
Software and other intangible assets	-	-	-	3.6	-	0.3%	5.0	11.3	3.0	-5.9%	1.4%
Payments for financial assets	-	0.0	0.1	-	-	-	-	-	-	-	-
Total	296.2	283.2	231.7	321.5	2.8%	100.0%	386.0	481.1	415.3	8.9%	100.0%
Proportion of total programme expenditure to vote expenditure	10.6%	8.1%	6.2%	7.9%	-	-	8.7%	10.7%	8.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	-	-	-	-	12.0	-	-	-	0.7%
National Youth Development Agency	-	-	-	-	-	-	12.0	-	-	-	0.7%
Capital	151.6	43.1	-	-	-100.0%	17.2%	-	-	-	-	-
Heritage legacy projects	151.6	43.1	-	-	-100.0%	17.2%	-	-	-	-	-
Foreign governments and international organisations											
Current	1.9	2.0	2.3	2.4	7.9%	0.8%	2.7	2.9	3.0	8.0%	0.7%
Commonwealth Foundation	1.9	2.0	2.3	2.4	7.9%	0.8%	2.7	2.9	3.0	8.0%	0.7%
Non-profit institutions											
Current	-	12.4	14.6	15.4	-	3.8%	19.8	20.8	22.0	12.5%	4.9%
Various institutions	-	9.4	9.9	10.2	-	2.6%	13.9	14.8	15.8	15.7%	3.4%
Gwala-Ngamasiko Cultural Festival	-	1.0	2.0	1.7	-	0.4%	2.4	2.5	2.6	15.8%	0.6%
!Kauru African contemporary art touring exhibition	-	2.0	-	-	-	0.2%	-	-	-	-	-
Voortrekker Monument	-	-	1.3	-	-	0.1%	-	-	-	-	-
Moral Regeneration Movement	-	-	1.5	3.5	-	0.4%	3.5	3.5	3.5	-	0.9%
Capital	-	15.2	18.6	22.8	-	5.0%	0.7	1.8	-	-100.0%	1.6%
Adams College	-	4.6	-	3.6	-	0.7%	0.5	-	-	-100.0%	0.3%
Voortrekker Monument	-	-	-	0.1	-	-	0.3	1.8	-	-100.0%	0.1%
Liliesleaf Farm	-	10.6	0.5	-	-	1.0%	-	-	-	-	-
Valoyi Traditional Authority Trust	-	-	3.1	-	-	0.3%	-	-	-	-	-
National Heritage Company	-	-	15.0	16.1	-	2.7%	-	-	-	-100.0%	1.0%
The Sankofa Arts Charitable Trust	-	-	-	3.0	-	0.3%	-	-	-	-100.0%	0.2%
Households											
Other transfers to households											
Current	15.4	5.7	5.2	9.3	-15.3%	3.1%	9.8	10.4	11.0	5.5%	2.5%
Arts and youth development	15.4	5.7	5.2	9.3	-15.3%	3.1%	9.8	10.4	11.0	5.5%	2.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	-	-	-	-	-	-	12.0	17.4	-	-	1.8%
National Heritage Monument	-	-	-	-	-	-	12.0	17.4	-	-	1.8%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Capital	54.1	-	-	-	-100.0%	4.8%	-	100.0	-	-	6.2%
Heritage legacy projects	54.1	-	-	-	-100.0%	4.8%	-	-	-	-	-
National Heroes Acre	-	-	-	-	-	-	-	100.0	-	-	6.2%

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

Programme 3: Arts and Culture Promotion and Development

Programme purpose

Promote and develop arts, culture and languages.

Objectives

- Develop, protect and promote the cultural and creative sector through interventions and initiatives that stimulate local content creation and attract large audiences by:
 - supporting 20 flagship cultural events, such as the Cape Town International Jazz Festival, National Arts Festival and Macufe Mangaung African Cultural Festival by March 2018
 - implementing 20 public art development programmes per year.
- Lead, coordinate and implement social cohesion programmes aimed at creating an integrated and inclusive society that contributes to economic growth by:
 - providing support to 200 community arts programmes or projects annually
 - supporting the refurbishment of 15 community arts centres annually
 - placing 340 artists in schools by March 2018.
- Build human resource capacity and promote excellence in the sector by:
 - providing 320 bursaries towards the development of qualified language practitioners by March 2018
 - providing support to 14 incubators annually.
- Build relationships and partnerships locally and internationally to develop, preserve and promote arts and culture by:
 - supporting 40 key touring venture programmes per year
 - financially supporting 22 market access platforms over the medium term.
- Promote South African languages through the provision of access to information by translating and/or editing 100 per cent of documents, such as letters, pamphlets and posters received and accepted per year.

Subprogrammes

- *National Language Services* promotes the use and equal status of all official languages. This entails the development of language terminologies and human language technology, translation and publishing services in all official languages and the awarding of bursaries.
- *Pan South African Language Board* transfers funds to the Pan South African Language Board, which creates an environment that is conducive to developing, using and promoting all official languages, as well as the Khoi, Nama and San languages and South African sign language.
- *Cultural and Creative Industries Development* implements the majority of projects for the Mzansi golden economy strategy and supports the creative industries by developing strategies, implementing sector development programmes, supporting projects and providing training.
- *Performing Arts Institutions* transfers funds to performing arts institutions, which provide a platform for the artistic and cultural expression of artists and those interested in performing arts.
- *National Film and Video Foundation* transfers funds to the National Film and Video Foundation in support of skills, local content, and local marketing development in South Africa's film and video industry.
- *National Arts Council* transfers funds to the National Arts Council, which develops and financially supports various disciplines of arts and culture, in accordance with the National Arts Council Act (1997).
- *Capital Works of Performing Arts Institutions* funds and administers capital grants to playhouses for maintenance and other capital projects.

Expenditure trends and estimates

Table 37.10 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
National Language Services	38.9	43.5	43.0	49.9	8.7%	4.5%	50.9	54.1	57.8	5.0%	4.5%
Pan South African Language Board	95.7	83.5	90.9	93.5	-0.8%	9.3%	108.6	116.4	125.2	10.2%	9.5%
Cultural and Creative Industries Development	267.3	340.7	338.2	353.1	9.7%	33.1%	368.6	388.3	410.5	5.2%	32.5%
Performing Arts Institutions	293.7	286.8	263.2	316.5	2.5%	29.6%	344.0	323.5	368.9	5.2%	28.9%
National Film and Video Foundation	105.2	147.6	116.7	122.9	5.3%	12.5%	129.1	136.5	144.2	5.5%	11.4%
National Arts Council	87.6	91.9	97.6	101.2	4.9%	9.6%	106.2	112.4	118.7	5.5%	9.4%
Capital Works of Performing Arts Institutions	-	1.0	23.5	31.1	-	1.4%	46.9	72.3	26.6	-5.1%	3.8%
Total	888.4	995.0	973.0	1 068.3	6.3%	100.0%	1 154.3	1 203.5	1 251.9	5.4%	100.0%
Change to 2016 Budget estimate				(26.4)			13.8	12.7	(6.5)		
Economic classification											
Current payments	141.6	144.0	140.3	130.0	-2.8%	14.2%	143.3	135.6	143.4	3.3%	11.8%
Compensation of employees	39.6	41.4	43.4	48.7	7.2%	4.4%	49.0	55.5	59.9	7.1%	4.6%
Goods and services ¹	102.0	102.6	96.9	81.3	-7.3%	9.8%	94.3	80.1	83.5	0.9%	7.3%
<i>of which:</i>											
Advertising	0.4	11.7	1.9	1.4	59.1%	0.4%	7.7	7.8	8.0	77.5%	0.5%
Consultants: Business and advisory services	2.6	2.9	10.4	9.5	55.0%	0.6%	19.8	15.9	16.2	19.5%	1.3%
Science and technological services	0.2	2.2	1.8	6.2	232.6%	0.3%	7.3	4.6	3.9	-14.2%	0.5%
Contractors	9.0	41.9	57.3	33.0	54.0%	3.6%	26.5	24.0	26.2	-7.4%	2.3%
Agency and support/outourced services	70.9	29.2	6.0	4.5	-60.1%	2.8%	13.4	7.8	8.3	22.7%	0.7%
Travel and subsistence	15.2	9.2	12.2	17.5	4.8%	1.4%	13.4	13.4	13.9	-7.5%	1.2%
Transfers and subsidies¹	737.7	850.9	832.6	938.3	8.3%	85.6%	1 011.0	1 067.8	1 108.5	5.7%	88.2%
Provinces and municipalities	11.5	3.5	-	-	-100.0%	0.4%	-	-	-	-	-
Departmental agencies and accounts	576.4	620.5	575.2	669.9	5.1%	62.2%	753.2	779.5	850.9	8.3%	65.3%
Higher education institutions	-	0.6	0.1	-	-	-	-	2.5	3.5	-	0.1%
Public corporations and private enterprises	-	67.8	108.0	104.3	-	7.1%	106.4	139.0	100.6	-1.2%	9.6%
Non-profit institutions	95.6	146.9	135.6	153.8	17.2%	13.6%	137.1	135.4	141.7	-2.7%	12.1%
Households	54.3	11.7	13.7	10.3	-42.5%	2.3%	14.3	11.5	11.8	4.7%	1.0%
Payments for capital assets	9.1	0.1	0.1	-	-100.0%	0.2%	-	-	-	-	-
Buildings and other fixed structures	-	0.1	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	0.1	-	-	-	-	-	-	-	-
Software and other intangible assets	9.1	-	-	-	-100.0%	0.2%	-	-	-	-	-
Total	888.4	995.0	973.0	1 068.3	6.3%	100.0%	1 154.3	1 203.5	1 251.9	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	31.7%	28.5%	25.9%	26.3%	-	-	25.9%	26.8%	26.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	492.0	556.0	575.2	594.5	6.5%	56.5%	655.5	713.1	759.3	8.5%	58.2%
Pan South African Language Board	95.7	83.5	90.9	93.5	-0.8%	9.3%	108.6	116.4	125.2	10.2%	9.5%
Artscape	47.8	50.8	53.1	55.9	5.3%	5.3%	58.7	62.1	65.6	5.5%	5.2%
The Market Theatre	26.2	27.8	39.1	42.4	17.4%	3.5%	44.5	47.1	49.8	5.5%	3.9%
National Arts Council	87.6	91.9	97.6	101.2	4.9%	9.6%	106.2	112.4	118.7	5.5%	9.4%
Performing Arts Centre of the Free State	35.5	37.7	39.4	41.5	5.4%	3.9%	47.6	46.1	48.7	5.5%	3.9%
The Playhouse Company	40.6	43.1	48.6	41.2	0.5%	4.4%	49.8	52.7	55.7	10.6%	4.3%
The South African State Theatre	42.4	45.0	47.1	49.6	5.4%	4.7%	52.1	55.1	58.2	5.5%	4.6%
Windybrow Theatre	10.1	10.7	28.2	-	-100.0%	1.2%	-	-	-	-	-
National Film and Video Foundation	105.2	147.6	116.7	122.9	5.3%	12.5%	129.1	136.5	144.2	5.5%	11.4%
Mzansi golden economy: Art bank resources	-	3.0	-	3.0	-	0.2%	6.0	7.5	10.0	49.4%	0.6%
Mzansi golden economy: Public art	1.0	0.5	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Mzansi golden economy (cultural events)	-	5.5	3.9	4.5	-	0.4%	13.5	15.5	18.3	59.5%	1.1%
Various institutions: Mzansi golden economy (touring ventures)	-	3.7	-	-	-	0.1%	-	-	-	-	-
Various institutions: Mzansi golden economy (artists in schools)	-	1.0	0.9	1.3	-	0.1%	1.3	2.6	2.7	28.3%	0.2%

Table 37.10 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Various institutions: Mzansi golden economy: (export market development and promotion)	-	-	-	7.0	-	0.2%	-	-	-	-100.0%	0.1%
Various institutions: Mzansi golden economy (entrepreneur and local content development)	-	-	9.7	20.0	-	0.8%	30.0	50.0	52.8	38.2%	3.3%
Performing arts institutions: Mzansi golden economy (incubators entrepreneur and local content development)	-	-	-	10.5	-	0.3%	8.0	9.0	9.5	-3.3%	0.8%
Human languages technologies projects	-	4.3	-	-	-	0.1%	-	-	-	-	-
Capital	84.3	64.5	-	75.4	-3.6%	5.7%	97.8	66.4	91.6	6.7%	7.1%
Artscape: Capital works projects	45.7	-	-	14.8	-31.4%	1.5%	30.0	15.0	1.0	-59.2%	1.3%
The South African State Theatre: Capital works projects	9.8	20.1	-	7.3	-9.3%	0.9%	5.0	4.0	41.1	77.8%	1.2%
The Playhouse Company: Capital works projects	2.0	24.4	-	10.8	75.2%	0.9%	4.8	1.9	18.5	19.8%	0.8%
Performing Arts Centre of the Free State: Capital works projects	4.4	5.0	-	30.0	90.2%	1.0%	21.0	10.5	1.0	-67.8%	1.3%
The Market Theatre: Capital works projects	22.5	15.0	-	12.0	-18.9%	1.3%	22.0	20.0	20.0	18.6%	1.6%
National Film and Video Foundation: Capital works projects	-	-	-	-	-	-	15.0	15.0	10.0	-	0.9%
Provincial departmental agencies	-	-	-	0.6	-	-	-	-	-	-100.0%	-
Non-profit institutions	95.6	146.9	121.0	129.8	10.7%	12.6%	135.1	135.4	141.7	3.0%	11.6%
Current											
Business and Arts South Africa	6.9	7.3	7.6	11.1	17.0%	0.8%	8.5	8.9	9.4	-5.1%	0.8%
Mzansi golden economy: Public art	6.5	7.0	1.8	3.0	-22.8%	0.5%	3.0	4.0	3.0	-	0.3%
Various institutions: Mzansi golden economy (cultural events)	81.5	98.4	82.7	64.0	-7.7%	8.3%	53.2	52.4	52.6	-6.3%	4.8%
Various institutions: Mzansi golden economy (touring ventures)	0.6	10.1	11.3	13.5	176.3%	0.9%	11.0	11.0	13.0	-1.2%	1.0%
Various institutions: Mzansi golden economy (National Cultural Industries Skills Academy)	-	-	-	10.1	-	0.3%	16.6	17.3	18.3	22.0%	1.3%
Various institutions: Mzansi golden economy (artists in schools)	-	4.0	9.4	9.4	-	0.6%	12.4	12.8	13.5	12.9%	1.0%
Various institutions: Mzansi golden economy (community arts development)	-	-	-	-	-	-	9.4	8.5	10.3	-	0.6%
Various institutions: Mzansi golden economy (export market development and promotion)	-	-	-	2.8	-	0.1%	4.0	2.5	2.6	-1.9%	0.3%
Various institutions: Mzansi golden economy (entrepreneur and local content development)	-	-	-	1.0	-	-	1.0	1.0	1.1	1.8%	0.1%
Arts and culture industries: Local market development and promotion	-	15.2	8.2	6.9	-	0.8%	9.0	10.0	10.6	15.0%	0.8%
Arts and culture industries: Community arts development	-	3.7	-	8.0	-	0.3%	7.1	7.0	7.4	-2.8%	0.6%
Human languages technologies projects	-	1.2	-	-	-	-	-	-	-	-	-
Capital	-	-	14.6	23.9	-	1.0%	2.0	-	-	-100.0%	0.6%
Capital works projects	-	-	14.6	-	-	0.4%	-	-	-	-	-
Northern Cape Theatre	-	-	-	2.0	-	0.1%	-	-	-	-100.0%	-
Non-profit organisations	-	-	-	21.9	-	0.6%	-	-	-	-100.0%	0.5%
Caiphus Katse Semenya Foundation: Incubator	-	-	-	-	-	-	2.0	-	-	-	-
Households											
Other transfers to households											
Current	54.3	11.6	13.5	10.3	-42.5%	2.3%	14.3	11.5	11.8	4.7%	1.0%
Visual and performing arts projects	24.8	-	-	-	-100.0%	0.6%	-	-	-	-	-
Cultural industries	9.2	-	-	-	-100.0%	0.2%	-	-	-	-	-
2014 African Nations Championship	7.0	-	-	-	-100.0%	0.2%	-	-	-	-	-
Mzansi golden economy: Public art	0.8	0.8	0.2	0.5	-15.5%	0.1%	0.5	0.5	0.5	1.8%	-
Various institutions: Mzansi golden economy (cultural events)	-	0.7	2.2	1.0	-	0.1%	1.5	1.5	1.6	16.6%	0.1%
Various institutions: Mzansi golden economy (touring ventures)	-	1.2	1.4	2.0	-	0.1%	4.5	2.0	2.1	1.8%	0.2%
Various institutions: Mzansi golden economy (export market development and promotion)	-	-	-	-	-	-	1.5	1.5	1.6	-	0.1%
Arts and culture industries: Local market development and promotion	-	1.1	0.9	0.8	-	0.1%	-	-	-	-100.0%	-
Language development projects	12.5	7.8	8.9	6.0	-21.7%	0.9%	6.3	6.0	6.0	-	0.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	-	-	-	-	-	-	-	20.0	-	-	0.4%
Polokwane Performing Arts Centre: Incubator	-	-	-	-	-	-	-	20.0	-	-	0.4%
Higher education institutions											
Current	-	-	-	-	-	-	-	2.5	3.5	-	0.1%
Human languages technologies projects	-	-	-	-	-	-	-	2.5	3.5	-	0.1%

Table 37.10 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Provinces and municipalities											
Provinces											
Provincial agencies and funds											
Current	11.5	3.5	-	-	-100.0%	0.4%	-	-	-	-	-
Various institutions: Mzansi golden economy (cultural events)	11.5	3.5	-	-	-100.0%	0.4%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	64.9	97.7	96.5	-	6.6%	75.0	79.7	82.0	-5.3%	7.1%
Mzansi golden economy: Public art	-	1.1	1.2	1.0	-	0.1%	1.0	1.0	1.1	1.8%	0.1%
Various institutions: Mzansi golden economy (cultural events)	-	47.9	73.6	74.0	-	5.0%	40.0	41.0	40.6	-18.2%	4.2%
Various institutions: Mzansi golden economy (touring ventures)	-	9.4	5.5	6.0	-	0.5%	7.5	8.0	8.4	12.1%	0.6%
Various institutions: Mzansi golden economy (National Cultural Industries Skills Academy)	-	-	-	-	-	-	9.0	10.0	10.6	-	0.6%
Various institutions: Mzansi golden economy (artists in schools)	-	2.2	1.8	1.3	-	0.1%	1.3	2.6	2.7	28.3%	0.2%
Various institutions: Mzansi golden economy (export market development and promotion)	-	-	-	2.8	-	0.1%	4.0	3.0	3.2	4.2%	0.3%
Various institutions: Mzansi golden economy (entrepreneur and local content development)	-	-	9.0	5.0	-	0.4%	3.0	3.0	3.2	-14.1%	0.3%
Arts and culture industries: Local market development and promotion	-	4.3	3.5	5.2	-	0.3%	9.0	10.0	10.6	26.6%	0.7%
Human languages technologies projects	-	-	-	-	-	-	-	1.1	1.7	-	0.1%
Council for Scientific and Industrial Research	-	-	3.0	1.1	-	0.1%	0.2	-	-	-100.0%	-
Capital	-	1.0	8.9	6.5	-	0.4%	29.9	37.3	16.6	36.4%	1.9%
Capital works projects	-	1.0	8.9	6.5	-	0.4%	27.9	37.3	16.6	36.4%	1.9%
Afrivibe Entertainment - Incubator	-	-	-	-	-	-	2.0	-	-	-	-

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

Programme 4: Heritage Promotion and Preservation

Programme purpose

Preserve and promote South African heritage, including archival and heraldic heritage. Oversee and transfer funds to libraries.

Objectives

- Develop, preserve, protect and promote heritage through the construction and management of heritage infrastructure by:
 - supporting four heritage infrastructure projects annually
 - undertaking a feasibility study on the Liberation Movement Museum by 2017/18.
- Lead, coordinate and implement social cohesion programmes to unite people through the creation of visual, verbal or iconic representations of national values and goals or history by:
 - providing 6 430 national symbol toolkits to schools by March 2018
 - distributing 500 South African flags by March 2018.
- Build human resources capacity and promote excellence in the sector to promote indigenous heritage and languages by providing 65 heritage bursaries annually.
- Provide access to information and promote a culture of reading and writing across society by:
 - distributing 420 000 items of library material in 2017/18
 - providing 26 new and/or modular community libraries by March 2018
 - maintaining and upgrading 40 existing community libraries by March 2018.

Subprogrammes

- *Heritage Promotion* supports a range of heritage initiatives and projects, such as Heritage Month; the repatriation of South African culture and heritage objects; and the Bureau of Heraldry, which registers symbols, popularises national symbols through public awareness campaigns and coordinates the national orders awards ceremony.
- *National Archive Services* acquires, preserves, manages, and makes accessible public and non-public records with enduring value.
- *Heritage Institutions* funds and determines policy for declared cultural institutions and heritage bodies by ensuring that funds to the institutions are used to preserve, research, protect, and promote heritage.
- *National Library Services* funds libraries and institutions such as the National Library of South Africa, the South African Library for the Blind and Blind South Africa; and develops related policy.
- *Public Library Services* transfers funds to provincial departments for conditional allocations to community library services for upgrades and construction, hiring personnel and purchasing library materials.
- *South African Heritage Resources Agency* transfers funds to the South African Heritage Resources Agency, whose key strategic objectives are to develop and implement norms and standards for managing heritage resources.
- *South African Geographical Names Council* transfers funds to the South African Geographical Names Council, which is an advisory body that facilitates name changes by consulting with communities to advise the Minister of Arts and Culture.
- *National Heritage Council* transfers funds to the National Heritage Council, whose mandate involves enhancing knowledge production on heritage and ensuring the promotion and awareness of heritage.

Expenditure trends and estimates

Table 37.11 Heritage Promotion and Preservation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
R million											
Heritage Promotion	75.5	117.9	86.1	93.1	7.3%	4.6%	89.2	93.6	98.5	1.9%	3.6%
National Archive Services	45.4	40.4	39.4	43.0	-1.8%	2.1%	44.8	49.2	52.7	7.1%	1.8%
Heritage Institutions	464.0	559.5	622.3	610.9	9.6%	28.0%	750.8	572.7	706.4	5.0%	25.5%
National Library Services	91.9	103.6	122.2	132.8	13.1%	5.6%	181.7	142.1	139.1	1.6%	5.8%
Public Library Services	600.3	1 036.9	1 299.1	1 382.7	32.1%	53.6%	1 447.2	1 527.5	1 610.7	5.2%	57.7%
South African Heritage Resources Agency	43.7	46.4	73.6	58.3	10.1%	2.8%	59.9	57.0	90.2	15.7%	2.6%
South African Geographical Names Council	4.9	2.4	2.5	4.4	-3.0%	0.2%	4.9	5.2	5.5	7.3%	0.2%
National Heritage Council	53.6	55.9	58.5	82.7	15.6%	3.1%	64.7	68.4	72.2	-4.4%	2.8%
Total	1 379.2	1 962.9	2 303.7	2 407.9	20.4%	100.0%	2 643.1	2 515.7	2 775.3	4.8%	100.0%
Change to 2016 Budget estimate				77.3			34.4	21.5	140.3		
Economic classification											
Current payments	118.7	154.1	119.6	126.8	2.2%	6.4%	136.0	144.9	153.5	6.6%	5.4%
Compensation of employees	47.2	48.7	48.1	54.7	5.0%	2.5%	55.3	61.7	66.0	6.4%	2.3%
Goods and services ¹	71.5	105.3	71.5	72.1	0.3%	4.0%	80.6	83.2	87.5	6.7%	3.1%
of which:											
Advertising	2.7	1.7	3.2	1.5	-17.4%	0.1%	2.9	3.1	3.3	29.3%	0.1%
Computer services	-	4.2	-	-	-	0.1%	4.6	4.9	5.2	-	0.1%
Consultants: Business and advisory services	0.9	0.9	0.5	4.8	72.5%	0.1%	5.5	5.6	6.0	7.5%	0.2%
Contractors	21.6	25.7	23.4	35.3	17.9%	1.3%	32.2	32.2	33.6	-1.6%	1.3%
Consumable supplies	8.2	0.5	0.4	0.4	-62.8%	0.1%	6.5	6.7	7.0	155.0%	0.2%
Travel and subsistence	17.9	10.8	16.1	16.0	-3.7%	0.8%	16.0	17.0	17.9	3.8%	0.6%
Transfers and subsidies¹	1 258.3	1 808.7	2 181.5	2 277.6	21.9%	93.4%	2 507.1	2 370.8	2 621.8	4.8%	94.5%
Provinces and municipalities	594.8	1 016.2	1 274.3	1 357.1	31.6%	52.7%	1 420.0	1 498.6	1 580.2	5.2%	56.6%
Departmental agencies and accounts	646.5	768.7	884.6	899.7	11.6%	39.7%	1 066.3	850.1	1 018.3	4.2%	37.1%
Foreign governments and international organisations	1.0	1.1	1.7	1.8	21.6%	0.1%	1.9	1.9	2.0	4.0%	0.1%
Non-profit institutions	6.7	18.6	15.5	13.6	26.7%	0.7%	13.4	14.2	15.0	3.4%	0.5%
Households	9.3	4.1	5.4	5.3	-17.0%	0.3%	5.6	5.9	6.3	5.5%	0.2%

