

Estimates of National Expenditure

2016

Abridged version

ISBN: 978-0-621-44244-1
RP: 15/2016

The Estimates of National Expenditure 2016 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

To obtain copies please contact:

Communications Directorate
National Treasury
Private Bag X115
Pretoria
0001
South Africa
Tel: +27 12 315 5944
Fax: +27 12 406 9055

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. Compared to this abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Printed by FormeSet Printers Cape (Pty) Ltd

Estimates of National Expenditure

2016

Abridged version

**National Treasury
Republic of South Africa**

24 February 2016



Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



Lungisa Fuzile
Director-General: National Treasury

Contents

Introduction	i
Information contained in the chapters of the Estimates of National Expenditure	xxxiii
1. The Presidency	1
2. Parliament	9
3. Communications	11
4. Cooperative Governance and Traditional Affairs.....	33
5. Home Affairs	57
6. International Relations and Cooperation	71
7. National Treasury.....	87
8. Planning, Monitoring and Evaluation	123
9. Public Enterprises.....	135
10. Public Service and Administration	151
11. Public Works	177
12. Statistics South Africa	197
13. Women.....	211
14. Basic Education	221
15. Higher Education and Training	237
16. Health.....	265
17. Social Development	291
18. Correctional Services.....	313
19. Defence and Military Veterans	329
20. Independent Police Investigative Directorate	361
21. Justice and Constitutional Development	371
22. Office of the Chief Justice and Judicial Administration.....	391
23. Police	399
24. Agriculture, Forestry and Fisheries.....	417
25. Economic Development	441
26. Energy.....	453
27. Environmental Affairs.....	477
28. Labour	501
29. Mineral Resources	521
30. Science and Technology	535
31. Small Business Development	555
32. Telecommunications and Postal Services.....	565
33. Tourism	581
34. Trade and Industry.....	593
35. Transport.....	619
36. Water and Sanitation	653
37. Arts and Culture	695
38. Human Settlements	715
39. Rural Development and Land Reform	731
40. Sport and Recreation South Africa	749

Introduction

The Estimates of National Expenditure, the Appropriation Bill, and budget priorities

The Estimates of National Expenditure (ENE) publications are presented in two versions, a consolidated version containing 40 abridged chapters; and an e-publication version. There are 40 separate, more detailed e-publications that have been compiled for each vote. In the abridged ENE, each chapter relates to a specific budget vote. The abridged ENE publication is the explanatory memorandum to the Appropriation Bill and is tabled with it on Budget Day by the Minister of Finance. All ENE publications provide comprehensive information on how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period.

The Appropriation Bill itemises government spending for the first financial year of the MTEF period, that is for 2016/17. The Appropriation Bill allocates expenditure by vote. Generally a vote specifies the total amount of money appropriated to a single national government department, however a vote may contain more than one national government department. For example, the National School of Government is a department under the Public Service and Administration vote. Through the Appropriation Bill, the executive seeks Parliament's approval and adoption of its national government vote spending plans. The Appropriation Bill, when enacted, is the legal instrument for the appropriation of funds from the National Revenue Fund for the first year of the three-year MTEF period.

In the ENE publications, the key performance indicators included for each national government vote, and entity reporting to the same executive authority, show what institutions aim to achieve by spending their budget allocations in a particular manner. Coupled with financial information, this performance information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. This information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the MTSF.

An explanation highlighting the key government priorities that are receiving additional resources is also provided in the ENE publications. These priorities are funded from the reprioritisation of the expenditure currently falling within the expenditure ceiling, inclusive of contingency reserve funding put aside previously. The ENE publications also contain a series of summary tables that show aggregate expenditure allocations in terms of different budget scopes.

The ENE e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure. The ENE e-publications also have tables containing conditional grants to provinces and municipalities, departmental public private partnerships, and donor funding. Budget information is also provided for the entities that are not discussed in detail in the abridged publication. In some e-publications, more detailed information at the level of site service delivery is also included.

This introduction chapter provides a summary of the budget allocation process leading up to the adoption of allocation proposals by Cabinet, and their subsequent tabling in Parliament in the Appropriation Bill for consideration and approval. Founded on South Africa's economic growth prospects, fiscally sustainable levels of government revenue and government spending are determined to keep the country's budget balance in check. The level of the government expenditure ceiling is quantified. Thereafter, the budget baseline allocations and changes to them are discussed, both in terms of the function groupings within which the budget discussions take place, and in terms of the budgets

voted in Parliament. Specifically, the chapter covers:

- the determination of the level of government resources available for allocation
- the actual budget allocation process in relation to functions of government and individual votes
- the key changes made to the allocation of resources
- details of allocation amendments by function and by vote
- the 2014/15 expenditure outcome against budgeted outcome, and underspending areas
- an overview of 2016 MTEF expenditure.

Determining the level of government resources available for allocation

Government expenditure levels are carefully controlled through the expenditure ceiling approach, introduced in the 2012 Budget. The expenditure ceiling differs from main budget non-interest expenditure in that it excludes items that are directly financed through dedicated revenue flows or that are not subject to policy oversight decisions, that is, which fluctuate owing to factors outside the direct control of policy makers¹. For the 2016 MTEF period, the expenditure ceiling is R3.73 trillion, whereas the main budget non-interest expenditure is R3.79 trillion.

The expenditure ceiling is R1.15 trillion in 2016/17, R1.24 trillion in 2017/18 and R1.34 trillion in 2018/19. It is envisaged that over the 2016 MTEF period the expenditure ceiling will grow at 7.5 per cent. Although spending growth is slower than prior to 2008, expenditure growth remains above the projected inflation rate.

It is envisaged that over the 2016 MTEF, consolidated government expenditure, which includes the spending of entities², will grow at 7.1 per cent. In total it amounts to R4.73 trillion: R1.46 trillion in 2016/17, R1.57 trillion in 2017/18, and R1.7 trillion in 2018/19.

The budget process

The budget process aims to ensure that the resources that have been identified are allocated to meet South Africa's political priorities and to improve the quality and effectiveness of spending within the sustainable fiscal limits, more particularly over the next three years. A vital part of this process involves the large number of public institutions planning, negotiating and deciding collectively on a comprehensive plan for the spending of public resources.

As the budget process is by its nature focused on institutional performance in relation to government outcomes, it is organised by function of government. The function groups shown in the following table more closely align to the 14 outcomes of government's 2014-2019 medium term strategic framework, and concurrently to the national development plan; than do the budget vote classifications in the Appropriation Bill.

For the 2016 MTEF process, institutions, including national government departments, provincial government departments and the entities reporting to them, were divided into nine function groups, based on the functional tasks they are mandated to perform. It is important to note that different budget programmes within a single institution may fall under different functions, depending on their assigned tasks. For example, while most of the programmes within National Treasury's budget fall within the General Public Services function, the *Financial Intelligence and State Security* programme falls within

¹ 2015 Medium Term Budget Policy Statement, pages 20 and 25

² Main budget level expenditure refers to expenditure financed through revenue collected by national government, which is deposited in the National Revenue Fund. This differs from the consolidated government spending level, which is the basis for discussion in the Budget Review publication. Consolidated expenditure consists of Main budget expenditure, as well as expenditure financed from own revenue raised by the government entities, provinces and social security funds themselves.

the Defence, Public Order and Safety function; and the *Civil and Military Pensions, Contributions to Funds and Other Benefits* programme falls within the Economic Affairs function. These instances are shown in the table.

Table 1.1: Function budget groups

Function group	Chapter in the national development plan	MTSF outcome	National department	Entity included in abridged ENE publication ³
Basic Education	9	1, 5	-Basic Education	
	15	14	-Arts and Culture -Sport and Recreation	
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) -Police -Independent Police Investigative Directorate -Civilian Secretariat for Police -Justice and Constitutional Development -Correctional Services -Office of the Chief Justice	Armaments Corporation of South Africa Legal Aid South Africa
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 Limited 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
Economic Affairs	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 In the ENE e-publication every entity reporting to the executive authority is included.

Table 1.1: Function budget groups

Function group	Chapter in the national development plan	MTSF outcome	National department	Entity included in abridged ENE publication ⁴
General Public Services	13	12	-The Presidency -Communications -Women -Parliament -Planning, Monitoring and Evaluation -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) -Home Affairs	South African Broadcasting Cooperation Electoral Commission
	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 economic 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	

A vital part of the budget process is the discussions held by the participating institutions of each function, where they deliberate on how to improve resource utilisation in order to achieve the outcomes which that function is responsible for. The inevitable trade-offs in the financing of different policy objectives within the constraints of the expenditure ceiling are examined, culminating in recommendations on how institutional policies and practices, and arrangements, can be adapted to best achieve the function's outcomes. Key performance indicators are used to target and monitor an institution's progress in achieving these outcomes. These function group discussions predictably shape the allocations to specific government institutions. These are in line with government's 2014-2019 medium term strategic framework and the required changes to institutional practices, outputs and policies envisaged over the 2016 MTEF period.

The recommendations from each function group are then presented to the medium term expenditure committee (MTEC), a committee comprising the directors-general of central national government departments. Once this part of the process has been finalised, the recommendations endorsed by MTEC are taken to the ministers' committee on the budget. This committee then reviews the recommendations put forward in respect of the different function groups and ultimately considers the trade-offs and priorities for government as a whole. The recommendations of the ministers' committee on the budget are then tabled in Cabinet. Once Cabinet has approved the recommendations, all

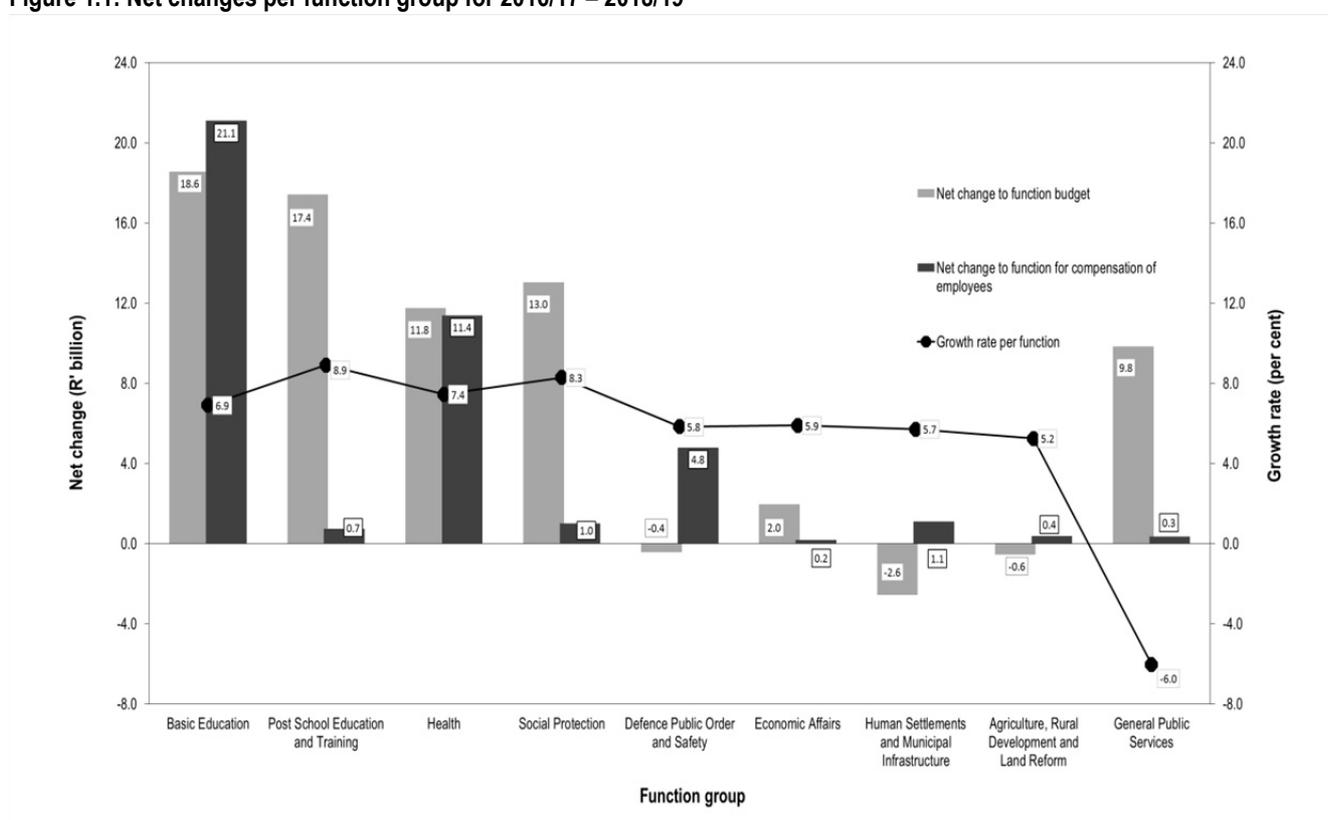
⁴ In the ENE e-publication every entity reporting to the executive authority is included.

institutions are informed of their budget allocations. Institutions then finalise their budgets accordingly and prepare their inputs for the ENE publications.

Key changes to the allocation of resources

The following graph shows the net change to the budget of each function group for the period 2016/17 to 2018/19. It results from the itemised amendments to the function baseline, and also highlights the net change for compensation of employees by function. The graph also shows the budget growth rates per function. Allocations falling within the expenditure ceiling include direct charges other than debt service costs, such as the provincial equitable share. Debt service costs, although excluded, remain the fastest growing item of expenditure in the 2016 Budget. Besides this, the labour intensive functions receive most of the previously unallocated funding, as well as reprioritised funding, for compensation of employees spending pressures. Another key budget increase is to the Post-School Education and Training function allocation, which has been made to accommodate student debt relief and the zero per cent fee increase in university fees.

Figure 1.1: Net changes per function group for 2016/17 – 2018/19



Changes by function for the 2016 MTEF include:

- Basic Education (R18.6 billion increase, of which R21.1 billion is for compensation of employees)
- Post-School Education and Training (R17.4 billion increase, of which R736.3 million is for compensation of employees)
- Health (R11.8 billion increase, of which R11.4 billion is for compensation of employees)
- Social Protection (R13 billion increase, of which R1 billion is for compensation of employees)
- Defence, Public Order and Safety (R441.2 million decrease; the increase of R4.8 billion is for compensation of employees)
- Economic Affairs (R2 billion increase, of which R183.9 million is for compensation of employees)
- Human Settlements and Municipal Infrastructure (R2.6 billion decrease; the increase of R1.1 billion is for compensation of employees)

- Agriculture, Rural Development and Land Reform (R568 million decrease; the increase of R375 million is for compensation of employees)
- General Public Services (R9.8 billion increase, of which R331 million is for compensation of employees).

Over and above the funds required for compensation of employees in terms of the 2015 public sector wage agreement, some functions have gained from the drawdown on the previously unallocated funds within the contingency reserve, held within the expenditure ceiling. However, after the Cabinet decision to lower the expenditure ceiling for the two outer years of the 2016 MTEF period, the following functions have budget reductions that result in lower budget baselines: Defence, Public Order and Safety; Human Settlements and Municipal Infrastructure; and Agriculture, Rural Development and Land Reform. Budget areas where function baselines have been reduced are mostly goods and services, and compensation of employees.

In terms of the expenditure ceiling approach, the institutional planning budget baselines applied at the start of the process for the 2016 Budget were the same as those tabled in the 2015 Budget for 2016/17 and 2017/18. The planning budget baseline for the outer year of the 2016 MTEF period was determined at the start of the budget process excluding any allocations ending in 2017/18. These planning baselines provided a basis for function group discussions and were adjusted as decisions were taken throughout the budget process.

At the time of the 2015 Budget, government made provision for an unallocated contingency reserve of R15 billion in 2016/17 and R45 billion in 2017/18, within the expenditure ceiling. Drawdowns to cater for compensation of employees pressures owing to the 2015 public sector wage agreement, in particular in national and provincial labour intensive departments, amount to R10 billion in 2016/17 and R26.1 billion in 2017/18. Remaining wage bill pressures in terms of the agreement have had to be addressed from within departmental baselines. In order to manage the increase in the wage bill composition of government spending, R6.8 billion over the 2016 MTEF period has been removed from the compensation of employees budgets of identified departments and reprioritised towards other areas of spending. This was decided on the basis that it is unlikely that the identified departments will be able to fill all vacant posts that were provided for within their budgets, taking into account past recruitment performance.

In order to manage the compensation of employees component of government spending, compensation of employees expenditure ceilings are in place for all national departments, and they are to manage their compensation of employees expenditure within these ceilings. In addition, compensation of employees allocations for each vote will be specifically and exclusively appropriated in the 2016 Appropriation Bill, which will prevent funds from being diverted. All these measures mean that departments will need to closely monitor and control their compensation of employees budgets to ensure that they remain on a sustainable path and do not crowd out spending on key government priorities.

Table 1.2: Drawdown of unallocated reserves within the expenditure ceiling

R million	2016/17	2017/18	2018/19
2015 MTEF period			
2015 Budget Contingency Reserve	15 000	45 000	
2015 Public sector wage agreement	-10 000	-26 065	
Increased social grant beneficiaries	-1 754	-3 972	
Allocated for key priorities	-746	-5 963	
2015 MTBPS subtotal	2 500	9 000	
Addition to contingency reserve	3 500	1 000	
2016 MTEF period			
2016 Budget Contingency Reserve	6 000	10 000	15 000
<i>Provisional allocation not assigned to votes</i>	267	489	17 789

The above table shows the drawdown of reserves within the expenditure ceiling. In addition to the wage agreement funding drawdown, the figure shows the portion of these reserves that funds the revision in social grant beneficiary projections, particularly increases for the child support grant. This amounts to R1.8 billion in 2016/17 and R4 billion in 2017/18. Further, in addition to the resources that have been reallocated from existing budget baselines from less urgent priorities and underperforming programmes, a drawdown of R6 billion in 2017/18 contributes to the funding of key priorities.

Using both reserves and reprioritised resources, some key priorities funded include⁵: R5.4 billion for funding historical debt from university student fees and the zero per cent increase to these fees; R8.3 billion as a capital contribution to establish the New Development Bank; R2 billion for the local government equitable share to support the provision of free basic services in an environment of rising electricity and water tariffs; R960 million to strengthen the national non-toll road network; R400 million to support HIV/AIDS and tuberculosis programmes, as well as for stronger health information management, including of medicine stocks; R414.8 million to support early childhood development subsidies and early childhood centre maintenance, and substance abuse treatment centres; R150 million for increased capacity in government planning, monitoring and evaluation; R242 million to support public order policing; and R307.6 million for small business development.

The contingency reserve is increased by R4.5 billion in the 2016/17 and 2017/18 years, from funding reprioritised after the reassessment of existing institutional budgets. The contingency reserve for the 2016 Budget thus now amounts to R6 billion in 2016/17 and R10 billion in 2017/18. R15 billion has been allocated as a contingency reserve for the outer year of the 2016 MTEF period, for 2018/19, for unforeseen circumstances as well as emerging government policy priorities. In addition, R17.8 billion has been provisionally allocated to specific function areas within the expenditure ceiling for the same year. This funding may be assigned to vote programmes pending further work undertaken, including impact evaluations on outcomes performance and further development of business plans. The specific details of these allocations will be finalised in the course of the 2017 Budget process.

Besides the reprioritisation of funds within the expenditure ceiling, the expenditure ceiling itself has been reduced by R10 billion in 2017/18 and R15 billion in 2018/19. Resources allocated to votes within the expenditure ceiling amount to R1.15 trillion in 2016/17, R1.24 trillion in 2017/18 and R1.32 trillion in 2018/19. This expenditure will grow at an average annual rate of more than 7 per cent over the 2016 MTEF period.

⁵ The function group tables that follow provide details on all of the changes to vote main budget expenditure.

Details of allocation amendments by function and vote

In the tables that follow, details about additions and reductions to main budget non-interest expenditure and the net effect on each government function are presented by allocation assigned against a vote, similar to in the Appropriation Bill. Expenditure for the National Skills Fund and sector education and training authorities is included, although it does not fall within the expenditure ceiling targeted. Conversely, contingency reserve funding and the provisionally allocated funding are excluded.

Most of the function budget amendments have been effected through the reprioritisation of funds from areas of lower priority to those of key priority. All changes are shown relative to the initial function planning baseline allocations for the 2016 MTEF period. All changes made to baselines are shown in the tables, to account comprehensively for the budget allocation decisions taken throughout the 2016 Budget process.

The estimated⁶ split of the changes to the provincial equitable share by function is also shown in the tables. It should be noted that provinces have key service delivery mandates aligned to the functions that are shared with national departments.

Basic Education

The objective of the Basic Education function is to improve the quality of basic education for children, as well as to increase access to basic education. The baseline of the function increases by a net amount of R18.6 billion over the 2016 MTEF period, from R699.3 billion to R717.9 billion. The function comprises 19.2 per cent of non-interest expenditure allocated to a vote.

Table 1.3 Basic Education

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
2015 MTEF function baseline²	219 951	232 784	246 607	699 342
2016 MTEF function baseline²	222 940	240 024	254 946	717 910
Annual growth rate (percentage)	6.8%	7.7%	6.2%	6.9%
Net change from the 2015 Baseline (percentage)	1.4%	3.1%	3.4%	2.7%
Arts and Culture	-33	146	-56	57
Community library services grant: Monitoring	1	1	1	3
Adherence of public entities to the generally recognised accounting practice 103	-	200	-	200
Operating leases: New building and tenant installation costs	7	5	7	19
Compensation of employees: 2015 public sector wage agreement	-	-	19	19
Capacity for infrastructure and office accommodation projects	2	2	2	5
Capital works: Legacy projects: Reduction of growth above inflation	-3	-4	-3	-10
Museum libraries infrastructure capital works projects: Rescheduled implementation	-8	-10	-12	-30
Community library services grant	-10	-12	-15	-37
Compensation of employees: Reduction	-	-18	-30	-48
Goods and services: Cost containment measures	-21	-18	-24	-63

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 these function allocations by each of the provinces are not known with certainty at present.

Table 1.3 Basic Education

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
Basic Education	-259	-389	-415	-1 063
Education infrastructure grant	-160	2 450	2 582	4 872
School infrastructure backlogs indirect grant: Conversion to education infrastructure grant	-	-2 620	-2 772	-5 392
Introduction of National Senior Certificate Learner Retention programme	50	50	50	150
Compensation of employees: 2015 public sector wage agreement	2	13	26	42
National Education Evaluation and Development Unit, and carry through costs of upgrading salary posts from level 9 to 10 and 11 to 12	13	14	14	41
School infrastructure backlogs grant: Legal, audit, computer services, as well as verification costs	-	1	1	2
Reduction in number of vacant posts and cost efficiencies in producing workbooks	-13	-14	-15	-43
Compensation of employees: Reduction	-	-31	-49	-79
Goods and services: Cost containment measures	-101	-202	-203	-505
Kha Ri Gude mass literacy programme: Targets largely attained	-50	-50	-50	-150
Sport and Recreation	-6	-19	-22	-46
Sport infrastructure projects in municipalities: Oversight and support	6	8	10	24
Coordination and management of the 2022 Commonwealth Games, sport facilities for schools, outdoor gyms and children's play parks	1	2	4	7
Ministry travel and media events	1	2	3	6
Sports equipment and apparel for schools, clubs and sports hubs	1	1	2	5
Compensation of employees: 2015 public sector wage agreement	-	-	4	4
School Residential Programme: Sponsorship of athletes	-1	-2	-4	-7
Goods and services: Cost containment measures	-0	-4	-5	-10
Accommodation costs: Delay in relocation to new premises	-5	-3	-6	-14
Mass participation and sport development grant	-5	-10	-12	-27
Compensation of employees: Reduction	-4	-13	-18	-34
National Treasury	3 287	7 502	8 832	19 621
Provincial equitable share: Compensation of employees: 2015 public sector wage agreement	3 998	10 684	13 060	27 742
Provincial equitable share: Reduction	-712	-474	-380	-1 566
Provincial equitable share: Compensation of employees: Reduction	-	-2 708	-3 847	-6 555
Net change to function baseline	2 989	7 240	8 339	18 568

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in fact 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 2018/19 function baseline throughout the course of the 2016 MTEF budget process are shown. The first 2016 MTEF estimates for 2018/19 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 objective of the Post-School Education and Training function is that all South Africans have equitable access to relevant and quality post-school education and training. The baseline of the function increases by R24.1 billion over the 2016 MTEF period, from R192.1 billion to R216.2 billion. The function comprises 5.8 per cent of non-interest expenditure allocated to a vote.

Table 1.4 Post-School Education and Training

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
2015 MTEF function baseline²	60 234	63 717	68 126	192 077
2016 MTEF function baseline²	66 828	72 003	77 392	216 223
Annual growth rate (percentage)	15.9%	7.7%	7.5%	10.4%
Net change from the 2015 Baseline (percentage)	10.9%	13.0%	13.6%	12.6%
Higher Education and Training	6 594	8 286	9 267	24 146
National Student Financial Aid Scheme: Historical debt relief 2013-2015	2 543	-	-	2 543
National Student Financial Aid Scheme: Support to unfunded continuing students	2 039	2 992	3 013	8 043
Contribution from fiscus for zero per cent increase in university fees	300	2 563	2 819	5 683
National Skills Fund and sector education and training authorities	1 500	2 287	2 935	6 722
Compensation of employees: 2015 public sector wage agreement	135	357	438	931
Transfer from the Public Service Sector Education and Training Authority funding to the Department of Higher Education and Training	99	104	110	312
Additional goods and services required with the shifting of the technical and vocational education and training and adult education and training functions from the provincial sphere of government	28	29	31	89
Medical students funding shifted from the Department of Health	31	28	17	75
Compensation of employees: Additional employees due to the shifting of the technical and vocational education and training and adult education and training functions from the provincial sphere of government	4	6	6	15
Goods and services: Cost containment measures	-10	-9	-10	-29
Public Sector Education and Training Authority: Reduction	-43	-	-	-43
Compensation of employees: Reduction	-32	-70	-92	-194
Net change to function baseline	6 594	8 286	9 267	24 146

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in fact 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 2018/19 function baseline throughout the course of the 2016 MTEF budget process are shown. The first 2016 MTEF estimates for 2018/19 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 increases by R11.8 billion over the 2016 MTEF period, from R516.1 billion to R527.9 billion. The function comprises 14.1 per cent of non-interest expenditure allocated to a vote.

Table 1.5 Health

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
2015 MTEF function baseline²	161 503	172 212	182 386	516 102
2016 MTEF function baseline²	162 636	176 377	188 847	527 860
Annual growth rate (percentage)	6.8%	8.4%	7.1%	7.4%
Net change from the 2015 Baseline (percentage)	0.7%	2.4%	3.5%	2.3%
Health	-360	441	2 047	2 128
Comprehensive HIV, AIDS and TB grant: Antiretroviral delivery alignment to the number of grant beneficiaries	-176	-40	1 000	784
Comprehensive HIV, AIDS and TB grant: TB 90-90-90 strategy: Ensuring that 90 per cent of high risk and vulnerable groups are screened for TB, 90 per cent of prevalent TB cases are diagnosed and 90 per cent of TB cases are treated successfully	-	240	500	740
Comprehensive HIV, AIDS and TB grant: HIV prevention	-	20	80	100
National Department of Health: HIV prevention	-	40	60	100
National health indirect grant: Human papillomavirus vaccine	200	200	-	400
National health insurance indirect grant: Primary health care: Integrated patient information system	-	90	200	290
National health insurance indirect grant: National medicine stock surveillance system	-	90	190	280
Compensation of employees: 2015 public sector wage agreement	60	69	141	270
Human papillomavirus vaccine grant	-	-	200	200
Medical Research Council: Research	-	-	80	80
National Department of Health: National medicine stock surveillance system	-	10	10	20
Health and Welfare Sector Education and Training Authority and the Public Sector Education and Training Authority: Compensation of employees	1	1	1	2
Travel and subsistence: Cost containment measures	-1	-1	-1	-2
Medical students funding shifted to the Department of Higher Education and Training	-31	-28	-17	-75
Compensation of employees: Reduction	-	-46	-71	-117
Goods and services: Cost containment measures	-63	-14	-73	-150
National health insurance indirect grant: Health facility revitalisation component	-150	-64	-50	-264
National health insurance grant	-	-80	-85	-165
Health facility revitalisation grant	-200	-47	-118	-365
National Treasury	1 493	3 724	4 414	9 631
Provincial equitable share: Compensation of employees: 2015 public sector wage agreement	2 147	5 662	6 885	14 694
Human papillomavirus vaccine: Shift from the provincial equitable share	-200	-200	-200	-600
Provincial equitable share: Reduction	-454	-303	-243	-1 000
Provincial equitable share: Compensation of employees: Reduction	-	-1 435	-2 028	-3 463
Net change to function baseline	1 133	4 165	6 461	11 759

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in fact 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 2018/19 function baseline throughout the course of the 2016 MTEF budget process are shown. The first 2016 MTEF estimates for 2018/19 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 increases by R13 billion over the MTEF period, from R527.3 billion to R540.4 billion. The function comprises 14.4 per cent of non-interest expenditure allocated to a vote.

Table 1.6 Social Protection

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
2015 MTEF function baseline²	165 179	175 967	186 194	527 340
2016 MTEF function baseline²	166 138	179 900	194 336	540 374
Annual growth rate (percentage)	8.5%	8.3%	8.0%	8.3%
Net change from the 2015 Baseline (percentage)	0.6%	2.2%	4.4%	2.5%
Social Development	831	3 603	7 732	12 166
Social grants: Alignment to the number of grant beneficiaries	1 054	3 272	7 182	11 509
Early childhood development grant: Early childhood development subsidy expansion	-	250	413	663
Early childhood development grant: Early childhood development centre maintenance	-	70	80	150
Substance abuse treatment grant: Operational costs for 4 provincial treatment centres	-	57	71	128
Substance abuse treatment grant: Construction costs of treatment centres in the Northern Cape and Free State	38	-	-	38
Compensation of employees: 2015 public sector wage agreement	9	26	33	68
HIV prevention: Transfer to the South African National AIDS Council	-	15	30	45
Compensation of employees: Reduction	-	-30	-46	-76
Social relief of distress: Reduction	-112	-	-	-112
South African Social Security Agency: Reduction	-158	-58	-31	-247

Table 1.6 Social Protection

Function ¹ by Vote				
R million	2016/17	2017/18	2018/19 ³	MTEF total
National Treasury	127	330	410	868
Provincial equitable share: Compensation of employees: 2015 public sector wage agreement	190	499	629	1 318
Provincial equitable share: Reduction	-63	-42	-34	-139
Provincial equitable share: Compensation of employees: Reduction	-	-126	-185	-312
Net change to function baseline	959	3 933	8 142	13 034

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in fact 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 2018/19 function baseline throughout the course of the 2016 MTEF budget process are shown. The first 2016 MTEF estimates for 2018/19 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 support enhanced measures in domestic and international public protection. The baseline of the function decreases by R441 million over the MTEF period, from R571.5 billion to R571 billion. The function comprises 15.3 per cent of non-interest expenditure allocated to a vote.

Table 1.7 Defence, Public Order and Safety

Function ¹ by Vote				
R million	2016/17	2017/18	2018/19 ³	MTEF total
2015 MTEF function baseline²	179 104	190 633	201 718	571 455
2016 MTEF function baseline²	179 228	190 361	201 424	571 014
Annual growth rate (percentage)	5.4%	6.2%	5.8%	5.8%
Net change from the 2015 Baseline (percentage)	0.1%	-0.1%	-0.1%	-0.1%
Correctional Services	-281	-86	224	-144
Compensation of employees: 2015 public sector wage agreement	147	960	1 391	2 498
Filling vacancies and operations of inmate case management committees	421	435	460	1 316
Inmate supplies	66	167	305	538
Inmate food	117	139	138	393
Materials for inmate production workshops	42	87	109	238
Production workshop and machinery and agriculture equipment	1	0	43	44
Property payments: Water and electricity	45	61	50	155
Judicial inspectorate: 42 posts	49	51	54	155
Vehicles	5	17	17	39
Electronic monitoring of parolees: Roll-out	0	1	1	3
Public private partnership contracts: Fixed fee component coming to an end	-58	-111	-175	-344
Compensation of employees: Reduction	-760	-1 396	-1 500	-3 657
Goods and services: Cost containment measures	-355	-498	-669	-1 522
Defence and Military Veterans	51	-1 369	-2 294	-3 612
Compensation of employees: 2015 public sector wage agreement	1 376	2 287	3 583	7 246
Aircraft equipment	468	525	37	1 029
Technical and skills training	33	127	20	180
Department of Military Veterans: Compensation of employees: 2015 public sector wage agreement	-	3	5	8
Special Defence Account	-350	-	-	-350
Works formation programme: Correction of allocation	-275	-143	-55	-474
Various goods and services items and departmental agencies and accounts: Cost containment measures	-445	-374	-843	-1 662
Delay of the acquisition of armaments	-757	-896	-778	-2 431
Compensation of employees: Reduction	-	-2 897	-4 262	-7 159
Independent Police Investigative Directorate	-2	-6	-10	-18
Compensation of employees: 2015 public sector wage agreement	-	10	15	25
Goods and services: Cost containment measures	-2	-2	-2	-5
Compensation of employees: Reduction	-	-14	-23	-37
Justice and Constitutional Development	199	152	38	389
Compensation of employees: 2015 public sector wage agreement	208	543	669	1 420
Justice modernisation programme: Software development and data lines	208	220	230	658
Increasing prosecutorial capacity	45	49	50	144
Establishment and capacitation of an Information Regulator	10	26	27	63
Public Protector of South Africa: Filling of key positions, implementation of a new case management system, litigation costs, security for office buildings, opening of additional satellite offices and upgrading of ICT infrastructure	-	21	23	44
Safety and Security Sector Education and Training Authority: Levy	8	9	9	26
South African Human Rights Commission: Advocacy and xenophobia investigations	-	11	12	24
Motor vehicle leases	1	1	1	3
Increased life span of desktop computers from 36 to 48 months	-5	-5	-5	-15
Capital assets: Utilising vehicle leasing	-5	-6	-6	-17
Internal audit	-9	-10	-10	-29
Office accommodation: Delays in the implementation of capital works projects	-9	-10	-11	-30
Reduction in capital asset procurement	-14	-17	-18	-49
Goods and services: Cost containment measures	-31	-32	-32	-95
Machinery and equipment	-208	-220	-230	-658
Compensation of employees: Reduction	-	-429	-671	-1 100

Table 1.7 Defence, Public Order and Safety

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
Office of the Chief Justice and Judicial Administration	-86	-7	-14	-107
Compensation of employees: 2015 public sector wage agreement	26	58	70	155
Filling of critical posts	47	50	53	149
Judicial support and court administration: Office accommodation	-	70	73	143
Operational costs related to the filling of posts	31	37	33	102
Computers and office furniture relating to the filling of posts	15	14	25	54
Office accommodation: Head office and provincial service centres	9	10	11	30
Reduction in leave gratuities paid out	-0	-0	-1	-1
Computer equipment: Cost containment measures	-7	-2	-8	-18
Compensation of employees: Reduction	-15	-37	-52	-104
Goods and services: Cost containment measures	-192	-207	-219	-618
Police	171	881	1 574	2 626
Compensation of employees: 2015 public sector wage agreement	1 321	2 424	3 000	6 745
Capacitation of existing Public Order Policing units	-	242	356	598
Protection and Security Services: VIP protection service personnel	105	112	118	334
Protection and Security Services: Equipment	58	21	16	94
Civilian Secretariat for Police: Compensation of employees: 2015 public sector wage agreement	-	5	8	13
Payments for capital assets: Cost containment measures	-58	-21	-16	-94
Vacant posts in the Administration, Visible Policing and Detective Services programmes	-105	-112	-118	-334
Goods and services: Cost containment measures	-351	-324	-423	-1 098
Compensation of employees: Reduction	-800	-1 466	-1 367	-3 632
National Treasury	73	164	189	425
Provincial equitable share: Compensation of employees: 2015 public sector wage agreement	89	234	280	603
Provincial equitable share: Reduction	-17	-11	-9	-37
Provincial equitable share: Compensation of employees: Reduction	-	-59	-83	-142
Net change to function baseline	124	-271	-294	-441

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in fact 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 2018/19 function baseline throughout the course of the 2016 MTEF budget process are shown. The first 2016 MTEF estimates for 2018/19 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 through a range of interventions in various sectors of the economy. The baseline of the function increases by R2 billion over the MTEF period, from R321.3 billion to R323.3 billion. The function comprises 8.6 per cent of non-interest expenditure allocated to a vote.