Table 37.11 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Payments for capital assets	2.2	-	2.4	3.5	17.0%	0.1%	-	-	-	-100.0%	-
Software and other intangible assets	2.2	-	2.4	3.5	17.0%	0.1%	-	-	-	-100.0%	-
Payments for financial assets	0.0	0.1	0.2	-	-100.0%	-	-	-	-	-	-
Total	1 379.2	1 962.9	2 303.7	2 407.9	20.4%	100.0%	2 643.1	2 515.7	2 775.3	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	49.1%	56.2%	61.2%	59.3%	-	-	59.4%	56.0%	58.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	553.8	599.9	699.5	709.1	8.6%	31.8%	932.8	779.5	823.2	5.1%	31.4%
National Youth Development Agency	-	-	-	6.2	-	0.1%	-	-	-	-100.0%	0.1%
Die Afrikaanse Taalmuseum en Monument	5.0	5.3	6.5	7.4	14.3%	0.3%	8.7	8.2	8.6	5.1%	0.3%
Freedom Park: Pretoria	66.4	70.5	71.2	65.5	-0.4%	3.4%	96.6	86.4	91.2	11.6%	3.3%
Iziko Museums: Cape Town	61.5	65.3	80.8	78.8	8.6%	3.6%	95.6	86.4	91.2	5.0%	3.4%
Luthuli Museum: Stanger	7.5	8.9	9.5	10.0	10.3%	0.4%	14.1	13.9	14.6	13.5%	0.5%
KwaZulu-Natal Museum: Pietermaritzburg	16.4	17.4	21.7	23.2	12.3%	1.0%	36.7	34.0	36.0	15.8%	1.3%
National Heritage Council	53.6	55.9	58.5	61.6	4.7%	2.9%	64.7	68.4	72.2	5.5%	2.6%
National Museum: Bloemfontein	38.4	41.1	47.6	49.1	8.5%	2.2%	100.4	53.3	56.3	4.7%	2.5%
Nelson Mandela Museum: Mthatha	18.9	20.1	21.6	25.0	9.8%	1.1%	26.8	26.7	28.2	4.1%	1.0%
Robben Island Museum: Cape Town	61.6	66.8	95.7	72.1	5.4%	3.7%	89.4	80.9	85.4	5.8%	3.2%
South African Heritage Resources Agency	43.7	46.4	48.6	56.1	8.7%	2.4%	57.9	57.0	60.2	2.4%	2.2%
The National English Literary Museum: Grahamstown	8.1	8.7	9.5	15.6	24.1%	0.5%	12.2	10.7	11.3	-10.0%	0.5%
Voortrekker Museum: Pietermaritzburg	11.2	11.9	13.2	14.0	7.6%	0.6%	17.3	17.3	18.2	9.2%	0.6%
War Museum of the Boer Republics: Bloemfontein	8.0	8.6	9.9	10.6	9.6%	0.5%	22.1	11.7	12.4	5.5%	0.5%
William Humphreys Art Gallery: Kimberley	5.6	6.0	7.5	8.2	13.2%	0.3%	10.0	9.5	10.0	7.1%	0.4%
Ditsong Museums of South Africa: Pretoria	62.5	66.4	77.9	81.7	9.4%	3.6%	125.8	85.5	90.3	3.4%	3.7%
National Library of South Africa	69.8	84.1	102.2	105.3	14.7%	4.5%	135.4	109.4	115.5	3.1%	4.5%
South African Library for the Blind	15.6	16.6	17.7	18.7	6.2%	0.9%	19.2	20.3	21.5	4.6%	0.8%
Capital	92.7	168.8	185.1	190.6	27.2%	7.9%	133.5	70.6	195.1	0.8%	5.7%
National Heritage Council	-	-	-	21.2	-	0.3%	-	-	-	-100.0%	0.2%
Iziko Museums: Cape Town (capital works projects)	26.4	51.7	40.2	62.0	33.0%	2.2%	68.5	-	19.9	-31.5%	1.5%
Nelson Mandela Museum: Mthatha (capital works projects)	13.7	10.2	1.3	6.8	-21.1%	0.4%	1.9	-	6.0	-3.9%	0.1%
South African Heritage Resources Agency: Capital works projects	-	-	25.0	2.1	-	0.3%	2.0	-	30.0	141.3%	0.3%
KwaZulu-Natal Museum: Pietermaritzburg (capital works projects)	17.7	0.9	-	-	-100.0%	0.2%	1.0	-	33.5	-	0.3%
Luthuli Museum: Stanger (capital works projects)	1.9	0.9	-	6.0	47.6%	0.1%	1.3	-	-	-100.0%	0.1%
Voortrekker Museum: Pietermaritzburg (capital works projects)	5.0	1.3	11.4	-	-100.0%	0.2%	1.0	-	3.3	-	-
William Humphreys Art Gallery: Kimberley (capital works projects)	0.3	1.2	-	1.0	43.3%	-	1.0	-	-	-100.0%	-
War Museum of the Boer Republics: Bloemfontein (capital works projects)	1.8	0.6	1.3	1.1	-14.0%	0.1%	1.0	-	1.7	13.4%	-
Die Afrikaanse Taalmuseum en Monument: Paarl (capital works projects)	0.5	1.0	0.4	2.0	53.9%	-	2.0	-	0.6	-33.8%	-
Ditsong Museums of South Africa: Pretoria (capital works projects)	19.1	14.3	4.0	0.7	-67.3%	0.5%	-	-	-	-100.0%	-
National Museum: Bloemfontein (capital works projects)	0.4	13.1	-	0.4	-1.6%	0.2%	2.0	-	10.0	193.6%	0.1%
The National English Literary Museum: Grahamstown (capital works projects)	0.0	36.5	63.2	42.7	2322.9%	1.8%	2.6	-	2.0	-63.9%	0.5%
Robben Island Museum: Cape Town (capital works projects)	5.8	17.5	27.6	26.8	67.0%	1.0%	10.5	48.0	65.0	34.3%	1.5%

Table 37.11 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Freedom Park: Pretoria (capital works projects)	–	13.0	–	–	–	0.2%	2.0	–	10.2	–	0.1%
National Library of South Africa: Capital works projects	–	4.4	10.5	16.9	–	0.4%	31.9	10.2	11.9	-11.1%	0.7%
South African Library for the Blind: Capital works projects	–	2.1	–	1.0	–	–	4.8	12.3	1.0	-1.2%	0.2%
Non-profit institutions											
Current	6.7	12.2	13.8	13.6	26.7%	0.6%	13.4	14.2	15.0	3.4%	0.5%
Various institutions	–	0.7	3.9	4.0	–	0.1%	3.4	3.6	3.8	-1.9%	0.1%
Engeleng House Art Collection: Pretoria	0.3	0.3	0.3	0.3	5.2%	–	0.3	0.4	0.4	5.5%	–
Blind South Africa	6.4	6.8	7.1	7.5	5.3%	0.3%	7.9	8.3	8.8	5.5%	0.3%
Library and Information Association of South Africa	–	4.5	2.6	1.8	–	0.1%	1.9	2.0	2.1	5.5%	0.1%
Capital	–	5.5	0.4	–	–	0.1%	–	–	–	–	–
Blind South Africa: Capital works projects	–	1.3	0.4	–	–	–	–	–	–	–	–
Die Erfenisstigting	–	4.2	–	–	–	0.1%	–	–	–	–	–
Households											
Other transfers to households											
Current	9.3	3.7	5.0	5.3	-17.0%	0.3%	5.6	5.9	6.3	5.5%	0.2%
Heritage projects	8.5	2.6	5.0	5.3	-14.3%	0.3%	5.6	5.9	6.3	5.5%	0.2%
Projects that conserve archival material	0.8	1.1	–	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	389.7	670.4	854.9	648.0	18.5%	31.8%	423.1	440.8	454.0	-11.2%	19.0%
Community library services grant	389.7	670.4	854.9	648.0	18.5%	31.8%	423.1	440.8	454.0	-11.2%	19.0%
Capital	205.0	345.8	419.4	709.1	51.2%	20.9%	996.9	1 057.8	1 126.2	16.7%	37.6%
Community library services grant	205.0	345.8	419.4	709.1	51.2%	20.9%	996.9	1 057.8	1 126.2	16.7%	37.6%

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

Entities

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

- The following officially declared **heritage institutions** are dependent on annual transfers from the department: Die Afrikaanse Taalmuseum en –monument, Paarl; Ditsong Museums of South Africa, Pretoria; the Iziko Museums, Cape Town; the KwaZulu-Natal Museum, Pietermaritzburg; the National Museum, Bloemfontein; the National English Literary Museum, Grahamstown; the Robben Island Museum, Cape Town; the Voortrekker Museum, Pietermaritzburg; the War Museum of the Boer Republics, Bloemfontein; the William Humphreys Art Gallery, Kimberley; the Luthuli Museum, Stanger; the Nelson Mandela Museum, Mthatha; Freedom Park and the Engelenburg House art collection. The entity's total budget for 2017/18 is R909 million, including capital works.
- The Department of Arts and Culture oversees various **libraries**, including the National Library of South Africa, a statutory body; the South African Library for the Blind; and Blind South Africa. The entity's total budget for 2017/18 is R231 million, including capital works.
- The **National Arts Council** facilitates opportunities for people to practice and appreciate the arts. The council also promotes the general application of the arts in the community, fosters the expression of national identity by means of the arts, promotes freedom in the practice of the arts, and gives historically disadvantaged people greater access to the arts. The council's total budget for 2017/18 is R106.2 million.
- The **National Film and Video Foundation** develops and promotes the film and video industry in South Africa. The foundation promotes local film and video products, supports the development of and access to the industry, and addresses historical imbalances in infrastructure, skills and resources in the industry. The foundation's total budget for 2017/18 is R133.3 million.

- The **National Heritage Council** engages heritage stakeholders in public and private institutions, including the various organs of civil society, mobilises debates and builds awareness about heritage. The council's total budget for 2017/18 is R64.7 million.
- The **Pan South African Language Board** is a constitutional institution that promotes an awareness of multilingualism as a national resource and supports previously marginalised languages. It is mandated to investigate complaints about language rights and violations from any individual, organisation or institution. The board's total budget for 2017/18 is R108.6 million.
- The following **performing arts institutions** receive annual transfers from the Department of Arts and Culture: The State Theatre, The Playhouse Company, Artscape Theatre, The Market Theatre and the Performing Arts Council of the Free State. In addition to the annual transfer from the department, these entities also generate their own revenue through entrance fees, donor assistance and sponsorships. Total budget for 2017/18 is R401.9 million, including capital works.
- The **South African Heritage Resources Agency** is the national administrative management body for the protection of South Africa's cultural heritage. The agency's main functions include managing the national estate through partnerships with other bodies to promote an integrated heritage resources management system. The agency's total budget for 2017/18 is R68.8 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery Outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
R million										
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Liberation heritage route	Construction of heritage route	Construction	1 001.7	–	–	–	29.2	40.8	40.2	55.0
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Sarah Baartman Centre	Construction of centre	Construction	587.8	–	4.9	25.2	48.5	59.5	41.5	27.8
Small projects (total project cost of less than R250 million over the project life cycle)										
Isibhubhu Cultural Arena	Construction of arena	Construction	215.4	–	78.0	–	29.2	28.1	80.2	–
Vlakplaas	Renovation of existing monuments	Construction	2.0	–	–	–	2.0	–	–	–
Isandlawana	Renovations of existing monuments	Construction	17.0	–	–	–	6.0	5.0	2.0	–
Nelson Mandela House	Purchase of Nelson Mandela House	Construction	6.0	–	–	–	2.0	–	–	–
Drakenstein correctional facility	Renovations of existing facility	Construction	3.6	–	–	–	–	0.5	–	–
Archie Gumede Place	Development of monument	Construction	5.9	–	–	–	2.9	3.0	–	–
Khoi and San heritage route	Development of heritage route	Design	15.5	–	–	–	3.5	2.0	7.0	–
Gumtree Mill	Construction of mill	Construction	4.2	–	–	–	0.2	2.0	2.0	–
Raymond Mhlaba statue	Development of statue	Construction	5.0	–	–	–	2.0	3.0	–	–
Delville Wood	Renovations of existing monuments	Construction	35.0	–	–	25.0	10.0	–	–	–
JL Dube House	Upgrade of existing monument	Various	134.2	–	–	–	6.0	10.0	8.0	6.0
OR Tambo Memorial	Upgrade of existing monument	Various	37.5	–	–	–	3.0	10.0	18.0	–
Ingguzu Hill Museum	Upgrade of existing museum	Various	156.4	–	–	–	7.0	7.0	12.0	7.0
Information Management System Implementation Project	Development of system	Design	12.2	–	–	–	2.0	3.0	4.3	3.0
Isandlwana: Statue of King Cetshwayo	Construction of statue	Construction	3.0	–	–	–	–	3.0	–	–
Winnie Mandela house and clinic	Restoration and construction of existing monument	Construction	4.0	–	–	–	–	1.0	3.0	–
Polokwane Performing Arts Centre: Incubator	Construction of incubator	Construction	25.0	–	–	–	–	–	20.0	–
Caiphus Katse Semanya Foundation: Incubator	Construction of incubator	Construction	10.0	–	–	8.0	–	2.0	–	–
Afrivibe Entertainment: Incubator	Construction of incubator	Construction	10.0	–	–	8.0	–	2.0	–	–
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
The Playhouse Company	Upgrade of existing building	Various	295.7	2.0	24.4	9.1	10.8	4.8	1.9	18.5
Performing Arts Centre of the Free State	Upgrade of existing building	Various	252.0	4.4	5.0	–	30.0	21.0	10.5	1.0
Upgrading of community arts centres	Upgrade of existing building	Various	301.1	–	–	6.0	24.0	24.4	34.3	15.0
National Heritage Monument	Upgrade of existing building	Various	503.9	–	–	15.0	–	12.0	17.4	–
Robben Island Museum	Upgrade of existing building	Various	561.1	5.8	17.5	27.6	26.8	10.5	48.0	65.0
National archives building: Pretoria	Upgrade of existing building	Various	445.6	0.1	45.0	12.8	94.0	52.9	3.1	48.8
Iziko Museums of Cape Town	Upgrade of existing building	Various	338.8	26.4	51.7	40.2	62.0	68.5	–	19.9
The South Africa State Theatre	Upgrade of existing building	Various	282.7	9.8	20.1	–	7.3	5.0	4.0	41.1
Small projects (total project cost of less than R250 million over the project life cycle)										
Department of Arts and Culture public entities and heritage projects	Upgrade of existing building	Various	142.7	87.4	55.3	–	–	–	–	–
William Humphreys Art Gallery	Upgrade of existing building	Various	3.5	0.3	1.2	–	1.0	1.0	–	–
Die Afrikaanse Taal Museum en Monument	Upgrade of existing building	Various	147.8	0.6	1.0	0.4	–	2.0	–	0.6

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
R million										
Ditsong Museums	Upgrade of existing building	Various	201.2	19.1	14.3	4.0	0.7	-	-	-
KwaZulu-Natal Museum	Upgrade of existing building	Various	85.9	17.3	0.9	-	-	1.0	-	33.5
Luthuli Museum	Upgrade of existing building	Various	22.1	1.9	0.9	-	6.0	1.3	-	-
Voortrekker Museum	Upgrade of existing building	Various	22.0	5.0	1.3	11.4	-	1.0	-	3.3
National Museum: Bloemfontein	Upgrade of existing building	Various	114.3	0.8	13.1	-	0.4	2.0	-	10.0
National English Literary Museum	Upgrade of existing building	Various	153.1	0.0	36.5	63.2	42.7	2.6	-	2.0
Nelson Mandela Museum	Upgrade of existing building	Various	122.7	13.7	10.2	1.3	-	1.9	-	6.0
Anglo-Boer War Museum	Upgrade of existing building	Various	129.6	1.8	0.6	1.3	1.1	1.0	-	1.7
South African Heritage Resources Agency	Upgrade of existing building	Various	157.2	-	-	25.0	2.1	2.0	-	30.0
National Library: Centre for the Book	Upgrade of existing building	Various	72.8	66.8	-	-	-	-	-	-
National Library: Pretoria Campus	Upgrade of existing building	Various	171.2	-	3.7	10.5	16.9	31.9	10.2	11.9
South African Library for the Blind	Upgrade of existing building	Various	89.4	19.0	2.1	-	1.0	4.8	12.3	-
Artscape	Upgrade of existing building	Various	127.2	45.7	-	-	14.8	30.0	15.0	1.0
The Market Theatre	Upgrade of existing building	Various	241.3	22.5	15.0	10.0	12.0	22.0	20.0	20.0
Windybrow Theatre	Upgrade of existing building	Various	17.0	-	-	17.0	-	-	-	-
Performing Arts Projects	Upgrade of existing building	Various	40.1	-	1.0	-	-	-	-	-
National Arts Council	Upgrade of existing building	Various	1.5	-	-	1.5	-	-	-	-
National Film and Video Foundation	Upgrade of existing building	Various	45.0	-	-	-	-	15.0	15.0	10.0
Freedom Park	Upgrade of existing building	Various	170.1	-	-	-	-	2.0	-	10.2
Cultural precincts	Upgrade of existing building	Various	37.0	-	-	-	-	-	-	-
Die Erfenisstigting	Upgrade of existing building	Various	4.2	-	4.2	-	-	-	-	-
Adams College	Upgrade of existing building	Various	8.6	-	4.6	-	3.6	0.5	-	-
Voortrekker Monument	Upgrade of existing building	Various	3.8	-	0.4	1.3	0.1	0.3	1.8	-
Blind South Africa	Upgrade of existing building	Various	1.7	-	1.3	0.4	-	-	-	-
Cultural precincts	Upgrade of cultural precincts	Various	32.5	-	-	-	12.5	-	-	-
Upgrading of public spaces	Upgrade of public spaces	Various	17.8	-	-	0.3	3.0	3.5	3.0	1.6
South African Roadies Association	Construction of association building	Various	15.0	-	-	-	5.0	-	-	-
Bram Fischer House	Upgrade of existing building	Various	2.0	-	-	-	-	-	-	-
Origins Centre	Upgrade of existing building	Various	3.0	-	-	-	-	-	-	-
National Heritage Company	Construction of company building	Construction	16.1	-	-	-	16.1	-	-	-
The Sankofa Arts Charitable Trust	Construction of trust building	Construction	3.0	-	-	-	3.0	-	-	-
Gauteng Tourism Authority	Construction of authority building	Various	0.2	-	-	-	0.2	-	-	-
KwaZulu-Natal Arts and Culture Trust: Incubator	Upgrade of existing building	Various	1.0	-	-	0.9	0.1	-	-	-
Northern Cape Theatre	Upgrade of existing building	Various	2.0	-	-	-	2.0	-	-	-
Non Profit Organisations	Upgrade of existing buildings	Various	21.9	-	-	-	21.9	-	-	-
Provincial Departmental Agencies	Upgrade of existing buildings	Various	0.6	-	-	-	0.6	-	-	-
National Heritage Council	Upgrade of existing building	Various	21.2	-	-	-	21.2	-	-	-
National Heroes Acre	Upgrade of existing structure	Various	100.0	-	-	-	-	-	100.0	-
Total			7 841.6	350.3	414.2	325.4	596.2	506.7	534.6	449.8

Vote 38

Human Settlements

Budget summary

R million	2017/18					2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	457.7	454.1	0.0	3.5	–	450.2	479.8
Human Settlements Policy, Strategy and Planning	93.6	89.9	2.8	0.9	–	89.8	95.7
Human Settlements Delivery Support	217.3	206.4	9.8	1.1	–	216.4	229.7
Housing Development Finance	32 695.8	26.9	32 518.6	0.2	150.0	34 658.3	36 642.2
Total expenditure estimates	33 464.3	777.4	32 531.3	5.7	150.0	35 414.7	37 447.5
Executive authority	Minister of Human Settlements						
Accounting officer	Director General of Human Settlements						
Website address	www.dhs.gov.za						

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

Vote purpose

Facilitate the creation of sustainable human settlements and the improvement to household quality of life.

Mandate

The Department of Human Settlements derives its core mandate and responsibilities from section 26 of the Constitution and section 3 of the Housing Act (1997), read in conjunction with approved policies and chapter 8 of the National Development Plan (NDP). This allows the department, in collaboration with provinces and municipalities, to establish and facilitate a sustainable national housing development process. The department does this by: determining national policy and national norms and standards for housing and human settlements development; and setting broad national housing delivery goals, and monitoring the financial and non-financial performance of provinces and municipalities against these goals. In executing these roles and responsibilities, the department also builds capacity for provinces and municipalities, and promotes consultation with all stakeholders in the housing delivery chain, including civil society and the private sector.

Selected performance indicators

Table 38.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of municipalities provided with technical assistance for informal settlement upgrading per year	Human Settlements Delivery Support	Outcome 8: Sustainable human settlements and improved quality of household life	20	62	91	53	41	41	39
Number of informal settlements with settlement upgrading plans per year	Human Settlements Delivery Support		148	336	76	473	446	546	475
Number of title deeds registered to eradicate backlog per year	Housing Development Finance		– ¹	– ¹	– ¹	– ¹	207 146	247 500	247 000
Number of title deeds registered for new developments per year	Housing Development Finance		– ¹	– ¹	– ¹	– ¹	170 240	170 240	170 241
Number of additional People's Housing Process subsidies allocated to approved beneficiaries per year	Housing Development Finance		– ¹	4 802	8 498	7 000	7 500	8 000	8 500
Number of subsidy housing units completed per year	Housing Development Finance		105 936	94 566	99 904	108 017	113 341	117 105	138 084
Number of additional households living in affordable rental housing units per year	Housing Development Finance		4 984	5 668	12 097	5 447	13 920	20 429	20 822
Number of households benefiting from informal settlements upgraded to level 2 per year	Housing Development Finance		41 496	74 017	52 349	189 039	189 039	204 943	229 653

Table 38.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of finance-linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Housing Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	-1	1 193	2 253	17 231	17 231	18 680	30 643
Number of integrated and catalytic projects initiated per year	Housing Development Finance		-1	-1	13	12	8	7	10

1. No historical data available.

Expenditure analysis

The Department of Human Settlements is committed to the NDP's vision of transforming human settlements and the spatial economy to create more functionally integrated, balanced and vibrant urban settlements by 2030. Outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework guides the department's work over the medium term towards ensuring that poor households have access to adequate housing in better living environments, and that institutional capacity and coordination is improved.

Delivery channels

The department's budget for 2016/17 amounts to R30.7 billion and is expected to increase to R37.4 billion in 2019/20, at an average annual rate of 6.9 per cent. Over the next three years, the department plans to initiate 25 catalytic projects that it will use as the main driver for delivering housing opportunities. Housing opportunities are implemented by provinces, metropolitan municipalities and public entities that are funded through conditional grants and transfers to departmental agencies and accounts. The budget for these transfers is located in the *Housing Development Finance* programme and is expected to increase at an average annual rate of 7 per cent over the medium term, from R29.8 billion in 2016/17 to R36.6 billion in 2019/20. As a result, the department expects to facilitate the delivery of 368 530 fully subsidised units, disburse 66 554 finance-linked individual subsidies and upgrade 623 635 houses in informal settlements by 2019. This will be funded through the *human settlements development grant*, which is expected to increase from R18.3 billion in 2016/17 to R22.3 billion by 2019/20, at an average annual rate of 6.9 per cent. The cost of delivering these programmes in metropolitan municipalities will be supported through the *urban settlements development grant*, a supplementary capital grant to the eight metropolitan municipalities that focuses on providing land, bulk infrastructure and basic services to poor households, and, in particular, for the upgrading of households in informal settlements. This grant is expected to increase at an average annual rate of 5.2 per cent to R12.6 billion by 2019/20.

In addition, 55 171 social rental housing units are expected to be delivered by 2019. This will primarily be funded and facilitated through the Social Housing Regulatory Authority's capital programme, which is expected to total R3.2 billion over the medium term. This budget is the largest and most rapidly growing component of the department's transfers to departmental agencies and accounts over the period, increasing at an average annual rate of 42.9 per cent. Another of the department's focus areas through its implementing agencies is providing title deeds for subsidised housing beneficiaries. The title deeds restoration programme, which is funded through the provincial *human settlements development grant*, is expected to deliver 701 646 title deeds related to the backlog (pre-1994), as well as 510 721 title deeds linked to new beneficiaries.

Aligning policy with delivery models

Building on the 2004 breaking new ground strategy, the department expects to produce a new white paper on human settlements by 2017/18. The document is intended to formalise the shift in the department's approach from providing housing to developing sustainable human settlements. Under the new approach, the state seeks to develop partnerships with the private sector, communities and individual households to deliver sustainable and affordable accommodation in close proximity to social and economic opportunities. When approved, the white paper will form the basis of new human settlements legislation to replace the Housing Act (1997). Development of the white paper will be funded through the *Human Settlements Policy, Strategy and Planning* programme.

Further work is expected to be undertaken by the department in systematically reviewing and improving policies and delivery models related to affordable rental (social housing), demand-side subsidies such as finance-linked individual subsidies, and the upgrading of informal settlements through an evidence-based approach over the medium term. As a result of these expected activities, expenditure in the *Human Settlements Policy, Strategy and Planning* programme is expected to increase from R88.1 million in 2016/17 to R95.7 million in 2019/20.

Creating operational capacity

Over the MTEF period, the department expects to finalise the consolidation of the National Housing Finance Corporation, the National Urban Reconstruction and Housing Agency, and the Rural Housing Loan Fund into a single human settlements development finance institution. Once established, the new institution is expected to provide more effective access to affordable housing finance. The department expects to complete the strategic framework and legislation for the new institution by the end of 2017/18.

Through the national upgrading support programme, which is allocated R150 million over the medium term, the department plans to continue providing project-level technical support to 121 municipalities and providing 1 467 informal settlement upgrade plans to related municipalities. As a result, the budget of the *Human Settlements Delivery Support* programme is expected to increase at an average annual rate of 1.9 per cent to R229.7 million in 2019/20.

As of September 2016, the department had 648 filled posts, of which 69.4 per cent were in the *Administration* programme. Spending on compensation of employees was estimated at R371.5 million in 2016/17, and is expected to increase at an average annual rate of 3 per cent over the medium term as a result of the Cabinet-approved compensation of employees ceiling. As a result, the number of filled posts is expected to be 595 by 2019, largely through natural attrition and lapsed contracts over the next three years.

Expenditure trends

Table 38.2 Vote expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Human Settlements Policy, Strategy and Planning																																	
3. Human Settlements Delivery Support																																	
4. Housing Development Finance																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)		
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17			2013/14 - 2016/17																	
Programme 1	422.4	422.4	280.4	425.9	433.3	433.1	435.1	440.6	411.1	442.3	460.1	460.1	91.8%	90.2%																			
Programme 2	84.1	84.1	73.3	89.4	87.0	78.7	74.3	73.5	75.7	83.1	88.1	88.1	95.5%	94.9%																			
Programme 3	153.6	188.9	98.7	207.0	183.5	133.7	169.8	165.6	120.8	224.6	217.3	217.3	75.6%	75.5%																			
Programme 4	27 377.1	27 280.0	26 990.8	28 695.3	28 713.9	28 712.7	30 264.1	29 863.6	29 426.9	29 940.9	29 930.9	29 930.9	99.0%	99.4%																			
Total	28 037.2	27 975.4	27 443.3	29 417.6	29 417.6	29 358.2	30 943.4	30 543.4	30 034.5	30 690.9	30 696.4	30 696.4	98.7%	99.1%																			
Change to 2016 Budget estimate											5.5																						
Economic classification																																	
Current payments	724.2	700.2	454.5	733.0	696.6	605.8	687.0	674.8	603.7	758.9	757.8	757.8	83.4%	85.6%																			
Compensation of employees	330.1	326.9	240.2	351.7	328.8	290.9	322.2	320.8	310.2	383.5	371.5	371.5	87.4%	90.0%																			
Goods and services	393.7	373.2	214.3	381.3	367.7	314.9	364.7	354.0	293.5	375.4	386.3	386.3	79.8%	81.6%																			
Interest and rent on land	0.4	-	0.0	-	0.0	0.0	-	0.0	0.0	-	-	-	18.2%	711.1%																			
Transfers and subsidies	27 209.8	27 165.6	26 879.7	28 450.6	28 480.9	28 507.6	30 252.4	29 692.7	29 255.4	29 826.5	29 821.5	29 821.5	98.9%	99.4%																			
Provinces and municipalities	26 167.5	26 105.2	26 105.2	27 669.1	27 669.1	27 669.1	28 857.0	28 957.0	28 957.0	29 123.5	29 123.5	29 123.5	100.0%	100.0%																			
Departmental agencies and accounts	1 033.8	1 050.8	764.6	772.1	793.2	798.0	1 385.5	724.5	287.9	692.4	682.4	682.4	-	-																			
Higher education institutions	3.2	3.7	3.9	3.9	4.5	4.5	-	-	-	-	-	-	118.2%	102.4%																			
Foreign governments and international organisations	1.1	1.6	1.1	1.1	1.1	1.3	1.2	1.2	1.4	1.2	1.2	1.2	108.8%	98.0%																			
Public corporations and private enterprises	-	-	-	-	4.0	4.0	-	-	-	-	5.0	5.0	-	100.0%																			
Households	4.2	4.3	4.8	4.5	9.0	30.8	8.8	10.0	9.2	9.4	9.4	9.4	201.6%	165.6%																			

Table 38.2 Vote expenditure trends by programme and economic classification

	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Adjusted appropriation	Revised estimate	Annual budget	Adjusted appropriation		
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Payments for capital assets	3.3	9.7	8.9	3.9	10.2	14.7	4.0	14.8	14.1	5.5	17.1	17.1	328.6%	105.9%
Buildings and other fixed structures	-	-	-	-	-	-	-	0.2	0.2	-	-	-	-	96.3%
Machinery and equipment	3.0	9.2	8.2	3.7	9.9	13.3	3.7	14.5	13.8	5.2	16.8	16.8	332.4%	103.3%
Software and other intangible assets	0.2	0.5	0.7	0.2	0.2	1.4	0.3	0.1	0.1	0.3	0.3	0.3	245.1%	229.1%
Payments for financial assets	100.0	100.0	100.2	230.0	230.0	230.1	-	161.1	161.3	100.0	100.0	100.0	137.6%	100.1%
Total	28 037.2	27 975.4	27 443.3	29 417.6	29 417.6	29 358.2	30 943.4	30 543.4	30 034.5	30 690.9	30 696.4	30 696.4	98.7%	99.1%

Expenditure estimates

Table 38.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Human Settlements Policy, Strategy and Planning									
3. Human Settlements Delivery Support									
4. Housing Development Finance									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	460.1	2.9%	1.3%	457.7	450.2	479.8	1.4%	1.3%	
Programme 2	88.1	1.6%	0.3%	93.6	89.8	95.7	2.8%	0.3%	
Programme 3	217.3	4.8%	0.5%	217.3	216.4	229.7	1.9%	0.6%	
Programme 4	29 930.9	3.1%	97.9%	32 695.8	34 658.3	36 642.2	7.0%	97.7%	
Total	30 696.4	3.1%	100.0%	33 464.3	35 414.7	37 447.5	6.9%	100.0%	
Change to 2016 Budget estimate				(1 102.0)	(1 205.3)	(1 230.9)			
Economic classification									
Current payments	757.8	2.7%	2.1%	777.4	766.6	816.5	2.5%	2.3%	
Compensation of employees	371.5	4.4%	1.0%	383.3	376.9	405.7	3.0%	1.1%	
Goods and services	386.3	1.2%	1.0%	394.1	389.7	410.9	2.1%	1.2%	
Transfers and subsidies	29 821.5	3.2%	97.4%	32 531.3	34 562.1	36 574.7	7.0%	97.4%	
Provinces and municipalities	29 123.5	3.7%	95.2%	31 351.6	33 071.3	34 969.0	6.3%	93.8%	
Departmental agencies and accounts	682.4	-13.4%	2.2%	1 167.0	1 479.0	1 593.2	32.7%	3.6%	
Foreign governments and international organisations	1.2	-7.9%	0.0%	1.3	1.3	1.4	5.5%	0.0%	
Public corporations and private enterprises	5.0	-	0.0%	1.5	-	-	-100.0%	0.0%	
Households	9.4	30.0%	0.0%	9.9	10.4	11.0	5.5%	0.0%	
Payments for capital assets	17.1	20.8%	0.0%	5.7	6.0	6.3	-28.2%	0.0%	
Machinery and equipment	16.8	22.2%	0.0%	5.7	6.0	6.3	-27.8%	0.0%	
Software and other intangible assets	0.3	-15.6%	0.0%	-	-	-	-100.0%	0.0%	
Payments for financial assets	100.0	0.0%	0.5%	150.0	80.0	50.0	-20.6%	0.3%	
Total	30 696.4	3.1%	100.0%	33 464.3	35 414.7	37 447.5	6.9%	100.0%	

Goods and services expenditure trends and estimates

Table 38.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand					2013/14 - 2016/17					2016/17 - 2019/20	
Administrative fees	533	375	324	465	-4.4%	0.1%	314	314	330	-10.8%	0.1%
Advertising	23 262	29 607	20 019	24 712	2.0%	8.1%	24 650	22 698	23 932	-1.1%	6.1%
Minor assets	586	605	1 664	3 736	85.4%	0.5%	7 821	7 821	8 247	30.2%	1.7%
Audit costs: External	8 689	6 392	7 169	8 894	0.8%	2.6%	128 701	9 161	9 658	2.8%	2.3%
Bursaries: Employees	935	1 222	974	1 980	28.4%	0.4%	2 039	2 039	2 150	2.8%	0.5%
Catering: Departmental activities	6 077	5 016	4 568	3 393	-17.7%	1.6%	3 863	3 863	4 075	6.3%	1.0%
Communication	7 682	10 887	9 798	10 296	10.3%	3.2%	10 962	10 962	11 555	3.9%	2.8%
Computer services	26 812	31 044	43 874	69 340	37.3%	14.1%	58 351	58 351	61 535	-3.9%	15.7%

Table 38.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Consultants: Business and advisory services	30 856	72 082	34 484	119 815	57.2%	21.3%	128 701	126 219	133 098	3.6%	32.1%
Legal services	2 210	–	–	3 181	12.9%	0.4%	–	–	–	-100.0%	0.2%
Science and technological services	–	11 161	2 994	–	–	1.2%	3 130	3 130	3 300	–	0.6%
Contractors	1 020	2 864	749	3 585	52.0%	0.7%	1 770	1 770	1 867	-19.5%	0.6%
Agency and support/outourced services	1 309	1 873	2 207	2 949	31.1%	0.7%	2 364	2 364	2 492	-5.5%	0.6%
Entertainment	166	178	200	516	45.9%	0.1%	868	868	948	22.5%	0.2%
Fleet services (including government motor transport)	876	1 524	1 777	1 710	25.0%	0.5%	2 049	2 049	2 160	8.1%	0.5%
Inventory: Clothing material and accessories	–	–	267	456	–	0.1%	–	–	–	-100.0%	–
Inventory: Food and food supplies	–	–	–	41	–	–	48	48	50	6.8%	–
Inventory: Materials and supplies	228	156	27	127	-17.7%	–	32	32	33	-36.2%	–
Inventory: Medical supplies	4	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Other supplies	2	–	–	43	178.1%	–	53	58	59	11.1%	–
Consumable supplies	10 961	1 240	918	1 823	-45.0%	1.2%	2 571	2 583	2 721	14.3%	0.6%
Consumables: Stationery, printing and office supplies	4 246	3 560	4 082	8 205	24.6%	1.7%	13 322	13 305	14 027	19.6%	3.1%
Operating leases	23 246	25 369	34 216	28 893	7.5%	9.2%	29 039	29 039	30 618	2.0%	7.4%
Rental and hiring	8	19	788	–	-100.0%	0.1%	–	–	–	–	–
Property payments	1 585	6 784	8 113	12 145	97.1%	2.4%	15 071	15 071	15 890	9.4%	3.7%
Transport provided: Departmental activity	–	30 067	25 672	–	–	4.6%	–	–	–	–	–
Travel and subsistence	42 259	36 587	46 539	53 051	7.9%	14.8%	52 439	52 439	55 258	1.4%	13.5%
Training and development	1 854	10 239	3 656	4 704	36.4%	1.7%	4 936	4 936	5 204	3.4%	1.3%
Operating payments	6 240	7 308	7 515	10 135	17.5%	2.6%	9 732	9 732	10 260	0.4%	2.5%
Venues and facilities	12 633	18 759	30 920	12 107	-1.4%	6.2%	10 811	10 811	11 400	-2.0%	2.9%
Total	214 279	314 918	293 514	386 302	21.7%	100.0%	394 097	389 663	410 867	2.1%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 38.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Provinces and municipalities											
Municipal bank accounts											
Current	–	300 000	100 000	–	–	0.3%	–	–	–	–	–
Municipal human settlements capacity grant	–	300 000	100 000	–	–	0.3%	–	–	–	–	–
Capital	9 076 906	10 284 684	10 554 345	10 839 468	6.1%	35.6%	11 382 247	11 956 137	12 630 786	5.2%	35.1%
Urban settlements development grant	9 076 906	10 284 684	10 554 345	10 839 468	6.1%	35.6%	11 382 247	11 956 137	12 630 786	5.2%	35.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	146 648	200 466	178 696	258 007	20.7%	0.7%	315 373	335 394	354 822	11.2%	0.9%
Public Service Sector Education and Training Authority	–	1 170	–	–	–	–	–	–	–	–	–
Social Housing Regulatory Authority: Operational	32 151	33 480	34 560	36 392	4.2%	0.1%	46 815	51 980	55 201	14.9%	0.1%
Housing Development Agency	97 497	100 966	104 615	147 512	14.8%	0.4%	210 668	222 177	234 955	16.8%	0.6%
National Home Builders Registration Council	–	3 990	–	–	–	–	–	–	–	–	–
Servcon Housing Solutions	–	860	–	–	–	–	–	–	–	–	–
Housing Development Agency: National upgrade support programme	–	20 000	–	10 000	–	–	–	–	–	-100.0%	–
Community Schemes Ombud Services	17 000	40 000	39 521	23 920	12.1%	0.1%	29 400	31 105	32 847	11.2%	0.1%
Social Housing Regulatory Authority: Institutional investment	–	–	–	34 183	–	–	20 490	20 132	21 259	-14.6%	0.1%
Social Housing Regulatory Authority: Regulations	–	–	–	6 000	–	–	8 000	10 000	10 560	20.7%	–
Capital	618 000	597 543	109 210	424 388	-11.8%	1.5%	851 658	1 143 640	1 238 414	42.9%	2.7%
Social Housing Regulatory Authority: Restructuring capital grant	618 000	597 543	109 210	424 388	-11.8%	1.5%	851 658	1 143 640	1 238 414	42.9%	2.7%
Foreign governments and international organisations											
Current	1 075	1 269	1 368	1 211	4.1%	–	1 272	1 346	1 421	5.5%	–
Habitat Foundation	1 075	1 269	1 368	1 211	4.1%	–	1 272	1 346	1 421	5.5%	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	–	4 000	–	5 000	–	–	1 500	–	–	-100.0%	–
Council for Scientific and Industrial Research	–	4 000	–	5 000	–	–	1 500	–	–	-100.0%	–

Table 38.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Households											
Other transfers to households											
Current	4 842	30 764	9 155	9 404	24.8%	-	9 868	10 442	11 027	5.5%	-
Bursaries for non-employees	4 553	8 974	7 301	9 355	27.1%	-	9 822	10 392	10 974	5.5%	-
Gifts and donations	75	748	226	46	-15.0%	-	46	50	53	4.8%	-
Transfers to households	153	21 042	1 445	3	-73.0%	-	-	-	-	-100.0%	-
Leave gratuity	61	-	183	-	-100.0%	-	-	-	-	-	-
Higher education institutions											
Current	3 949	4 499	-	-	-100.0%	-	-	-	-	-	-
Nelson Mandela Metropolitan University	3 949	4 499	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Provincial revenue funds											
Capital	17 028 326	17 084 369	18 302 675	18 283 991	2.4%	61.8%	19 969 343	21 115 175	22 338 182	6.9%	61.2%
Human settlements development grant	17 028 326	17 084 369	18 302 675	18 283 991	2.4%	61.8%	19 969 343	21 115 175	22 338 182	6.9%	61.2%
Total	26 879 746	28 507 594	29 255 449	29 821 469	3.5%	100.0%	32 531 261	34 562 134	36 574 652	7.0%	100.0%

Personnel information

Table 38.6 Vote personnel numbers and cost by salary level and programme¹

Programmes												Number										
1. Administration												Average growth rate (%)	Average: Salary level/ Total (%)									
2. Human Settlements Policy, Strategy and Planning																						
3. Human Settlements Delivery Support												2016/17 - 2019/20										
4. Housing Development Finance																						
Number of posts estimated for 31 March 2017	Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment																			
			Actual			Revised estimate			Medium-term expenditure estimate													
			2015/16	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20														
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost								
Human Settlements			680	67	648	310.2	0.5	680	371.5	0.5	644	383.3	0.6	596	376.9	0.6	595	405.7	0.7	-4.4%	100.0%	
Salary level			680	67	648	310.2	0.5	680	371.5	0.5	644	383.3	0.6	596	376.9	0.6	595	405.7	0.7	-4.4%	100.0%	
1 - 6	174	13	206	38.6	0.2	174	34.2	0.2	142	35.9	0.3	135	35.5	0.3	135	39.7	0.3	135	40.5	0.3	-8.1%	23.3%
7 - 10	257	40	233	81.3	0.3	257	107.6	0.4	273	122.1	0.4	250	119.5	0.5	250	130.4	0.5	250	130.4	0.5	-0.9%	41.0%
11 - 12	120	5	121	90.6	0.7	120	92.4	0.8	128	102.0	0.8	123	106.6	0.9	122	112.7	0.9	122	112.7	0.9	0.6%	19.6%
13 - 16	129	9	88	99.5	1.1	129	137.4	1.1	101	123.2	1.2	88	115.4	1.3	88	122.9	1.4	88	122.9	1.4	-12.0%	16.1%
Programme	680	67	648	310.2	0.5	680	371.5	0.5	644	383.3	0.6	596	376.9	0.6	595	405.7	0.7	595	405.7	0.7	-4.4%	100.0%
Programme 1	456	63	450	186.8	0.4	456	216.5	0.5	418	224.8	0.5	393	222.3	0.6	392	239.6	0.6	392	239.6	0.6	-4.9%	66.0%
Programme 2	83	2	75	49.8	0.7	83	55.7	0.7	85	63.9	0.8	75	61.6	0.8	75	65.9	0.9	75	65.9	0.9	-3.3%	12.6%
Programme 3	111	2	94	58.0	0.6	111	81.3	0.7	111	74.7	0.7	99	72.3	0.7	99	77.8	0.8	99	77.8	0.8	-3.7%	16.7%
Programme 4	30	-	29	15.6	0.5	30	18.1	0.6	30	19.9	0.7	29	20.8	0.7	29	22.4	0.8	29	22.4	0.8	-1.1%	4.7%

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

Departmental receipts

Table 38.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Receipt item/ Total (%) 2013/14 - 2016/17	Medium-term receipts estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Receipt item/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Departmental receipts	763	1 014	1 237	764	764	-	100.0%	235	238	242	-31.8%	100.0%
Sales of goods and services produced by department	190	200	199	205	205	2.6%	21.0%	217	220	223	2.8%	58.5%
Sales by market establishments	52	57	66	66	66	8.3%	6.4%	60	61	62	-2.1%	16.8%
of which:												
<i>Parking</i>	52	57	66	66	66	8.3%	6.4%	60	61	62	-2.1%	16.8%
Administrative fees	1	-	-	136	136	414.3%	3.6%	154	156	157	4.9%	40.8%
of which:												
<i>Commission on insurance</i>	1	-	-	136	136	414.3%	3.6%	154	156	157	4.9%	40.8%
Other sales	137	143	133	3	3	-72.0%	11.0%	3	3	4	10.1%	0.9%
of which:												
<i>Replacement of security cards</i>	137	143	133	3	3	-72.0%	11.0%	3	3	4	10.1%	0.9%

Table 38.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate	Average growth rate (%)		Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16			2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
Sales of scrap, waste, arms and other used current goods	3	4	3	2	2	-12.6%	0.3%	5	5	6	44.2%	1.2%
of which:												
Waste paper	3	4	3	2	2	-12.6%	0.3%	5	5	6	44.2%	1.2%
Interest, dividends and rent on land	63	286	166	12	12	-42.5%	13.9%	13	13	13	2.7%	3.4%
Interest	63	286	166	12	12	-42.5%	13.9%	13	13	13	2.7%	3.4%
Transactions in financial assets and liabilities	507	524	869	545	545	2.4%	64.7%	-	-	-	-100.0%	36.8%
Total	763	1 014	1 237	764	764	-	100.0%	235	238	242	-31.8%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 38.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
R million											
Ministry	28.7	66.4	78.6	60.2	28.0%	14.8%	63.5	58.2	60.8	0.3%	13.1%
Departmental Management	53.5	101.9	56.6	102.1	24.0%	19.8%	101.5	97.7	104.0	0.6%	21.9%
Corporate Services	134.1	190.5	188.4	205.9	15.4%	45.4%	196.1	197.7	211.9	1.0%	43.9%
Property Management	24.7	32.2	42.0	39.9	17.3%	8.8%	41.1	41.1	43.3	2.8%	9.0%
Financial Management	39.3	42.1	45.5	51.8	9.7%	11.3%	55.5	55.5	59.8	4.9%	12.1%
Total	280.4	433.1	411.1	460.1	17.9%	100.0%	457.7	450.2	479.8	1.4%	100.0%
Change to 2016 Budget estimate				17.8			(12.3)	(17.2)	(18.2)		
Economic classification											
Current payments	272.9	397.8	398.9	445.3	17.7%	95.6%	454.1	446.6	476.1	2.3%	98.6%
Compensation of employees	140.6	178.8	186.8	216.5	15.5%	45.6%	224.8	222.3	239.6	3.4%	48.9%
Goods and services ¹	132.3	219.0	212.1	228.9	20.0%	50.0%	229.4	224.3	236.6	1.1%	49.7%
of which:											
Advertising	19.9	29.5	19.1	24.6	7.4%	5.9%	24.2	22.3	23.5	-1.6%	5.1%
Computer services	9.4	16.1	43.8	42.4	65.2%	7.1%	30.8	30.8	32.5	-8.5%	7.4%
Consultants: Business and advisory services	16.1	44.1	8.1	39.4	34.8%	6.8%	40.6	37.5	39.5	0.1%	8.5%
Operating leases	23.2	25.4	34.2	28.6	7.2%	7.0%	28.7	28.7	30.3	1.9%	6.3%
Property payments	1.6	6.8	8.1	12.1	97.9%	1.8%	15.1	15.1	15.9	9.4%	3.1%
Travel and subsistence	23.9	11.9	18.7	26.0	2.8%	5.1%	26.5	26.5	27.9	2.4%	5.8%
Transfers and subsidies¹	0.2	22.7	1.0	0.0	-34.6%	1.5%	0.0	0.1	0.1	2.7%	-
Departmental agencies and accounts	-	1.2	-	-	-	0.1%	-	-	-	-	-
Households	0.2	21.5	1.0	0.0	-34.6%	1.4%	0.0	0.1	0.1	2.7%	-
Payments for capital assets	7.2	12.4	10.9	14.6	26.7%	2.9%	3.5	3.5	3.7	-36.9%	1.4%
Buildings and other fixed structures	-	-	0.2	-	-	-	-	-	-	-	-
Machinery and equipment	6.6	11.0	10.6	14.3	29.4%	2.7%	3.5	3.5	3.7	-36.5%	1.4%
Software and other intangible assets	0.6	1.4	0.1	0.3	-20.7%	0.1%	-	-	-	-100.0%	-
Payments for financial assets	0.1	0.1	0.3	0.0	-35.3%	-	-	-	-	-100.0%	-
Total	280.4	433.1	411.1	460.1	17.9%	100.0%	457.7	450.2	479.8	1.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.0	0.0	0.0	0.0	-	-	0.0	0.0	0.0	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	0.1	21.5	0.9	0.0	-25.7%	1.4%	0.0	0.1	0.1	4.8%	-
Gifts and donations	-	0.7	0.1	0.0	-	0.1%	0.0	0.1	0.1	4.8%	-
Transfers to households	0.1	20.8	0.8	-	-100.0%	1.4%	-	-	-	-	-

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

Programme 2: Human Settlements Policy, Strategy and Planning

Programme purpose

Manage the development of policy and compliance with human settlements sector delivery and intergovernmental relations frameworks, and oversee integrated human settlements strategic and planning services.

Objectives

- Ensure compliance with frameworks on the governance of human settlements by developing and maintaining policies, programmes, and norms and standards for human settlements development on an ongoing basis.
- Promote the sustainable development of human settlements by drafting the human settlements macro policy (white paper) and strategy, as referred to in the NDP, by 2017/18.
- Facilitate a national rollout of human settlements programmes and related projects by managing and monitoring programmes in terms of the planning frameworks and processes on human settlements on an ongoing basis.
- Improve the development of sustainable human settlements by assessing 11 municipalities for accreditation by 2019/20.
- Improve cooperation and collaboration in the sector by managing intergovernmental and sector relations with all stakeholders in the value chain of human settlements development on an ongoing basis.

Subprogrammes

- *Management for Policy, Strategy and Planning* provides strategic leadership to the programme.
- *Human Settlements Policy Frameworks* manages the implementation of the National Housing Code, provides advisory services to provinces and municipalities in relation to the application of the code, and facilitates the accreditation of municipalities.
- *Human Settlements Strategy and Planning* manages the research, development and evaluation of the human settlements macro strategy, manages the human settlements planning framework, and communicates the national human settlements development plan to sector stakeholders through the implementation of international and intergovernmental programmes and plans.

Expenditure trends and estimates

Table 38.9 Human Settlements Policy, Strategy and Planning 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Management for Policy, Strategy and Planning	3.6	3.9	7.4	7.4	27.7%	7.1%	7.7	8.1	8.5	4.7%	8.6%
Human Settlements Policy Frameworks	27.8	29.7	29.2	31.0	3.7%	37.2%	32.1	33.4	35.7	4.9%	36.0%
Human Settlements Strategy and Planning	42.0	45.1	39.1	49.7	5.8%	55.7%	53.7	48.4	51.5	1.2%	55.3%
Total	73.3	78.7	75.7	88.1	6.3%	100.0%	93.6	89.8	95.7	2.8%	100.0%
Change to 2016				5.0			5.3	2.9	2.8		
Budget estimate											
Economic classification											
Current payments	71.6	72.1	72.9	80.9	4.2%	94.2%	89.9	87.6	93.4	4.9%	95.8%
Compensation of employees	38.3	45.3	49.8	55.7	13.3%	59.9%	63.9	61.6	65.9	5.8%	67.3%
Goods and services ¹	33.3	26.8	23.1	25.1	-8.9%	34.3%	26.0	26.0	27.4	2.9%	28.5%
of which:											
Catering: Departmental activities	2.0	1.7	0.6	1.1	-16.7%	1.7%	1.3	1.3	1.4	5.8%	1.4%
Communication	1.2	1.6	1.3	1.5	7.8%	1.8%	1.5	1.5	1.5	1.5%	1.6%
Consultants: Business and advisory services	4.5	3.2	2.1	4.8	1.5%	4.6%	6.5	6.5	6.8	12.8%	6.7%
Travel and subsistence	9.5	12.4	14.2	11.5	6.5%	15.1%	10.6	10.6	11.2	-0.8%	12.0%
Operating payments	0.9	0.3	0.6	0.8	-1.3%	0.8%	0.8	0.8	0.9	2.9%	0.9%
Venues and facilities	2.0	6.8	2.9	3.4	19.0%	4.8%	3.2	3.2	3.3	-1.2%	3.6%

Table 38.9 Human Settlements Policy, Strategy and Planning expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Transfers and subsidies¹	1.1	5.4	1.6	6.2	75.6%	4.5%	2.8	1.3	1.4	-38.8%	3.2%
Foreign governments and international organisations	1.1	1.3	1.4	1.2	4.1%	1.6%	1.3	1.3	1.4	5.5%	1.4%
Public corporations and private enterprises	–	4.0	–	5.0	–	2.8%	1.5	–	–	-100.0%	1.8%
Households	0.1	0.1	0.2	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	0.6	1.2	1.2	1.0	19.7%	1.3%	0.9	0.9	0.9	-1.5%	1.0%
Machinery and equipment	0.6	1.2	1.2	1.0	19.7%	1.3%	0.9	0.9	0.9	-1.5%	1.0%
Payments for financial assets	0.0	0.0	0.0	0.0	-68.5%	–	–	–	–	-100.0%	–
Total	73.3	78.7	75.7	88.1	6.3%	100.0%	93.6	89.8	95.7	2.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.3%	0.3%	–	–	0.3%	0.3%	0.3%	–	–
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	1.1	1.3	1.4	1.2	4.1%	1.6%	1.3	1.3	1.4	5.5%	1.4%
Habitat Foundation	1.1	1.3	1.4	1.2	4.1%	1.6%	1.3	1.3	1.4	5.5%	1.4%

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

Programme 3: Human Settlements Delivery Support

Programme purpose

Support the execution, and monitor and evaluate the implementation of human settlements programmes and projects. Manage the building of capacity and skills in the sector and provide oversight of public entities.

Objectives

- Improve the delivery rate of housing projects, including blocked projects and informal settlement upgrading projects, by providing ongoing technical support to provinces and municipalities in the planning and implementation of strategic programmes and projects.
- Promote better human settlements outcomes in informal settlements by implementing the national upgrading support programme in 121 municipalities over the next three years.
- Ensure and verify the delivery of quality housing opportunities by monitoring and evaluating the performance of provinces and municipalities, as reported on in the housing subsidy system, through quarterly project-level site visits, and review sessions and workshops.
- Develop professional and institutional capacity to support roles and responsibilities at the provincial and municipal levels by managing ongoing training and skills development programmes for officials and communities.
- Manage the performance of public entities, provinces and municipalities by monitoring the performance of human settlements development and housing programmes on a quarterly basis.

Subprogrammes

- *Management for Human Settlements Delivery Support* provides strategic leadership to the programme.
- *Programme Management Unit* provides support to provinces and municipalities for the implementation of housing and human settlements projects and programmes, including catalytic projects.
- *Chief of Operations* provides regulatory, strategic and policy oversight to the public entities reporting to the department; and manages the development of sector-specific technical skills development programmes and strategies, as well as the scholarship programme.