Table 1.8 Economic Affairs

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
2015 MTEF function baseline²	103 225	107 749	110 349	321 324
2016 MTEF function baseline²	102 617	107 629	113 034	323 281
Annual growth rate (percentage)	7.7%	4.9%	5.0%	5.9%
Net change from the 2015 Baseline (percentage)	-0.6%	-0.1%	2.4%	0.6%
Economic Development	-11	-14	-19	-44
Competition Tribunal: Extended mandate	-	9	13	22
Goods and services: Cost containment measures	-1	-1	-1	-4
Compensation of employees: Reduction	-4	-12	-18	-34
Office accommodation: Reduction	-6	-9	-13	-28
Mineral Resources	-16	115	129	228
Petroleum Agency South Africa: Operating and capital costs	-	147	158	305
Compensation of employees: 2015 public sector wage agreement	6	19	36	60
Mintek: Development of specialised technology to process mineral reserves	-	5	20	25
Mintek and Council for Geoscience: Rehabilitation of mines	66	80	85	231
Rehabilitation of mines: Termination of consultant services	-81	-85	-90	-256
Goods and services: Cost containment measures	-6	-6	-8	-21
Compensation of employees: Reduction	-	-45	-71	-117
Public Works	-69	-64	-60	-193
Independent Development Trust: Alignment of budget to the new market management fees	-	16	29	45
Goods and services: Cost containment measures	-3	-4	-5	-12
Property Management Trading Entity: Projected underspending	-17	-22	-24	-62
Property Management Trading Entity: Correction of allocation for accommodation costs in the General Public Services function	-49	-54	-60	-164
Small Business Development	177	178	184	540
Support for business incubation, entrepreneurship and informal trading	150	158	167	475
Office accommodation and ICT	15	14	15	44
Filling of critical posts	11	12	13	36
Compensation of employees: 2015 public sector wage agreement	3	6	8	17
Goods and services: Cost containment measures	-2	-2	-2	-6
Compensation of employees: Reduction	-	-10	-16	-26

Table 1.8 Economic Affairs

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
Tourism	-44	-60	-78	-182
Compensation of employees: 2015 public sector wage agreement	6	17	21	43
Goods and services: Cost containment measures	-10	-9	-12	-32
Compensation of employees: Reduction	-	-17	-27	-44
Social responsibility programme: Reduction	-40	-50	-60	-150
Trade and Industry	-155	-195	1 213	864
Special Economic Zones: Support for industrialisation and economic growth	-	-	1 500	1 500
Revitalisation of existing local industrial parks' infrastructure	180	80	-	260
Industrial Development Corporation: Customised sector programme and Intsimbi National Tooling Initiative	3	71	88	162
Cluster development programme: Feasibility study	50	50	-	100
Trade and Industrial Policy Strategies and Automotive Supply Chain Competitiveness Initiative: Support to local automobile industry activities	23	10	-	33
Compensation of employees: 2015 public sector wage agreement	-	-	17	17
Goods and services: Cost containment measures	-15	-20	-39	-73
Industrial Development Corporation, clothing and textile incentive, and Council for Scientific and Industrial Research: Non-priority projects	-26	-81	-88	-195
Compensation of employees: Reduction	-20	-95	-145	-260
Special economic zones: Unsustainable interventions	-120	-80	-120	-320
Special economic zones: Reduction	-230	-130	-	-360
Cooperative Governance and Traditional Affairs	-64	-290	-413	-768
Community work programme: Employees for planning, monitoring and reporting, private and public partnerships, community and stakeholder facilitation, special projects and capacity building	22	27	26	75
Goods and services: Reduction	-5	-5	-7	-17
Community work programme: Alignment of planned growth to institutional capacity	-82	-82	-83	-247
Community work programme: Cost containment measures	-	-229	-350	-579
Environmental Affairs	-37	123	202	287
Natural resource management programmes: Policy development in wildlife economy, Working on Waste, youth and environmental services	-	120	164	284
Public private partnership unitary payment: Head office building	47	66	68	181
Asbestos remediation in distressed mining towns	-	58	119	178
Compensation of employees: 2015 public sector wage agreement	23	60	74	156
Convention on International Trade in Endangered Species (CITES) regulations enforcement at ports of entry and exit	34	39	41	114
Municipal service payments	33	35	37	105
Waste Management Bureau: Establishment and operational costs	25	26	28	79
Hosting of the CITES Wild Fauna and Flora Conference of the Parties (COP) 17	48	-	-	48
Oceans and coasts research laboratories: Operations and maintenance	10	10	10	30
Waste management programmes and projects: Licencing of waste disposal facilities	5	6	6	17
National Regulator for Compulsory Specifications: Delaying the implementation of the new compulsory specification plastic bags	-5	-6	-6	-17
South African Weather Services: Compensation of employees: Reduction	-10	-10	-10	-30
Expanded public works programme: Reduction	-25	-25	-35	-85
Travel and subsistence: Reduction	-25	-25	-25	-75
Business and advisory services: Postponement of research work	-34	-35	-37	-106
South African National Parks, South African National Biodiversity Institute and iSimangaliso Wetland Park Authority: Cost containment measures	-69	-22	-23	-114
Compensation of employees: Reduction	-	-55	-85	-140
Infrastructure, planning, agency, support and outsourced services: Cost containment measures	-94	-119	-124	-337
Labour	-150	-131	-122	-403
Compensation of employees: 2015 public sector wage agreement	11	57	87	156
National minimum wage institutions: 70 employees and associated costs, staff training and development, communication, fleet services, travel and subsistence and advertising	-	35	37	72
Motor vehicles: Reduction	-3	-3	-3	-9
Office of the chief operations officer: Vacant posts	-7	-7	-14	-28
Goods and services: Cost containment measures	-13	-12	-16	-41
Compensation of employees: Reduction	-139	-201	-213	-553
National Treasury	-555	-180	219	-516
Provincial equitable share: Compensation of employees: 2015 public sector wage agreement	145	381	457	983
Government Employees Pensions Fund: Reduction of debt owed by government	112	91	53	256
Government Pensions Administration Agency: Cost containment measures	-4	-4	-4	-12
Goods and services: Cost containment measures	-4	-4	-5	-13
Provincial equitable share: Reduction	-91	-61	-48	-200
Provincial equitable share: Compensation of employees: Reduction	-	-97	-135	-231
Pensions: Reduced backlogs	-108	-87	-49	-244
Jobs Fund: Reduction	-605	-400	-50	-1 055
Rural Development and Land Reform	-1	-1	-1	-2
Goods and services: Cost containment measures	-1	-1	-1	-2
Science and Technology	-133	-46	-66	-245
Research and development	-	36	39	75
Implementation of the ICT roadmap	12	20	24	56
Compensation of employees: 2015 public sector wage agreement	7	19	23	49
HIV prevention: Transfer to the South African National AIDS Council	-	15	30	45
Goods and services: Cost containment measures	-5	-5	-6	-16
Compensation of employees: Reduction	-	-21	-32	-53
Sector budget support, general budget support and international partnerships: Reduction	-12	-20	-24	-56
Economic competitiveness and support package: Industry innovation partnerships: Spending not aligned to programme objectives	-55	-40	-	-95
Square Kilometre Array: Reduction	-80	-50	-120	-250

Table 1.8 Economic Affairs

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
Energy	189	-27	-34	127
Nuclear new build programme: Procurement advisory services	200	–	–	200
Compensation of employees: 2015 public sector wage agreement	3	13	22	38
Learnership programmes, special training and development	2	2	–	4
Goods and services: Cost containment measures	-14	-15	-14	-43
Compensation of employees: Reduction	-2	-27	-42	-71
Telecommunications and Postal Services	872	361	402	1 635
South Africa Connect: Broadband digital development: Implementation phase rollout	68	172	477	717
South African Post Office: Recapitalisation	650	–	–	650
South African Post Office: Distribution of set top boxes for broadcasting digital migration	240	240	–	480
Ikamva National eSkills Institute: Establishment	40	42	44	126
Sentech: Migration to digital signals	–	53	60	113
Compensation of employees: 2015 public sector wage agreement	4	12	18	33
Compensation of employees: Reduction	–	-17	-27	-44
Goods and services: Cost containment measures	-22	-27	-49	-98
South Africa Connect: Surplus funds for broadband digital readiness	-108	-114	-121	-343
Transport	564	1 955	2 889	5 408
Moloto Road upgrade	200	800	1 300	2 300
Strengthening national non-toll road network	–	960	1 300	2 260
Provincial roads maintenance grant: Funding of key performing provinces	65	798	1 002	1 864
South African National Roads Agency Limited: Gauteng freeway improvement project	425	463	505	1 394
Compensation of employees: 2015 public sector wage agreement	27	38	52	117
Upgrading of the satellite tracking system for ships	100	–	–	100
National Ports Regulator: Independent evaluation of the regulatory asset base	10	–	–	10
Maritime Safety Authority: Development of maritime policy and new funding model	2	2	2	6
Interim rail economic regulator: Capacity	2	2	2	5
Road safety awareness	–	2	2	3
Compensation of employees: Reduction	–	-34	-54	-88
Goods and services: Cost containment measures	-65	-71	-80	-216
South African National Roads Agency Limited: Reduction	-200	-153	-240	-593
Provincial roads maintenance grant: Funds for coal haulage not required	–	-852	-901	-1 753
Water and Sanitation	-1 174	-1 843	-1 761	-4 778
Compensation of employees: 2015 public sector wage agreement	43	96	124	264
Software and other intangible assets	1	19	20	40
Gauging equipment for monitoring dam sites and disaster prevention planning	9	5	5	20
Goods and services: Including contractors, consumables, and consultants	11	–	–	11
Higher education institutions: Increase	1	1	1	4
Households: Employee social benefits	1	1	1	3
Water Research Commission: Research	1	–	1	2
Office equipment	1	–	–	1
Energy Sector Education and Training Authority: Transfer reduction	-1	-0	-0	-1
Water Boards: Reduction	-0	-1	-1	-1
Buildings and other fixed structures: Reduction	-2	-2	-2	-6
Compensation of employees: Reduction in support posts	-14	–	–	-14
Land and sub-soil assets: Correction of allocation	–	-29	-30	-59
Travel, subsistence and telephone costs: Cost containment measures	–	-40	-36	-76
Machinery and equipment: Alignment of planned growth to institutional capacity	-39	-29	-31	-100
Goods and services reduction and cost containment measures	-48	-64	-93	-205
Compensation of employees: Reduction	–	-99	-155	-254
Water Trading Entity: Adequacy of accumulated surplus	-1 140	-1 702	-1 566	-4 407
Net change to function baseline	-608	-120	2 685	1 957

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in fact 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 2018/19 function baseline throughout the course of the 2016 MTEF budget process are shown. The first 2016 MTEF estimates for 2018/19 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, as well as to provide infrastructure to low income communities. The baseline of the function decreases by R2.6 billion over the MTEF period, from R568.6 billion to R566 billion. The function comprises 15.1 per cent of non-interest expenditure allocated to a vote.

Table 1.9 Human Settlements and Municipal Infrastructure

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
2015 MTEF function baseline²	179 172	189 205	200 173	568 550
2016 MTEF function baseline²	175 342	189 218	201 425	565 985
Annual growth rate (percentage)	2.7%	7.9%	6.5%	5.7%
Net change from the 2015 Baseline (percentage)	-2.1%	0.0%	0.6%	-0.5%
Cooperative Governance and Traditional Affairs	-481	1 047	2 379	2 945
Local government equitable share: Free basic services to poor households	-300	1 500	3 000	4 200
Municipal systems improvement indirect grant: Establishment	84	103	115	303
Municipal finance projects: Contractors and consultants	20	15	10	45
Municipal demarcation transition grant: Demarcation costs at affected municipalities	247	62	-	309
2016 local government elections: Once-off gratuity for non-returning councillors	309	-	-	309
National Disaster Management Centre: Disaster verification and management	20	40	44	104
Municipal Infrastructure Support Agency: Construction contracting support	31	50	-	81
Municipal systems improvement grant: Conversion to indirect grant	-124	-134	-142	-400
Municipal systems improvement grant: Reduction	-134	-145	-153	-433
Municipal infrastructure grant: Reduction	-634	-444	-495	-1 573
Energy	-338	-178	-297	-814
Integrated national electrification programme: Non-grid electrification oversight, monitoring and evaluation	2	4	4	11
Goods and services: Cost containment measures	-0	-0	-1	-1
Integrated national electrification programme: Reprioritisation towards oversight, monitoring and evaluation	-	-2	-1	-3
Integrated national electrification programme: Reduction	-340	-180	-300	-820
Human Settlements	-2 515	-680	-671	-3 866
Compensation of employees: 2015 public sector wage agreement	40	52	38	130
Human settlements project and programme capacity: Goods and services	25	22	-	48
Machinery and equipment	1	1	1	4
Goods and services: Cost containment measures	-	-	-3	-3
National upgrading support programme: Consultancy services	-15	-16	-18	-49
Goods and services: Cost containment measures	-17	-17	-21	-54
Compensation of employees: Reduction	-1	-30	-44	-75
Municipal human settlements capacity grant: Reduction	-100	-115	-122	-337
Urban settlements development grant: Reduction	-236	-236	-335	-807
Social Housing Regulatory Authority: Restructuring of the capital grant	-612	-342	-169	-1 123
Human settlements development grant: Reduction	-1 600	-	-	-1 600
Transport	-681	-182	-204	-1 067
Provincial transport operations grant: Subsidies for affordable public transport services	250	250	200	700
National Public Transport Regulator: Establishment	7	7	8	22
Compensation of employees: 2015 public sector wage agreement	7	6	7	20
Consultants: Cost containment measures	-2	-2	-2	-7
Goods and services: Cost containment measures	-6	-6	-8	-20
Taxi recapitalisation programme: Reduction	-16	-18	-19	-53
Passenger Rail Agency of South Africa: Moderation of growth rate	-350	-170	-190	-710
Public transport network grant: Reduction	-570	-250	-200	-1 020
Water and Sanitation	58	-323	-340	-606
Regional bulk infrastructure grant: New direct grant	2 000	2 000	2 200	6 200
Municipal water infrastructure grant: New direct grant	1 200	1 500	1 600	4 300
Regional bulk infrastructure indirect grant	200	250	311	761
Extension of the bucket eradication programme to 2016/17	350	-	-	350
Water Boards: Magalies Water	-	49	5	53
Goods and services: Including contractors, consumables and consultants	15	17	17	49
Compensation of employees: 2015 public sector wage agreement	7	7	8	22
Machinery and equipment	2	1	1	5
Goods and services: Cost containment measures	-8	-9	-11	-28
Payments for capital assets: Water infrastructure development programme: Reduction	-15	-11	-11	-36
Accelerated community infrastructure programme: Reduction	-23	-24	-24	-72
Water Boards: Alignment of planned growth to institutional capacity	-155	-	-	-155
Regional bulk infrastructure grant: Reduction	-150	-135	-140	-425
Water services infrastructure grant: Reduction	-120	-170	-180	-470
Municipal water infrastructure grant: Indirect component: Conversion to Municipal water infrastructure grant	-1 200	-1 500	-1 600	-4 300
Regional bulk infrastructure grant: Indirect component: Reduction and conversion to regional bulk infrastructure grant	-2 045	-2 299	-2 516	-6 859
National Treasury	128	329	386	843
Provincial equitable share: Compensation of employees: 2015 public sector wage agreement	188	494	593	1 275
Goods and services: Cost containment measures	-1	-1	-1	-2
Provincial equitable share: Reduction	-59	-39	-32	-131
Provincial equitable share: Compensation of employees: Reduction	-	-125	-175	-300
Net change to function baseline	-3 830	13	1 252	-2 565

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in fact 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 2018/19 function baseline throughout the course of the 2016 MTEF budget process are shown. The first 2016 MTEF estimates for 2018/19 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 decreases by R568 million over the MTEF period, from R78 billion to R77.4 billion. The function comprises 2.1 per cent of non-interest expenditure allocated to a vote.

Table 1.10 Agriculture, Rural Development and Land reform

Function ¹ by Vote				
R million	2015/16	2016/17	2018/19 ³	MTEF total
2015 MTEF function baseline²	24 566	25 973	27 463	78 002
2016 MTEF function baseline²	24 389	25 797	27 249	77 434
Annual growth rate (percentage)	4.3%	5.8%	5.6%	5.2%
Net change from the 2015 Baseline (percentage)	-0.7%	-0.7%	-0.8%	-0.7%
Agriculture, Forestry and Fisheries	-10	-71	-129	-210
Compensation of employees: 2015 public sector wage agreement	94	186	220	499
Comprehensive agricultural support programme: Grant monitoring and evaluation	10	20	30	60
Primary animal health care services in rural areas: Recruitment of veterinarian graduates	12	12	13	38
Agriculture policy action plan: Implementation	5	6	6	16
University of Fort Hare: Termination of animal traction project contract	-5	-6	-6	-16
Comprehensive agricultural support programme grant: Top-slicing the grant to ensure proper project development and planning	-10	-20	-30	-60
Marine Living Resources Fund: Reduction	-27	-30	-32	-88
Goods and services: Cost containment measures	-39	-40	-47	-126
Comprehensive agricultural support programme grant: Reduction	-50	-50	-50	-150
Compensation of employees: Reduction	-	-149	-234	-383
Rural Development and Land Reform	-267	-339	-356	-962
Extension of Security of Tenure Act (1997) and the Land Rights Management Facility Bill (2015): Implementation	87	198	209	493
Compensation of employees: 2015 public sector wage agreement	57	144	177	378
National Geomatics Council: Capacitation	4	4	4	12
Registration of deeds trading account: Reduction	-4	-4	-4	-12
National Rural Youth Service Corps and rural infrastructure: Reduction	-125	-125	-125	-375
Compensation of employees: Reduction	-156	-317	-355	-828
Goods and services: Cost containment measures	-130	-238	-262	-630
National Treasury	100	233	271	603
Provincial equitable share: Compensation of employees: 2015 public sector wage agreement	130	340	407	877
Provincial equitable share: Reduction	-31	-20	-16	-68
Provincial equitable share: Compensation of employees: Reduction	-	-86	-120	-206
Net change to function baseline	-177	-177	-214	-568

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in fact 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 2018/19 function baseline throughout the course of the 2016 MTEF budget process are shown. The first 2016 MTEF estimates for 2018/19 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 increases by R10 billion over the MTEF period, from R192.2 billion to R202.2 billion. The function comprises 5.4 per cent of non-interest expenditure allocated to a vote.

Table 1.11 General Public Services

Function ¹ by Vote				
R million	2016/17	2017/18	2018/19 ³	MTEF total
2015 MTEF function baseline²	61 039	64 246	66 963	192 248
2016 MTEF function baseline²	64 233	67 975	70 035	202 243
Annual growth rate (percentage)	-27.0%	5.8%	3.0%	-6.0%
Net change from the 2015 Baseline (percentage)	5.2%	5.8%	4.6%	5.2%
Communications	1	12	26	39
Filling of critical posts	-	10	20	30
Government Communication and Information System: Compensation of employees: 2015 public sector wage agreement	1	9	15	25
Compensation of employees: 2015 public sector wage agreement	-	-	1	1
Goods and services: Cost containment measures	-0	-0	-1	-2
Compensation of employees: Reduction	-	-1	-2	-4
Government Communication and Information System: Compensation of employees: Reduction	-	-5	-8	-12

Table 1.11 General Public Services

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
Cooperative Governance and Traditional Affairs	79	42	24	144
Filling of critical posts	40	40	40	120
South African Local Government Association: Operations	30	31	33	94
Department of Traditional Affairs: Compensation of employees: 2015 public sector wage agreement	5	8	9	22
Back-to-Basics strategy: Implementation	6	6	7	19
Municipal Demarcation Board: Additional mandate on demarcations	10	–	–	10
United Cities and Local Government of Africa: No longer hosted by South Africa	-6	-6	-7	-19
Goods and services: Cost containment measures	-6	-6	-8	-20
Compensation of employees: Reduction	–	-31	-50	-81
Home Affairs	70	114	-175	9
Compensation of employees: 2015 public sector wage agreement	91	232	280	604
Scanners for the 2019 national government elections	–	180	–	180
Lindela Detention Centre: Reduction	–	-28	-31	-59
Goods and services: Cost containment measures	-22	-15	-28	-65
Compensation of employees: Reduction	–	-254	-397	-651
International Relations and Cooperation	-153	-734	-836	-1 723
Compensation of employees: 2015 public sector wage agreement	–	–	172	172
Goods and services: Cost containment measures	-55	-55	-71	-181
Missions: Rationalisation	-10	-75	-130	-215
African Renaissance Fund: Reduction	-88	-300	-307	-695
Compensation of employees: Reduction	–	-304	-499	-804
National Treasury	3 685	4 586	4 398	12 668
New Development Bank: Capital contribution	3 750	4 500	4 500	12 750
Provincial equitable share: Compensation of employees: 2015 public sector wage agreement	246	644	772	1 662
Chief Procurement Office: Capacitation	67	86	93	246
Direct charge: National revenue fund payments	145	–	–	145
Secret Services: Compensation of employees: 2015 public sector wage agreement	19	36	38	94
Compensation of employees: 2015 public sector wage agreement	24	27	29	81
Travel, subsistence and consultants: Cost containment measures	-1	-1	-3	-5
Infrastructure delivery improvement programme: Reduction	-9	-9	-10	-27
Goods and services: Cost containment measures	-27	-27	-35	-89
Common Monetary Area compensation: Revised projections	-31	-47	-50	-128
Provincial equitable share: Reduction	-73	-49	-38	-160
Compensation of employees: Reduction	-2	-75	-122	-199
Provincial equitable share: Compensation of employees: Reduction	–	-163	-227	-391
South African Revenue Service: Reduction	-424	-337	-549	-1 311
Parliament	4	-15	-45	-57
Compensation of employees: 2015 public sector wage agreement	37	95	115	247
Goods and services: Cost containment measures	-33	-37	-40	-110
Compensation of employees: Reduction	–	-73	-121	-194
Planning, Monitoring and Evaluation	55	87	126	268
Compensation of employees and goods and services: Expansion of monitoring and evaluation function	50	100	150	300
Compensation of employees: 2015 public sector wage agreement	4	10	12	25
Goods and services: Support for increased capacity	4	4	6	14
Evaluation of business incentive programmes in the Departments of Trade and Industry and Science and Technology	5	–	–	5
Goods and services: Cost containment measures	-4	-4	-5	-12
National Planning Commission: Reduction	-4	-4	-6	-14
Compensation of employees: Reduction	–	-19	-32	-51
Public Enterprises	0	-10	-17	-27
Compensation of employees: 2015 public sector wage agreement	2	7	12	22
Goods and services: Cost containment measures	-2	-2	-3	-8
Compensation of employees: Reduction	–	-15	-25	-41
Public Service and Administration	-208	-139	-152	-499
Presidential Remuneration Review Commission: Accommodation, personnel and operational costs	15	10	–	25
Government Employees Housing Scheme: Establishment and operating costs	3	5	5	13
Compensation of employees: 2015 public sector wage agreement	–	–	5	5
Public Service Commission: Compensation of employees: 2015 public sector wage agreement	–	–	5	5
National School of Government: Compensation of employees: 2015 public sector wage agreement	–	–	4	4
Public Service Commission: Compensation of employees: Reduction	–	-5	-7	-12
Legal services unit: Reduction of unit's planned expansion	-3	-5	-5	-13
Goods and services: Cost containment measures	-4	-4	-5	-13
National School of Government trading account: Reduction	-91	–	–	-91
Compensation of employees: Reduction	-29	-37	-43	-108
Transfer of the Public Service Sector Education and Training Authority funding to the Department of Higher Education and Training	-99	-104	-110	-312
Public Works	-337	-83	-74	-493
Compensation of employees: 2015 public sector wage agreement	46	119	159	325
Property Management Trading Entity: Accommodation costs: Correction of allocation from the allocation in the Economic Affairs function	49	54	60	164
Goods and services: Cost containment measures	-8	-8	-10	-25
Construction Industry Development Board: Reduction	-10	-15	-20	-45
Border control operational coordinating committee: Reduction	-76	-76	-76	-228
Compensation of employees: Reduction	-52	-122	-158	-331
Property Management Trading Entity: Reduction	-288	-36	-28	-352

Table 1.11 General Public Services

Function ¹ by Vote	2016/17	2017/18	2018/19 ³	MTEF total
R million				
Statistics South Africa	-10	-110	-169	-289
Compensation of employees: 2015 public sector wage agreement	9	10	10	29
Goods and services: Cost containment measures	-19	-12	-15	-45
Compensation of employees: Reduction	-	-108	-164	-272
The Presidency	9	-16	-26	-33
e-Cabinet project: Implementation	19	22	24	66
Compensation of employees: 2015 public sector wage agreement	-	3	13	16
Goods and services: Cost containment measures	-10	-13	-16	-39
Compensation of employees: Reduction	-	-29	-48	-76
Women	1	-4	-7	-11
Compensation of employees: 2015 public sector wage agreement	1	3	5	10
Goods and services: Cost containment measures	-0	-1	-2	-3
Compensation of employees: Reduction	-	-7	-11	-18
Net change to function baseline	3 194	3 729	3 072	9 995

1. The estimate of the provincial equitable share allocated to this function is included. This amount is in fact 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 2018/19 function baseline throughout the course of the 2016 MTEF budget process are shown. The first 2016 MTEF estimates for 2018/19 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.

2014/15 expenditure outcome

The spending outcome of the previous financial year, that is 2014/15, is summarised in order to provide the actual spending information in relation to the planned budget as it was tabled in Parliament. Spending outcomes should be viewed against the service delivery performance targets in institutional plans to determine value for money.

National government expenditure for 2014/15 amounted to R626.2 billion out of a total adjusted appropriation of R636.6 billion. The adjusted appropriation excludes direct charges against the National Revenue Fund as these are amounts spent in terms of statutes that do not require parliamentary approval for legal authorisation, such as debt service costs. The underspending for 2014/15, calculated as the difference between the appropriated and actual expenditure, amounted to R10.5 billion or 1.6 per cent and mainly comprised underspending by the following votes:

- Cooperative Governance and Traditional Affairs: R4 billion, mainly due to the local government equitable share funding of R2.9 billion withheld from municipalities that failed to pay or make arrangements to pay their Eskom and various Water Board accounts.
- Water and Sanitation: R2 billion, mainly on the regional bulk infrastructure grant, municipal water infrastructure grant and rural household infrastructure grant, which amount to R1.8 billion in underspending. This was due to the slow appointment of implementing agents, labour strikes, adverse weather conditions and poor performance by contractors.
- Energy: R1.2 billion, mainly due to delays in implementing the solar water heater project, due to the project being redrafted and re-engineered during the year.
- Health: R745.9 million, of which R328.3 million is from the national health grant: national health insurance component, due to difficulties in contracting private medical doctors and other health professionals. Underspending on goods and services of R6.3 million is attributable to delays in awarding tenders for consultancy services for the on-site monitoring of infrastructure projects, as well as for public private partnership feasibility studies.
- Social Development: R737.2 million, mainly due to fewer applications received for social assistance grants than originally anticipated.
- National Treasury: R521.4 million, mainly because R252 million was not transferred to the Postbank of South Africa, as it revised its project implementation plan. Underspending on transfers and subsidies amounted to R155 million, mainly due to fewer than anticipated Jobs Fund projects approved.

Overview of 2016 MTEF expenditure

Consolidated expenditure, excluding debt-service costs, amounts to R4.24 trillion over the 2016 MTEF period. It is distributed as follows: R1.32 trillion in 2016/17, R1.41 trillion in 2017/18, and R1.52 trillion in 2018/19. Of this amount, R3.76 trillion provides for the main budget non-interest expenditure allocated to a vote and is divided between the three spheres of government as follows: R1.79 trillion for national departments, R1.63 trillion for provincial government and R344.1 billion for local government. On average, 88.6 per cent of total main budget expenditure is non-interest expenditure. The expenditure ceiling amounts to R3.73 trillion and is allocated between the three spheres of government as follows: R1.76 trillion for national departments, R1.63 trillion for provincial government and R344.1 billion for local government. It grows at an average annual rate of 7.5 per cent over the 2016 MTEF period.

A contingency reserve is included within the expenditure ceiling. It amounts to R6 billion in 2016/17, R10 billion in 2017/18 and R15 billion in 2018/19, to allow for unforeseen expenditure as well as emerging government policy priorities. A provisional allocation is also included within the ceiling totalling R267 million in 2016/17, R489 million in 2017/18 and R17.8 billion in 2018/19. Provisional funding has not been allocated to a specific vote and further work on the performance outcomes impact of certain areas of spending is under way.

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

Summary tables

Table 1: Main budget framework 2012/13 to 2018/19

Table 2: Departmental receipts per vote 2012/13 to 2018/19

Table 3: Expenditure by national vote 2012/13 to 2018/19

Table 4: Expenditure by economic classification 2012/13 to 2018/19

Table 5: Amounts to be appropriated from the National Revenue Fund for 2016/17

Table 6a: Conditional grants to provinces 2012/13 to 2018/19

Table 6b: Conditional grants to municipalities 2012/13 to 2018/19

Table 7: Training expenditure per vote 2012/13 to 2018/19

Table 8a: Infrastructure expenditure per vote 2012/13 to 2018/19

Table 8b: Nature of infrastructure investment 2012/13 to 2018/19

Table 9: Personnel expenditure per vote 2012/13 to 2018/19

Table 10: Personnel numbers and cost per vote 2014/15 to 2018/19

Table 1 Main budget framework: 2012/13 to 2018/19

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue (National Revenue Fund)							
Tax revenue (gross)	813 825.8	900 013.5	986 294.9	1 069 700.0	1 174 787.8	1 296 477.1	1 434 737.3
Departmental and other receipts, and repayments	28 467.7	30 626.1	30 899.6	55 840.8	26 656.8	18 895.7	16 942.1
Less: Southern African Customs Union (SACU) payments	-42 151.3	-43 374.4	-51 737.7	-51 021.9	-39 448.3	-51 068.0	-62 981.3
Total revenue	800 142.2	887 265.1	965 456.8	1 074 518.9	1 161 996.2	1 264 304.7	1 388 698.1
<i>Percentage of GDP</i>	24.0%	24.6%	25.1%	26.4%	26.5%	26.6%	26.9%
Expenditure							
Debt-service costs	88 121.1	101 184.7	114 798.4	129 111.2	147 720.0	161 927.0	178 556.0
<i>Percentage of GDP</i>	2.6%	2.8%	3.0%	3.2%	3.4%	3.4%	3.5%
Current payments ¹	162 299.9	179 338.4	187 885.2	198 280.3	211 935.9	221 748.5	233 774.8
Transfers and subsidies	696 421.8	749 172.6	807 991.6	874 045.1	932 959.8	1 009 503.6	1 076 096.4
Payments for capital assets ¹	13 876.1	14 077.3	16 080.5	16 404.3	14 408.5	13 013.0	13 773.5
Payments for financial assets	4 776.5	3 985.6	5 281.6	29 476.5	5 047.2	5 019.1	5 045.0
Provisional allocation not assigned to votes	–	–	–	–	266.8	489.4	17 789.4
Total	965 495.6	1 047 758.6	1 132 037.2	1 247 317.4	1 312 338.1	1 411 700.5	1 525 035.0
Contingency reserve	–	–	–	–	6 000.0	10 000.0	15 000.0
Total expenditure	965 495.6	1 047 758.6	1 132 037.2	1 247 317.4	1 318 338.1	1 421 700.5	1 540 035.0
<i>Percentage of GDP</i>	29.0%	29.0%	29.5%	30.6%	30.0%	29.9%	29.8%
Main budget balance²	-165 353.3	-160 493.5	-166 580.4	-172 798.6	-156 341.9	-157 395.8	-151 336.9
<i>Percentage of GDP</i>	-5.0%	-4.4%	-4.3%	-4.2%	-3.6%	-3.3%	-2.9%
<i>GDP</i>	3 327 630.0	3 609 844.0	3 843 776.0	4 073 217.9	4 388 417.1	4 750 724.1	5 161 329.9

1. Excludes conditional grants to provinces and local government; these are included in transfers and subsidies.

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

Table 2 Departmental receipts per vote: 2012/13 to 2018/19¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates		
	2012/13	2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
1 The Presidency	9.0	0.9	1.7	3.0	3.0	0.5	0.5	0.5
2 Parliament	38.0	52.4	49.1	30.7	30.7	36.1	22.2	15.0
3 Communications	943.6	1 205.2	976.5	1 025.1	1 025.1	1 025.8	1 026.3	1 026.4
4 Cooperative Governance and Traditional Affairs	1.0	1.2	1.9	1.1	1.1	1.2	1.3	1.3
5 Home Affairs	712.1	741.6	767.1	921.9	921.9	989.9	1 071.2	1 163.2
6 International Relations and Cooperation	46.7	36.6	35.1	41.8	39.6	42.7	44.4	47.4
7 National Treasury	15 735.3	15 351.1	18 246.1	13 157.4	19 726.1	16 390.2	8 036.2	5 460.6
8 Planning, Monitoring and Evaluation	0.1	0.1	0.1	0.3	0.3	0.1	0.2	0.2
9 Public Enterprises	0.5	0.4	0.2	1.2	1.2	0.1	0.1	0.1
10 Public Service and Administration	0.5	1.3	1.0	1.5	1.5	0.8	0.9	1.0
11 Public Works	53.8	55.5	16.1	1.9	1.9	1.5	1.4	1.4
12 Statistics South Africa	2.7	1.4	5.0	2.9	3.3	1.4	1.4	1.5
13 Women	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14 Basic Education	8.0	27.2	57.6	12.1	10.1	7.1	2.1	2.2
15 Higher Education and Training	10.9	11.9	11.6	14.1	14.7	11.5	12.2	12.8
16 Health	33.8	71.6	66.1	44.6	52.4	54.9	58.5	60.6
17 Social Development	44.4	89.0	62.9	57.8	57.8	88.4	96.6	105.9
18 Correctional Services	127.0	117.1	139.8	124.4	124.4	125.8	131.0	136.9
19 Defence and Military Veterans	1 044.5	853.5	923.8	818.2	818.2	842.7	868.0	894.0
20 Independent Police Investigative Directorate	0.2	0.3	0.7	0.2	0.2	0.2	0.2	0.2
21 Justice and Constitutional Development	457.3	416.1	337.6	301.0	301.0	358.2	376.4	398.2
22 Office of the Chief Justice and Judicial Administration	–	–	–	0.4	0.8	0.8	0.8	0.8
23 Police	342.0	386.3	389.4	343.8	343.8	296.7	305.3	308.2
24 Agriculture, Forestry and Fisheries	198.0	809.6	191.7	206.3	206.3	216.6	227.5	238.9
25 Economic Development	668.7	1 097.5	930.7	668.7	668.7	908.3	951.3	980.8
26 Energy	390.1	43.5	5.3	4.0	4.4	4.8	5.0	5.2
27 Environmental Affairs	18.5	29.6	32.0	11.0	26.8	27.3	27.4	27.6
28 Labour	15.7	22.6	11.2	12.8	12.5	12.3	11.6	11.8
29 Mineral Resources	93.4	109.0	46.2	34.4	34.4	27.6	30.3	33.4
30 Science and Technology	1.2	1.7	1.6	0.4	0.2	0.1	0.1	0.1
31 Small Business Development	–	–	–	0.2	0.1	0.1	0.1	0.1
32 Telecommunications and Postal Services	2 050.2	1 710.0	1 670.2	27 633.9	27 633.9	508.1	508.1	508.1
33 Tourism	1.5	4.2	3.5	1.9	1.9	1.8	1.8	1.8
34 Trade and Industry	135.3	71.7	82.6	82.0	36.2	85.4	93.9	96.3
35 Transport	178.3	747.0	322.1	210.3	210.3	80.9	84.9	85.0
36 Water and Sanitation	26.0	66.0	15.3	19.1	19.1	18.1	19.2	18.7
37 Arts and Culture	1.9	0.5	3.3	3.2	3.2	0.8	0.8	0.8
38 Human Settlements	1.0	0.8	1.0	1.7	1.7	0.5	0.5	0.5
39 Rural Development and Land Reform	79.6	104.6	87.4	91.4	72.1	93.2	97.8	99.3
40 Sport and Recreation South Africa	8.7	0.2	0.1	0.3	0.3	0.3	0.3	0.4
Total departmental receipts as per Estimates of National Expenditure	23 479.5	24 239.2	25 493.6	45 886.8	52 411.0	22 262.8	14 117.9	11 747.1
Less: Parliament (retained departmental receipts)	38.0	52.4	49.1	30.7	30.7	36.1	22.2	15.0
Plus: South African Revenue Service departmental receipts collection	5 026.1	6 439.3	5 455.0	3 200.0	3 460.5	4 430.0	4 800.0	5 210.0
Total departmental receipts as per Budget Review	28 467.7	30 626.1	30 899.6	49 056.1	55 840.8	26 656.8	18 895.7	16 942.1

1. Departmental receipts include National Revenue Fund receipts, previously classified as extraordinary receipts.

Table 3 Expenditure by national vote: 2012/13 to 2018/19

R million	Audited outcome			Adjusted appropriation
	2012/13	2013/14	2014/15	2015/16
1 The Presidency	342.7	391.5	421.3	475.9
2 Parliament	1 297.9	1 535.5	1 667.8	1 594.2
3 Communications	1 257.9	1 348.4	1 287.2	1 290.9
4 Cooperative Governance and Traditional Affairs	53 434.4	56 401.6	59 563.7	70 815.5
5 Home Affairs	5 395.0	6 861.6	7 069.5	7 348.7
6 International Relations and Cooperation	5 233.7	5 915.5	6 066.5	6 510.9
7 National Treasury	21 019.0	25 107.1	26 182.5	28 726.1
8 Planning, Monitoring and Evaluation	644.9	670.3	740.6	754.2
9 Public Enterprises	1 364.3	269.4	296.1	23 302.6
10 Public Service and Administration	678.4	785.8	787.8	847.6
11 Public Works	7 203.9	6 022.7	6 022.0	6 312.2
12 Statistics South Africa	1 761.7	1 728.4	2 156.4	2 323.3
13 Women	150.7	161.6	177.5	189.1
14 Basic Education	14 885.9	17 011.1	19 528.9	21 286.4
15 Higher Education and Training	33 520.2	36 397.3	39 053.5	42 016.8
16 Health	28 261.5	30 224.5	33 539.0	36 211.1
17 Social Development	111 144.8	117 110.8	127 860.5	137 893.6
18 Correctional Services	17 313.6	18 650.6	19 529.3	20 588.6
19 Defence and Military Veterans	37 702.2	40 447.5	42 842.4	45 088.2
20 Independent Police Investigative Directorate	171.4	193.1	232.4	234.8
21 Justice and Constitutional Development	12 311.2	13 048.6	14 218.0	15 010.8
22 Office of the Chief Justice and Judicial Administration	597.1	679.1	680.2	783.4
23 Police	63 156.6	68 791.4	72 507.2	76 720.8
24 Agriculture, Forestry and Fisheries	5 813.2	6 111.3	6 628.9	6 408.8
25 Economic Development	673.5	771.4	694.9	885.8
26 Energy	6 659.0	6 477.1	6 220.1	7 267.6
27 Environmental Affairs	4 942.7	5 200.3	5 675.1	5 943.3
28 Labour	2 034.6	2 371.4	2 419.9	2 704.2
29 Mineral Resources	1 173.6	1 387.2	1 475.2	1 638.5
30 Science and Technology	4 973.3	6 169.5	6 389.0	7 466.1
31 Small Business Development	851.6	1 052.4	1 125.5	1 127.5
32 Telecommunications and Postal Services	1 017.9	1 701.5	1 568.1	1 405.3
33 Tourism	1 372.0	1 512.7	1 557.6	1 794.2
34 Trade and Industry	7 434.8	8 327.9	8 659.8	9 497.8
35 Transport	39 328.2	43 036.8	49 147.1	53 615.1
36 Water and Sanitation	8 907.9	10 505.9	11 616.7	15 746.5
37 Arts and Culture	2 659.3	2 806.5	3 454.2	3 826.0
38 Human Settlements	24 196.9	27 443.3	29 358.2	30 543.4
39 Rural Development and Land Reform	8 919.6	9 454.1	9 395.8	9 197.4
40 Sport and Recreation South Africa	1 054.1	1 073.0	966.8	980.9
Total appropriation by vote	540 861.0	585 155.6	628 783.3	706 374.0
Plus:				
Direct charges against the National Revenue Fund				
President and deputy president salaries (The Presidency)	2.6	2.6	4.8	5.7
Members' remuneration (Parliament)	389.1	401.9	479.8	503.1
Debt-service costs (National Treasury)	88 121.1	101 184.7	114 798.4	127 902.0
Provincial equitable share (National Treasury)	310 740.7	336 495.3	359 921.8	386 500.0
General fuel levy sharing with metropolitan municipalities (National Treasury)	9 039.7	9 613.4	10 190.2	10 658.9
National Revenue Fund payments (National Treasury) ¹	2 587.2	516.3	1 525.5	681.7
Skills levy and sector education and training authorities (Higher Education and Training)	11 694.5	12 090.2	13 838.8	15 800.0
Magistrates' salaries (Justice and Constitutional Development)	1 314.8	1 510.0	1 622.4	1 830.8
Judges' salaries (Office of the Chief Justice and Judicial Administration)	744.8	788.7	872.2	873.7
Total direct charges against the National Revenue Fund	424 634.5	462 603.0	503 253.9	544 756.0
Provisional allocation not assigned to votes	-	-	-	-
Total	965 495.6	1 047 758.6	1 132 037.2	1 251 130.0
Contingency reserve	-	-	-	-
National government projected underspending	-	-	-	-3 000.0
Local government repayment to the National Revenue Fund	-	-	-	-1 200.0
Total	965 495.6	1 047 758.6	1 132 037.2	1 246 930.0