Expenditure trends and estimates

Table 38.10 Human Settlements Delivery Support 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Management for Human Settlements Delivery Support	4.1	7.0	7.5	9.2	31.4%	4.9%	9.4	8.6	9.1	-0.5%	4.1%
Programme Management Unit	50.5	69.6	70.6	153.0	44.7%	60.2%	159.7	158.8	168.3	3.2%	72.6%
Chief of Operations	44.2	57.1	42.7	55.0	7.6%	34.9%	48.2	49.0	52.3	-1.7%	23.2%
Total	98.7	133.7	120.8	217.3	30.1%	100.0%	217.3	216.4	229.7	1.9%	100.0%
Change to 2016 Budget estimate				(7.3)			9.0	16.5	17.1		
Economic classification											
Current payments	89.3	119.1	111.8	206.7	32.3%	92.4%	206.4	204.6	217.3	1.7%	94.8%
Compensation of employees	47.2	53.0	58.0	81.3	19.8%	42.0%	74.7	72.3	77.8	-1.4%	34.8%
Goods and services ¹	42.0	66.1	53.8	125.5	44.0%	50.4%	131.7	132.3	139.5	3.6%	60.1%
of which:											
Communication	1.4	1.4	1.2	1.6	5.8%	1.0%	1.9	1.9	2.0	6.9%	0.8%
Computer services	17.4	15.0	0.0	26.9	15.6%	10.4%	27.5	27.5	29.0	2.6%	12.6%
Consultants: Business and advisory services	9.4	24.5	24.1	74.7	99.4%	23.3%	80.1	80.7	85.1	4.4%	36.4%
Consumables: Stationery, printing and office supplies	0.4	0.4	0.3	1.9	70.9%	0.5%	2.3	2.3	2.4	7.0%	1.0%
Travel and subsistence	7.7	12.3	12.0	13.1	19.3%	7.9%	12.8	12.8	13.5	1.0%	5.9%
Venues and facilities	3.0	3.5	13.7	3.5	5.6%	4.2%	1.8	1.8	1.9	-18.2%	1.0%
Transfers and subsidies¹	8.5	13.6	7.9	9.4	3.1%	6.9%	9.8	10.4	11.0	5.5%	4.6%
Higher education institutions	3.9	4.5	-	-	-100.0%	1.5%	-	-	-	-	-
Households	4.6	9.1	7.9	9.4	26.8%	5.4%	9.8	10.4	11.0	5.5%	4.6%
Payments for capital assets	0.9	1.0	1.1	1.2	9.2%	0.7%	1.1	1.4	1.5	6.5%	0.6%
Machinery and equipment	0.8	1.0	1.1	1.2	14.2%	0.7%	1.1	1.4	1.5	6.5%	0.6%
Software and other intangible assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	98.7	133.7	120.8	217.3	30.1%	100.0%	217.3	216.4	229.7	1.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.5%	0.4%	0.7%	-	-	0.6%	0.6%	0.6%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	4.6	9.0	7.3	9.4	27.1%	5.3%	9.8	10.4	11.0	5.5%	4.6%
Bursaries for non-employees	4.6	9.0	7.3	9.4	27.1%	5.3%	9.8	10.4	11.0	5.5%	4.6%

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

Programme 4: Housing Development Finance

Programme purpose

Fund the delivery of housing and human settlements programmes, and manage all matters related to improving access to housing finance and developing partnerships with the financial sector.

Objectives

- Manage the performance of provinces and municipalities by monitoring the expenditure and non-financial performance of human settlements development and housing programmes on a monthly and quarterly basis.
- Accelerate the delivery of housing and human settlements by providing funding from the *human settlements development grant*, the *urban settlements development grant* and transfers to public entities on an ongoing basis.
- Improve access to housing finance by collaborating with the private sector and related entities to develop mechanisms to increase market penetration and provide loans to low- and middle-income households on an ongoing basis.
- Ensure equal access to housing finance through monitoring the lending practices of the financial sector by publishing an annual report on mortgage finance.

Subprogrammes

- *Management for Housing Development Finance* provides strategic leadership to the programme.
- *Chief Investment Officer* monitors the spending and performance of provinces and municipalities implementing housing and human settlements programmes, mobilises the financial sector to provide financial resources to human settlements development, and monitors and reports on the lending patterns by financial institutions through the Office of Disclosure on an ongoing basis.
- *Human Settlements Development Grant* reflects the conditional allocation that is transferred to all provinces for delivering housing projects as per the National Housing Code.
- *Contributions* makes transfers to certain public entities reporting to the department, such as the Social Housing Regulatory Authority and the Housing Development Agency.
- *Urban Settlements Development Grant* reflects the conditional allocations transferred to metropolitan municipalities to supplement their capital budgets for infrastructure development to support the upgrading of informal settlements and increase the provision of serviced land in metropolitan municipalities.
- *Municipal Human Settlements Capacity Grant* reflects the conditional grant transferred to municipalities to build capacity within metropolitan municipalities. This subprogramme has been discontinued as the conditional grant no longer exists.

Expenditure trends and estimates

Table 38.11 Housing Development Finance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Management for Housing Development Finance	1.9	0.4	1.0	3.7	24.5%	–	4.1	4.2	4.5	6.4%	–
Chief Investment Officer	19.0	16.5	20.0	21.3	3.9%	0.1%	23.1	23.8	25.5	6.1%	0.1%
Human Settlements Development Grant	17 028.3	17 084.4	18 302.7	18 284.0	2.4%	61.4%	19 969.3	21 115.2	22 338.2	6.9%	61.0%
Contributions	864.6	1 026.8	448.9	782.4	-3.3%	2.7%	1 317.0	1 559.0	1 643.2	28.1%	4.0%
Urban Settlements Development Grant	9 076.9	10 284.7	10 554.3	10 839.5	6.1%	35.4%	11 382.2	11 956.1	12 630.8	5.2%	35.0%
Municipal Human Settlements Capacity Grant	–	300.0	100.0	–	–	0.3%	–	–	–	–	–
Total	26 990.8	28 712.7	29 426.9	29 930.9	3.5%	100.0%	32 695.8	34 658.3	36 642.2	7.0%	100.0%
Change to 2016 Budget estimate				(10.0)			(1 104.0)	(1 207.5)	(1 232.5)		
Economic classification											
Current payments	20.8	16.7	20.1	24.8	6.1%	0.1%	26.9	27.8	29.8	6.2%	0.1%
Compensation of employees	14.1	13.7	15.6	18.1	8.6%	0.1%	19.9	20.8	22.4	7.4%	0.1%
Goods and services ¹	6.7	3.0	4.5	6.8	0.4%	–	7.0	7.0	7.4	2.9%	–
of which:											
Catering: Departmental activities	0.1	0.0	0.0	0.2	18.2%	–	0.2	0.2	0.3	2.8%	–
Communication	0.2	0.3	0.2	0.4	25.3%	–	0.4	0.4	0.4	2.8%	–
Consultants: Business and advisory services	0.8	0.2	0.1	1.0	5.0%	–	1.6	1.6	1.7	21.0%	–
Consumables: Stationery, printing and office supplies	1.8	0.1	0.3	0.6	-31.8%	–	1.5	1.5	1.6	39.8%	–
Travel and subsistence	1.1	–	1.6	2.5	30.3%	–	2.5	2.5	2.6	2.5%	–
Venues and facilities	0.1	–	0.0	0.3	20.2%	–	0.3	0.3	0.3	6.7%	–
Transfers and subsidies¹	26 869.9	28 465.9	29 244.9	29 805.9	3.5%	99.4%	32 518.6	34 550.3	36 562.2	7.0%	99.6%
Provinces and municipalities	26 105.2	27 669.1	28 957.0	29 123.5	3.7%	97.2%	31 351.6	33 071.3	34 969.0	6.3%	96.0%
Departmental agencies and accounts	764.6	796.8	287.9	682.4	-3.7%	2.2%	1 167.0	1 479.0	1 593.2	32.7%	3.7%
Payments for capital assets	0.2	0.1	0.9	0.2	11.4%	–	0.2	0.2	0.2	–	–
Machinery and equipment	0.2	0.1	0.9	0.2	11.4%	–	0.2	0.2	0.2	–	–
Payments for financial assets	100.0	230.0	161.0	100.0	–	0.5%	150.0	80.0	50.0	-20.6%	0.3%
Total	26 990.8	28 712.7	29 426.9	29 930.9	3.5%	100.0%	32 695.8	34 658.3	36 642.2	7.0%	100.0%
Proportion of total programme expenditure to vote expenditure	98.4%	97.8%	98.0%	97.5%	–	–	97.7%	97.9%	97.8%	–	–

Table 38.11 Housing Development Finance expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
Audited outcome						2016/17	2013/14 - 2016/17	2017/18			2018/19
R million	2013/14	2014/15	2015/16								
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	146.6	198.4	178.7	258.0	20.7%	0.7%	315.4	335.4	354.8	11.2%	0.9%
Social Housing Regulatory Authority: Operational	32.2	33.5	34.6	36.4	4.2%	0.1%	46.8	52.0	55.2	14.9%	0.1%
Housing Development Agency	97.5	101.0	104.6	147.5	14.8%	0.4%	210.7	222.2	235.0	16.8%	0.6%
National Home Builders Registration Council	-	4.0	-	-	-	-	-	-	-	-	-
Housing Development Agency: National upgrade support programme	-	20.0	-	10.0	-	-	-	-	-	-100.0%	-
Community Schemes Ombud Services	17.0	40.0	39.5	23.9	12.1%	0.1%	29.4	31.1	32.8	11.2%	0.1%
Social Housing Regulatory Authority: Institutional investment	-	-	-	34.2	-	-	20.5	20.1	21.3	-14.6%	0.1%
Social Housing Regulatory Authority: Regulations	-	-	-	6.0	-	-	8.0	10.0	10.6	20.7%	-
Capital	618.0	597.5	109.2	424.4	-11.8%	1.5%	851.7	1 143.6	1 238.4	42.9%	2.7%
Social Housing Regulatory Authority: Restructuring capital grant	618.0	597.5	109.2	424.4	-11.8%	1.5%	851.7	1 143.6	1 238.4	42.9%	2.7%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	300.0	100.0	-	-	0.3%	-	-	-	-	-
Municipal human settlements capacity grant	-	300.0	100.0	-	-	0.3%	-	-	-	-	-
Capital	9 076.9	10 284.7	10 554.3	10 839.5	6.1%	35.4%	11 382.2	11 956.1	12 630.8	5.2%	35.0%
Urban settlements development grant	9 076.9	10 284.7	10 554.3	10 839.5	6.1%	35.4%	11 382.2	11 956.1	12 630.8	5.2%	35.0%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Capital	17 028.3	17 084.4	18 302.7	18 284.0	2.4%	61.4%	19 969.3	21 115.2	22 338.2	6.9%	61.0%
Human settlements development grant	17 028.3	17 084.4	18 302.7	18 284.0	2.4%	61.4%	19 969.3	21 115.2	22 338.2	6.9%	61.0%

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

Entity¹

National Home Builders Registration Council

Mandate

The National Home Builders Registration Council was established as a schedule 3A public entity in terms of the Housing Consumers Protection Measures Act (1998). The entity is mandated to represent the interests of housing consumers by providing warranty protection against defined defects in new homes, and to regulate the home building industry. The council provides training and capacity building to promote and ensure compliance with technical standards in the home building environment.

Selected performance indicators

Table 38.12 National Home Builders Registration Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of subsidy inspections carried out per year ¹	Regulation	Outcome 8: Sustainable human settlements and improved quality of household life	230 217	223 915	230 103	408 312	560 784	560 784	560 784
Number of non-subsidy inspections carried out per year ¹	Regulation		221 107	304 267	258 446	212 869	228 769	242 495	257 045
Number of home inspectors to be trained per year	Regulation		- ²	- ²	310	400	400	400	400

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

Table 38.12 National Home Builders Registration Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of home builders to be trained per year	Regulation	Outcome 8: Sustainable human settlements and improved quality of household life	1 369	2 629	2 463	2 000	2 000	2 000	2 000
Number of people to be trained in construction for government projects (youth, women, people with disabilities and military veterans) per year	Regulation		934	1 184	1 623	1 200	1 200	1 200	1 200
Number of subsidy home enrolments per year	Protection		119 440	168 753	77 004	140 196	133 301	133 301	133 301
Number of late enrolments per year	Protection		1 743	1 483	1 028	1 349	1 430	1 515	1 606
Number of forensic assessments conducted per year	Protection		40 500	19 875	12 414	20 000	- ³	- ³	- ³
Number of geotechnical assessments conducted per year	Protection		45 000	2 613	17 443	12 000	- ³	- ³	- ³
Number of non-subsidy enrolments per year	Protection		50 622	52 632	49 612	52 966	55 879	58 953	62 785

1. Inspections carried out range from a minimum of four to a maximum of eight inspection stages per home.

2. No historical data available.

3. Indicator discontinued.

Expenditure analysis

Over the medium term, the council will continue to focus on providing warranty protection against defects in new homes and regulating the home building industry. This contributes to the realisation of the NDP's vision of adequate housing and improved living environments, and outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework.

The council's total expenditure is expected to increase to R1 billion over the medium term, at an average annual rate of 8.4 per cent. Spending on consumer protection is estimated to increase from R362.2 million in 2016/17 to R450 million in 2019/20. This increase is expected to result in 399 903 subsidy home enrolments and 177 616 non-subsidy home enrolments over the medium term.

In terms of providing regulation, spending is projected to increase from R196.1 million in 2016/17 to R235.3 million in 2019/20 because of an expected increase in activities related to inspections, training and registrations. In the subsidy market, 1.7 million inspections are expected, while 728 309 inspections are expected in the non-subsidy market. Training in home building skills related to government housing projects is expected to be provided to 6 000 home builders and 3 600 youth, women, people with disabilities and military veterans; and 16 240 new homebuilders are expected to be registered by 2019.

The council's spending on compensation of employees is expected to increase from R418.2 million in 2016/17 to R500.2 million in 2019/20, at an average annual rate of 6.1 per cent. This increase will assist the council in strengthening capacity in its quality assurance division and the Centre for Research and Housing Innovation, and provides for cost-of-living adjustments over the medium term.

The council expects to earn surplus funds amounting to R1.3 billion over the medium term as a result of the increasing income generated from home enrolment fees. The entity uses its surplus funds in investment policies to make provisions for claims related to the warranty scheme. Revenue is expected to increase over the medium term to R1.5 billion in 2019/20, at an average annual rate of 5.6 per cent. This is largely because of an expected steady increase in the growth of construction activity in the non-subsidy sector, particularly for housing units in the sub-R500 000 price range and, to a lesser extent, housing units in the R500 000 to R1 million price range. Another contributing factor to the council's anticipated growth in revenue over the medium is the expected increase in the delivery of fully subsidised houses as well as continued compliance in the subsidy sector with regards to the enrolment of subsidy homes.

Programmes/objectives/activities

Table 38.13 National Home Builders Registration Council 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
					2013/14 - 2016/17					2016/17 - 2019/20	
Administration	157.5	274.3	630.4	253.8	17.2%	43.4%	250.3	330.4	349.3	11.2%	31.9%
Regulation	248.3	298.0	169.2	196.1	-7.6%	34.2%	211.4	223.0	235.3	6.3%	23.5%
Protection	102.8	89.4	100.9	362.2	52.2%	22.4%	404.3	426.6	450.0	7.5%	44.6%
Total	508.5	661.8	900.5	812.1	16.9%	100.0%	866.0	980.0	1 034.7	8.4%	100.0%

Statements of historical financial performance and position

Table 38.14 National Home Builders Registration Council statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	932.3	723.1	965.2	1 184.9	1 088.2	1 090.0	1 142.5	1 255.9	103.0%
Sale of goods and services other than capital assets	727.6	402.5	753.4	815.6	812.9	798.6	857.6	868.6	91.6%
<i>of which:</i>									
Administrative fees	–	(9.8)	–	–	–	–	–	–	–
Sales by market establishment	727.6	412.2	753.4	815.6	812.9	798.6	857.6	868.6	91.9%
Insurance premium revenue	524.3	339.1	604.0	740.8	671.7	700.3	708.6	716.1	
Fee revenue	74.3	31.0	53.1	50.7	68.9	42.3	72.7	117.5	
Technical services revenue	129.0	42.2	96.3	24.1	72.3	56.0	76.2	35.0	
Other non-tax revenue	204.7	320.7	211.9	369.4	275.3	291.3	284.9	387.3	140.1%
Total revenue	932.3	723.1	965.2	1 184.9	1 088.2	1 090.0	1 142.5	1 255.9	103.0%
Expenses									
Current expenses	812.6	508.5	865.1	661.8	839.5	900.5	899.9	812.1	84.4%
Compensation of employees	294.3	259.7	454.5	316.7	451.4	399.4	476.2	418.2	83.2%
Goods and services	491.1	238.7	382.0	331.6	362.9	485.9	390.2	367.4	87.5%
Depreciation	27.2	10.1	28.5	9.1	25.2	15.1	33.5	26.5	53.2%
Interest, dividends and rent on land	–	–	–	4.4	–	0.0	–	–	–
Transfers and subsidies	2.5	–	–	–	–	–	–	–	–
Total expenses	815.1	508.5	865.1	661.8	839.5	900.5	899.9	812.1	84.3%
Surplus/(Deficit)	117.0	215.0	100.0	523.0	249.0	189.0	243.0	444.0	
Statement of financial position									
Carrying value of assets	331.7	155.3	348.4	191.6	350.9	219.4	325.4	325.4	65.7%
<i>of which:</i>									
Acquisition of assets	(251.9)	(88.7)	(167.3)	(65.9)	(190.0)	(43.3)	(8.0)	(49.7)	40.1%
Investments	3 576.4	4 422.2	4 071.6	4 990.5	5 187.3	5 248.2	5 549.0	5 549.0	109.9%
Inventory	0.5	0.2	0.3	0.9	0.2	5.1	0.2	0.2	546.1%
Receivables and prepayments	27.2	35.7	26.0	19.3	29.3	27.4	27.9	27.9	99.9%
Cash and cash equivalents	25.0	147.5	29.2	171.7	109.2	83.2	109.1	109.1	187.7%
Total assets	3 960.8	4 760.8	4 475.5	5 374.0	5 677.0	5 583.3	6 011.6	6 011.6	108.0%
Accumulated surplus/(deficit)	2 870.6	3 274.3	3 265.7	3 776.6	4 146.0	3 976.4	4 405.9	4 405.9	105.1%
Capital and reserves	50.6	20.4	29.0	41.2	43.4	31.0	36.0	36.0	80.9%
Trade and other payables	62.8	171.9	164.4	192.4	191.6	205.9	202.5	202.5	124.4%
Provisions	374.2	1 294.2	1 016.3	1 363.8	1 295.9	1 370.0	1 367.1	1 367.1	133.1%
Total equity and liabilities	3 358.4	4 760.8	4 475.5	5 374.0	5 677.0	5 583.3	6 011.6	6 011.6	111.3%

Statements of estimates of financial performance and position

Table 38.15 National Home Builders Registration Council statements of estimates of financial performance and position

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	1 255.9	20.2%	100.0%	1 310.1	1 395.2	1 478.3	5.6%	100.0%
Sale of goods and services other than capital assets	868.6	29.2%	66.7%	897.6	955.9	1 010.2	5.2%	68.6%
<i>of which:</i>								
Sales by market establishment	868.6	28.2%	67.1%	897.6	955.9	1 010.2	5.2%	68.6%
Insurance premium revenue	716.1	28.3%	57.7%	788.7	812.2	857.2	6.2%	58.4%
Fee revenue	117.5	56.0%	5.4%	80.8	105.1	112.0	-1.6%	7.7%
Technical services revenue	35.0	-6.1%	4.0%	84.8	38.6	41.1	5.5%	3.7%
Other non-tax revenue	387.3	6.5%	33.3%	412.5	439.3	468.1	6.5%	31.4%
Total revenue	1 255.9	20.2%	100.0%	1 310.1	1 395.2	1 478.3	5.6%	100.0%
Expenses								
Current expenses	812.1	16.9%	100.0%	866.0	980.0	1 034.7	8.4%	115.5%
Compensation of employees	418.2	17.2%	48.7%	445.4	469.9	500.2	6.1%	49.8%
Goods and services	367.4	15.5%	49.1%	386.2	474.7	497.2	10.6%	46.6%
Depreciation	26.5	37.8%	2.1%	34.4	35.4	37.3	12.1%	3.6%
Total expenses	812.1	16.9%	100.0%	866.0	980.0	1 034.7	8.4%	100.0%
Surplus/(Deficit)	444.0	0.0		444.0	415.0	444.0		

Table 38.15 National Home Builders Registration Council statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Carrying value of assets	325.4	28.0%	4.0%	299.0	271.7	348.0	2.3%	4.6%
of which:								
Acquisition of assets	(49.7)	-17.5%	-1.2%	(8.0)	(8.0)	(8.0)	-45.6%	-0.3%
Investments	5 549.0	7.9%	93.0%	5 915.2	6 304.6	7 686.9	11.5%	93.3%
Inventory	0.2	6.8%	0.0%	0.2	0.3	0.3	4.7%	0.0%
Receivables and prepayments	27.9	-7.9%	0.5%	31.0	32.0	42.7	15.2%	0.5%
Cash and cash equivalents	109.1	-9.6%	2.4%	108.3	107.7	107.7	-0.4%	1.6%
Total assets	6 011.6	8.1%	100.0%	6 353.8	6 716.2	8 185.5	10.8%	100.0%
Accumulated surplus/(deficit)	4 405.9	10.4%	70.9%	4 681.8	4 970.8	6 043.5	11.1%	73.7%
Capital and reserves	36.0	20.8%	0.6%	28.2	20.0	40.8	4.3%	0.5%
Trade and other payables	202.5	5.6%	3.6%	201.7	204.3	171.1	-5.5%	2.9%
Provisions	1 367.1	1.8%	25.0%	1 442.1	1 521.1	1 930.1	12.2%	22.9%
Total equity and liabilities	6 011.6	8.1%	100.0%	6 353.8	6 716.2	8 185.5	10.8%	100.0%

Personnel information

Table 38.16 National Home Builders Registration Council personnel numbers and cost by salary level

National Home Builders Registration Council	Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	663	663	634	399.4	0.6	663	418.2	0.6	663	445.4	0.7	663	469.9	0.7	663	500.2	0.8	6.1%	100.0%
1 – 6	28	28	25	3.3	0.1	28	3.9	0.1	28	3.7	0.1	28	3.9	0.1	28	4.2	0.1	2.7%	4.2%
7 – 10	394	394	380	174.6	0.5	394	182.9	0.5	394	194.7	0.5	394	205.4	0.5	394	217.9	0.6	6.0%	59.4%
11 – 12	192	192	189	163.1	0.9	192	161.0	0.8	192	181.8	0.9	192	191.2	1.0	192	204.2	1.1	8.2%	29.0%
13 – 16	46	46	37	50.4	1.4	46	61.9	1.3	46	56.2	1.2	46	59.8	1.3	46	63.7	1.4	0.9%	6.9%
17 – 22	3	3	3	8.0	2.7	3	8.5	2.8	3	9.0	3.0	3	9.6	3.2	3	10.2	3.4	6.4%	0.5%

1. Rand million.

Other entities

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

- The **Community Schemes Ombud Service** is mandated to provide a dispute resolution service for community schemes; monitor and control the quality of all governance documentation relating to sectional title schemes; and take custody of, preserve and provide public access to scheme governance documentation. The entity's total budget for 2017/18 is R39.6 million.
- The **Estate Agency Affairs Board** is mandated to regulate, maintain and promote the conduct of estate agents, issue certificates from the Estate Agents Fidelity Fund, prescribe the standard of education and training for estate agents, investigate complaints lodged against estate agents, and manage and control the Estate Agents Fidelity Fund. The board's total budget for 2017/18 is R142.5 million.
- The **Housing Development Agency** is mandated to identify, acquire, hold, develop and release state-owned and privately owned land for residential and community purposes; and project manage housing developments for the creation of sustainable human settlements. The agency's total budget for 2017/18 is R363 million.
- The **National Housing Finance Corporation** is mandated to broaden and deepen access to affordable housing finance for low- to middle-income households by facilitating private-sector lending for housing purposes. The corporation's total budget for 2017/18 is R226.6 million.
- The **National Urban Reconstruction and Housing Agency** provides bridging finance to contractors building low- to moderate-income housing, infrastructure and community facilities; and provides account administration and support services. The entity's total budget for 2017/18 is R78 million.

- The **Rural Housing Loan Fund** is mandated to facilitate access to housing credit to low-income rural households by providing wholesale finance through a network of retail intermediaries and community-based organisations. The entity's total budget for 2017/18 is R48.3 million.
- The **Social Housing Regulatory Authority** is mandated to regulate the social housing sector, and to ensure a sustainable and regulated flow of investment into the social housing sector in order to support the restructuring of urban spaces through capital grant provisions to accredited social housing institutions. The entity's total budget for 2017/18 is R927 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Departmental infrastructure										
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Human settlements development grant	Completion of houses and servicing of sites	Various	-	17 028.3	17 084.4	18 302.7	18 284.0	19 969.3	21 115.2	22 338.2
Urban settlements development grant	Installation of bulk infrastructure	Various	-	9 076.9	10 284.7	10 554.3	10 839.5	11 382.2	11 956.1	12 630.8
Social Housing Regulatory Authority: Restructuring capital grant	Funding of social housing	Various	-	618.0	597.5	109.2	424.4	851.2	1 143.6	1 238.4
Total			-	26 723.2	27 966.6	28 966.2	29 547.8	32 202.8	34 214.9	36 207.4

Vote 39

Rural Development and Land Reform

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 721.6	1 709.8	0.1	11.7	1 799.8	1 876.7
National Geomatics Management Services	672.1	632.2	35.0	5.0	701.5	754.1
Rural Development	1 914.9	355.9	1 554.5	4.6	1 951.2	2 069.0
Restitution	3 247.4	630.6	2 614.7	2.1	3 441.3	3 651.2
Land Reform	2 628.2	581.6	2 045.0	1.6	2 759.5	2 939.8
Total expenditure estimates	10 184.2	3 910.1	6 249.3	24.9	10 653.4	11 290.7

Executive authority: Minister of Rural Development and Land Reform
 Accounting officer: Director General of Rural Development and Land Reform
 Website address: www.ruraldevelopment.gov.za

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

Vote purpose

Create and maintain an equitable and sustainable land dispensation, and act as a catalyst in rural development, to ensure sustainable rural livelihoods, decent work and continued social and economic advancement for all South Africans.

Mandate

The Department of Rural Development and Land Reform executes its legislative mandate based on several acts:

- The Restitution of Land Rights Act (1994), which provides for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913. The act established a Commission on Restitution of Land Rights and a Land Claims Court. The minister is authorised to purchase, acquire and expropriate land or rights in land for the purpose of restitution awards.
- The Provision of Land and Assistance Act (1993), which provides for the designation of certain land, the regulation of the subdivision of such land and the settlement of persons on it. It also provides for the acquisition, maintenance, planning, development, improvement and disposal of property and the provision of financial assistance for land reform purposes.
- The Communal Property Associations Act (1996), which enables communities to form juristic persons, to be known as communal property associations, in order to acquire, hold and manage property on a basis agreed to by members of a community in terms of a written constitution.
- The Transformation of Certain Rural Areas Act (1998), which provides for the transfer of certain land to municipalities and certain other legal entities, as well as for the removal of restrictions on the alienation of land.
- The Physical Planning Act (1991), which promotes the orderly physical development of South Africa, with provisions for the division of the country into regions; and for the preparation of national development plans, regional development plans, regional structure plans and urban structure plans.
- The Deeds Registries Act (1997), which provides for the administration of the land registration system and the registration of land rights.
- The Land Survey Act (1997), which provides for the regulation of the survey of land in South Africa.

- The Sectional Titles Act (1986), which provides for the division of buildings into sections and common property; the acquisition of separate ownership in sections coupled with joint ownership in common property; the control of certain incidents attached to separate ownership in sections, and joint ownership in common property; the transfer of ownership of sections, and the registration of sectional mortgage bonds and real rights in sections; the conferring and registration of rights in and the disposal of common property; the establishment of bodies corporate to control common property and for that purpose to apply rules; and the establishment of a sectional titles regulation board.
- The Spatial Planning and Land Use Management Act (2013), which provides for national land use management and spatial planning systems; the development of government facilities such as hospitals, clinics and schools; and rural development plans, guidelines, and norms and standards.