1. National Revenue Fund payments were previously classified as extraordinary payments.

Table 3 Expenditure by national vote: 2012/13 to 2018/19

Revised estimate	Medium-term expenditure estimates			R million
	2015/16	2016/17	2017/18	
448.3	499.7	500.3	520.0	1 The Presidency
1 594.2	1 659.6	1 731.2	1 802.3	2 Parliament
1 288.6	1 345.4	1 431.0	1 526.9	3 Communications
69 415.5	72 994.0	78 557.2	84 258.5	4 Cooperative Governance and Traditional Affairs
7 348.7	7 167.1	7 060.4	7 173.7	5 Home Affairs
6 510.9	5 888.7	5 913.0	6 182.6	6 International Relations and Cooperation
28 704.6	28 471.4	31 127.0	32 310.5	7 National Treasury
749.2	827.7	907.8	994.3	8 Planning, Monitoring and Evaluation
23 282.6	274.0	279.5	289.9	9 Public Enterprises
830.3	770.4	900.9	948.7	10 Public Service and Administration
6 252.2	6 528.8	7 221.2	7 661.8	11 Public Works
2 260.1	2 489.1	2 168.3	2 200.4	12 Statistics South Africa
189.1	196.9	207.4	216.9	13 Women
21 088.4	22 269.6	23 471.0	24 829.6	14 Basic Education
41 929.3	49 188.3	52 316.1	55 334.8	15 Higher Education and Training
35 753.8	38 563.3	42 778.1	46 734.2	16 Health
136 943.6	148 937.7	161 520.1	174 808.5	17 Social Development
20 588.6	21 577.3	23 048.9	24 700.7	18 Correctional Services
45 088.2	47 169.7	48 744.6	50 725.7	19 Defence and Military Veterans
234.8	246.1	255.5	267.0	20 Independent Police Investigative Directorate
14 850.8	16 049.7	16 983.2	17 845.2	21 Justice and Constitutional Development
783.4	865.0	1 009.0	1 060.9	22 Office of the Chief Justice and Judicial Administration
76 220.8	80 984.9	87 252.2	92 954.3	23 Police
6 398.8	6 333.0	6 706.3	6 999.0	24 Agriculture, Forestry and Fisheries
885.8	674.7	714.3	751.0	25 Economic Development
7 257.9	7 545.2	8 129.0	8 486.4	26 Energy
5 943.3	6 430.1	6 660.6	6 756.8	27 Environmental Affairs
2 682.8	2 847.9	3 032.0	3 224.2	28 Labour
1 638.5	1 669.1	1 847.2	1 824.6	29 Mineral Resources
7 461.1	7 429.0	7 562.5	7 756.4	30 Science and Technology
1 115.2	1 325.4	1 459.5	1 540.0	31 Small Business Development
1 205.3	2 417.4	1 636.3	1 751.1	32 Telecommunications and Postal Services
1 769.2	2 009.5	2 067.3	2 172.6	33 Tourism
9 497.8	10 327.5	9 290.5	8 631.4	34 Trade and Industry
53 615.1	56 015.2	61 100.7	65 453.3	35 Transport
15 294.5	15 245.3	16 038.3	17 159.7	36 Water and Sanitation
3 761.0	4 070.9	4 492.7	4 542.9	37 Arts and Culture
30 543.4	30 690.9	34 566.3	36 620.0	38 Human Settlements
9 187.4	10 124.3	10 549.5	11 078.8	39 Rural Development and Land Reform
979.4	1 028.6	1 075.0	1 135.0	40 Sport and Recreation South Africa
701 592.3	721 148.2	772 311.7	821 230.4	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
5.7	6.0	6.4	6.7	President and deputy president salaries (The Presidency)
503.1	529.8	556.3	588.6	Members' remuneration (Parliament)
129 111.2	147 720.0	161 927.0	178 556.0	Debt-service costs (National Treasury)
386 500.0	410 698.6	441 831.1	469 051.1	Provincial equitable share (National Treasury)
10 658.9	11 223.8	11 785.0	12 468.6	General fuel levy sharing with metropolitan municipalities (National Treasury)
681.7	145.0	–	–	National Revenue Fund payments (National Treasury) ¹
15 800.0	17 639.6	19 687.1	22 057.5	Skills levy and sector education and training authorities (Higher Education and Training)
1 590.8	2 040.2	2 140.5	2 264.7	Magistrates' salaries (Justice and Constitutional Development)
873.7	920.1	966.1	1 022.1	Judges' salaries (Office of the Chief Justice and Judicial Administration)
545 725.1	590 923.1	638 899.5	686 015.2	Total direct charges against the National Revenue Fund
–	266.8	489.4	17 789.4	Provisional allocation not assigned to votes
1 247 317.4	1 312 338.1	1 411 700.5	1 525 035.0	Total
–	6 000.0	10 000.0	15 000.0	Contingency reserve
–	–	–	–	National government projected underspending
–	–	–	–	Local government repayment to the National Revenue Fund
1 247 317.4	1 318 338.1	1 421 700.5	1 540 035.0	Total

Table 4 Expenditure by economic classification: 2012/13 to 2018/19

R million	Audited outcome			Adjusted appropriation
	2012/13	2013/14	2014/15	2015/16
Current payments				
Compensation of employees	110 683.6	120 620.4	129 542.2	138 039.1
Salaries and wages	93 025.0	100 541.8	108 758.5	113 459.2
Social contributions	17 658.6	20 078.6	20 783.7	24 579.9
Goods and services	51 523.5	58 660.6	58 239.8	61 928.8
Interest and rent on land	88 214.0	101 242.1	114 901.6	128 007.1
Interest (including interest on unitary payments (PPP))	88 211.2	101 240.8	114 899.9	127 999.0
Rent on land	2.8	1.3	1.8	8.1
Total current payments	250 421.1	280 523.1	302 683.6	327 975.0
Transfers and subsidies to:				
Provinces and municipalities	457 167.3	493 238.8	527 383.2	572 872.6
Provinces	380 928.6	410 583.7	439 547.9	471 768.1
Provincial revenue funds	380 928.6	410 572.2	439 544.4	471 768.1
Provincial agencies and funds	–	11.5	3.5	–
Municipalities	76 238.7	82 655.0	87 835.3	101 104.5
Municipal bank accounts	76 238.6	82 655.0	87 835.3	101 104.5
Municipal agencies and funds	0.1	0.0	0.1	0.1
Departmental agencies and accounts	74 980.7	80 563.0	87 561.7	94 636.1
Social security funds	17.0	18.7	30.8	21.4
Departmental agencies (non-business entities)	74 963.7	80 544.3	87 530.8	94 614.7
Higher education institutions	21 120.7	22 581.2	24 452.3	26 422.7
Foreign governments and international organisations	1 396.3	1 932.2	1 802.4	1 778.5
Public corporations and private enterprises	25 030.1	28 002.8	32 215.7	35 331.4
Public corporations	20 469.0	21 736.2	26 203.1	28 987.3
Subsidies on products or production	9 498.5	9 350.1	9 890.4	10 538.2
Other transfers to public corporations	10 970.5	12 386.1	16 312.7	18 449.1
Private enterprises	4 561.0	6 266.6	6 012.6	6 344.1
Subsidies on products or production	3 996.5	5 224.7	5 128.5	5 483.2
Other transfers to private enterprises	564.6	1 041.9	884.1	860.9
Non-profit institutions	2 413.0	2 875.4	3 186.5	3 432.2
Households	114 313.8	119 979.3	131 389.7	142 031.1
Social benefits	107 862.5	113 815.3	124 458.1	134 528.7
Other transfers to households	6 451.3	6 164.0	6 931.6	7 502.5
Total transfers and subsidies	696 421.8	749 172.6	807 991.6	876 504.6
Payments for capital assets				
Buildings and other fixed structures	8 590.5	8 927.9	10 920.2	13 178.8
Buildings	4 893.1	4 737.7	6 380.7	5 576.6
Other fixed structures	3 697.4	4 190.2	4 539.5	7 602.2
Machinery and equipment	5 103.0	4 890.5	4 847.9	3 873.0
Transport equipment	2 276.0	2 291.7	2 070.1	1 773.9
Other machinery and equipment	2 827.0	2 598.8	2 777.8	2 099.1
Heritage assets	0.0	0.1	2.0	–
Specialised military assets	22.6	0.2	4.4	12.1
Biological assets	6.2	4.8	3.4	12.7
Land and subsoil assets	91.8	58.2	226.7	–
Software and other intangible assets	61.9	195.5	75.9	121.7
Total payments for capital assets	13 876.1	14 077.3	16 080.5	17 198.4
Total payments for financial assets	4 776.5	3 985.6	5 281.6	29 452.0
Provisional allocation not assigned to votes	–	–	–	–
Total	965 495.6	1 047 758.6	1 132 037.2	1 251 130.0
Contingency reserve	–	–	–	–
National government projected underspending	–	–	–	-3 000.0
Local government repayment to the National Revenue Fund	–	–	–	-1 200.0
Total	965 495.6	1 047 758.6	1 132 037.2	1 246 930.0

Table 4 Expenditure by economic classification: 2012/13 to 2018/19

Revised estimate	Medium-term expenditure estimates			R million
	2015/16	2016/17	2017/18	
137 112.0	148 531.0	154 795.8	163 336.1	Current payments
114 042.5	122 876.1	127 835.2	134 780.1	Compensation of employees
23 069.4	25 654.9	26 960.7	28 556.0	Salaries and wages
61 063.2	63 305.3	66 847.4	70 327.3	Social contributions
129 216.2	147 819.6	162 032.3	178 667.4	Goods and services
129 208.2	147 818.6	162 030.9	178 665.9	Interest and rent on land
8.1	1.0	1.3	1.4	Interest (including interest on unitary payments (PPP))
				Rent on land
327 391.4	359 655.9	383 675.5	412 330.8	Total current payments
571 522.1	604 903.6	655 831.2	698 578.2	Transfers and subsidies to:
471 768.1	499 844.4	542 344.1	577 112.2	Provinces and municipalities
471 768.1	499 844.4	542 344.1	577 112.2	Provinces
–	–	–	–	Provincial revenue funds
99 754.0	105 059.2	113 487.1	121 466.0	Provincial agencies and funds
99 754.0	105 059.1	113 487.0	121 465.9	Municipalities
0.1	0.1	0.1	0.1	Municipal bank accounts
94 474.0	104 132.6	112 164.2	119 722.8	Municipal agencies and funds
21.4	22.6	23.7	25.1	Departmental agencies and accounts
94 452.6	104 110.0	112 140.5	119 697.8	Social security funds
26 422.7	28 109.9	31 778.9	33 717.7	Departmental agencies (non-business entities)
1 774.9	1 769.1	1 850.5	1 961.2	Higher education institutions
35 278.6	36 692.3	37 985.6	38 607.7	Foreign governments and international organisations
28 972.3	28 901.7	31 066.4	32 295.7	Public corporations and private enterprises
10 538.2	10 690.3	11 617.6	12 140.1	Public corporations
18 434.1	18 211.4	19 448.8	20 155.6	Subsidies on products or production
6 306.4	7 790.6	6 919.2	6 312.0	Other transfers to public corporations
5 470.4	6 668.7	5 850.4	5 179.5	Private enterprises
835.9	1 121.8	1 068.8	1 132.5	Subsidies on products or production
3 432.2	3 611.9	3 819.2	4 054.5	Other transfers to private enterprises
141 140.6	153 740.5	166 073.9	179 454.2	Non-profit institutions
133 639.8	145 723.5	157 359.8	170 201.9	Households
7 500.7	8 017.0	8 714.2	9 252.3	Social benefits
				Other transfers to households
874 045.1	932 959.8	1 009 503.6	1 076 096.4	Total transfers and subsidies
12 489.1	10 930.3	8 176.1	8 527.8	Payments for capital assets
5 170.6	6 317.9	4 270.3	4 465.6	Buildings and other fixed structures
7 318.4	4 612.4	3 905.8	4 062.3	Buildings
3 767.9	3 419.6	4 753.5	5 145.6	Other fixed structures
1 771.6	1 332.4	2 424.7	2 586.3	Machinery and equipment
1 996.2	2 087.2	2 328.8	2 559.3	Transport equipment
–	–	–	–	Other machinery and equipment
12.1	1.0	1.0	1.0	Heritage assets
12.7	8.0	8.2	8.6	Specialised military assets
–	–	–	–	Biological assets
122.6	49.5	74.2	90.4	Land and subsoil assets
				Software and other intangible assets
16 404.3	14 408.5	13 013.0	13 773.5	Total payments for capital assets
29 476.5	5 047.2	5 019.1	5 045.0	Total payments for financial assets
–	266.8	489.4	17 789.4	Provisional allocation not assigned to votes
1 247 317.4	1 312 338.1	1 411 700.5	1 525 035.0	Total
–	6 000.0	10 000.0	15 000.0	Contingency reserve
–	–	–	–	National government projected underspending
–	–	–	–	Local government repayment to the National Revenue Fund
1 247 317.4	1 318 338.1	1 421 700.5	1 540 035.0	Total

Table 5 Amounts to be appropriated from the National Revenue Fund for 2016/17

R million		Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease ¹
		2015/16						
1	The Presidency	516.1	491.8	0.0	13.9	–	505.7	-10.3
2	Parliament ²	2 070.1	1 800.2	385.5	3.8	–	2 189.4	119.4
3	Communications	1 280.9	75.1	1 270.2	0.1	–	1 345.4	64.5
4	Cooperative Governance and Traditional Affairs	69 314.2	3 801.7	69 185.0	7.3	–	72 994.0	3 679.9
5	Home Affairs	6 450.8	5 430.4	1 725.9	10.9	–	7 167.1	716.3
6	International Relations and Cooperation	5 698.6	5 084.8	522.7	281.1	–	5 888.7	190.0
7	National Treasury	546 851.1	149 812.3	444 111.4	38.0	4 297.2	598 258.8	51 407.7
8	Planning, Monitoring and Evaluation	717.7	406.6	405.8	15.3	–	827.7	110.0
9	Public Enterprises	267.5	270.1	0.1	3.7	–	274.0	6.5
10	Public Service and Administration	837.0	443.8	323.6	3.0	–	770.4	-66.6
11	Public Works	6 411.1	917.9	5 572.3	38.5	–	6 528.8	117.7
12	Statistics South Africa	2 245.2	2 241.3	16.6	231.1	–	2 489.1	243.9
13	Women	187.0	123.3	69.9	3.7	–	196.9	9.9
14	Basic Education	21 511.1	2 548.5	17 465.0	2 256.1	–	22 269.6	758.5
15	Higher Education and Training	56 627.8	8 215.2	58 605.0	7.7	–	66 827.9	10 200.1
16	Health	36 468.0	2 304.8	35 637.0	621.5	–	38 563.3	2 095.3
17	Social Development	138 168.6	802.3	148 125.1	10.3	–	148 937.7	10 769.1
18	Correctional Services	20 617.6	20 453.1	131.4	992.7	–	21 577.3	959.7
19	Defence and Military Veterans	44 579.4	39 101.1	7 780.8	287.8	–	47 169.7	2 590.4
20	Independent Police Investigative Directorate	234.8	244.7	0.5	0.8	–	246.1	11.3
21	Justice and Constitutional Development	16 864.7	14 367.7	2 442.5	1 279.7	–	18 089.9	1 225.2
22	Office of the Chief Justice and Judicial Administration	1 616.2	1 702.0	57.7	25.4	–	1 785.0	168.9
23	Police	76 377.1	77 007.6	961.0	3 016.3	–	80 984.9	4 607.8
24	Agriculture, Forestry and Fisheries	6 383.0	2 716.1	3 496.1	120.8	–	6 333.0	-50.0
25	Economic Development	885.8	143.0	528.8	2.9	–	674.7	-211.1
26	Energy	7 482.1	739.0	6 802.1	4.1	–	7 545.2	63.1
27	Environmental Affairs	5 948.0	2 268.5	3 999.5	162.1	–	6 430.1	482.1
28	Labour	2 686.9	1 714.8	1 064.6	68.4	–	2 847.9	161.0
29	Mineral Resources	1 618.5	831.4	824.1	13.6	–	1 669.1	50.5
30	Science and Technology	7 482.1	509.7	6 917.0	2.3	–	7 429.0	-53.1
31	Small Business Development	1 103.2	215.5	1 105.8	4.2	–	1 325.4	222.3
32	Telecommunications and Postal Services	1 413.3	708.3	1 054.1	5.0	650.0	2 417.4	1 004.1
33	Tourism	1 800.2	671.1	1 226.1	112.4	–	2 009.5	209.3
34	Trade and Industry	9 593.7	1 529.0	8 765.3	33.2	–	10 327.5	733.8
35	Transport	53 357.3	1 192.1	54 818.8	4.3	–	56 015.2	2 657.9
36	Water and Sanitation	16 446.5	3 315.8	7 483.7	4 445.8	–	15 245.3	-1 201.2
37	Arts and Culture	3 919.9	597.2	3 220.2	253.4	–	4 070.9	151.0
38	Human Settlements	30 943.4	758.9	29 826.5	5.5	100.0	30 690.9	-252.5
39	Rural Development and Land Reform	9 379.7	3 822.7	6 282.2	19.4	–	10 124.3	744.7
40	Sport and Recreation South Africa	988.5	276.6	749.8	2.2	–	1 028.6	40.1
Total		1 217 344.7	359 655.9	932 959.8	14 408.5	5 047.2	1 312 071.3	94 726.6

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 disaggregation of the vote is not appropriated in the 2016 Appropriation Bill.

Table 6a Conditional grants to provinces: 2012/13 to 2018/19¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2012/13	2013/14	2014/15	2015/16		2016/17	2017/18	2018/19	
4	Cooperative Governance and Traditional Affairs	0.9	93.6	86.0	103.2	103.2	111.5	123.4	130.6
11	Public Works	2 308.4	610.2	605.7	552.3	552.3	761.7	809.4	856.3
14	Basic Education	11 205.9	12 326.3	13 549.8	15 631.8	15 631.8	16 213.0	19 717.2	20 850.7
16	Health	25 882.0	27 487.2	30 171.1	31 904.7	31 904.7	33 972.0	37 588.2	41 247.4
17	Social Development	–	–	27.5	47.5	47.5	85.5	376.8	563.9
24	Agriculture, Forestry and Fisheries	2 062.4	2 148.6	2 362.2	2 171.5	2 171.5	2 202.5	2 334.5	2 463.9
35	Transport	12 299.1	13 290.3	14 194.2	14 746.9	14 746.9	15 602.8	16 476.5	17 526.0
37	Arts and Culture	564.6	594.8	1 016.2	1 274.3	1 274.3	1 357.1	1 440.8	1 522.0
38	Human Settlements	15 395.0	17 028.3	17 084.4	18 302.7	18 302.7	18 284.0	21 060.3	22 281.8
40	Sport and Recreation South Africa	469.6	497.6	525.6	533.2	533.2	555.7	585.8	618.4
Total		70 187.9	74 076.9	79 622.6	85 268.1	85 268.1	89 145.8	100 513.0	108 061.1

1. Details provided in the Division of Revenue Act (2016).

Table 6b Conditional grants to municipalities: 2012/13 to 2018/19¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2012/13	2013/14	2014/15	2015/16		2016/17	2017/18	2018/19	
4	Cooperative Governance and Traditional Affairs	13 952.3	14 513.5	15 057.0	15 444.8	15 344.8	15 621.4	16 403.4	17 264.3
7	National Treasury	1 056.3	1 149.2	1 399.0	1 435.3	1 435.3	1 486.5	1 598.3	1 691.0
11	Public Works	661.5	611.3	594.6	587.7	587.7	664.0	716.4	758.0
26	Energy	1 351.4	1 815.5	1 241.6	2 158.2	2 158.2	2 131.9	2 290.3	2 419.5
35	Transport	4 921.7	5 602.2	5 946.1	6 049.9	6 049.9	5 694.2	6 467.2	6 906.8
36	Water and Sanitation	562.4	1 129.2	1 050.8	2 305.0	2 254.5	4 695.0	5 594.9	6 019.1
38	Human Settlements	7 392.2	9 076.9	10 584.7	10 654.3	10 654.3	10 839.5	11 472.2	12 052.1
40	Sport and Recreation South Africa	123.1	120.0	–	–	–	–	–	–
Total		30 021.1	34 017.8	35 873.7	38 635.3	38 484.8	41 132.4	44 542.7	47 110.7

1. Details provided in the Division of Revenue Act (2016).

Table 7 Training expenditure per vote: 2012/13 to 2018/19

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
1	The Presidency	2.3	1.8	2.0	3.0	3.3	3.5	3.7
2	Parliament	5.9	7.6	10.8	10.7	18.0	16.3	17.2
3	Communications	–	–	–	0.3	0.3	0.5	0.4
4	Cooperative Governance and Traditional Affairs	1.7	3.7	–	2.7	3.5	3.4	3.4
5	Home Affairs	8.6	18.5	8.8	28.7	31.1	34.5	36.8
6	International Relations and Cooperation	12.0	9.1	13.3	23.4	22.8	22.8	22.9
7	National Treasury	10.5	6.0	9.3	9.1	9.7	10.1	10.6
8	Planning, Monitoring and Evaluation	1.6	0.9	1.5	0.9	1.2	1.4	1.6
9	Public Enterprises	2.0	2.2	2.6	1.8	1.8	1.9	2.0
10	Public Service and Administration	4.9	3.4	3.3	4.8	4.0	4.4	4.4
11	Public Works	13.3	10.2	14.7	10.1	9.0	9.5	10.0
12	Statistics South Africa	17.6	4.3	7.4	12.3	12.8	13.6	14.4
13	Women	0.1	0.6	0.7	0.6	0.7	0.8	0.9
14	Basic Education	1.1	1.0	0.5	1.3	1.5	1.5	1.5
15	Higher Education and Training	1.8	1.0	1.3	2.6	2.5	2.9	3.0
16	Health	5.9	5.9	5.9	7.7	8.7	9.2	9.9
17	Social Development	4.3	3.0	7.3	8.2	7.8	8.3	8.8
18	Correctional Services	116.6	135.6	144.3	134.2	142.7	151.9	160.4
19	Defence and Military Veterans	109.9	159.3	256.8	194.6	277.2	273.1	301.9
20	Independent Police Investigative Directorate	0.8	1.2	2.0	1.6	1.8	1.9	2.2
21	Justice and Constitutional Development	16.8	10.6	14.8	75.9	80.9	89.3	95.4
22	Office of the Chief Justice and Judicial Administration	0.3	0.1	0.3	4.6	5.5	6.4	6.8
23	Police	1 623.7	1 668.5	1 710.7	1 838.5	1 883.7	1 934.2	1 985.7
24	Agriculture, Forestry and Fisheries	32.1	34.5	39.1	35.5	33.8	40.2	39.9
25	Economic Development	0.4	0.3	0.2	0.1	0.9	1.0	1.1
26	Energy	2.1	4.0	0.8	4.4	4.7	5.1	5.5
27	Environmental Affairs	7.4	12.5	25.8	26.6	28.4	29.0	30.4
28	Labour	11.9	20.8	13.1	13.2	15.1	15.9	16.8
29	Mineral Resources	2.3	3.0	3.0	5.5	5.7	5.8	6.0
30	Science and Technology	6.1	5.2	3.4	7.5	5.3	5.6	5.9
31	Small Business Development	0.8	1.3	–	–	0.3	0.4	0.4
32	Telecommunications and Postal Services	3.9	3.8	6.9	5.3	5.6	5.9	6.2
33	Tourism	3.0	4.3	2.8	2.5	2.7	2.9	3.1
34	Trade and Industry	15.6	9.2	7.2	13.6	14.0	14.5	14.7
35	Transport	5.2	5.4	5.7	6.0	4.4	4.7	5.1
36	Water and Sanitation	31.8	22.4	37.3	41.5	45.6	50.2	55.2
37	Arts and Culture	2.0	1.8	1.8	2.2	2.4	2.5	2.9
38	Human Settlements	2.6	1.9	8.4	12.3	4.8	5.2	5.3
39	Rural Development and Land Reform	21.0	21.9	2.6	–	23.7	26.1	28.8
40	Sport and Recreation South Africa	1.6	1.1	1.3	1.3	1.3	1.3	1.4
Total		2 111.8	2 208.1	2 377.9	2 555.0	2 729.3	2 817.6	2 932.8

Table 8a Infrastructure expenditure per vote: 2012/13 to 2018/19¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
4	Cooperative Governance and Traditional Affairs	13 879.2	14 224.4	14 745.4	14 955.8	14 914.0	15 991.3	16 893.7
5	Home Affairs	27.6	98.5	–	103.2	154.7	196.2	142.2
6	International Relations and Cooperation	113.0	202.9	103.6	149.2	231.7	223.7	305.0
7	National Treasury	578.1	585.9	590.4	607.0	624.0	663.4	701.9
11	Public Works	713.0	567.4	422.4	–	702.4	748.2	804.6
14	Basic Education	6 860.7	8 319.6	10 070.6	11 695.7	12 218.3	13 165.6	13 919.0
15	Higher Education and Training	1 799.9	2 150.0	2 700.0	3 301.2	3 396.7	3 537.6	3 708.0
16	Health	6 190.6	5 473.5	5 794.3	6 278.5	6 065.8	6 718.9	7 024.8
17	Social Development	–	–	27.5	62.5	85.5	–	–
18	Correctional Services	744.5	583.1	854.7	775.8	788.9	838.3	874.2
19	Defence and Military Veterans	1 381.7	603.4	268.7	940.5	996.7	1 047.7	1 245.2
21	Justice and Constitutional Development	621.2	387.6	712.3	661.5	911.1	956.1	1 011.2
23	Police	691.6	868.1	884.8	998.7	1 051.4	1 103.9	1 167.9
24	Agriculture, Forestry and Fisheries	555.2	461.5	684.0	418.1	165.0	153.3	162.1
26	Energy	4 589.1	3 566.1	4 122.7	5 760.2	5 639.0	6 153.0	6 401.2
27	Environmental Affairs	337.5	405.7	–	722.1	846.2	485.1	412.0
28	Labour	8.6	1.5	1.9	0.3	28.0	–	–
30	Science and Technology	483.7	579.1	984.7	1 046.3	1 011.5	1 096.6	1 136.0
32	Telecommunications and Postal Services	–	884.2	–	226.7	450.3	616.6	950.5
34	Trade and Industry	949.5	1 043.2	805.9	973.1	1 668.4	974.3	1 606.6
35	Transport	25 016.6	26 712.7	39 327.2	38 507.3	39 733.2	44 036.0	47 462.5
36	Water and Sanitation	5 685.8	5 400.6	6 255.5	7 253.9	7 683.3	7 295.1	7 999.1
37	Arts and Culture	225.5	350.3	414.2	559.6	559.4	572.3	584.3
38	Human Settlements	23 434.6	26 723.2	27 966.6	29 289.3	29 547.8	33 301.3	35 340.0
39	Rural Development and Land Reform	4.7	2.2	4.9	23.5	4.5	–	–
Total		94 892.0	100 194.8	117 742.4	125 310.1	129 477.9	139 874.4	149 852.0

Table 8b Nature of infrastructure investment: 2012/13 to 2018/19¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
New infrastructure assets	4 251.7	4 619.6	5 894.7	7 028.1	7 943.8	5 625.6	6 620.0
Existing infrastructure assets	5 063.1	4 276.2	3 873.5	6 109.4	6 918.3	6 509.8	6 593.0
Upgrading and additions	3 601.1	3 135.7	2 693.7	4 104.8	4 737.1	4 368.7	4 326.8
Rehabilitation, renovations and refurbishment	1 271.0	660.9	785.0	1 532.7	1 908.3	1 894.2	2 073.2
Maintenance and repair	191.0	479.6	394.8	472.0	272.8	246.8	193.1
Infrastructure transfers	85 577.3	91 299.0	107 974.2	112 172.6	114 615.9	127 739.0	136 638.9
Current	398.2	384.6	670.8	58.6	779.1	808.6	868.4
Capital	85 179.1	90 914.4	107 303.4	112 114.0	113 836.7	126 930.4	135 770.5
Total Infrastructure	94 892.0	100 194.8	117 742.4	125 310.1	129 477.9	139 874.4	149 852.0
<i>Current infrastructure</i> ²	589.2	864.2	1 065.6	530.6	1 051.9	1 055.4	1 061.5
<i>Capital infrastructure</i> ³	94 302.8	99 330.6	116 676.8	124 779.5	128 425.9	138 819.0	148 790.5

1. Amounts include: mega infrastructure projects and programmes for which the total cost is at least R1 billion over the project life cycle; large projects and programmes for which the total cost is at least R250 million but less than R1 billion over the project life cycle; and small projects and programmes for which the total cost is less than R250 million over the project life cycle. 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 9 Personnel expenditure per vote: 2012/13 to 2018/19

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			Average personnel expenditure growth rate (%)	
	2012/13	2013/14	2014/15	2015/16		2016/17	2017/18	2018/19	2012/13 -2018/19	
1	The Presidency	227.8	245.8	269.0	301.8	295.8	329.0	321.9	332.7	6.5%
2	Parliament	973.1	1 066.6	1 358.6	1 224.1	1 224.1	1 308.6	1 356.7	1 406.9	6.3%
3	Communications	23.7	24.7	39.8	56.0	50.7	59.2	70.9	74.8	21.1%
4	Cooperative Governance and Traditional Affairs	216.6	226.8	234.4	271.8	271.8	320.5	342.7	343.3	8.0%
5	Home Affairs	2 137.7	2 385.8	2 600.2	2 899.4	2 899.4	3 146.8	3 233.7	3 328.4	7.7%
6	International Relations and Cooperation	2 185.1	2 470.3	2 754.7	2 980.7	2 980.7	2 767.4	2 563.5	2 655.8	3.3%
7	National Treasury	561.5	602.1	671.5	733.4	739.3	817.6	808.2	816.9	6.4%
8	Planning, Monitoring and Evaluation	118.2	138.9	161.1	192.3	192.3	246.6	279.2	319.0	18.0%
9	Public Enterprises	102.7	124.9	141.2	153.1	153.1	168.4	168.8	173.5	9.1%
10	Public Service and Administration	194.2	230.7	229.1	276.0	240.7	272.8	278.8	291.9	7.0%
11	Public Works	1 374.6	1 471.5	1 591.8	475.0	465.0	470.8	488.4	520.6	-14.9%
12	Statistics South Africa	1 074.9	1 080.1	1 184.6	1 288.8	1 270.8	1 470.7	1 367.3	1 373.9	4.2%
13	Women	44.9	48.9	57.7	65.1	65.1	72.6	72.8	74.8	8.9%
14	Basic Education	325.2	371.7	412.7	439.9	439.9	472.1	482.0	506.0	7.6%
15	Higher Education and Training	5 927.8	6 605.4	7 139.8	7 317.2	7 236.2	7 839.9	8 429.8	8 961.8	7.1%
16	Health	554.3	628.0	686.3	774.3	774.3	873.4	878.3	954.3	9.5%
17	Social Development	307.4	339.3	377.5	423.6	423.6	458.9	465.5	478.4	7.7%
18	Correctional Services	11 337.8	12 190.1	12 611.5	13 155.1	13 155.1	14 821.4	15 952.2	17 228.0	7.2%
19	Defence and Military Veterans	19 688.4	21 332.7	23 005.8	24 890.4	24 890.4	26 884.6	26 448.0	27 116.7	5.5%
20	Independent Police Investigative Directorate	96.0	105.0	119.5	159.6	159.6	178.5	186.2	195.8	12.6%
21	Justice and Constitutional Development	7 185.0	7 919.5	8 523.0	9 365.3	9 154.7	10 070.2	10 578.0	11 067.6	7.5%
22	Office of the Chief Justice and Judicial Administration	1 014.4	1 099.8	1 203.5	1 323.8	1 323.8	1 411.9	1 524.0	1 609.1	8.0%
23	Police	46 800.4	51 241.8	54 332.2	58 277.1	57 777.1	62 070.4	66 196.8	70 655.4	7.1%
24	Agriculture, Forestry and Fisheries	1 419.1	1 525.0	1 661.6	1 763.0	1 763.0	2 055.4	2 129.2	2 201.9	7.6%
25	Economic Development	62.1	70.9	75.7	87.8	87.8	94.0	91.1	91.8	6.7%
26	Energy	201.5	228.5	264.3	289.5	292.7	310.8	314.1	327.5	8.4%
27	Environmental Affairs	560.8	659.2	787.8	930.7	930.7	1 001.6	1 046.6	1 090.8	11.7%
28	Labour	820.5	866.1	997.8	1 052.9	1 052.9	1 132.2	1 221.5	1 307.9	8.1%
29	Mineral Resources	395.9	435.3	484.6	548.4	548.4	572.1	579.1	604.8	7.3%
30	Science and Technology	221.8	241.6	276.0	295.3	295.3	309.2	319.0	331.4	6.9%
31	Small Business Development	47.1	55.3	73.8	111.5	99.2	136.7	139.1	143.1	20.4%
32	Telecommunications and Postal Services	148.2	158.5	175.5	198.5	198.5	213.7	217.1	226.8	7.4%
33	Tourism	171.2	202.4	231.5	250.1	250.1	265.5	274.9	285.8	8.9%
34	Trade and Industry	623.5	734.0	815.3	897.7	897.7	930.3	912.5	938.4	7.1%
35	Transport	287.8	304.4	345.9	389.8	389.8	437.1	439.0	457.8	8.0%
36	Water and Sanitation	1 055.5	1 139.7	1 275.7	1 428.4	1 372.3	1 667.2	1 670.2	1 739.7	8.7%
37	Arts and Culture	172.7	190.8	206.3	220.4	218.9	238.3	235.0	256.4	6.8%
38	Human Settlements	222.9	240.2	290.9	320.8	320.8	383.5	387.5	381.2	9.4%
39	Rural Development and Land Reform	1 727.8	1 541.3	1 791.6	2 114.7	2 114.7	2 142.6	2 219.0	2 351.9	5.3%
40	Sport and Recreation South Africa	73.7	76.6	82.4	95.8	95.8	108.6	107.3	113.3	7.4%
Total		110 683.6	120 620.4	129 542.2	138 039.1	137 112.0	148 531.0	154 795.8	163 336.1	6.7%