In addition to overseeing land restitution, the department is also mandated with initiating, facilitating, coordinating, catalysing and implementing an integrated rural development programme, which is linked to outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework.

Selected performance indicators

Table 39.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of agricultural enterprises supported per year	Rural Development	Outcome 7: Comprehensive rural development and land reform	- ¹	- ¹	- ¹	132	127	135	143
Number of youth recruited through the national rural youth services corps per year	Rural Development		4 600	3 145	3 060	2 700	2 700	2 700	2 700
Number of infrastructure projects implemented per year ²	Rural Development		- ¹	- ¹	- ¹	252	230	220	220
Number of land claims finalised per year	Restitution		- ¹	372	373	371	1 001	1 151	1 179
Number of hectares acquired per year ³	Land Reform		153 586ha	354 802ha	242 556ha	180 000ha	96 165ha	90 000ha	95 000ha
Number of farms under recapitalisation and development per year	Land Reform		442	217	414	351	369	387	400

1. No historical data available.

2. The decrease in the number of infrastructure projects implemented per year from 2016/17 to 2019/20 was due to cost containment measures implemented on the programme.

3. The decrease in the number of hectares acquired per year from 2013/14 to 2019/20 was due to cost containment measures implemented on the programme.

Expenditure analysis

The Department of Rural Development and Land Reform has an ongoing commitment to build sustainable rural livelihoods. Over the medium term, the department will continue to focus on land distribution and agrarian transformation, and ensure the success of land distribution by supporting rural farmers, enterprises and industries. The department will do this through skills and capacity development, investing in rural social and economic infrastructure, and championing policy interventions that fortify and protect the rights of rural communities. The department's work aligns with outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework.

The department's total allocation over the MTEF period is R32.1 billion, to fund activities related to rolling out agri-parks, accelerating land reform, recapitalising and developing redistributed farms, creating opportunities for rural youths, transforming land tenure, and settling land claims.

Growing rural economies through agri-parks

The agri-parks initiative supports rural enterprises, develops rural industries and facilitates the efficient movement of rural produce to markets. The initiative develops networked systems of agro-production, processing, logistics, marketing, training and extension services in district municipalities and developments on underused land. Each agri-park supports smallholder farmers by providing capacity building, mentorship, farm infrastructure, extension services, and production and mechanisation inputs. Smallholder farmers own 70 per cent of an agri-park, while the remainder is owned by government and commercial farmers.

Agri-parks are expected to contribute to government's targets of creating 1 million new jobs in rural economies by 2030, through the development of 300 000 new small-scale farmers and the creation of 145 000 agro-processing jobs by 2019. Since the inception of the initiative in 2015/16, approximately 10 566 smallholder

farmers have been identified to benefit from agri-parks, and 69 692 hectares of land has already been distributed. A total of R2 billion per year, over a 10-year period beginning in 2015/16, was allocated for the development of agri-parks in 44 districts. Over the medium term, R2.9 billion is allocated for the *Rural Infrastructure Development* subprogramme of the *Rural Development* programme, which constitutes 9.2 per cent of the department's budget.

Accelerating land reform

The *Land Reform* programme has been allocated R8.3 billion over the MTEF period for the acquisition of land and the creation of productive and profitable farms. The One Household, One Hectare initiative is the key mechanism used to provide the landless access to land and promote agrarian transformation. The objective of the initiative is to create smallholder producers for the agri-parks initiative, focusing on 44 of the poorest districts in the country and other sites in densely populated areas. The department projects that 16 500 households will participate in the One Household, One Hectare initiative over the MTEF period, at an estimated cost of R4.3 billion, budgeted for in the *Agricultural Land Holding Account* subprogramme.

Recapitalising and redeveloping redistributed farms

The recapitalisation and development programme ensures that redistributed land becomes productive and profitable by providing mechanised irrigation, farmer mentorship and farm inputs. Since the programme began in 2008/09, 1 496 farms have been created from more than 4.7 million hectares of land acquired. Over the medium term, the department aims to acquire approximately 281 165 hectares of strategically located land. The Office of the Valuer-General, which has been operational since 2015/16, ensures efficient acquisition and equitable valuation of land. The total allocation for this activity over the medium term is R187.7 million, funded through the *Office of the Valuer-General* subprogramme in the *Land Reform* programme.

Creating opportunities for rural youths

The national rural youth services corps is a skills development initiative, which forms part of the comprehensive rural development programme's job-creation model. The initiative recruits unemployed youth from rural areas between the ages of 18 and 25, who have passed grade 12 or have higher qualifications, and equips them with business and entrepreneurial skills. The initiative expects to increase the number of new participants by 2 700 each year over the medium term to reach a total of 8 100 by 2019/20. The *National Rural Youth Services Corps* subprogramme receives an allocation of R1.2 billion over the medium term. However, the allocation is set to decrease from R437.5 million in 2017/18 to R406.6 million in 2019/20 due to cost-containment measures, which will not affect output targets due to increased allocative efficiency.

Transforming land tenure

The Communal Property Associations Amendment Bill was published in the Government Gazette in April 2016. The amendment extends the application of the act to labour tenants who acquire land, provides for general plans for land administered by an association, and repeals the provisions relating to provisional associations. It also provides improved protection of the rights of communities, in respect of movable and immovable property administered by an association, and adds clarity on the content of annual reports expected from associations.

Over the medium term, the department will implement the Extension of Security of Tenure Act (1997) and the complementary Land Rights Management Facility Act (2015). The 2015 Extension of Security Tenure Amendment Bill seeks to clarify the rights of occupiers and provide for obligations regarding alternative accommodation for evicted people. A total of R317 million was reprioritised within the *Land Reform* programme over the MTEF period for these activities.

Settling land claims

In 2016, the Constitutional Court ruled the Restitution of Land Rights Amendment Act (2014) invalid and contrary to the Constitution. The Commission on Restitution of Land Rights was tasked to re-submit the act within two years. In the same period, the commission plans to settle claims lodged before 1998. In terms of the judgment, should all claims emanating from original lodgement be processed before the two-year period lapses, the Commission may approach the Constitutional Court for a review of the judgment.

Consultants are extensively utilised as part of the pre-settlement of claims, and is a major cost driver in the *Restitution* programme. Over the MTEF period, R503.7 million will be spent on consultants conducting research to confirm the validity of claims that have been launched. The total number of claims over the two-year period, from 2017/18 to 2018/19, is expected to be 2 152. A total of R10.3 billion is allocated for settling land restitution claims over the MTEF period, which constitutes 32 per cent of the department's total budget.

Operational capacity

Cabinet has approved reductions on compensation of employees of R78.6 million over the medium term as part of its decision to lower the national aggregate expenditure ceiling. Personnel numbers are expected to decrease from 4 359 in 2017/18, 4 313 in 2018/19 and 4 289 in 2019/20. Over the medium term, the budget for compensation of employees is R2.2 billion in 2017/18, R2.3 billion in 2018/19 and R2.5 billion in 2019/20. Reductions of R1.2 billion over the MTEF period have also been applied, of which, R522.9 million was from the agricultural land holding account. This will not impact negatively on service delivery because the department will prioritise critical service delivery units.

The Department of Rural Development and Land Reform, through the Department of Public Works, secured a site to construct a single campus for the department's national office in Pretoria, Gauteng. Over the MTEF period, R961.1 million has been set aside to finance the project, R478.7 million in 2017/18, R239.4 million in 2018/19 and R243 million in 2019/20.

Expenditure trends

Table 39.2 Vote expenditure trends by programme and economic classification

Programmes														
Programme	2013/14			2014/15			2015/16			2016/17			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
1. Administration														
2. National Geomatics Management Services														
3. Rural Development														
4. Restitution														
5. Land Reform														
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	940.7	1 189.8	1 238.8	1 147.8	1 314.9	1 382.2	1 264.3	1 324.9	1 336.9	1 462.1	1 582.5	1 582.5	115.1%	102.4%
Programme 2	508.5	794.7	814.6	796.7	779.7	732.5	799.9	748.1	681.8	817.9	714.4	714.4	100.7%	96.9%
Programme 3	1 227.4	1 792.4	1 700.8	2 011.6	2 011.6	1 801.0	1 975.7	1 984.6	1 922.0	1 914.4	1 914.4	1 914.4	102.9%	95.3%
Programme 4	3 388.0	2 916.8	2 836.7	2 680.7	2 680.7	2 997.9	2 602.7	2 602.7	2 630.2	3 168.2	3 168.2	3 168.2	98.3%	102.3%
Programme 5	3 395.1	2 766.0	2 863.2	2 818.4	2 668.4	2 482.1	2 737.1	2 537.1	2 547.1	2 761.8	2 744.9	2 744.9	90.8%	99.3%
Total	9 459.7	9 459.7	9 454.1	9 455.3	9 455.3	9 395.8	9 379.7	9 197.4	9 118.0	10 124.3	10 124.3	10 124.3	99.1%	99.6%
Change to 2016														
Budget estimate														
Economic classification														
Current payments	3 052.1	4 599.2	3 722.2	3 549.6	3 675.5	3 139.7	3 617.7	3 469.9	3 335.5	3 822.7	3 842.7	3 842.7	100.0%	90.1%
Compensation of employees	1 676.9	1 965.4	1 541.3	2 195.8	1 999.8	1 791.6	2 115.9	2 114.7	1 937.2	2 142.6	2 142.6	2 142.6	91.2%	90.2%
Goods and services	1 375.2	2 633.8	2 175.2	1 353.8	1 675.7	1 342.5	1 501.8	1 354.8	1 396.3	1 680.2	1 700.1	1 700.1	111.9%	89.8%
Interest and rent on land	-	-	5.8	-	-	5.7	-	0.3	2.1	-	-	-	-	4 514.0%
Transfers and subsidies	6 391.4	4 819.8	5 470.9	5 881.7	5 721.9	5 458.3	5 736.8	5 665.7	5 018.4	6 282.2	6 225.2	6 225.2	91.3%	98.8%
Provinces and municipalities	0.1	0.2	10.5	0.2	64.5	125.6	3.7	57.2	76.7	83.3	93.3	93.3	350.5%	142.3%
Departmental agencies and accounts	2 481.3	1 934.3	2 184.4	2 068.5	1 852.6	1 752.4	1 679.6	1 380.0	1 381.5	1 592.5	1 532.2	1 532.2	-	-
Foreign governments and international organisations	1.4	1.8	1.8	1.5	1.5	2.1	1.5	1.5	2.6	1.6	1.6	1.6	135.2%	127.2%
Public corporations and private enterprises	118.5	58.5	120.7	-	-	41.0	-	-	-	-	-	-	136.4%	276.1%
Non-profit institutions	2.8	2.8	6.4	3.0	3.0	3.8	3.2	3.2	3.2	3.3	3.3	3.3	135.0%	135.0%
Households	3 787.2	2 822.2	3 147.2	3 808.5	3 800.3	3 533.4	4 048.8	4 223.8	3 554.4	4 601.4	4 594.9	4 594.9	91.3%	96.0%

Table 39.2 Vote expenditure trends by programme and economic classification

	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Payments for capital assets	16.3	40.8	254.5	24.0	58.0	793.4	25.1	61.8	758.9	19.4	56.4	56.4	2 194.9%	859.0%
Buildings and other fixed structures	-	1.0	154.8	-	6.2	401.1	-	-	601.2	-	7.1	7.1	-	8 145.1%
Machinery and equipment	14.8	38.1	41.2	22.6	50.2	165.6	23.3	61.5	67.2	18.3	44.9	44.9	403.2%	163.7%
Biological assets	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	58.2	-	-	226.7	-	-	90.6	-	4.4	4.4	-	8 621.2%
Software and other intangible assets	1.4	1.7	-	1.5	1.6	-	1.8	0.3	-	1.1	-	-	-	-
Payments for financial assets	-	-	6.5	-	-	4.4	-	-	5.2	-	-	-	-	-
Total	9 459.7	9 459.7	9 454.1	9 455.3	9 455.3	9 395.8	9 379.7	9 197.4	9 118.0	10 124.3	10 124.3	10 124.3	99.1%	99.6%

Expenditure estimates

Table 39.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. National Geomatics Management Services								
3. Rural Development								
4. Restitution								
5. Land Reform								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	1 582.5	10.0%	14.5%	1 721.6	1 799.8	1 876.7	5.8%	16.5%
Programme 2	714.4	-3.5%	7.7%	672.1	701.5	754.1	1.8%	6.7%
Programme 3	1 914.4	2.2%	19.3%	1 914.9	1 951.2	2 069.0	2.6%	18.6%
Programme 4	3 168.2	2.8%	30.5%	3 247.4	3 441.3	3 651.2	4.8%	32.0%
Programme 5	2 744.9	-0.3%	27.9%	2 628.2	2 759.5	2 939.8	2.3%	26.2%
Total	10 124.3	2.3%	100.0%	10 184.2	10 653.4	11 290.7	3.7%	100.0%
Change to 2016 Budget estimate				(492.7)	(556.4)	(554.1)		
Economic classification								
Current payments	3 842.7	-5.8%	36.9%	3 910.1	4 105.7	4 377.9	4.4%	38.4%
Compensation of employees	2 142.6	2.9%	19.5%	2 194.6	2 325.6	2 502.9	5.3%	21.7%
Goods and services	1 700.1	-13.6%	17.4%	1 715.5	1 780.1	1 875.0	3.3%	16.7%
Transfers and subsidies	6 225.2	8.9%	58.2%	6 249.3	6 523.8	6 890.2	3.4%	61.3%
Provinces and municipalities	93.3	652.4%	0.8%	67.5	72.7	77.9	-5.8%	0.7%
Departmental agencies and accounts	1 532.2	-7.5%	18.0%	1 493.1	1 491.3	1 574.7	0.9%	14.4%
Foreign governments and international organisations	1.6	-3.9%	-	1.7	1.7	1.8	5.5%	-
Non-profit institutions	3.3	5.3%	-	3.5	3.7	3.9	5.5%	-
Households	4 594.9	17.6%	38.9%	4 683.4	4 954.4	5 231.8	4.4%	46.1%
Payments for capital assets	56.4	11.4%	4.9%	24.9	23.9	22.7	-26.2%	0.3%
Buildings and other fixed structures	7.1	92.5%	3.1%	-	-	-	-100.0%	-
Machinery and equipment	44.9	5.6%	0.8%	24.0	23.8	22.5	-20.5%	0.3%
Land and sub-soil assets	4.4	-	1.0%	-	-	-	-100.0%	-
Software and other intangible assets	-	-100.0%	-	0.9	0.1	0.1	-	-
Total	10 124.3	2.3%	100.0%	10 184.2	10 653.4	11 290.7	3.7%	100.0%

Goods and services expenditure trends and estimates

Table 39.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)	
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20			
Administrative fees	61 447	27 070	20 116	25 231	-25.7%	2.0%	44 091	41 279	47 758	23.7%	2.2%	
Advertising	47 895	28 344	41 902	21 820	-23.1%	2.1%	33 395	33 750	38 561	20.9%	1.8%	
Minor assets	13 205	8 954	10 211	57 968	63.7%	1.4%	8 168	9 398	9 675	-44.9%	1.2%	
Audit costs: External	24 513	14 728	17 178	24 130	-0.5%	1.2%	17 690	22 679	20 818	-4.8%	1.2%	
Bursaries: Employees	3 604	4 419	3 479	5 142	12.6%	0.3%	4 492	4 810	4 991	-1.0%	0.3%	
Catering: Departmental activities	15 099	5 423	8 973	5 786	-27.4%	0.5%	5 600	6 115	6 481	3.9%	0.3%	
Communication	54 262	67 100	57 360	59 503	3.1%	3.6%	43 217	48 173	50 721	-5.2%	2.9%	
Computer services	96 570	105 944	156 164	200 277	27.5%	8.5%	174 638	189 835	200 102	-	10.8%	
Consultants: Business and advisory services	236 867	166 395	134 282	361 429	15.1%	13.6%	287 104	305 771	326 023	-3.4%	18.1%	
Infrastructure and planning services	12 628	4 071	766	3 088	-37.5%	0.3%	6 560	6 235	6 907	30.8%	0.3%	
Legal services	104 706	130 213	134 390	120 187	4.7%	7.4%	101 930	108 704	116 166	-1.1%	6.3%	
Science and technological services	-	-	29 129	-	-	0.4%	-	-	-	-	-	-
Contractors	53 619	22 093	32 143	41 229	-8.4%	2.3%	38 145	38 189	42 995	1.4%	2.3%	
Agency and support/outourced services	84 819	33 838	31 701	36 246	-24.7%	2.8%	36 526	30 847	35 193	-1.0%	2.0%	
Entertainment	8	4	-	2	-37.0%	-	12	12	12	81.7%	-	
Fleet services (including government motor transport)	16 999	11 170	22 910	16 416	-1.2%	1.0%	22 034	25 711	25 446	15.7%	1.3%	
Inventory: Clothing material and accessories	4 271	72	-	-	-100.0%	0.1%	-	-	-	-	-	
Inventory: Farming supplies	2 333	75	-	-	-100.0%	-	-	-	-	-	-	
Inventory: Learner and teacher support material	32	-	-	-	-100.0%	-	-	-	-	-	-	
Inventory: Materials and supplies	4 425	2 650	-	-	-100.0%	0.1%	-	-	-	-	-	
Inventory: Medical supplies	18	33	-	-	-100.0%	-	-	-	-	-	-	
Inventory: Medicine	4	-	-	-	-100.0%	-	-	-	-	-	-	
Consumable supplies	6 277	4 391	6 829	10 481	18.6%	0.4%	12 134	11 596	12 122	5.0%	0.7%	
Consumables: Stationery, printing and office supplies	25 562	23 682	27 600	38 516	14.6%	1.7%	36 145	39 698	42 883	3.6%	2.2%	
Operating leases	180 458	189 142	250 050	250 070	11.5%	13.1%	513 899	515 049	502 000	26.1%	25.2%	
Rental and hiring	10 267	6 791	3 376	5 758	-17.5%	0.4%	3 581	3 364	3 633	-14.2%	0.2%	
Property payments	93 658	105 610	115 773	135 026	13.0%	6.8%	147 235	147 372	151 556	3.9%	8.2%	
Transport provided: Departmental activity	3 223	7 428	2 406	1 989	-14.9%	0.2%	3 263	2 732	2 915	13.6%	0.2%	
Travel and subsistence	790 962	277 842	231 800	207 940	-35.9%	22.8%	113 042	119 938	154 426	-9.4%	8.4%	
Training and development	108 725	9 482	7 897	19 623	-43.5%	2.2%	22 278	24 646	25 534	9.2%	1.3%	
Operating payments	19 915	15 336	13 753	20 466	0.9%	1.1%	21 418	23 217	24 351	6.0%	1.3%	
Venues and facilities	98 782	70 164	36 077	31 793	-31.5%	3.6%	18 869	21 014	23 770	-9.2%	1.3%	
Total	2 175 153	1 342 464	1 396 265	1 700 116	-7.9%	100.0%	1 715 466	1 780 134	1 875 039	3.3%	100.0%	

Transfers and subsidies expenditure trends and estimates

Table 39.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Provinces and municipalities											
Municipal bank accounts											
Current	10 477	125 617	76 741	93 281	107.3%	1.4%	67 542	72 668	77 903	-5.8%	1.2%
Vehicle licences	48	17 426	19 089	7 233	432.1%	0.2%	5 665	5 979	6 312	-4.4%	0.1%
Municipal rates and taxes	7 582	4 577	-	-	-100.0%	0.1%	-	-	-	-	-
Rates and taxes	2 847	103 614	57 652	86 048	211.5%	1.1%	61 877	66 689	71 591	-5.9%	1.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 184 385	1 752 447	1 381 512	1 532 205	-11.1%	30.9%	1 493 134	1 491 250	1 574 726	0.9%	23.5%
Development Bank of Southern Africa	20 668	-	-	-	-100.0%	0.1%	-	-	-	-	-
Public Sector Education and Training Authority	2 377	3 518	-	-	-100.0%	-	-	-	-	-	-
Council for Scientific and Industrial Research	3 482	1 903	-	-	-100.0%	-	-	-	-	-	-
Communications	24	5	3	-	-100.0%	-	-	-	-	-	-
Registration of deeds trading account	241 741	113 194	15 929	-	-100.0%	1.7%	-	-	-	-	-
South African Local Government Association national member assembly	-	3 000	-	-	-	-	-	-	-	-	-
South African Geomatics Council	-	-	-	4 000	-	-	4 000	4 000	4 212	1.7%	0.1%
Agricultural Research Council	174 315	-	-	-	-100.0%	0.8%	-	-	-	-	-
Agricultural Business Development Agency	7 550	-	-	-	-100.0%	-	-	-	-	-	-
National Agricultural Marketing Council	9 500	-	-	-	-100.0%	-	-	-	-	-	-
National Wool Growers Association of South Africa	11 944	-	-	-	-100.0%	0.1%	-	-	-	-	-
Mpumalanga Regional Training Trust	1 163	-	-	-	-100.0%	-	-	-	-	-	-

Table 39.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
South African Broadcasting Corporation	2	4	-	-	-100.0%	-	-	-	-	-	-
KwaZulu-Natal Ingonyama Trust Board	14 500	17 294	18 069	18 788	9.0%	0.3%	19 727	20 871	22 040	5.5%	0.3%
Agricultural land holding account	1 697 119	1 613 529	1 342 027	1 495 117	-4.1%	27.7%	1 419 601	1 396 271	1 480 734	-0.3%	22.4%
Office of the Valuer-General	-	-	5 484	14 300	-	0.1%	49 806	70 108	67 740	67.9%	0.8%
Foreign governments and international organisations											
Current	1 772	2 063	2 596	1 574	-3.9%	-	1 653	1 749	1 847	5.5%	-
Regional centre for mapping of resources for development	1 772	2 063	2 596	1 574	-3.9%	-	1 653	1 749	1 847	5.5%	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	68 782	6 526	-	1	-97.6%	0.3%	1	1	1	-	-
Independent Development Trust	31 476	6 526	-	-	-100.0%	0.2%	-	-	-	-	-
Council for Scientific and Industrial Research	37 306	-	-	-	-100.0%	0.2%	-	-	-	-	-
Land reform empowerment facility	-	-	-	1	-	-	1	1	1	-	-
Public corporations and private enterprises											
Subsidies on products and production											
Current	-	794	-	-	-	-	-	-	-	-	-
Independent Development Trust	-	794	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	51 869	33 675	-	-	-100.0%	0.4%	-	-	-	-	-
Coega	51 869	33 675	-	-	-100.0%	0.4%	-	-	-	-	-
Non-profit institutions											
Current	6 433	3 755	3 159	3 326	-19.7%	0.1%	3 492	3 695	3 902	5.5%	0.1%
South African Council for Planners	2 849	3 020	3 159	3 326	5.3%	0.1%	3 492	3 695	3 902	5.5%	0.1%
Goedgedacht Trust	1 591	-	-	-	-100.0%	-	-	-	-	-	-
Ikageng Self-Help Association for the Blind	1 000	735	-	-	-100.0%	-	-	-	-	-	-
Ikemiseng Association for the Blind	993	-	-	-	-100.0%	-	-	-	-	-	-
Households											
Social benefits											
Current	3 031	4 159	2 824	2 824	-2.3%	0.1%	2 988	3 200	1 037	-28.4%	-
Employee social benefits	3 031	4 159	2 824	2 824	-2.3%	0.1%	2 988	3 200	1 037	-28.4%	-
Households											
Other transfers to households											
Current	866 095	1 268 339	1 532 367	2 083 397	34.0%	25.9%	2 071 673	2 188 362	2 311 034	3.5%	33.4%
Employee social benefits	-	31	415	-	-	-	-	-	-	-	-
Bursaries for non-employees	28 684	212	20 424	24 048	-5.7%	0.3%	25 354	26 825	28 327	5.6%	0.4%
Rural Infrastructure Development	-	193 834	136 119	794 172	-	5.1%	814 432	864 569	915 464	4.9%	13.1%
Rural Enterprise and Industrial Development	-	246 830	529 902	395 799	-	5.3%	384 000	410 000	428 000	2.6%	6.2%
National Rural Youth Services Corps	174 998	531 945	274 273	337 252	24.4%	5.9%	356 025	294 044	310 507	-2.7%	5.0%
Claims against state	669	-	-	-	-100.0%	-	-	-	-	-	-
Land reform grants	661 744	295 487	571 234	532 126	-7.0%	9.3%	491 862	592 924	628 736	5.7%	8.7%
Capital	2 278 048	2 260 900	2 019 224	2 508 629	3.3%	40.9%	2 608 774	2 762 864	2 919 712	5.2%	41.7%
Restitution grants	2 278 048	2 260 900	2 019 224	2 508 629	3.3%	40.9%	2 608 774	2 762 864	2 919 712	5.2%	41.7%
Total	5 470 892	5 458 275	5 018 423	6 225 237	4.4%	100.0%	6 249 257	6 523 789	6 890 162	3.4%	100.0%

Personnel information

Table 39.6 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. National Geomatics Management Services																			
3. Rural Development																			
4. Restitution																			
5. Land Reform																			
Number of posts estimated for 31 March 2017			Number and cost ² of personnel posts filled / planned for on funded establishment									Number							
Number of funded posts	of establishment	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16		2016/17		2017/18		2018/19		2019/20								
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
			4 501	1 937.2	0.4	4 483	2 142.6	0.5	4 359	2 194.6	0.5	4 313	2 325.6	0.5	4 289	2 502.9	0.6	-1.5%	100.0%
Rural Development and Land Reform																			
Salary level	4 039	399																	
1 - 6	1 028	133	1 175	250.8	0.2	1 175	282.9	0.2	1 120	285.2	0.3	1 116	308.5	0.3	1 109	333.6	0.3	-1.9%	25.9%
7 - 10	2 137	180	2 351	947.1	0.4	2 340	1 061.4	0.5	2 285	1 077.0	0.5	2 270	1 153.3	0.5	2 265	1 249.6	0.6	-1.1%	52.5%
11 - 12	628	84	722	493.7	0.7	707	532.9	0.8	695	549.5	0.8	672	565.3	0.8	665	606.5	0.9	-2.0%	15.7%
13 - 16	246	2	253	245.5	1.0	261	265.3	1.0	259	282.9	1.1	255	298.5	1.2	250	313.2	1.3	-1.4%	5.9%

Table 39.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)	
		2015/16			2016/17			2017/18			2018/19			2019/20					2016/17 - 2019/20
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Rural Development and Land Reform Programme	4 039	399	4 501	1 937.2	0.4	4 483	2 142.6	0.5	4 359	2 194.6	0.5	4 313	2 325.6	0.5	4 289	2 502.9	0.6	-1.5%	100.0%
Programme 1	1 480	45	1 629	649.2	0.4	1 631	718.2	0.4	1 596	736.7	0.5	1 595	780.6	0.5	1 588	840.2	0.5	-0.9%	36.7%
Programme 2	788	324	1 114	449.0	0.4	1 076	485.0	0.5	997	491.4	0.5	956	520.7	0.5	943	560.4	0.6	-4.3%	22.8%
Programme 3	449	16	384	255.0	0.7	395	282.5	0.7	386	293.7	0.8	384	311.3	0.8	383	335.0	0.9	-1.0%	8.9%
Programme 4	707	6	745	304.7	0.4	746	336.6	0.5	746	339.8	0.5	745	360.1	0.5	744	387.6	0.5	-0.1%	17.1%
Programme 5	615	8	629	279.2	0.4	635	320.3	0.5	634	333.0	0.5	633	352.8	0.6	631	379.7	0.6	-0.2%	14.5%