Table 10 Personnel numbers and unit cost per vote: 2014/15 to 2018/19

	Number of posts estimated for 31 March 2016		Number and cost of personnel posts filled/ planned for on funded establishment										Average personnel growth rate (%)	Average unit cost growth rate (%)	
	Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate								
			2014/15		2015/16		2016/17		2017/18		2018/19				
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost			2015/16 - 2018/19
1	The Presidency	694	80	657	409	657	459	663	496	668	525	692	549	1.7%	6.1%
2	Parliament	1 679	–	1 345	1 010	1 389	881	1 389	942	1 389	1 029	1 389	1 100	–	7.7%
3	Communications	100	14	55	723	73	694	85	696	101	715	103	748	12.2%	2.5%
4	Cooperative Governance and Traditional Affairs	436	–	436	538	429	634	616	569	616	607	616	639	12.8%	0.3%
5	Home Affairs	9 984	76	9 765	266	10 769	269	10 737	293	10 397	335	10 397	358	-1.2%	10.0%
6	International Relations and Cooperation	2 359	1 740	2 358	1 168	2 359	1 264	2 394	1 160	2 398	1 227	2 440	1 346	1.1%	2.1%
7	National Treasury	1 245	37	1 185	567	1 282	577	1 332	614	1 332	662	1 332	704	1.3%	6.9%
8	Planning, Monitoring and Evaluation	372	12	331	487	372	517	451	547	466	599	490	651	9.6%	8.0%
9	Public Enterprises	284	–	259	545	226	677	226	745	226	815	226	880	–	9.1%
10	Public Service and Administration	504	43	431	532	453	570	456	598	468	634	469	693	1.2%	6.8%
11	Public Works ¹	998	–	5 379	296	881	528	859	548	874	593	902	632	0.8%	6.2%
12	Statistics South Africa	3 572	–	3 189	371	4 136	307	14 586	101	3 792	389	3 572	431	-4.8%	11.9%
13	Women	120	2	109	529	115	566	119	610	123	646	124	692	2.5%	6.9%
14	Basic Education	799	4	753	548	758	580	766	616	773	663	789	703	1.3%	6.6%
15	Higher Education and Training	38 026	92	38 002	132	38 111	190	38 118	206	38 118	222	38 118	237	0.0%	7.6%
16	Health	2 000	77	1 884	364	1 993	388	1 962	445	1 962	471	1 962	523	-0.5%	10.4%
17	Social Development	967	134	916	412	938	452	895	513	910	544	915	573	-0.8%	8.3%
18	Correctional Services	42 006	1 162	38 440	328	41 967	313	42 006	360	42 006	401	42 006	434	0.0%	11.4%
19	Defence and Military Veterans	79 446	–	78 011	295	79 446	313	79 777	337	80 179	354	80 746	372	0.5%	5.9%
20	Independent Police Investigative Directorate	414	–	393	304	414	386	418	427	423	474	423	517	0.7%	10.3%
21	Justice and Constitutional Development	26 574	460	23 942	356	26 347	352	27 374	368	27 374	402	27 374	429	1.3%	6.8%
22	Office of the Chief Justice and Judicial Administration	2 272	–	2 107	571	2 272	583	2 200	642	2 309	669	2 312	711	0.6%	6.9%
23	Police	198 042	–	193 694	281	198 042	294	198 062	313	198 062	339	198 062	364	0.0%	7.3%
24	Agriculture, Forestry and Fisheries	6 622	291	5 685	292	6 331	278	6 481	317	6 481	351	6 481	376	0.8%	10.5%
25	Economic Development	166	–	149	508	150	585	147	639	147	676	147	717	-0.7%	7.0%
26	Energy	622	–	583	453	585	500	561	554	570	594	585	627	–	7.8%
27	Environmental Affairs	2 135	276	1 872	421	2 124	438	2 135	469	2 135	516	2 135	551	0.2%	7.9%
28	Labour	3 309	–	3 194	312	3 228	326	3 309	342	3 432	376	3 676	390	4.4%	6.2%
29	Mineral Resources	1 197	24	1 137	426	1 197	458	1 203	476	1 209	516	1 209	559	0.3%	6.9%
30	Science and Technology	481	–	481	574	461	641	470	658	470	723	470	773	0.6%	6.5%
31	Small Business Development	215	–	156	473	178	557	226	605	221	637	221	679	7.5%	6.8%
32	Telecommunications and Postal Services	305	–	300	585	312	636	337	634	337	695	337	754	2.6%	5.8%
33	Tourism	530	–	548	422	530	472	530	501	530	552	530	590	–	7.7%
34	Trade and Industry	1 617	126	1 770	461	1 617	555	1 617	575	1 617	615	1 617	664	–	6.2%
35	Transport	866	28	693	499	715	545	736	594	736	643	736	696	1.0%	8.5%
36	Water and Sanitation	4 994	200	3 637	351	3 974	345	4 511	370	4 511	392	4 525	419	4.4%	6.6%
37	Arts and Culture	512	48	453	455	509	430	512	466	512	495	512	560	0.2%	9.2%
38	Human Settlements	850	–	658	442	660	486	694	553	699	596	673	631	0.7%	9.1%
39	Rural Development and Land Reform	5 376	398	4 563	393	5 077	417	4 790	447	4 869	487	4 940	530	-0.9%	8.4%
40	Sport and Recreation South Africa	211	28	172	479	211	454	222	489	224	516	227	558	2.5%	7.1%
Total		442 901	5 352	429 692	18 580	441 288	19 918	453 972	20 835	443 666	22 696	444 480	24 357	0.2%	6.9%

1. Department of Public Works: The implementation functions of the department shift to the Property Management Trading Entity due to the operationalisation of the entity in 2015/16. As a result personnel also move from the department to the Property Management Trading Entity.

Information contained in the chapters of the Estimates of National Expenditure

The Estimates of National Expenditure (ENE) publications describe in detail the planned spending in all national government votes over the three years of the upcoming medium term expenditure framework period (MTEF).

The abridged ENE publication is tabled in Parliament by the Minister of Finance on the day the main budget is tabled. Through the Appropriation Bill, that the abridged ENE accompanies, 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, hence 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 provisional allocations not assigned to votes, for expenditure related to emerging government policy priorities and unforeseen circumstances. 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 per department. In some cases, a vote may contain more than one department. Each chapter in the abridged 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, goods and services, transfers and subsidies, 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	2016/17					2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration							
Programme name							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Total expenditure estimates							
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 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.

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

The **2016/17 Total** shows the total allocation per programme and the total allocation for the vote for 2016/17, and corresponds with the information in the 2016 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**.

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 that 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 payments will thus appear only in the historical information.

For **2017/18** and **2018/19**, 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.

Total expenditure estimates is the sum of expenditure on programmes plus direct charges.

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	
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18

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 its 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 its goal. 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. 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 the tables may not necessarily add up to the total 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 real estimated growth, 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 the budget and adjusted appropriations are also provided for comparative purposes, against actual expenditure outcomes.

Programmes														
1. Administration 2. Programme name 3. Programme name														
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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Administration														
Programme 2														
Programme 3														
Subtotal														
Direct charge against the National Revenue Fund														
Total														
Change to 2015 Budget estimate														
Economic classification														
Current payments														
Compensation of employees														
Goods and services														
of which:														
Economic classification item														
Economic classification item														
Economic classification item														
Economic classification item														
Economic classification item														
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, where 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.

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). All 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.

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 2015/16 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 2015 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 **Outcome/Annual Budget Average (%)** shows annual audited expenditure as a percentage of annual Budget appropriation, averaged over the three year period.

The **Outcome/Adjusted appropriation budget Average (%)** shows annual audited expenditure as a percentage of 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 2015/16, and expenditure estimates over the three-year MTEF period, by programme and by economic classification.

Programmes								
1. Administration								
2. Programme name								
3. Programme name								
Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Administration								
Programme 2								
Programme 3								
Subtotal								
Direct charge against the National Revenue Fund								
Total								
Change to 2015 Budget estimate								
Economic classification								
Current payments								
Compensation of employees								
Goods and services of which:								
<i>Economic classification item</i>								
<i>Economic classification item</i>								
<i>Economic classification item</i>								
<i>Economic classification item</i>								
<i>Economic classification item</i>								
<i>Economic classification item</i>								
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.

The **Revised estimate 2015/16** 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 2015 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 **Expenditure/total: Average (%)** 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 2016/17, 2017/18 and 2018/19. The estimates for 2016/17 are the appropriations proposed in the 2016 Appropriation Bill, which is considered by Parliament. The estimates for 2017/18 and 2018/19 are indicative allocations and will form the basis for planning the 2017 Budget.

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

Personnel information

Personnel information is set out over a five-year period. The number of posts, the costs to the institution, and the average unit cost of a post are shown as they were estimated before the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. The compensation of employees budget reduction is also reflected in the table and the new baseline total is given.

Vote personnel numbers and cost by salary level and programme level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions; and aggregate baseline total

Programmes																	Number		
Administration		Number and cost ³ of personnel posts filled / planned for on funded establishment															Average growth rate (%)	Salary level/Total: Average (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2015/16 - 2018/19					
		2014/15		Unit	2015/16		Unit	2016/17		Unit	2017/18		Unit	2018/19		Unit			
Department name		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
Salary level																			
1 – 6																			
7 – 10																			
11 – 12																			
13 – 16																			
Programme																			
Programme 1																			
Programme 2																			
Programme 3																			
Reduction																			
Total																			

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

2. The department's compensation of employees budget has been reduced by Rx million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. 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 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 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 **Salary level/Total: Average (%)** column shows what the proportion is of the posts within a salary level to the total posts, on average over the period, expressed as a percentage.

The **Reduction** to an institution's compensation of employees budget is shown.

Total shows the compensation of employees budget baseline. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within this reduced budget.

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	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)	
	2012/13	2013/14	2014/15					2015/16	2012/13 - 2015/16	2016/17			2017/18
Departmental receipts													
Economic classification Item													
<i>Lower level classification Item</i>													
Economic classification Item													
<i>Lower level classification Item</i>													
<i>Lower level classification Item</i>													
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 2015/16 shows the estimate of the institution's receipts published in the 2015 Adjusted Estimates of National Expenditure publication.

The **Revised estimate** shows the current estimate of institutional receipts for 2015/16.

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

The **Receipt item/Total: Average (%)** column shows what proportion, as a percentage, 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 Appropriation Bill. In terms of the Public Finance Management Act (1999), the programme purpose outlines the functions and activities of a 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. 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 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Subprogramme name											
Total											
Change to 2015 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). All 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 **Expenditure/Total: average (%)** 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 2016 MTEF period. The estimates for 2016/17 are the appropriations proposed in the Appropriation Bill, 2016. The estimates for 2017/18 and 2018/19 are indicative allocations and will form the basis for planning the 2017 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 is set out over a five-year period. The number of posts, the costs to the institution, and the average unit cost of a post are shown as they were estimated before the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. The compensation of employees budget reduction is also reflected in the table and the new programme baseline total is given.

Programme personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions; and aggregate baseline total

Programme name	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)	
			2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19				
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost					
Salary level ¹																	
1 – 6																	
7 – 10																	
11 – 12																	
13 – 16																	
Other																	
Reduction																	
Total																	

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

2. The programme's compensation of employees budget has been reduced by Rx million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. 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 **Salary level/Total: Average (%)** column shows what the proportion is of the posts within a salary level to the total programme posts, on average over the period, expressed as a percentage.

The **Reduction** to the compensation of employees budget is shown.

Total shows the compensation of employees budget baseline.

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, because 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 infrastructure table includes 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 2016 Division of Revenue Bill.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for 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 according to predefined performance criteria. A public private partnership may also be an arrangement in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

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 the hiring of 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.

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.

Vote 1

The Presidency

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	453.4	440.6	0.0	12.7	452.7	468.9
Executive Support	46.3	45.2	–	1.1	47.6	51.1
Subtotal	499.7	485.8	0.0	13.9	500.3	520.0
Direct charge against the National Revenue Fund						
Salary of the president	3.3	3.3	–	–	3.4	3.6
Salary of the deputy president	2.8	2.8	–	–	2.9	3.1
Total expenditure estimates	505.7	491.8	0.0	13.9	506.6	526.8

Executive authority Minister in the Presidency: Planning, Monitoring and Evaluation as well as Administration
 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 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			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of convened Cabinet committee meetings supported per year	Executive Support	Outcome 12: An efficient, effective and development oriented public service	– ¹	– ¹	– ¹	100	118	118	118
Number of convened forum of South African directors general meetings supported per year	Executive Support		– ¹	– ¹	– ¹	74	74	74	74

1. No historical data is available as these are new indicators introduced in 2015/16.

Expenditure analysis

The Presidency leads the coordination, planning and monitoring of government policies and programmes, including overseeing the implementation of the electoral mandate, the national development plan and government's 2014-2019 medium term strategic framework. In terms of the framework, the Presidency is responsible for interdepartmental coordination to ensure policy coherence in the implementation of the national development plan. The plan outlines specific deliverables for the Presidency to improve cluster coordination and fast track service delivery and economic development. Through performance monitoring and oversight and facilitating nation building and social cohesion, the Presidency will continue over the medium term to support calls to improve government's accountability. The national development plan recognises that South Africa's domestic priorities of sustained economic development are inextricably linked to the development of the Southern African region and Africa as a continent, and the Presidency supports the advancing of South Africa's interests in the international, continental and regional political and economic arenas.

The Presidency plans to address capacity constraints by growing the number of personnel by 35 posts to 692 posts in 2018/19, including for strengthening technical support for improved cluster coordination and

supporting the rollout of Operation Phakisa. Despite the Cabinet approved reductions to the department's compensation of employees budget of R28.5 million in 2017/18 and R47.5 million in 2018/19 as part of Cabinet's decision to lower the national aggregate expenditure ceiling, spending on compensation of employees is set to increase from R301.8 million in 2015/16 to R332.7 million in 2018/19, at an average annual rate of 8 per cent. This includes Cabinet approved budget increases of R3.4 million in 2017/18 and R13 million in 2018/19 for compensation of employees to accommodate the 2015 public sector wage agreement. Internal reprioritisation will accommodate the terms of the agreement in 2016/17. After consultation with the Department of Public Service and Administration and National Treasury, the Presidency will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget. The Presidency is a labour intensive department, and compensation of employees remains the main cost driver over the medium term, accounting for 63.8 per cent of the department's total budget.

For overseeing the turnaround strategies of key state owned companies, among them Eskom, South African Airways and the South African Post Office, technical officials have been seconded to the Presidency from various policy departments to provide the Presidency with the required technical and sectoral input.

Policy synergies and functional alignment

The Cabinet office in the Presidency is one of the key administrative centres of strategic leadership and coordination. The Presidency supports the Cabinet committee system and the forum of South African directors general in order to integrate planning, strengthen deliberations on cross-cutting sectoral priorities, improve accountability, and align decision making processes, while facilitating the sharing of information and promoting sound intergovernmental relations. Among its other ongoing activities, the Presidency will support 74 meetings of the forum of South African directors general per year and 118 Cabinet committee meetings per year over the MTEF period. There are more Cabinet meetings than in 2015/16, because the 2014 elections interrupted the normal schedule of meetings. This pattern repeats every 5 years. Related spending is in the *Executive Support* programme, which is projected to increase from R22.3 million in 2015/16 to R24.9 million in 2018/19.

Over the medium term, the Presidency will address weaknesses in existing management and operational support systems by implementing the e-Cabinet document management and distribution system for the executive. The e-Cabinet system is a secure electronic system for collaborative document management and distribution aimed at enabling members of the executive, heads of department and certain support staff to share information. It is intended to coordinate interdepartmental policy making on cross-cutting issues to ensure the policy synergies and functional alignment. The current system of distributing hard copies will continue in parallel with the e-Cabinet system until Cabinet decides to suspend the hard copy system. Until then, costs for document management and distribution will increase steadily. The department receives increases of R19.3 million in 2016/17, R22.1 million in 2017/18 and R24.3 million in 2018/19 for the e-Cabinet system. This is reflected in the projected increase in spending on computer services in the *Executive Support* programme at an average annual rate of 270.4 per cent, from R48 000 in 2015/16 to R24.4 million in 2018/19.

Monitoring government policies and programmes

The Siyahlola presidential monitoring programme is one of government's key interventions to assess service delivery, the responsiveness of public servants and government's accountability to citizens. The programme evaluates government's frontline service delivery in priority areas, such as education, health, economic growth, job creation and rural development, through scheduled and unscheduled visits to municipalities and other service delivery centres. The Presidency's izimbizo programme complements this work with its participatory approach to policy implementation. Siyahlola visits and the imbizos assist government to distil issues and identify obstacles to service delivery in specified places. The president conducts a minimum of 3 Siyahlola visits and 2 izimbizos per year. From 2016/17, the priority is to ensure an equitable spread of visits across the provinces, and to improve communications on the outcomes of each visit and any corrective measures that may be instituted. Over the medium term, the number of visits per year is expected to increase to 4. In addition, the president, as chair of the Presidential Infrastructure Coordination Committee, will conduct visits to monitor infrastructure development. Spending on these activities is projected to increase to R38.2 million over the medium term in the *Special Projects of the President* sub-subprogramme, mainly on travel and subsistence and communication services.

Effective from 1 July 2015, the ministerial functions of the minister and deputy minister for planning, monitoring and evaluation have been transferred from the Presidency to the Department of Planning,

Monitoring and Evaluation. This marks the completion of the reconfiguration process to harmonise planning, monitoring and evaluation, and institutionalise the outcomes system in government, while improving executive accountability for these functions. Accordingly, the Presidency will transfer R34.3 million in 2016/17, R36.1 million in 2017/18 and R38.2 million in 2018/19 to the Department of Planning, Monitoring and Evaluation for the 26 transferred officials.

Nation building and social cohesion

In line with outcome 14 (national building and social cohesion) of the 2014-2019 medium term strategic framework, further encapsulated in sub-outcome 1, the Presidency leads the agenda and discourse on nation building, social cohesion and national identity, facilitated through the Moral Regeneration Movement and its charter of positive values amongst other interventions. 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. These and other related activities are budgeted for in the *Support Services to Deputy President* subprogramme in the *Administration* programme, at R160.4 million over the medium term.

Expenditure on other nation building and social cohesion initiatives, such as officiating at the proceedings of all national orders ceremonies and national days, is projected at R9.1 million over the medium term, budgeted for in the *Management* subprogramme of the *Administration* programme.

Advancing South Africa's interests in the international political and economic arena

The Presidency plays a key role in facilitating and coordinating the activities of the president and the deputy president to promote regional integration and execute the department's annual international programme. Over the medium term, the Presidency will provide strategic and administrative support for engagements in multilaterals and bilaterals, state visits, meeting obligations to the United Nations, the Brazil-Russia-India-China-South Africa (BRICS) summit, the G20 and the African Union, as well as for participation in regional and continental peacekeeping and mediation processes. A highlight over the medium term will be South Africa's involvement in BRICS and the signing of the agreement to establish the New Development Bank, whose headquarters will be in Shanghai and its African regional centre in South Africa.

South Africa will also continue to play an active role in supporting conflict resolution initiatives and post-conflict reconstruction and development processes in Africa and beyond. Of note is the ongoing role South Africa plays in post-conflict support in the Kingdom of Lesotho, and Sri Lanka and in participating in international efforts to end the war in South Sudan, among others.