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

2. Rand million.

Departmental receipts

Table 39.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	104 622	87 439	54 643	95 812	58 116	-17.8%	100.0%	61 022	64 073	67 279	5.0%	100.0%
Sales of goods and services produced by department	21 213	21 534	23 695	25 460	22 378	1.8%	29.1%	23 497	24 672	25 907	5.0%	38.5%
Sales by market establishments	1 019	1 023	743	1 148	784	-8.4%	1.2%	823	865	909	5.1%	1.3%
of which:												
Market establishment: Non-residential building	1 018	1 022	732	1 085	717	-11.0%	1.1%	753	791	831	5.0%	1.2%
Market establishment: Parking: Covered and open	1	1	11	63	67	306.2%	-	70	74	78	5.2%	0.1%
Administrative fees	16 658	16 722	18 065	20 796	18 137	2.9%	22.8%	19 044	19 996	20 996	5.0%	31.2%
of which:												
Servitude rights	969	292	1 012	1 433	2 697	40.7%	1.6%	2 832	2 974	3 123	5.0%	4.6%
Surveyor inspection fees	15 687	16 427	17 049	19 361	15 437	-0.5%	21.2%	16 209	17 019	17 870	5.0%	26.6%
Request information: Promotion of Access to Information Act (2000)	2	3	4	2	3	14.5%	-	3	3	3	-	-
Other sales	3 536	3 789	4 887	3 516	3 457	-0.8%	5.1%	3 630	3 811	4 002	5.0%	5.9%
of which:												
Services rendered: Commission on insurance and gamishees	697	824	912	543	997	12.7%	1.1%	1 047	1 099	1 154	5.0%	1.7%
Services rendered: Management fees	1	1	5	39	5	71.0%	-	5	5	5	-	-
Sales: Tender documents	355	665	1 262	487	418	5.6%	0.9%	439	461	484	5.0%	0.7%
Sales: Maps	2 168	1 889	2 400	2 077	1 738	-7.1%	2.7%	1 825	1 916	2 012	5.0%	3.0%
Plan sales: Charts/posters	315	410	308	370	299	-1.7%	0.4%	314	330	347	5.1%	0.5%
Sales of scrap, waste, arms and other used current goods	5	5	2	82	5	-	-	5	5	5	-	-
of which:												
Sales: Scrap	4	4	1	15	4	-	-	4	4	4	-	-
Sales: Waste paper	1	1	1	67	1	-	-	1	1	1	-	-
Transfers received	-	-	-	244	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	21 469	13 503	20 946	16 853	27 689	8.9%	27.4%	29 074	30 527	32 054	5.0%	47.6%
Interest	18 862	12 043	15 756	12 686	21 036	3.7%	22.2%	22 088	23 192	24 352	5.0%	36.2%
Rent on land	2 607	1 460	5 190	4 167	6 653	36.7%	5.2%	6 986	7 335	7 702	5.0%	11.4%
Sales of capital assets	147	523	790	123	185	8.0%	0.5%	194	204	214	5.0%	0.3%
Transactions in financial assets and liabilities	61 788	51 874	9 210	53 050	7 859	-49.7%	42.9%	8 252	8 665	9 099	5.0%	13.5%
Total	104 622	87 439	54 643	95 812	58 116	-17.8%	100.0%	61 022	64 073	67 279	5.0%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 39.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Ministry	34.9	41.2	44.5	40.5	5.0%	2.9%	37.8	40.1	43.3	2.3%	2.3%
Management	114.2	133.8	146.4	158.8	11.6%	10.0%	163.9	174.6	187.6	5.7%	9.8%
Internal Audit	32.8	41.0	43.2	47.8	13.4%	3.0%	39.2	41.6	45.1	-1.9%	2.5%
Corporate Services	433.1	499.0	381.5	449.0	1.2%	31.8%	420.9	451.9	483.0	2.5%	25.9%
Financial Services	144.1	168.2	166.9	292.7	26.6%	13.9%	190.1	202.2	217.2	-9.5%	12.9%
Provincial Coordination	277.9	294.5	315.1	336.6	6.6%	22.1%	337.7	358.1	387.2	4.8%	20.3%
Office Accommodation	201.7	204.5	239.2	257.0	8.4%	16.3%	532.0	531.4	513.2	25.9%	26.3%
Total	1 238.8	1 382.2	1 336.9	1 582.5	8.5%	100.0%	1 721.6	1 799.8	1 876.7	5.8%	100.0%
Change to 2016 Budget estimate				120.5			173.9	155.8	124.2		
Economic classification											
Current payments	1 161.8	1 222.0	1 294.8	1 562.1	10.4%	94.6%	1 709.8	1 789.2	1 866.5	6.1%	99.2%
Compensation of employees	531.2	635.5	649.2	718.2	10.6%	45.7%	736.7	780.6	840.2	5.4%	44.1%
Goods and services ¹	630.5	586.5	645.5	843.9	10.2%	48.8%	973.1	1 008.6	1 026.3	6.7%	55.2%
of which:											
Audit costs: External	15.7	14.6	16.8	22.0	12.0%	1.2%	17.6	22.6	20.7	-2.0%	1.2%
Computer services	84.4	89.2	137.5	172.2	26.8%	8.7%	156.2	171.2	180.8	1.6%	9.7%
Operating leases	172.1	174.1	220.0	230.5	10.2%	14.4%	498.9	498.9	484.9	28.1%	24.5%
Property payments	73.5	87.1	94.5	103.0	11.9%	6.5%	120.3	120.3	121.3	5.6%	6.7%
Travel and subsistence	85.5	65.7	59.1	54.8	-13.8%	4.8%	28.0	28.4	37.8	-11.7%	2.1%
Training and development	16.4	5.9	4.5	15.8	-1.1%	0.8%	22.1	24.5	25.4	17.1%	1.3%
Transfers and subsidies¹	58.0	39.3	1.1	1.1	-73.7%	1.8%	0.1	0.2	0.2	-43.1%	-
Departmental agencies and accounts	5.4	3.5	-	-	-100.0%	0.2%	-	-	-	-	-
Public corporations and private enterprises	51.9	33.7	-	-	-100.0%	1.5%	-	-	-	-	-
Households	0.7	2.1	1.1	1.0	14.7%	0.1%	0.1	0.1	0.2	-46.6%	-
Payments for capital assets	17.8	119.4	40.3	19.4	3.0%	3.6%	11.7	10.5	10.0	-19.9%	0.7%
Buildings and other fixed structures	2.5	7.7	5.1	7.1	41.7%	0.4%	-	-	-	-100.0%	0.1%
Machinery and equipment	15.3	111.7	35.2	12.3	-7.0%	3.2%	11.7	10.5	10.0	-6.7%	0.6%
Payments for financial assets	1.2	1.4	0.7	-	-100.0%	0.1%	-	-	-	-	-
Total	1 238.8	1 382.2	1 336.9	1 582.5	8.5%	100.0%	1 721.6	1 799.8	1 876.7	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	13.1%	14.7%	14.7%	15.6%	-	-	16.9%	16.9%	16.6%	-	-
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	51.9	33.7	-	-	-100.0%	1.5%	-	-	-	-	-
Coega	51.9	33.7	-	-	-100.0%	1.5%	-	-	-	-	-

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

Programme 2: National Geomatics Management Services

Programme purpose

Provide geospatial information, cadastral surveys, deeds registration, spatial planning and other technical services in support of sustainable land development.

Objectives

- Facilitate an integrated spatial planning and land use management system in all provinces by advising affected stakeholders to adhere to the Spatial Planning and Land Use Management Act (2013) in their development planning by 2020.
- Develop and implement the national spatial development framework through the enactment of the Spatial Planning and Land Use Management Act (2013), to appropriately direct government investment in order to yield results with maximum impact by 2020.
- Support all municipalities with the implementation of the Spatial Planning and Land Use Management Act (2013), thereby stimulating development in poor areas and reducing spatial inequalities, by holding workshops on its implementation by 2020.

- Improve the efficiency of cadastral surveys management by reducing the turnaround time for the approval of cadastral documents from 21 days in 2012/13 to 14 days by 2020.
- Ensure an integrated and comprehensive land administration system by constructing a cadastre modernisation programme that will result in a secure, accessible, integrated, scalable, cost-effective and self-sustainable solution that provides accurate, reliable and secure land administration and information by 2020.

Subprogrammes

- *National Geomatics Management Services* is responsible for: examining and approving all surveys of land and real rights that are intended to be registered in the deeds office; maintaining records; compiling; maintaining and revising maps of property boundaries; providing cadastral advisory services to other government institutions; promoting and controlling all matters related to geodetic and topographical surveying; establishing and maintaining a network of national geo-referencing stations; facilitating state surveys related to land reform; and providing cadastral and geospatial information services, including South African spatial data infrastructure.
- *Spatial Planning and Land Use Management* provides for national land use management and spatial planning systems; develops the national spatial development framework and rural development plans, guidelines, norms and standards; and ensures compliance with the Spatial Land Use Management Act (2013). This subprogramme also provides support to the South African Council for Planners, provides technical assistance to other spheres of government by providing spatial development frameworks and land use schemes, and establishes functional municipal land use tribunals.
- *Registration of Deeds Trading Account* provides a deeds registration system in which secure titles are registered and accurate information is provided.
- *South African Council for Planners* transfers funds on an annual basis to the South African Council for Planners, a non-profit organisation dealing with the registration and other activities of the planning profession.
- *South African Geomatics Council* regulates and promotes the transformation of the geomatics profession.

Expenditure trends and estimates

Table 39.9 National Geomatics Management Services 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
National Geomatics Management Services	446.1	434.5	486.7	537.6	6.4%	64.7%	496.5	515.4	554.7	1.0%	74.0%
Spatial Planning and Land Use Management	123.9	181.8	176.1	169.5	11.0%	22.1%	168.1	178.4	191.3	4.1%	24.9%
Registration of Deeds Trading Account	241.7	113.2	15.9	-	-100.0%	12.6%	-	-	-	-	-
South African Council for Planners	2.8	3.0	3.2	3.3	5.3%	0.4%	3.5	3.7	3.9	5.5%	0.5%
South African Geomatics Council	-	-	-	4.0	-	0.1%	4.0	4.0	4.2	1.7%	0.6%
Total	814.6	732.5	681.8	714.4	-4.3%	100.0%	672.1	701.5	754.1	1.8%	100.0%
Change to 2016				(103.5)			(83.1)	(83.9)	(84.2)		
Budget estimate											
Economic classification											
Current payments	528.0	602.0	625.0	672.6	8.4%	82.5%	632.2	661.2	711.5	1.9%	94.2%
Compensation of employees	357.4	411.6	449.0	485.0	10.7%	57.9%	491.4	520.7	560.4	4.9%	72.4%
Goods and services ¹	170.6	190.3	176.0	187.6	3.2%	24.6%	140.8	140.4	151.1	-7.0%	21.8%
of which:											
Computer services	9.2	15.2	12.7	22.6	35.1%	2.0%	14.0	13.8	14.6	-13.7%	2.3%
Consultants: Business and advisory services	52.3	86.4	75.2	66.4	8.3%	9.5%	75.4	81.4	86.2	9.1%	10.9%
Contractors	22.2	15.5	19.3	18.1	-6.7%	2.5%	18.4	13.6	14.4	-7.4%	2.3%
Consumables: Stationery, printing and office supplies	4.8	4.9	4.3	5.5	4.1%	0.7%	3.9	4.4	4.8	-4.2%	0.7%
Property payments	4.0	5.3	6.7	9.5	33.5%	0.9%	5.9	5.7	6.0	-14.1%	1.0%
Travel and subsistence	29.8	20.8	20.2	23.4	-7.7%	3.2%	7.8	7.8	10.8	-22.8%	1.7%
Interest and rent on land	-	0.1	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	277.6	124.6	42.7	34.3	-50.2%	16.3%	35.0	36.7	38.8	4.2%	5.1%
Departmental agencies and accounts	242.2	118.1	15.9	4.0	-74.5%	12.9%	4.0	4.0	4.2	1.7%	0.6%
Foreign governments and international organisations	1.8	2.1	2.6	1.6	-3.9%	0.3%	1.7	1.7	1.8	5.5%	0.2%
Non-profit institutions	2.8	3.0	3.2	3.3	5.3%	0.4%	3.5	3.7	3.9	5.5%	0.5%
Households	30.7	1.4	21.0	25.4	-6.2%	2.7%	25.8	27.2	28.8	4.3%	3.8%

Table 39.9 National Geomatics Management Services expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Payments for capital assets	7.0	4.8	12.0	7.5	2.3%	1.1%	5.0	3.6	3.8	-20.2%	0.7%
Machinery and equipment	7.0	4.8	12.0	7.5	2.3%	1.1%	4.0	3.5	3.7	-21.0%	0.7%
Software and other intangible assets	–	–	–	–	–	–	0.9	0.1	0.1	–	–
Payments for financial assets	2.0	1.1	2.0	–	-100.0%	0.2%	–	–	–	–	–
Total	814.6	732.5	681.8	714.4	-4.3%	100.0%	672.1	701.5	754.1	1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	8.6%	7.8%	7.5%	7.1%	–	–	6.6%	6.6%	6.7%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	242.2	118.1	15.9	4.0	-74.5%	12.9%	4.0	4.0	4.2	1.7%	0.6%
Council for Scientific and Industrial Research	0.5	1.9	–	–	-100.0%	0.1%	–	–	–	–	–
Registration of deeds trading account	241.7	113.2	15.9	–	-100.0%	12.6%	–	–	–	–	–
South African Local Government Association national member assembly	–	3.0	–	–	–	0.1%	–	–	–	–	–
South African Geomatics Council	–	–	–	4.0	–	0.1%	4.0	4.0	4.2	1.7%	0.6%
Non-profit institutions	2.8	3.0	3.2	3.3	5.3%	0.4%	3.5	3.7	3.9	5.5%	0.5%
South African Council for Planners	2.8	3.0	3.2	3.3	5.3%	0.4%	3.5	3.7	3.9	5.5%	0.5%
Households	28.7	0.2	20.1	24.0	-5.7%	2.5%	25.4	26.8	28.3	5.6%	3.7%
Other transfers to households	28.7	0.2	20.1	24.0	-5.7%	2.5%	25.4	26.8	28.3	5.6%	3.7%
Bursaries for non-employees	28.7	0.2	20.1	24.0	-5.7%	2.5%	25.4	26.8	28.3	5.6%	3.7%

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

Programme 3: Rural Development

Programme purpose

Catalyse, initiate, facilitate and coordinate the implementation of a comprehensive rural development programme, leading to sustainable and vibrant rural communities.

Objectives

- Facilitate the development of 235 sustainable rural enterprises and industries in areas with economic development potential and opportunities by providing entrepreneurial skills training by 2020.
- Facilitate infrastructure development to support rural economic transformation by building infrastructure in rural areas in collaboration with other parts of government by 2020.
- Increase job opportunities through the comprehensive rural development programme and land reform initiatives by skilling youth through training and equipping them for the job market by 2020.
- Create skills development opportunities through the national rural youth services corps and rural development and land reform initiatives by skilling youth through training and equipping them for the job market by 2020.

Subprogrammes

- *Rural Infrastructure Development* facilitates access to social and economic infrastructure and provides income generating opportunities through improved physical infrastructure in rural areas.
- *Rural Enterprise and Industrial Development* creates an enabling institutional environment for sustainable rural development and provides for social, economic and sustainable livelihoods development in rural communities. Its functions are based on the social mobilisation of communities to ensure that rural communities take ownership of rural development projects and programmes; establish rural development forums and partnerships; increase food security; promote youth development and social organisation; create jobs through cooperatives; and develop rural enterprises and industries.
- *National Rural Youth Services Corps* trains rural youth in various skills sectors, which include administration, agriculture, construction, education, engineering, health and safety, hospitality, renewable

energy, and transport, to match the economic priorities of the communities and provinces from where the youth were recruited from.

Expenditure trends and estimates

Table 39.10 Rural Development 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Rural Infrastructure Development	362.5	712.4	861.7	906.5	35.7%	38.7%	924.3	981.1	1 041.9	4.7%	49.1%
Rural Enterprise and Industrial Development	517.1	459.3	707.5	581.8	4.0%	30.9%	553.1	587.9	620.5	2.2%	29.9%
National Rural Youth Services Corps	821.2	629.2	352.7	426.0	-19.6%	30.4%	437.5	382.2	406.6	-1.5%	21.0%
Total	1 700.8	1 801.0	1 922.0	1 914.4	4.0%	100.0%	1 914.9	1 951.2	2 069.0	2.6%	100.0%
Change to 2016 Budget estimate							(80.9)	(79.5)	(81.8)		
Economic classification											
Current payments	1 064.3	417.1	380.8	378.9	-29.1%	30.5%	355.9	377.8	411.5	2.8%	19.4%
Compensation of employees	200.4	249.6	255.0	282.5	12.1%	13.5%	293.7	311.3	335.0	5.8%	15.6%
Goods and services ¹	863.9	167.5	125.4	96.4	-51.9%	17.1%	62.1	66.5	76.5	-7.4%	3.8%
<i>of which:</i>											
Administrative fees	36.6	6.4	3.2	3.0	-56.6%	0.7%	3.9	3.8	4.0	10.4%	0.2%
Communication	3.0	5.6	5.5	5.3	21.1%	0.3%	4.5	5.6	5.9	3.6%	0.3%
Consultants: Business and advisory services	76.6	26.0	19.6	1.7	-71.8%	1.7%	2.8	3.4	3.6	27.6%	0.1%
Fleet services (including government motor transport)	0.3	0.4	1.2	2.3	88.0%	0.1%	3.7	4.0	4.2	22.2%	0.2%
Consumables: Stationery, printing and office supplies	3.4	3.4	3.6	5.7	19.3%	0.2%	5.4	6.3	6.8	5.7%	0.3%
Travel and subsistence	556.4	90.3	65.4	47.3	-56.0%	10.3%	25.5	25.6	31.5	-12.7%	1.7%
Interest and rent on land	-	-	0.4	-	-	-	-	-	-	-	-
Transfers and subsidies¹	479.8	985.5	940.4	1 527.2	47.1%	53.6%	1 554.5	1 568.6	1 654.0	2.7%	80.3%
Provinces and municipalities	7.1	4.6	-	-	-100.0%	0.2%	-	-	-	-	-
Departmental agencies and accounts	225.1	-	-	-	-100.0%	3.1%	-	-	-	-	-
Public corporations and private enterprises	68.8	7.3	-	-	-100.0%	1.0%	-	-	-	-	-
Non-profit institutions	3.6	0.7	-	-	-100.0%	0.1%	-	-	-	-	-
Households	175.2	972.9	940.4	1 527.2	105.8%	49.3%	1 554.5	1 568.6	1 654.0	2.7%	80.3%
Payments for capital assets	156.2	398.1	599.8	8.3	-62.4%	15.8%	4.6	4.8	3.5	-24.7%	0.3%
Buildings and other fixed structures	150.3	393.5	596.0	-	-100.0%	15.5%	-	-	-	-	-
Machinery and equipment	5.6	4.6	3.8	8.3	13.9%	0.3%	4.6	4.8	3.5	-24.7%	0.3%
Biological assets	0.3	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.6	0.3	1.0	-	-100.0%	-	-	-	-	-	-
Total	1 700.8	1 801.0	1 922.0	1 914.4	4.0%	100.0%	1 914.9	1 951.2	2 069.0	2.6%	100.0%
Proportion of total programme expenditure to vote expenditure	18.0%	19.2%	21.1%	18.9%	-	-	18.8%	18.3%	18.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	225.1	-	-	-	-100.0%	3.1%	-	-	-	-	-
Development Bank of Southern Africa	20.7	-	-	-	-100.0%	0.3%	-	-	-	-	-
Agricultural Research Council	174.3	-	-	-	-100.0%	2.4%	-	-	-	-	-
Agricultural Business Development Agency	7.6	-	-	-	-100.0%	0.1%	-	-	-	-	-
National Agricultural Marketing Council	9.5	-	-	-	-100.0%	0.1%	-	-	-	-	-
National Wool Growers Association of South Africa	11.9	-	-	-	-100.0%	0.2%	-	-	-	-	-
Mpumalanga Regional Training Trust	1.2	-	-	-	-100.0%	-	-	-	-	-	-
Households											
Other transfers to households											
Current	175.0	972.6	940.3	1 527.2	105.9%	49.3%	1 554.5	1 568.6	1 654.0	2.7%	80.3%
Rural Infrastructure Development	-	193.8	136.1	794.2	-	15.3%	814.4	864.6	915.5	4.9%	43.2%
Rural Enterprise and Industrial Development	-	246.8	529.9	395.8	-	16.0%	384.0	410.0	428.0	2.6%	20.6%
National Rural Youth Services Corps	175.0	531.9	274.3	337.3	24.4%	18.0%	356.0	294.0	310.5	-2.7%	16.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	68.8	6.5	-	-	-100.0%	1.0%	-	-	-	-	-
Independent Development Trust	31.5	6.5	-	-	-100.0%	0.5%	-	-	-	-	-
Council for Scientific and Industrial Research	37.3	-	-	-	-100.0%	0.5%	-	-	-	-	-

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

Programme 4: Restitution

Programme purpose

Settle land restitution claims under the Restitution of Land Rights Act (1994) and provide settlement support to beneficiaries.

Objectives

- Facilitate the restoration of land rights and alternative forms of equitable redress by 2020 by finalising 1 269 land claims, settling 2 052 new claims, approving 250 phased projects, and researching 4 500 new claims.
- Reopen the lodgement of restitution land claims for those who did not meet the 1998 deadline by soliciting and receiving new claims by 2019 in order to provide redress to those who were unfairly dispossessed of their land.

Subprogrammes

- *Restitution National Office* provides administrative and professional support to the Commission on the Restitution of Land Rights for processing and investigating restitution claims, develops and coordinates restitution policy, and oversees court cases.
- *Restitution Regional Offices* is responsible for the research, validation, verification and negotiation of settlements, and provides administrative support services for the settlement of claims.
- *Restitution Grants* redresses restitution claims by restoring land or providing alternative land, provides financial compensation and alternative relief, offers settlement planning and facilitation assistance, and contributes funds to the resettlement of communities.

Expenditure trends and estimates

Table 39.11 Restitution 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Restitution National Office	160.0	126.9	88.0	217.5	10.8%	5.1%	210.7	222.4	237.4	3.0%	6.6%
Restitution Regional Offices	388.1	610.1	523.0	442.0	4.4%	16.9%	427.9	456.1	494.0	3.8%	13.5%
Restitution Grants	2 288.6	2 260.9	2 019.2	2 508.6	3.1%	78.0%	2 608.8	2 762.9	2 919.7	5.2%	80.0%
Total	2 836.7	2 997.9	2 630.2	3 168.2	3.8%	100.0%	3 247.4	3 441.3	3 651.2	4.8%	100.0%
Change to 2016 Budget estimate							(98.7)	(103.9)	(100.5)		
Economic classification											
Current payments	493.1	453.3	491.9	639.6	9.1%	17.9%	630.6	670.0	722.5	4.1%	19.7%
Compensation of employees	216.9	255.3	304.7	336.6	15.8%	9.6%	339.8	360.1	387.6	4.8%	10.5%
Goods and services ¹	270.8	192.7	186.0	303.0	3.8%	8.2%	290.8	309.9	335.0	3.4%	9.2%
of which:											
Communication	12.2	12.2	11.1	11.3	-2.5%	0.4%	10.6	12.2	12.5	3.4%	0.3%
Consultants: Business and advisory services	57.7	17.9	12.7	151.1	37.9%	2.1%	157.0	168.7	178.0	5.6%	4.8%
Legal services	20.3	32.4	–	16.9	-5.8%	0.6%	20.4	21.7	22.9	10.5%	0.6%
Agency and support/outsourced services	14.4	7.0	7.9	12.4	-4.8%	0.4%	13.7	12.6	15.5	7.8%	0.4%
Property payments	4.6	5.8	6.0	8.8	23.9%	0.2%	10.6	11.2	11.8	10.5%	0.3%
Travel and subsistence	69.8	46.8	43.2	40.7	-16.4%	1.7%	17.2	22.1	29.5	-10.2%	0.8%
Interest and rent on land	5.4	5.4	1.2	–	-100.0%	0.1%	–	–	–	–	–
Transfers and subsidies¹	2 278.6	2 278.7	2 039.4	2 516.1	3.4%	78.3%	2 614.7	2 769.1	2 926.3	5.2%	80.1%
Provinces and municipalities	0.5	17.4	19.1	7.2	147.3%	0.4%	5.6	5.9	6.3	-4.4%	0.2%
Households	2 278.1	2 261.3	2 020.3	2 508.9	3.3%	78.0%	2 609.1	2 763.2	2 920.1	5.2%	80.0%
Payments for capital assets	63.0	264.8	97.9	12.5	-41.6%	3.8%	2.1	2.2	2.3	-42.9%	0.1%
Machinery and equipment	4.8	38.2	7.3	8.1	19.5%	0.5%	2.1	2.2	2.3	-34.1%	0.1%
Land and sub-soil assets	58.2	226.7	90.6	4.4	-57.7%	3.3%	–	–	–	-100.0%	–
Payments for financial assets	2.1	1.0	1.1	–	-100.0%	–	–	–	–	–	–
Total	2 836.7	2 997.9	2 630.2	3 168.2	3.8%	100.0%	3 247.4	3 441.3	3 651.2	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	30.0%	31.9%	28.8%	31.3%	–	–	31.9%	32.3%	32.3%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Capital	2 278.0	2 260.9	2 019.2	2 508.6	3.3%	77.9%	2 608.8	2 762.9	2 919.7	5.2%	80.0%
Restitution grants	2 278.0	2 260.9	2 019.2	2 508.6	3.3%	77.9%	2 608.8	2 762.9	2 919.7	5.2%	80.0%

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

Programme 5: Land Reform

Programme purpose

Provide sustainable land reform programmes in South Africa.

Objectives

- Acquire strategically located land for equitable redistribution and agricultural development in line with national economic job drivers through the purchase of land by 2020.
- Provide comprehensive farm development support to small-scale household producers and land reform beneficiaries for agrarian transformation through the provision of land and farming equipment, such as tractors, and seeds by 2020.
- Enable agrarian reform in all provinces by 2020 through functional systems and institutional arrangements for tenure and land administration by:
 - confirming the vesting of state land parcels in communal areas
 - supporting the transfer of rural areas to communities
 - supporting communal property associations with compliancy to legislation
 - supporting farm dwellers with secure tenure rights and ensuring the completeness of the immovable asset register.

Subprogrammes

- *Land Redistribution and Development* is responsible for: the implementation of the One Household, One Hectare initiative; the recapitalisation and development of existing projects; and the proactive land acquisition strategy of the department.
- *Land Tenure and Administration* provides functional systems and institutional arrangements for tenure and land administration to enable agrarian reform in all provinces.
- *Land Reform Grants* provides funding for project and programme planning, land acquisition and settlement; and allows the department to maintain, plan, develop or improve property.
- *KwaZulu-Natal Ingonyama Trust Board* provides quarterly transfers for administering land owned by the Ingonyama Trust.
- *Agricultural Land Holding Account* is responsible for buying and holding land until suitable beneficiaries are identified in terms of the Provisions of Land and Assistance Act (1993). This subprogramme's total budget is also used for recapitalisation, development and land acquisition.
- *Office of the Valuer-General* is responsible for providing valuations of land earmarked for land reform and land restitution purposes.

Expenditure trends and estimates

Table 39.12 Land Reform 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R million											
Land Redistribution and Development	320.6	223.8	363.7	259.1	-6.9%	11.0%	266.6	277.3	309.0	6.0%	10.0%
Land Tenure and Administration	169.2	331.9	246.5	425.5	36.0%	11.0%	380.6	402.1	431.6	0.5%	14.8%
Land Reform Grants	661.7	295.5	571.2	532.1	-7.0%	19.4%	491.9	592.9	628.7	5.7%	20.3%
KwaZulu-Natal Ingonyama Trust Board	14.5	17.3	18.1	18.8	9.0%	0.6%	19.7	20.9	22.0	5.5%	0.7%
Agricultural Land Holding Account	1 697.1	1 613.5	1 342.0	1 495.1	-4.1%	57.8%	1 419.6	1 396.3	1 480.7	-0.3%	52.3%
Office of Valuer-General	–	–	5.5	14.3	–	0.2%	49.8	70.1	67.7	67.9%	1.8%
Total	2 863.2	2 482.1	2 547.1	2 744.9	-1.4%	100.0%	2 628.2	2 759.5	2 939.8	2.3%	100.0%
Change to 2016 Budget estimate				(16.9)			(276.5)	(313.8)	(313.2)		

Table 39.12 Land Reform expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million											
Current payments	475.1	445.2	543.0	589.6	7.5%	19.3%	581.6	607.6	665.9	4.1%	22.1%
Compensation of employees	235.3	239.5	279.2	320.3	10.8%	10.1%	333.0	352.8	379.7	5.8%	12.5%
Goods and services ¹	239.5	205.5	263.3	269.3	4.0%	9.2%	248.6	254.7	286.1	2.0%	9.6%
of which:											
Administrative fees	2.6	2.7	6.9	10.1	57.8%	0.2%	22.3	23.4	25.9	36.9%	0.7%
Communication	14.0	16.8	15.8	17.8	8.5%	0.6%	11.0	11.8	13.0	-10.0%	0.5%
Consultants: Business and advisory services	5.7	1.8	11.5	26.6	66.8%	0.4%	36.3	36.6	41.6	16.1%	1.3%
Legal services	79.2	87.3	124.0	93.4	5.7%	3.6%	73.2	77.3	82.8	-3.9%	2.9%
Consumables: Stationery, printing and office supplies	4.5	3.9	5.1	10.2	30.8%	0.2%	12.4	12.3	13.4	9.8%	0.4%
Travel and subsistence	49.4	54.2	43.9	41.8	-5.5%	1.8%	34.5	36.0	44.9	2.5%	1.4%
Interest and rent on land	0.3	0.2	0.5	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	2 377.0	2 030.1	1 994.8	2 146.6	-3.3%	80.4%	2 045.0	2 149.2	2 270.9	1.9%	77.8%
Provinces and municipalities	2.9	103.6	57.7	86.1	210.5%	2.4%	61.9	66.7	71.6	-6.0%	2.6%
Departmental agencies and accounts	1 711.6	1 630.8	1 365.6	1 528.2	-3.7%	58.6%	1 489.1	1 487.3	1 570.5	0.9%	54.9%
Households	662.5	295.7	571.6	532.3	-7.0%	19.4%	494.0	595.2	628.8	5.7%	20.3%
Payments for capital assets	10.5	6.3	8.9	8.7	-6.4%	0.3%	1.6	2.8	3.0	-29.8%	0.1%
Buildings and other fixed structures	2.0	-	0.1	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	8.6	6.3	8.8	8.7	0.3%	0.3%	1.6	2.8	3.0	-29.8%	0.1%
Payments for financial assets	0.6	0.5	0.4	-	-100.0%	-	-	-	-	-	-
Total	2 863.2	2 482.1	2 547.1	2 744.9	-1.4%	100.0%	2 628.2	2 759.5	2 939.8	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	30.3%	26.4%	27.9%	27.1%	-	-	25.8%	25.9%	26.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 711.6	1 630.8	1 365.6	1 528.2	-3.7%	58.6%	1 489.1	1 487.3	1 570.5	0.9%	54.9%
KwaZulu-Natal Ingonyama Trust Board	14.5	17.3	18.1	18.8	9.0%	0.6%	19.7	20.9	22.0	5.5%	0.7%
Agricultural land holding account	1 697.1	1 613.5	1 342.0	1 495.1	-4.1%	57.8%	1 419.6	1 396.3	1 480.7	-0.3%	52.3%
Office of the Valuer-General	-	-	5.5	14.3	-	0.2%	49.8	70.1	67.7	67.9%	1.8%
Households											
Other transfers to households	661.7	295.5	571.2	532.1	-7.0%	19.4%	491.9	592.9	628.7	5.7%	20.3%
Land reform grants	661.7	295.5	571.2	532.1	-7.0%	19.4%	491.9	592.9	628.7	5.7%	20.3%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	2.8	103.6	57.7	86.0	211.5%	2.4%	61.9	66.7	71.6	-5.9%	2.6%
Rates and taxes	2.8	103.6	57.7	86.0	211.5%	2.4%	61.9	66.7	71.6	-5.9%	2.6%

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

Entities

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

- The **agricultural land holding account** was established in terms of the Provision of Land and Assistance Act (1993). Section 10(1)(a) gives legal effect to the proactive acquisition of land by the minister, from money appropriated by Parliament for this purpose. The state will proactively target land and merge this with the demand or need for land. The account's total budget for 2017/18 is R742 million.
- The **KwaZulu-Natal Ingonyama Trust Board** is a land management agency that ensures that commercial activity on communal land is developmental and beneficial to local communities. The KwaZulu-Natal Ingonyama Trust Act (1994) makes provision for the 2.8 million hectares of land spread across KwaZulu-Natal to be held in trust and managed on behalf of communities. The affairs of the trust are administered by the Ingonyama Trust Board. The board's total budget for 2017/18 is R130 million.
- The **registration of deeds trading account** makes provision for the administration of the land registration system and the registration of rights in land. It requires that deeds and documents are prepared and lodged in the deeds registry by a conveyancer or public notary, and are scrutinised for accuracy and compliance with common law, case law and statutory law. The main goal of the trading account is to contribute to effective land planning, administration and property registration. The account's total budget for 2017/18 is R749 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project lifecycle)										
Deeds office (Bloemfontein): Upgrading of sewerage system	Upgrading	Tender	1.8	-	0.1	-	-	0.7	-	-
Deeds office (Bloemfontein): Maintenance of fire protection system	Maintenance	Tender	2.1	-	0.2	0.4	-	0.2	-	-
49 Beacon Street, Ladysmith (KwaZulu-Natal): Upgrading of accommodation	Upgrading	Various	6.5	-	2.1	-	-	0.1	-	-
Kimberley Deeds Office upgrading and alterations	Upgrading	Identification	0.9	-	-	-	-	0.8	-	-
Kimberley assessment of fire detection and compression systems	Assessment of fire detection	Identification	2.0	-	-	-	-	-	-	-
King Williams Town: Assessment of fire detection and compression systems	Assessment of fire detection	Identification	2.0	-	-	-	-	-	-	-
Deeds office and surveyor general office (Pietermaritzburg): Upgrading of air conditioning and fire detection systems	Assessment of fire detection	Identification	13.1	-	-	-	-	-	-	-
Old Cooperation Building (Pretoria): Heritage and South Block upgrading	Upgrading	Design	26.3	-	1.3	-	-	-	-	-
Total			54.7	-	3.7	0.4	-	1.8	-	-

Vote 40

Sport and Recreation South Africa

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	136.9	134.5	0.1	2.2	143.9	152.7
Active Nation	689.1	62.8	626.3	–	727.8	768.6
Winning Nation	76.9	37.7	39.2	–	81.2	85.7
Sport Support	150.7	20.1	130.5	–	159.0	168.1
Sport Infrastructure Support	13.1	13.1	–	–	13.7	15.7
Total expenditure estimates	1 066.6	268.3	796.1	2.2	1 125.6	1 190.9

Executive authority: Minister of Sport and Recreation South Africa
 Accounting officer: Director General of Sport and Recreation South Africa
 Website address: www.srsa.gov.za

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

Vote purpose

Transform the delivery of sport and recreation by ensuring equitable access, development and excellence at all levels of participation, thereby improving social cohesion, nation building and the quality of life of all South Africans.

Mandate

The Department of Sport and Recreation South Africa is established in terms of the Public Service Act (1994). Its legal mandate is derived from the National Sport and Recreation Act (1998), which requires it to oversee the development and management of sport and recreation in South Africa. The act provides the framework for relationships between the department and its external clients. This includes the department's partnership with the South African Sports Confederation and Olympic Committee. The partnership is key to improving South Africa's international ranking in selected sports. The act also ensures that sport and physical education contribute to social cohesion by legislating on sports participation and sports infrastructure.

Selected performance indicators

Table 40.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of people actively participating in sport and recreation promotion campaigns and events per year	Active Nation	Outcome 14: A diverse, socially cohesive society with a common national identity	24 300 ¹	20 468 ¹	12 963	26 700	47 386	48 000	49 000
Number of participants in national school sport championships per year	Active Nation		8 690	10 915	10 685	7 500	5 000 ²	5 000	5 000
Number of schools, hubs and clubs provided with equipment and/or attire as per the established norms and standards per year	Active Nation		6 520	1 693	3 938	2 500 ³	2 500	2 500	2 500
Number of major international events receiving intra-governmental support per year	Winning Nation		10	4	0	4	4	4	4
Number of athletes supported by the sports academies per year	Winning Nation		– ⁴	– ⁴	6 089 ⁵	3 400	3 500	3 600	3 700
Number of athletes supported through the scientific support programme per year	Winning Nation			40	43	80	80	80	80

Table 40.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of sport and recreation bodies receiving financial and non-financial support in an effort to assist them in meeting their transformation targets per year	Sport Support	Outcome 14: A diverse, socially cohesive society with a common national identity	68	64	65	60	60	60	60
Number of athletes supported through the ministerial sports bursary programme per year	Winning Nation		28	40	52	60	60	60	60
Number of municipalities provided with technical and management support per year	Sport Infrastructure Support		17	12	12	12	30	35	40

1. This figure includes spectators. Information on participants only is not available for this year.

2. The drop in participants is attributed to a review of the format of the championships.

3. The target is not increasing due to rising inflation and improved quality of equipment and attire provided.

4. No historical data available.

5. A larger number of athletes were supported during 2015/16 when preparing for the 2016 Olympic and Paralympic Games.

Expenditure analysis

The department's work to increase the accessibility of sport and recreation facilities contributes to the achievement of the National Development Plan's goals of nation building, social cohesion and a healthy national lifestyle, and outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework. Over the medium term, the department plans to encourage participation in sport and recreation at various levels, facilitate transformation in sport and recreation, and support talented and high-performance athletes in excelling and achieving success in the international sporting arena. The department is also preparing to host the 2022 Commonwealth Games in Durban.

The department's goods and services budget has been reduced by R7.2 million in 2017/18, R7.6 million in 2018/19 and R8.1 million in 2018/19 as part of Cabinet's decision to lower the national aggregate expenditure ceiling. These reductions will be absorbed by implementing cost-saving measures in spending on items such as advertising, computer services, contractors, travel and subsistence, and venues and facilities.

Encouraging participation in sport

The department provides opportunities for mass participation in sport and recreation through campaigns and events such as the national youth camps, the Big Walk (a partnership with loveLife to encourage positive lifestyle choices), and indigenous games and school sports. Expenditure of R2.2 billion, or 64.6 per cent of the department's total allocation for the period, is projected in the *Active Nation* programme on these initiatives. The number of participants in sport and recreation promotion campaigns and events is expected to increase from 12 963 in 2015/16 to 49 000 in 2019/20.

The department will continue to assist provincial departments to ensure that the 2017 national youth camps are a success. The camps teach young people leadership, life skills and national pride. The department and each of the provinces allocate R3 million annually for the camps, which are attended by approximately 3 000 diverse youths. The profile of the camp will be elevated in 2017/18 with targeted marketing campaigns, which see the department's contribution increase to R5 million per year in the *Community Sport* subprogramme in the *Active Nation* programme.

The department expects to transfer R128.4 million over the medium term for its partnership with loveLife. The partnership's priorities are aligned with the national sport and recreation plan, and empower mainly attendees of the national youth camps. Funding for the loveLife partnership is provided through the *Community Sport* subprogramme in the *Active Nation* programme. The department will also ensure that young people are given opportunities to showcase their skills at events such as the national school championships, thereby giving national federations and talent scouts wider exposure to South African sporting talent.

The national indigenous games festival forms part of South Africa's annual heritage celebrations and brings people from culturally diverse backgrounds together. The popularity of the festival in recent years has contributed to an increase in the number of active participants in sport and recreation events, from 12 963 in 2015/16 to 49 000 in 2019/20. This has led to the reprioritisation of R47.7 million for the festival over the MTEF period; R15 million in 2017/18, R15.9 million in 2018/19 and R16.8 million in 2019/20. These funds

were shifted from the residential support programme for elite and emerging elite athletes in the *Scientific Support* subprogramme in the *Winning Nation* programme, as most of these athletes will be part of programmes run by the South African Sports Confederation and Olympic Committee and provincial sports academies. Indigenous games federations have been established at the provincial level and national structures will be formally constituted for all indigenous games by the end of 2017/18. This will enable the establishment of a league system to encourage broader participation. The department will provide financial support to sustainable federations once they are established.

In partnership with the Department of Basic Education, the department supports school sport leagues. In each year of the MTEF period, a projected 2 500 schools, hubs and clubs will receive equipment and attire; and the department will coordinate the training of educators in code-specific coaching, technical officiating, team management and sports administration. School sport aims to integrate the 16 priority sport codes (including football, cricket, rugby, netball and athletics) and indigenous games such as morabaraba and jukskei into the school sport system. School sport leagues form the foundation of the annual national school sport championships coordinated by the department. The number of age categories per sport was reduced in 2016/17, resulting in a reduction in the number of competitors at the national event to 7 500. The format of the national school sport championships will be revised in 2017/18 so that only one event instead of three will be held at the national level, accounting for the reduction in participant numbers in the national event, from 7 500 in 2016/17 to 5 000 in 2017/18. The other two events will be held as annual provincial school sport championships. These community and school sport programmes are funded from the R1.9 billion allocated to the *mass participation and sport development grant* over the medium term in the *Provincial Sport Support and Coordination* subprogramme in the *Active Nation* programme.

Facilitating transformation in sport and recreation

The department will continue to direct resources to targeted disadvantaged communities and individuals to promote participation and increase access to sport and recreation facilities. The department will assist 60 national federations over the medium term to support school sport programmes and improve access to sports facilities for the development of black athletes. Over the medium term, R309.7 million is earmarked in the *Sport Support* programme for this. This allocation is disbursed in accordance with the recognised sport bodies grant framework. The department selects one federation each year from the 16 priority sport codes to receive intensive support. In 2016/17, field hockey was the recipient of additional support, which allowed the federation to establish a professional field hockey league for men and women. This league provides top-level competition for elite players and is an opportunity to develop young, black hockey players. Volleyball will be the recipient for 2017/18.

The department will spend a projected R28.6 million over the medium term to appoint 10 additional staff in the *Sport Infrastructure Support* programme. The staff members will oversee and support municipalities with planning and delivering sport and recreation infrastructure, as part of the department's response to the findings of the 2013 and 2014 reports on transformation in sport and recreation. The department will work with the Department of Cooperative Governance and Traditional Affairs, the South African Local Government Association, and municipalities to ensure that the construction and maintenance of sport and recreation facilities are prioritised in the areas of greatest need. The type and location of sport infrastructure to be constructed will be informed by a comprehensive sport facilities audit, which will be conducted in three provinces per year starting in 2017/18, with the department providing a coordinating and advisory role.

An amount of R68 million over the MTEF period is allocated to the Sports Trust, whose primary focus is to provide facilities such as multipurpose courts and other resources required.

Supporting talented athletes

In line with developing talented athletes, the department awards a ministerial sports bursary, valid for the duration of their high school career, to learners in grades 8 to 12 who are identified as talented young athletes. The bursary allows them to attend a sports focus school, of which there were 23 across South Africa in 2016. These schools are identified by provincial departments as having exceptional sports coaching and facilities. New recruits for the bursary programme were identified during the 2016 national school sport championships. A minimum of 60 qualifying athletes, including learners already on the programme, are expected to be supported

through the payment of school fees, provision of school uniforms and sport clothing, sport-scientific support, and event attendance in 2017/18.

The department also provides support on an ad hoc basis to 40 emerging athletes with the potential to compete at a high-performance level but are not yet on the South African Sports Confederation and Olympic Committee's operation excellence programme. This support takes into consideration athletes' circumstances and performance potential. Both these forms of support are funded in the *Scientific Support* subprogramme in the *Winning Nation* programme, which is allocated R136.3 million over the medium term. In addition, 40 elite athletes are supported through the South African Sports Confederation and Olympic Committee's high-performance programme. These athletes are expected to perform at the four major games: the All Africa Games, the World Games, the Commonwealth Games, and the Olympic and Paralympic Games. The department will transfer R31.2 million over the MTEF period to the South African Sports Confederation and Olympic Committee through the *Scientific Support* subprogramme. In 2016/17, the provincial sports academies, funded through the *mass participation and sports development grant*, provided specialist training and support to 3 400 talented athletes.

Hosting the 2022 Commonwealth Games

Over the medium term, the department will continue preparing for Durban's hosting of the 2022 Commonwealth Games. The coordination and management of the preparation of these games will be facilitated by the *Major Events Support* subprogramme in the *Winning Nation* programme, with a budget of R40.5 million over the MTEF period, mainly under goods and services for travel and subsistence, and venues and facilities.

Expenditure trends

Table 40.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration 2. Active Nation 3. Winning Nation 4. Sport Support 5. Sport Infrastructure Support														
Programme	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Programme 1	124.4	124.9	114.6	131.3	116.7	105.2	124.8	115.5	114.4	134.9	130.9	128.1	89.7%	94.7%
Programme 2	593.3	592.3	606.7	615.2	620.1	624.8	628.6	629.0	652.2	648.7	663.3	662.5	102.4%	101.6%
Programme 3	226.8	228.8	231.4	91.3	78.1	83.1	92.2	75.6	56.5	91.1	67.2	67.6	87.5%	97.6%
Programme 4	119.7	118.2	115.8	122.2	145.1	148.9	133.2	154.0	153.9	137.6	149.0	150.4	111.0%	100.5%
Programme 5	9.3	9.3	4.6	10.4	10.4	4.9	9.7	6.8	2.8	16.3	16.3	18.0	66.5%	71.0%
Total	1 073.5	1 073.5	1 073.0	970.4	970.4	966.8	988.5	980.9	979.9	1 028.6	1 026.6	1 026.6	99.6%	99.9%
Change to 2016 Budget estimate											(2.0)			
Economic classification														
Current payments	258.4	258.4	257.6	269.5	269.5	265.5	265.7	262.1	259.3	276.6	274.6	274.6	98.8%	99.3%
Compensation of employees	97.9	85.9	76.6	103.0	88.2	82.4	100.7	95.8	93.8	108.6	101.6	101.6	86.4%	95.4%
Goods and services	160.5	172.5	181.0	166.4	181.2	183.0	165.0	166.3	165.5	168.0	173.0	173.0	106.4%	101.4%
Interest and rent on land	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-
Transfers and subsidies	812.9	812.9	814.3	698.8	698.8	699.1	720.7	716.6	718.6	749.8	749.8	749.8	100.0%	100.1%
Provinces and municipalities	617.6	617.6	617.6	525.6	525.6	525.6	537.3	533.2	533.2	555.7	555.7	555.7	99.8%	100.0%
Departmental agencies and accounts	20.6	20.6	21.8	26.5	26.5	26.5	30.4	30.4	30.3	33.0	33.0	33.0	-	-
Non-profit institutions	174.7	174.7	174.7	146.6	146.6	146.6	153.0	153.0	153.0	161.1	161.1	161.1	100.0%	100.0%
Households	-	-	0.3	-	-	0.4	-	-	2.0	-	-	-	-	-

Table 40.2 Vote expenditure trends by programme and economic classification

	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Payments for capital assets	2.2	2.2	1.2	2.2	2.2	2.1	2.2	2.2	2.0	2.2	2.2	2.2	85.8%	85.8%
Buildings and other fixed structures	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	2.2	2.2	0.8	2.2	2.2	1.8	2.2	2.2	2.0	2.2	2.2	2.2	78.2%	78.2%
Heritage assets	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	0.3	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-
Total	1 073.5	1 073.5	1 073.0	970.4	970.4	966.8	988.5	980.9	979.9	1 028.6	1 026.6	1 026.6	99.6%	99.9%

Expenditure estimates

Table 40.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Active Nation									
3. Winning Nation									
4. Sport Support									
5. Sport Infrastructure Support									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	128.1	0.8%	11.4%	136.9	143.9	152.7	6.0%	12.7%	
Programme 2	662.5	3.8%	62.9%	689.1	727.8	768.6	5.1%	64.6%	
Programme 3	67.6	-33.4%	10.8%	76.9	81.2	85.7	8.2%	7.1%	
Programme 4	150.4	8.4%	14.1%	150.7	159.0	168.1	3.8%	14.2%	
Programme 5	18.0	24.6%	0.8%	13.1	13.7	15.7	-4.4%	1.4%	
Total	1 026.6	-1.5%	100.0%	1 066.6	1 125.6	1 190.9	5.1%	100.0%	
Change to 2016 Budget estimate				(8.4)	(9.4)	(10.0)			
Economic classification									
Current payments	274.6	2.0%	26.1%	268.3	282.4	300.5	3.0%	25.5%	
Compensation of employees	101.6	5.8%	8.8%	106.1	111.5	120.1	5.7%	10.0%	
Goods and services	173.0	0.1%	17.4%	162.2	170.8	180.4	1.4%	15.6%	
Transfers and subsidies	749.8	-2.7%	73.7%	796.1	840.8	887.9	5.8%	74.3%	
Provinces and municipalities	555.7	-3.5%	55.2%	585.8	618.4	653.0	5.5%	54.7%	
Departmental agencies and accounts	33.0	16.9%	2.8%	34.7	36.7	38.7	5.5%	3.2%	
Non-profit institutions	161.1	-2.7%	15.7%	169.2	179.0	189.0	5.5%	15.8%	
Households	-	-	0.1%	6.4	6.7	7.1	-	0.5%	
Payments for capital assets	2.2	-0.1%	0.2%	2.2	2.4	2.5	5.0%	0.2%	
Machinery and equipment	2.2	-0.1%	0.2%	2.2	2.4	2.5	5.0%	0.2%	
Total	1 026.6	-1.5%	100.0%	1 066.6	1 125.6	1 190.9	5.1%	100.0%	

Goods and services expenditure trends and estimates

Table 40.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administrative fees	87	39	44	130	14.3%	-	899	950	1 003	97.6%	0.4%
Advertising	3 971	13 584	13 493	4 365	3.2%	5.0%	5 403	5 316	5 636	8.9%	3.0%
Minor assets	433	82	109	1 161	38.9%	0.3%	1 393	1 475	1 557	10.3%	0.8%
Audit costs: External	4 499	5 132	3 757	6 960	15.7%	2.9%	5 689	6 019	6 356	-3.0%	3.6%
Bursaries: Employees	122	8	-	800	87.2%	0.1%	846	895	945	5.7%	0.5%
Catering: Departmental activities	1 274	3 956	2 464	1 363	2.3%	1.3%	1 725	1 824	1 926	12.2%	1.0%
Communication	4 291	3 640	3 813	5 461	8.4%	2.4%	6 166	7 575	8 016	13.6%	4.0%
Computer services	3 358	2 112	957	881	-36.0%	1.0%	844	893	943	2.3%	0.5%
Consultants: Business and advisory services	-	-	-	3	-	-	128	135	143	262.6%	0.1%
Laboratory services	1 881	-	-	1 853	-0.5%	0.5%	53	88	28	-75.3%	0.3%
Legal services	1 683	3 745	4 710	1 440	-5.1%	1.6%	1 522	1 610	1 700	5.7%	0.9%
Contractors	47 002	26 460	32 615	78 595	18.7%	26.3%	56 236	57 873	61 153	-8.0%	37.0%
Agency and support/outsourced services	-	562	961	-	-	0.2%	-	-	-	-	-
Entertainment	-	61	48	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	46	375	-	-	0.1%	-	-	-	-	-
Inventory: Fuel, oil and gas	20	394	-	35	20.5%	0.1%	37	39	43	7.1%	-
Inventory: Materials and supplies	6	6	11	7	5.3%	-	8	8	8	4.6%	-
Inventory: Medicine	227	-	-	323	12.5%	0.1%	343	363	383	5.8%	0.2%
Inventory: Other supplies	1 042	776	29 600	1 670	17.0%	4.7%	1 746	1 847	1 951	5.3%	1.1%
Consumable supplies	10	9 700	3 749	36	53.3%	1.9%	38	40	42	5.3%	-
Consumables: Stationery, printing and office supplies	1 682	913	580	2 477	13.8%	0.8%	2 533	2 481	2 631	2.0%	1.5%
Operating leases	14 721	8 826	5 717	13 857	-2.0%	6.1%	16 486	16 267	17 179	7.4%	9.3%
Rental and hiring	-	-	2	-	-	-	-	-	-	-	-
Property payments	2 826	2 103	811	2 993	1.9%	1.2%	2 717	2 758	2 912	-0.9%	1.7%
Transport provided: Departmental activity	545	1 272	6 367	1 390	36.6%	1.4%	1 461	1 546	1 633	5.5%	0.9%
Travel and subsistence	30 814	29 940	26 144	32 250	1.5%	17.0%	38 375	40 981	43 188	10.2%	22.6%
Training and development	1 134	3 968	441	1 658	13.5%	1.0%	1 925	2 202	2 326	11.9%	1.2%
Operating payments	3 029	8 708	4 047	3 353	3.4%	2.7%	2 518	2 656	2 756	-6.3%	1.6%
Venues and facilities	56 343	56 988	24 681	9 933	-43.9%	21.1%	13 071	14 996	15 947	17.1%	7.9%
Total	181 000	183 021	165 496	172 994	-1.5%	100.0%	162 162	170 837	180 405	1.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 40.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	21 794	26 496	30 344	33 012	14.8%	3.7%	34 673	36 684	38 738	5.5%	4.4%
Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority	70	47	60	83	5.8%	-	87	92	97	5.3%	-
South African Institute for Drug-Free Sport	14 024	18 504	19 816	21 896	16.0%	2.5%	22 991	24 324	25 686	5.5%	2.9%
Boxing South Africa	7 700	7 945	10 468	11 033	12.7%	1.2%	11 595	12 268	12 955	5.5%	1.5%
Households											
Social benefits											
Current	253	355	215	-	-100.0%	-	-	-	-	-	-
Employee social benefits	253	355	157	-	-100.0%	-	-	-	-	-	-
Households	-	-	58	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	-	-	1 811	-	-	0.1%	6 372	6 748	7 126	-	0.6%
Households	-	-	1 055	-	-	-	-	-	-	-	-
Bursaries for non-employees	-	-	756	-	-	-	6 372	6 748	7 126	-	0.6%

Table 40.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Non-profit institutions											
Current	174 656	146 615	153 013	161 123	-2.7%	21.3%	169 178	178 990	189 013	5.5%	21.3%
Various sport federations	82 033	77 219	80 065	92 769	4.2%	11.1%	97 524	103 181	108 958	5.5%	12.3%
loveLife	33 673	35 333	36 612	38 508	4.6%	4.8%	40 433	42 778	45 174	5.5%	5.1%
South African Sports Confederation and Olympic Committee	7 950	12 427	8 815	9 346	5.5%	1.3%	9 813	10 382	10 963	5.5%	1.2%
2014 African Nations Championship: Local organising committee	36 000	-	-	-	-100.0%	1.2%	-	-	-	-	-
The Sports Trust	15 000	21 636	27 521	20 500	11.0%	2.8%	21 408	22 649	23 918	5.3%	2.7%
Provinces and municipalities											
Provincial revenue funds											
Current	497 591	525 632	533 225	555 708	3.8%	70.8%	585 828	618 386	653 016	5.5%	73.7%
Mass participation and sport development grant	497 591	525 632	533 225	555 708	3.8%	70.8%	585 828	618 386	653 016	5.5%	73.7%
Provinces and municipalities											
Municipal bank accounts											
Current	120 000	-	-	-	-100.0%	4.0%	-	-	-	-	-
2014 African Nations Championship host city operating grant	120 000	-	-	-	-100.0%	4.0%	-	-	-	-	-
Total	814 294	699 098	718 608	749 843	-2.7%	100.0%	796 051	840 808	887 893	5.8%	100.0%

Personnel information

Table 40.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Sport and Recreation South Africa																			
Salary level	179	20	208	93.8	0.5	212	101.6	0.5	211	106.1	0.5	206	111.5	0.5	210	120.1	0.6	-0.3%	100.0%
1 – 6	40	6	46	8.1	0.2	49	9.3	0.2	49	10.0	0.2	48	10.4	0.2	49	11.3	0.2	-	23.2%
7 – 10	75	9	91	28.5	0.3	89	29.6	0.3	89	31.5	0.4	85	32.4	0.4	88	35.7	0.4	-0.4%	41.8%
11 – 12	36	1	38	22.8	0.6	38	24.4	0.6	38	26.1	0.7	38	27.9	0.7	38	29.7	0.8	-	18.1%
13 – 16	26	4	31	30.2	1.0	34	34.0	1.0	34	36.1	1.1	34	38.3	1.1	34	40.5	1.2	-	16.2%
Other	2	-	2	4.2	2.1	2	4.3	2.2	1	2.5	2.5	1	2.7	2.7	1	2.8	2.8	-20.6%	0.6%
Programme	179	20	208	93.8	0.5	212	101.6	0.5	211	106.1	0.5	206	111.5	0.5	210	120.1	0.6	-0.3%	100.0%
Programme 1	122	12	155	69.3	0.4	153	72.4	0.5	153	75.4	0.5	150	79.3	0.5	151	84.5	0.6	-0.4%	72.3%
Programme 2	17	1	22	7.6	0.3	22	7.8	0.4	21	7.8	0.4	21	8.3	0.4	21	8.8	0.4	-1.5%	10.1%
Programme 3	7	5	7	2.5	0.4	9	3.7	0.4	9	3.9	0.4	9	4.2	0.5	9	4.4	0.5	-	4.3%
Programme 4	16	2	19	12.4	0.7	19	13.2	0.7	19	14.2	0.7	17	14.6	0.9	17	15.6	0.9	-3.6%	8.6%
Programme 5	17	-	5	2.0	0.4	9	4.6	0.5	9	4.9	0.5	9	5.2	0.6	12	6.7	0.6	10.1%	4.6%

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

2. Rand million.

Departmental receipts

Table 40.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	210	107	406	92	78	-28.1%	100.0%	295	310	318	59.8%	100.0%
Sales of goods and services produced by department	52	52	60	70	59	4.3%	27.8%	80	95	100	19.2%	33.4%
Other sales	52	52	60	70	59	4.3%	27.8%	80	95	100	19.2%	33.4%
<i>of which:</i>												
Rental parking covered and open	33	33	39	49	35	2.0%	17.5%	57	72	77	30.1%	24.1%
Commission on insurance and garnishee	19	19	21	21	21	3.4%	10.0%	23	23	23	3.1%	9.0%
Replacement of lost office property	-	-	-	-	2	-	0.2%	-	-	-	-100.0%	0.2%
Sales of assets less than R5 000	-	-	-	-	1	-	0.1%	-	-	-	-100.0%	0.1%
Interest, dividends and rent on land	2	6	2	4	1	-20.6%	1.4%	11	15	18	162.1%	4.5%
Interest	2	6	2	4	1	-20.6%	1.4%	11	15	18	162.1%	4.5%
Transactions in financial assets and liabilities	156	49	344	18	18	-51.3%	70.8%	204	200	200	123.1%	62.1%
Total	210	107	406	92	78	-28.1%	100.0%	295	310	318	59.8%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 40.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Ministry	27.9	25.0	30.0	23.2	-6.0%	22.8%	25.2	28.1	30.0	8.9%	18.9%
Management	13.0	12.7	12.9	14.3	3.2%	11.4%	19.9	20.8	22.2	15.8%	13.7%
Strategic Support	5.2	5.2	7.3	7.0	10.1%	5.3%	7.3	7.9	8.4	6.5%	5.4%
Corporate Services	37.8	37.0	41.8	47.5	7.9%	35.3%	44.8	45.7	48.9	1.0%	33.1%
Office of the Chief Financial Officer	13.4	15.4	16.9	22.6	18.9%	14.7%	21.0	23.0	23.7	1.7%	16.0%
Office Accommodation	17.1	9.8	5.5	16.3	-1.6%	10.5%	18.7	18.4	19.5	6.0%	12.9%
Total	114.6	105.2	114.4	130.9	4.5%	100.0%	136.9	143.9	152.7	5.3%	100.0%
Change to 2016 Budget estimate				(4.0)			(1.4)	(1.5)	(2.4)		
Economic classification											
Current payments	113.3	102.7	112.2	128.6	4.3%	98.2%	134.5	141.4	150.1	5.3%	98.3%
Compensation of employees	56.2	59.7	69.3	75.2	10.2%	56.0%	75.4	79.3	84.5	4.0%	55.7%
Goods and services ¹	57.0	42.8	42.9	53.4	-2.2%	42.2%	59.2	62.1	65.6	7.1%	42.6%
<i>of which:</i>											
Advertising	2.6	1.2	4.5	2.6	1.1%	2.3%	2.8	2.9	3.1	5.6%	2.0%
Audit costs: External	4.5	5.1	3.8	7.0	15.7%	4.4%	5.7	6.0	6.4	-3.0%	4.4%
Communication	2.4	2.9	3.1	3.4	13.0%	2.6%	3.9	5.5	5.8	19.0%	3.3%
Contractors	2.4	2.5	2.0	3.5	12.5%	2.2%	4.7	4.9	5.2	14.3%	3.2%
Operating leases	14.7	8.8	5.7	13.9	-2.0%	9.3%	16.5	16.3	17.2	7.4%	11.3%
Travel and subsistence	15.9	10.5	14.8	9.4	-15.9%	10.9%	11.8	12.0	12.7	10.3%	8.1%
Interest and rent on land	-	0.1	-	-	-	-	-	-	-	-	-
Transfers and subsidies¹	0.3	0.3	0.2	0.1	-36.4%	0.2%	0.1	0.1	0.1	5.3%	0.1%
Departmental agencies and accounts	0.1	-	0.1	0.1	5.8%	0.1%	0.1	0.1	0.1	5.3%	0.1%
Households	0.3	0.3	0.1	-	-100.0%	0.1%	-	-	-	-	-

Table 40.8 Administration expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Payments for capital assets	1.0	2.1	2.0	2.2	31.3%	1.6%	2.2	2.4	2.5	5.0%	1.6%
Machinery and equipment	0.8	1.8	2.0	2.2	37.4%	1.5%	2.2	2.4	2.5	5.0%	1.6%
Heritage assets	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Software and other intangible assets	–	0.3	–	–	–	0.1%	–	–	–	–	–
Payments for financial assets	–	0.1	–	–	-100.0%	–	–	–	–	–	–
Total	114.6	105.2	114.4	130.9	4.5%	100.0%	136.9	143.9	152.7	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	10.7%	10.9%	11.7%	12.7%	–	–	12.8%	12.8%	12.8%	–	–

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

Programme 2: Active Nation

Programme purpose

Support the provision of mass participation opportunities in sport and recreation.

Objectives

- Encourage an active nation and contribute to improving the overall wellbeing of the nation by implementing lifelong participation in active recreation through facilitating the delivery of at least four active recreation programmes in 2017/18.
- Inspire lifelong physical activity by providing mass sport participation opportunities to 12 000 community members in 2017/18.
- Increase learners' access to sport at schools by supporting the national school sport championships for 5 000 learners during 2017/18.
- Support the provision of sport and recreation mass participation opportunities in all provinces by providing management and financial support through the *mass participation and sport development conditional grant* annually.

Subprogrammes

- *Programme Management: Active Nation* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions.
- *Active Recreation* delivers programmes to improve the health and wellbeing of the nation by providing mass participation opportunities in various formats to cater for a broad spectrum of participants.
- *Community Sport* delivers sports promotion programmes by focusing on increasing the number of participants in sport and recreation, with an emphasis on disadvantaged communities. The transfer to loveLife is also made through this subprogramme.
- *School Sport* supports the delivery of sport programmes to learners in conjunction with the Department of Basic Education.
- *Provincial Sport Support and Coordination* transfers the mass participation and sport development conditional allocation to provinces and oversees the implementation thereof.

Expenditure trends and estimates

Table 40.9 Active Nation 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 -	2016/17				2016/17 -	2019/20
Programme Management: Active Nation	1.7	2.8	4.8	2.6	15.8%	0.5%	3.8	4.2	4.4	20.0%	0.5%
Active Recreation	1.0	-	-	-	-100.0%	-	1.1	1.2	1.3	-	0.1%
Community Sport	97.6	80.0	100.8	76.0	-8.0%	13.9%	67.5	72.1	76.2	0.1%	10.2%
School Sport	8.9	16.3	13.3	29.1	48.5%	2.7%	30.8	31.9	33.7	5.0%	4.4%
Provincial Sport Support and Coordination	497.6	525.6	533.2	555.7	3.8%	82.9%	585.8	618.4	653.0	5.5%	84.7%
Total	606.7	624.8	652.2	663.3	3.0%	100.0%	689.1	727.8	768.6	5.0%	100.0%
Change to 2016 Budget estimate				14.6			6.3	6.6	6.8		
Economic classification											
Current payments	75.5	63.7	81.5	69.1	-2.9%	11.4%	62.8	66.6	70.4	0.6%	9.4%
Compensation of employees	6.6	7.4	7.6	8.7	9.6%	1.2%	7.8	8.3	8.8	0.8%	1.2%
Goods and services ¹	68.9	56.4	73.9	60.5	-4.3%	10.2%	55.0	58.3	61.6	0.6%	8.3%
<i>of which:</i>											
Advertising	1.1	7.2	6.2	1.2	1.5%	0.6%	1.2	1.3	1.4	5.5%	0.2%
Communication	0.5	0.3	0.3	1.1	32.1%	0.1%	1.1	1.1	1.2	4.7%	0.2%
Contractors	7.1	11.7	25.9	32.2	65.6%	3.0%	23.6	24.1	25.5	-7.5%	3.7%
Transport provided: Departmental activity	0.5	-	0.1	1.4	36.6%	0.1%	1.5	1.5	1.6	5.5%	0.2%
Travel and subsistence	8.4	4.5	6.0	16.4	24.9%	1.4%	18.6	19.7	20.8	8.2%	2.7%
Venues and facilities	49.3	26.8	3.2	5.0	-53.4%	3.3%	5.7	7.0	7.4	14.0%	0.9%
Transfers and subsidies¹	531.3	561.0	570.7	594.2	3.8%	88.6%	626.3	661.2	698.2	5.5%	90.6%
Provinces and municipalities	497.6	525.6	533.2	555.7	3.8%	82.9%	585.8	618.4	653.0	5.5%	84.7%
Non-profit institutions	33.7	35.3	36.6	38.5	4.6%	5.7%	40.4	42.8	45.2	5.5%	5.9%
Households	-	0.1	0.9	-	-	-	-	-	-	-	-
Total	606.7	624.8	652.2	663.3	3.0%	100.0%	689.1	727.8	768.6	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	56.5%	64.6%	66.6%	64.6%	-	-	64.6%	64.7%	64.5%	-	-
Details of selected transfers and subsidies											
Non-profit institutions											
Current	33.7	35.3	36.6	38.5	4.6%	5.7%	40.4	42.8	45.2	5.5%	5.9%
loveLife	33.7	35.3	36.6	38.5	4.6%	5.7%	40.4	42.8	45.2	5.5%	5.9%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	497.6	525.6	533.2	555.7	3.8%	82.9%	585.8	618.4	653.0	5.5%	84.7%
Mass participation and sport development grant	497.6	525.6	533.2	555.7	3.8%	82.9%	585.8	618.4	653.0	5.5%	84.7%

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

Programme 3: Winning Nation

Programme purpose

Support the development of elite athletes.

Objectives

- Contribute towards a winning nation by coordinating scientific support services for 80 athletes per year through a scientific support programme over the medium term.
- Develop an ethical sporting sector by financially supporting the South African Institute for Drug-Free Sport and fulfilling government's responsibility towards anti-doping on an annual basis.
- Contribute to sport tourism by facilitating intra-governmental support for the hosting of four approved major events during 2017/18.
- Inspire a winning nation and produce role models by hosting four events (the South African Sports Awards, the Ministerial Outstanding Sports Performance Accolades, the Andrew Mlangeni Green Jacket Awards and

Honouring Women in Sport Awards) that acknowledge achievements in the sport and recreation sector in 2017/18.

Subprogrammes

- *Programme Management: Winning Nation* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions.
- *Scientific Support* coordinates and monitors the provision of scientific support services to athletes; and makes transfers to the South African Institute for Drug-Free Sport, and South African Sport Confederation and Olympic Committee.
- *Major Events Support* coordinates and manages government's support services for hosting identified major events in South Africa and uses these events to showcase South Africa as a sports tourism destination of choice.
- *Recognition Systems* provides opportunities to acknowledge past and present sporting achievements.

Expenditure trends and estimates

Table 40.10 Winning Nation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Programme Management: Winning Nation	–	–	–	–	–	–	2.3	2.4	2.6	–	2.3%
Scientific Support	51.7	40.4	33.9	43.7	-5.5%	38.7%	44.0	44.9	47.4	2.8%	57.9%
Major Events Support	157.8	18.1	8.7	0.6	-84.4%	42.3%	11.8	14.0	14.8	190.4%	13.2%
Recognition Systems	21.9	24.7	13.9	22.9	1.5%	19.0%	18.8	19.9	21.0	-2.9%	26.6%
Total	231.4	83.1	56.5	67.2	-33.8%	100.0%	76.9	81.2	85.7	8.5%	100.0%
Change to 2016 Budget estimate				(24.0)			(16.6)	(17.6)	(18.6)		
Economic classification											
Current payments	53.4	52.2	27.1	35.9	-12.4%	38.5%	37.7	39.7	42.0	5.3%	50.0%
Compensation of employees	3.9	2.6	2.5	3.2	-7.0%	2.8%	3.9	4.2	4.4	11.9%	5.0%
Goods and services ¹	49.5	49.6	24.7	32.7	-12.8%	35.7%	33.8	35.6	37.5	4.6%	44.9%
of which:											
Administrative fees	–	–	–	–	–	–	0.7	0.8	0.8	265.0%	0.8%
Advertising	0.3	0.8	0.1	0.5	25.9%	0.4%	1.3	1.0	1.1	29.6%	1.3%
Catering: Departmental activities	0.1	0.5	–	0.1	7.7%	0.2%	0.4	0.4	0.4	71.8%	0.4%
Contractors	37.7	6.2	1.8	27.8	-9.7%	16.8%	22.1	23.1	24.4	-4.2%	31.3%
Travel and subsistence	4.1	4.9	3.3	0.5	-49.1%	2.9%	3.4	4.4	4.6	103.8%	4.1%
Venues and facilities	4.6	26.1	16.5	0.9	-43.0%	11.0%	4.2	4.6	5.0	80.0%	4.7%
Transfers and subsidies¹	178.0	30.9	29.4	31.2	-44.0%	61.5%	39.2	41.5	43.8	11.9%	50.0%
Provinces and municipalities	120.0	–	–	–	-100.0%	27.4%	–	–	–	–	–
Departmental agencies and accounts	14.0	18.5	19.8	21.9	16.0%	16.9%	23.0	24.3	25.7	5.5%	30.5%
Non-profit institutions	44.0	12.4	8.8	9.3	-40.3%	17.0%	9.8	10.4	11.0	5.5%	13.0%
Households	–	–	0.8	–	–	0.2%	6.4	6.7	7.1	–	6.5%
Total	231.4	83.1	56.5	67.2	-33.8%	100.0%	76.9	81.2	85.7	8.5%	100.0%
Proportion of total programme expenditure to vote expenditure	21.6%	8.6%	5.8%	6.5%	–	–	7.2%	7.2%	7.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	14.0	18.5	19.8	21.9	16.0%	16.9%	23.0	24.3	25.7	5.5%	30.5%
South African Institute for Drug-Free Sport	14.0	18.5	19.8	21.9	16.0%	16.9%	23.0	24.3	25.7	5.5%	30.5%
Non-profit institutions											
Current	44.0	12.4	8.8	9.3	-40.3%	17.0%	9.8	10.4	11.0	5.5%	13.0%
South African Sports Confederation and Olympic Committee	8.0	12.4	8.8	9.3	5.5%	8.8%	9.8	10.4	11.0	5.5%	13.0%
2014 African Nations Championship: Local organising committee	36.0	–	–	–	-100.0%	8.2%	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	120.0	–	–	–	-100.0%	27.4%	–	–	–	–	–
2014 African Nations Championship host city operating grant	120.0	–	–	–	-100.0%	27.4%	–	–	–	–	–

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

Programme 4: Sport Support

Programme purpose

Develop and support an integrated support system to enhance the delivery of sport and recreation.

Objectives

- Support the delivery of sport and recreation by providing financial and non-financial support to 60 sport and recreation bodies annually.
- Foster transformation within the sport and recreation sector by monitoring the transformation status of selected sport federations and assisting them to reach their respective transformation targets by 2018.
- Empower the sport and recreation sector by managing and strengthening strategic bilateral and multilateral relations through actively participating and influencing decision making in identified multilateral organisations, such as the African Union Sports Council, the United Nations, the Commonwealth and the World Anti-Doping Agency, over the medium term.

Subprogrammes

- *Programme Management: Sport Support* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions.
- *International Relations* coordinates and strengthens bilateral and multilateral sport and recreation relations with international partners to support sport and recreation development in South Africa.
- *Sport and Recreation Service Providers* transfers funds to sport and recreation organisations, predominantly national federations; monitors the use of the funds in line with service level agreements signed between national federations and the department; and administers the transfers made to Boxing South Africa, sport federations and the Sports Trust. This subprogramme also monitors governance and sport development, and oversees the implementation of transformation programmes in line with the Transformation Charter for South African Sport and the transformation scorecard.

Expenditure trends and estimates

Table 40.11 Sport Support 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 (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Programme Management: Sport Support	3.4	3.3	3.3	3.5	1.1%	2.4%	4.7	5.2	5.6	17.0%	3.0%
International Relations	3.4	10.8	5.3	6.8	26.6%	4.6%	5.2	5.7	6.1	-3.9%	3.8%
Sport and Recreation Service Providers	109.0	134.7	145.4	138.6	8.3%	93.0%	140.8	148.1	156.4	4.1%	93.2%
Total	115.8	148.9	153.9	149.0	8.8%	100.0%	150.7	159.0	168.1	4.1%	100.0%
Change to 2016 Budget estimate				11.4			5.8	6.0	6.3		
Economic classification											
Current payments	11.1	42.1	35.6	24.7	30.7%	20.0%	20.1	20.9	22.3	-3.4%	14.0%
Compensation of employees	7.8	10.5	12.4	11.8	14.9%	7.5%	14.2	14.6	15.6	9.9%	9.0%
Goods and services ¹	3.3	31.6	23.2	12.9	57.6%	12.5%	6.0	6.3	6.7	-19.8%	5.1%
of which:											
Communication	1.1	0.3	0.3	0.4	-28.4%	0.4%	0.4	0.4	0.5	5.1%	0.3%
Contractors	(0.4)	3.8	2.4	4.4	-319.1%	1.8%	0.9	0.9	1.0	-40.0%	1.1%
Consumables: Stationery, printing and office supplies	0.2	0.5	0.1	0.2	-3.5%	0.2%	0.2	0.2	0.2	3.4%	0.1%
Travel and subsistence	0.5	9.6	1.7	3.9	104.6%	2.8%	2.3	2.4	2.5	-13.8%	1.8%
Operating payments	0.3	5.2	0.6	1.3	61.5%	1.3%	0.4	0.6	0.6	-23.4%	0.5%
Venues and facilities	1.4	3.9	4.5	2.5	21.8%	2.2%	1.6	1.7	1.8	-11.2%	1.2%
Transfers and subsidies¹	104.7	106.8	118.3	124.3	5.9%	80.0%	130.5	138.1	145.8	5.5%	86.0%
Departmental agencies and accounts	7.7	7.9	10.5	11.0	12.7%	6.5%	11.6	12.3	13.0	5.5%	7.6%
Non-profit institutions	97.0	98.9	107.6	113.3	5.3%	73.4%	118.9	125.8	132.9	5.5%	78.3%
Households	-	-	0.3	-	-	-	-	-	-	-	-
Total	115.8	148.9	153.9	149.0	8.8%	100.0%	150.7	159.0	168.1	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	10.8%	15.4%	15.7%	14.5%	-	-	14.1%	14.1%	14.1%	-	-

Table 40.11 Sport Support expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7.7	7.9	10.5	11.0	12.7%	6.5%	11.6	12.3	13.0	5.5%	7.6%
Boxing South Africa	7.7	7.9	10.5	11.0	12.7%	6.5%	11.6	12.3	13.0	5.5%	7.6%
Non-profit institutions											
Current	97.0	98.9	107.6	113.3	5.3%	73.4%	118.9	125.8	132.9	5.5%	78.3%
Various sport federations	82.0	77.2	80.1	92.8	4.2%	58.5%	97.5	103.2	109.0	5.5%	64.2%
The Sports Trust	15.0	21.6	27.5	20.5	11.0%	14.9%	21.4	22.6	23.9	5.3%	14.1%

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

Programme 5: Sport Infrastructure Support

Programme purpose

Regulate and manage the provision of sport and recreation facilities.

Objectives

- Improve decision-making and maximise the use of available resources by assisting all provinces in compiling accurate facility audits over the medium term and using these audits to lobby municipalities to provide facilities where they are needed.
- Assist municipalities in complying with facility norms and standards by providing technical and management support during the construction phase of sport and recreation facilities on an ongoing basis.

Subprogrammes

- *Programme Management: Infrastructure Support* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions.
- *Sport and Recreation Facility Management* provides technical assistance to local authorities and other relevant stakeholders for constructing and managing sport facilities to ensure compliance with national standards.
- *Sport and Recreation Facility Planning* lobbies for, facilitates and coordinates the provision of sport and recreation facilities by municipalities and other relevant institutions. This subprogramme also works closely with the Department of Cooperative Governance on the use of the portion of the *municipal infrastructure grant* ringfenced for sport and recreation facilities.

Expenditure trends and estimates

Table 40.12 Sport Infrastructure Support 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Programme Management: Infrastructure Support	–	–	–	2.2	–	7.6%	2.3	2.4	2.6	5.5%	16.1%
Sport and Recreation Facility Management	1.9	2.7	0.7	11.4	81.2%	58.5%	7.8	7.9	9.5	-5.9%	62.1%
Sport and Recreation Facility Planning	2.7	2.2	2.1	2.7	0.5%	33.9%	3.0	3.4	3.7	10.6%	21.8%
Total	4.6	4.9	2.8	16.3	52.6%	100.0%	13.1	13.7	15.7	-1.2%	100.0%
Change to 2016 Budget estimate							(2.5)	(3.0)	(2.1)		

Table 40.12 Sport Infrastructure Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	4.4	4.9	2.8	16.3	54.9%	99.3%	13.1	13.7	15.7	-1.2%	100.0%
Compensation of employees	2.1	2.3	2.0	2.8	10.9%	32.1%	4.9	5.2	6.7	33.1%	33.4%
Goods and services	2.3	2.7	0.9	13.4	80.1%	67.3%	8.2	8.5	9.0	-12.5%	66.6%
<i>of which:</i>											
Advertising	–	0.2	–	–	2.9%	0.8%	–	–	–	6.1%	0.3%
Communication	–	–	–	0.2	70.7%	1.1%	0.2	0.2	0.2	5.6%	1.5%
Contractors	0.2	2.4	0.5	10.7	274.7%	48.3%	5.0	4.8	5.1	-21.9%	43.7%
Travel and subsistence	2.0	0.4	0.3	1.9	-0.2%	16.1%	2.2	2.5	2.6	10.6%	15.8%
Training and development	–	–	–	0.4	–	1.4%	0.6	0.8	0.8	28.3%	4.5%
Operating payments	–	–	–	0.1	37.8%	0.6%	0.1	0.1	0.1	4.0%	0.6%
Payments for capital assets	0.2	–	–	–	-100.0%	0.7%	–	–	–	–	–
Buildings and other fixed structures	0.2	–	–	–	-100.0%	0.7%	–	–	–	–	–
Total	4.6	4.9	2.8	16.3	52.6%	100.0%	13.1	13.7	15.7	-1.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.5%	0.3%	1.6%	–	–	1.2%	1.2%	1.3%	–	–

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

Entities

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

- **Boxing South Africa** administers professional boxing, recognises amateur boxing, creates synergy between professional and amateur boxing, and promotes interaction between associations of boxers, managers, promoters and trainers. The organisation's total budget for 2017/18 is R14.2 million.
- The **South African Institute for Drug-Free Sport** promotes participation in sport without the use of prohibited performance enhancing substances and methods, and educates sportspeople on fair play and the harmful effects of the use of prohibited performance enhancing substances and methods. The institute's total budget for 2017/18 is R29.4 million.