These and other related activities are budgeted for in the *Support Services to the President* subprogramme, at R194.7 million over the medium term, and in the *Support Services to the Deputy President* subprogramme, at R160.4 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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	342.2	376.4	324.7	404.8	405.5	374.1	427.8	428.6	402.0	450.6	443.7	423.7	93.8%	92.2%
Programme 2	23.5	21.6	17.9	24.2	23.8	17.4	25.2	24.4	19.3	26.4	32.3	24.7	79.9%	77.7%
Subtotal	365.7	398.0	342.7	429.0	429.3	391.5	453.0	453.0	421.3	477.0	475.9	448.3	93.0%	91.3%
Direct charge against the National Revenue Fund	2.7	2.7	2.6	2.8	2.8	2.6	3.0	5.5	4.8	5.7	5.7	5.7	111.6%	95.0%
Salary of the president	2.7	2.7	2.6	2.8	2.8	2.6	3.0	3.0	2.6	3.1	3.1	3.1	95.1%	95.1%
Salary of the deputy president	-	-	-	-	-	-	-	2.5	2.2	2.6	2.6	2.6	184.3%	94.7%
Total	368.4	400.6	345.3	431.8	432.1	394.1	456.0	458.5	426.2	482.7	481.7	454.1	93.1%	91.4%
Change to 2015 Budget estimate											(1.1)			

Table 1.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Current payments	353.2	390.4	336.4	424.4	415.1	379.9	443.0	442.8	403.3	470.7	465.5	437.9	92.1%	90.9%
Compensation of employees	216.0	223.5	227.8	256.7	256.8	245.8	286.3	288.2	269.0	310.2	301.8	295.8	97.1%	97.0%
Goods and services	137.3	166.9	108.7	167.7	158.3	134.1	156.7	154.6	134.2	160.4	163.7	142.1	83.4%	80.7%
of which:														
Audit costs: External	7.7	7.7	4.1	3.7	3.7	3.8	5.1	5.1	5.4	3.8	3.8	3.8	84.1%	84.1%
Communication	13.7	13.6	13.9	17.0	16.9	12.0	17.4	16.9	14.9	16.9	14.5	14.5	85.1%	89.3%
Computer services	6.1	11.4	8.7	8.1	7.9	7.0	10.6	10.6	16.2	9.0	22.6	7.0	114.9%	74.1%
Consultants: Business and advisory services	5.6	8.2	8.7	7.9	7.1	1.3	15.0	14.9	3.9	11.6	10.2	10.2	60.1%	59.8%
Agency and support/outourced services	11.7	11.7	6.0	11.4	10.6	7.0	8.5	9.5	6.5	10.0	8.3	8.3	66.7%	69.2%
Travel and subsistence	51.7	53.3	41.8	78.7	75.7	48.3	64.7	63.6	44.6	68.3	60.0	54.0	71.7%	74.7%
Transfers and subsidies	-	0.2	0.2	-	0.2	0.5	0.0	1.6	4.0	0.1	0.9	0.9	7 161.5%	199.9%
Departmental agencies and accounts	-	-	-	-	-	-	0.0	1.0	1.0	0.1	0.1	0.1	1 342.3%	97.6%
Households	-	0.2	0.2	-	0.2	0.5	-	0.5	3.0	-	0.8	0.8	-	264.2%
Payments for capital assets	15.2	10.1	6.7	7.3	16.8	13.6	12.9	14.1	14.1	12.0	15.2	15.2	104.6%	88.2%
Machinery and equipment	15.2	10.1	6.7	7.3	16.6	12.8	12.9	14.0	14.1	11.9	15.2	15.2	102.8%	87.1%
Software and other intangible assets	-	-	0.0	-	0.2	0.8	-	0.1	-	0.1	0.1	0.1	1 428.6%	287.5%
Payments for financial assets	-	-	1.9	-	-	0.1	-	-	4.9	-	-	-	-	-
Total	368.4	400.6	345.3	431.8	432.1	394.1	456.0	458.5	426.2	482.7	481.7	454.1	93.1%	91.4%

Expenditure estimates

Table 1.3 Vote expenditure estimates by programme and economic classification

Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Programme 1	423.7	4.0%	94.1%	453.4	452.7	468.9	3.4%	90.2%
Programme 2	24.7	4.5%	4.9%	46.3	47.6	51.1	27.5%	8.5%
Subtotal	448.3	4.1%	99.0%	499.7	500.3	520.0	5.1%	98.8%
Direct charge against the National Revenue Fund	5.7	29.2%	1.0%	6.0	6.4	6.7	5.6%	1.2%
Salary of the president	3.1	5.4%	0.7%	3.3	3.4	3.6	5.4%	0.7%
Salary of the deputy president	2.6	-	0.3%	2.8	2.9	3.1	5.9%	0.6%
Total	454.1	4.3%	100.0%	505.7	506.6	526.8	5.1%	100.0%
Change to 2015				8.2	(17.2)	(27.5)		
Budget estimate								
Economic classification								
Current payments	437.9	3.9%	96.2%	491.8	492.2	511.4	5.3%	97.0%
Compensation of employees	295.8	9.8%	64.1%	329.0	321.9	332.7	4.0%	64.2%
Goods and services	142.1	-5.2%	32.0%	162.8	170.2	178.7	7.9%	32.8%
of which:								
Audit costs: External	3.8	-21.2%	1.0%	5.5	6.0	6.5	19.9%	1.1%
Communication	14.5	2.0%	3.4%	16.3	17.2	17.2	5.8%	3.3%
Computer services	7.0	-14.9%	2.4%	32.9	36.5	38.5	76.6%	5.8%
Consultants: Business and advisory services	10.2	7.5%	1.5%	7.5	10.5	11.6	4.4%	2.0%
Agency and support/outourced services	8.3	-10.9%	1.7%	7.3	7.6	8.0	-1.1%	1.6%
Travel and subsistence	54.0	0.5%	11.7%	53.3	50.6	52.9	-0.7%	10.6%
Transfers and subsidies	0.9	73.1%	0.3%	0.0	0.0	0.0	-64.9%	0.0%
Departmental agencies and accounts	0.1	-	0.1%	0.0	0.0	0.0	-8.7%	0.0%
Households	0.8	70.2%	0.3%	-	-	-	-100.0%	0.0%
Payments for capital assets	15.2	14.7%	3.1%	13.9	14.5	15.3	0.2%	3.0%
Machinery and equipment	15.2	14.6%	3.0%	13.9	14.5	15.3	0.3%	3.0%
Software and other intangible assets	0.1	-	0.1%	-	-	-	-100.0%	0.0%
Total	454.1	4.3%	100.0%	505.7	506.6	526.8	5.1%	100.0%

Personnel information

Table 1.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number			
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2015/16 - 2018/19						
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19								
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				
The Presidency		694	80	657	269.0	0.4	657	301.8	0.5	663	329.0	0.5	668	350.4	0.5	692	380.2	0.5	1.7%	100.0%
Salary level	694	80	657	269.0	0.4	657	301.8	0.5	663	329.0	0.5	668	350.4	0.5	692	380.2	0.5	1.7%	100.0%	
1 – 6	303	52	291	53.5	0.2	292	59.3	0.2	292	63.1	0.2	292	66.5	0.2	302	72.5	0.2	1.1%	44.0%	
7 – 10	202	13	194	68.5	0.4	190	75.8	0.4	191	80.9	0.4	192	85.8	0.4	201	94.3	0.5	1.9%	28.9%	
11 – 12	108	2	96	62.0	0.6	101	75.5	0.7	100	79.7	0.8	103	86.2	0.8	108	94.9	0.9	2.3%	15.4%	
13 – 16	79	13	74	80.3	1.1	72	85.4	1.2	78	99.2	1.3	79	105.6	1.3	79	111.7	1.4	3.1%	11.5%	
Other	2	–	2	4.8	2.4	2	5.7	2.9	2	6.0	3.0	2	6.4	3.2	2	6.7	3.4	–	0.3%	
Programme	694	80	657	269.0	0.4	657	301.8	0.5	663	329.0	0.5	668	350.4	0.5	692	380.2	0.5	1.7%	100.0%	
Programme 1	667	78	631	250.9	0.4	630	279.0	0.4	636	303.7	0.5	641	323.9	0.5	665	352.0	0.5	1.8%	96.0%	
Programme 2	25	2	24	13.3	0.6	25	17.2	0.7	25	19.2	0.8	25	20.1	0.8	25	21.4	0.9	–	3.7%	
Direct charges	2	–	2	4.8	2.4	2	5.7	2.9	2	6.0	3.0	2	6.4	3.2	2	6.7	3.4	–	0.3%	
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(28.5)	–	–	(47.5)	–	–	–	
Total	694	80	657	269.0	0.4	657	301.8	0.5	663	329.0	0.5	668	350.4	0.5	692	380.2	0.5	–	–	

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

2. The department's compensation of employees budget has been reduced by R76 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 1.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	8 952	897	1 726	2 972	2 972	-30.8%	100.0%	452	469	482	-45.5%	100.0%
Sales of goods and services produced by department	247	289	347	371	371	14.5%	8.6%	367	382	394	2.0%	34.6%
Sales by market establishments	247	186	184	187	187	-8.9%	5.5%	319	332	344	22.5%	27.0%
of which:												
Rental dwellings	247	141	141	141	141	-17.0%	4.6%	145	150	155	3.2%	13.5%
Rental parking: Covered and open	–	45	42	46	46	–	0.9%	45	47	47	0.7%	4.2%
Services rendered: Commission on insurance and gamishee	–	–	–	–	–	–	–	128	134	141	–	9.2%
Promotion of Access to Information Act (2000)	–	–	1	–	–	–	–	1	1	1	–	0.1%
Other sales	–	103	163	184	184	–	3.1%	48	50	50	-35.2%	7.6%
of which:												
Services rendered: Commission on insurance and gamishee	–	103	117	122	122	–	2.4%	–	–	–	-100.0%	2.8%
Service rendered: Transport fees	–	–	46	62	62	–	0.7%	48	50	50	-6.9%	4.8%
Transfers received	–	–	1 046	–	–	–	7.2%	–	–	–	–	–
Interest, dividends and rent on land	12	10	106	106	106	106.7%	1.6%	10	12	13	-50.3%	3.2%
Interest	12	10	106	106	106	106.7%	1.6%	10	12	13	-50.3%	3.2%
Sales of capital assets	217	342	108	495	495	31.6%	8.0%	–	–	–	-100.0%	11.3%
Transactions in financial assets and liabilities	8 476	256	119	2 000	2 000	-38.2%	74.6%	75	75	75	-66.5%	50.9%
Total	8 952	897	1 726	2 972	2 972	-30.8%	100.0%	452	469	482	-45.5%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 1.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Management	240.0	281.5	302.5	324.7	10.6%	74.4%	335.2	337.2	347.4	2.3%	73.9%
Support Service to president	49.9	56.5	60.4	64.4	8.9%	15.0%	66.0	62.5	66.2	1.0%	14.2%
Support Service to deputy president	34.9	36.1	39.2	54.6	16.1%	10.7%	52.1	53.0	55.3	0.4%	11.8%
Total	324.7	374.1	402.0	443.7	11.0%	100.0%	453.4	452.7	468.9	1.9%	100.0%
Change to 2015				(40.3)			(44.3)	(71.5)	(61.4)		
Budget estimate											
Economic classification											
Current payments	316.4	360.4	380.8	428.7	10.7%	96.2%	440.6	439.4	454.7	2.0%	97.0%
Compensation of employees	211.5	229.9	250.9	279.0	9.7%	62.9%	303.7	298.1	307.5	3.3%	65.3%
Goods and services	104.9	130.5	129.9	149.7	12.6%	33.4%	136.8	141.2	147.2	-0.6%	31.6%
of which:											
Audit costs: External	4.1	3.8	5.4	3.8	-2.6%	1.1%	5.5	6.0	6.5	19.9%	1.2%
Communication	13.7	11.9	14.7	14.4	1.7%	3.5%	16.1	17.1	17.0	5.9%	3.6%
Computer services	8.6	7.0	16.2	14.9	20.0%	3.0%	13.5	14.3	14.1	-1.8%	3.1%
Consultants: Business and advisory services	8.7	1.3	3.2	10.2	5.5%	1.5%	7.5	10.5	11.6	4.4%	2.2%
Agency and support/outourced services	6.0	7.0	6.5	8.3	11.3%	1.8%	7.3	7.6	8.0	-1.1%	1.7%
Travel and subsistence	39.9	46.6	43.3	56.6	12.4%	12.1%	49.7	46.7	48.8	-4.8%	11.1%
Transfers and subsidies	0.2	0.5	3.7	0.9	55.3%	0.3%	0.0	0.0	0.0	-64.9%	0.1%
Departmental agencies and accounts	-	-	1.0	0.1	-	0.1%	0.0	0.0	0.0	-8.7%	-
Households	0.2	0.5	2.7	0.8	53.5%	0.3%	-	-	-	-100.0%	-
Payments for capital assets	6.7	13.1	12.6	14.1	28.4%	3.0%	12.7	13.3	14.2	0.1%	3.0%
Machinery and equipment	6.6	12.3	12.6	14.1	28.4%	3.0%	12.7	13.3	14.2	0.2%	3.0%
Software and other intangible assets	0.0	0.8	-	0.1	32.6%	0.1%	-	-	-	-100.0%	-
Payments for financial assets	1.4	0.1	4.8	-	-100.0%	0.4%	-	-	-	-	-
Total	324.7	374.1	402.0	443.7	11.0%	100.0%	453.4	452.7	468.9	1.9%	100.0%
Proportion of total programme expenditure to vote expenditure	94.8%	95.6%	95.4%	93.2%	-	-	90.7%	90.5%	90.2%	-	-

Programme 2: Executive Support

Programme purpose

Provide strategic and administrative support to enable the 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 for the arrangement of Cabinet's annual calendar and Cabinet committee 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 enable Cabinet to foster accountability and policy coherence through integrated planning, policy coordination and the implementation of a strategic agenda for government.

Expenditure trends and estimates

Table 1.7 Executive Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Cabinet Services	17.9	17.4	19.3	32.3	21.7%	100.0%	46.3	47.6	51.1	16.6%	100.0%
Total	17.9	17.4	19.3	32.3	21.7%	100.0%	46.3	47.6	51.1	16.6%	100.0%
Change to 2015				5.9			19.3	19.4	(3.0)		
Budget estimate											
Economic classification											
Current payments	17.4	16.9	17.6	31.1	21.4%	95.5%	45.2	46.4	49.9	17.1%	97.4%
Compensation of employees	13.7	13.3	13.3	17.2	7.9%	66.1%	19.2	17.4	18.4	2.4%	40.7%
Goods and services	3.8	3.5	4.3	14.0	55.0%	29.4%	26.0	29.0	31.5	31.1%	56.7%
of which:											
Catering: Departmental activities	0.7	1.0	1.1	1.4	25.5%	4.8%	1.4	1.4	1.4	2.1%	3.1%
Computer services	0.0	0.0	0.0	7.6	502.0%	8.9%	19.4	22.2	24.4	47.2%	41.5%
Consumables: Stationery, printing and office supplies	0.1	0.1	0.1	0.2	25.8%	0.5%	0.2	0.2	0.2	-0.7%	0.4%
Travel and subsistence	1.9	1.7	1.4	3.4	21.2%	9.7%	3.6	3.9	4.1	6.1%	8.4%
Operating payments	0.1	0.2	0.3	0.5	86.2%	1.3%	0.6	0.6	0.6	2.2%	1.3%
Venues and facilities	0.4	0.2	0.1	0.4	6.3%	1.3%	0.4	0.4	0.5	2.1%	1.0%
Transfers and subsidies	-	0.0	0.2	-	-	0.3%	-	-	-	-	-
Households	-	0.0	0.2	-	-	0.3%	-	-	-	-	-
Payments for capital assets	0.0	0.5	1.4	1.1	420.8%	3.6%	1.1	1.1	1.2	1.2%	2.6%
Machinery and equipment	0.0	0.5	1.4	1.1	420.8%	3.6%	1.1	1.1	1.2	1.2%	2.6%
Payments for financial assets	0.5	0.0	0.0	-	-100.0%	0.6%	-	-	-	-	-
Total	17.9	17.4	19.3	32.3	21.7%	100.0%	46.3	47.6	51.1	16.6%	100.0%
Proportion of total programme expenditure to vote expenditure	5.2%	4.4%	4.6%	6.8%	-	-	9.3%	9.5%	9.8%	-	-

Vote 2

Parliament

Budget summary

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 Act (2009), as amended.

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Strategic Leadership and Governance	72.8	72.4	–	0.4	72.3	74.3
Administration	116.0	114.5	–	1.5	117.3	120.0
Core Business	526.0	524.9	–	1.1	560.2	580.9
Support Services	318.1	317.4	–	0.7	311.8	317.8
Associated Services	626.7	241.1	385.5	0.1	669.5	709.3
Subtotal	1 659.6	1 270.4	385.5	3.8	1 731.2	1 802.3
Direct charge against the National Revenue Fund						
Members Remuneration	529.8	529.8	–	–	556.3	588.6
Total expenditure estimates	2 189.4	1 800.2	385.5	3.8	2 287.5	2 390.8
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					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.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 Parliament and sets out the functions it performs. Parliament is elected to represent all South African citizens, to ensure government by the people under the Constitution, and to represent the provinces in the national sphere of government. It does this by electing the president, providing a national forum for the public consideration of issues, passing legislation, and scrutinising and overseeing executive action.

Parliament's policy priorities set out the long term policy and outcomes for Parliament. These 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	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	45.1	45.1	–	0.0	53.9	59.5
Communications Policy, Research and Development	8.4	8.4	–	–	9.8	11.8
Industry and Capacity Development	10.9	10.9	–	0.0	12.7	19.3
Entity Oversight	1 281.0	10.8	1 270.2	–	1 354.6	1 436.3
Total expenditure estimates	1 345.4	75.1	1 270.2	0.1	1 431.0	1 526.9

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 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 overarching 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 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) – joint responsibility with the Minister of Telecommunications and Postal Services
- the Electronic Communications and Transactions Act (2002) – joint responsibility with the Minister of Telecommunications and Postal Services
- the Electronic Communications and Transactions Act (2005) – joint responsibility with the Minister of Telecommunications and Postal Services.

The department is also responsible for the oversight of the entities within its portfolio.

Selected performance indicators

Table 3.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of community radio stations provided with broadcasting infrastructure per year	Communications Policy, Research and Development	Outcome 14: Nation building and social cohesion	-1	-1	-1	5	5	5	5
Number of digital broadcasting awareness campaigns hosted per year	Industry and Capacity Development		-1	-1	-1	-1	10	10	10
Number of reports per year showing consumer access to digital broadcasting, particularly those supported by government programmes	Industry and Capacity Development		-1	-1	-1	4	4	4	4
Number of position papers tabled at multilateral engagements per year	Industry and Capacity Development		-1	-1	-1	-1	2	2	2
Number of stakeholder engagements coordinated per year	Industry and Capacity Development		-1	-1	-1	-1	10	10	10
Number of shareholder compact accountability instruments signed per year	Entity Oversight		-1	-1	-1	6	5	5	5

1. No historical data is available as these are new indicators.

Expenditure analysis

The national development plan envisages an active citizenry that participates in the socioeconomic life of the country, and the department's work contributes in particular to outcome 14 (nation building and social cohesion) of the 2014-2019 medium term strategic framework. The focus of the Department of Communications over the medium term will be to energise and mobilise South Africans to take an active role in government's economic transformation programmes to address poverty, unemployment and inequality.

93.8 per cent of the department's budget over the MTEF period is allocated for transfers to the state owned companies and regulatory institutions in its portfolio. The remaining 6.2 per cent goes to operational expenditure, 77.7 per cent of which is on compensation of employees and 22.2 per cent on goods and services for travel and subsistence, fleet services, and communication.

Transfers of R1.2 billion over the medium term support the work of the Government Communication and Information System, which will continue to implement the national communication strategy. Transfers to the South African Broadcasting Corporation total R584 million over the medium term. Transfers of R1.4 billion over the medium term goes to the Independent Communications Authority of South Africa for implementing the broadband and digital terrestrial regulations and monitoring operators' compliance with licence conditions. Transfers to the authority account for 35 per cent of the department's total transfers of R4 billion.

Through its entity oversight unit, the department analyses funding requests and ensures that transferred funds are properly used. Accountability instruments include quarterly and annual reports, monthly and quarterly accountability forums, and shareholder compacts. Spending is in the *Entity Oversight* programme. R28.4 million is budgeted for compensation of employees over the medium term, and R3.5 million for travel and subsistence.

Apart from administering the transfers it makes, the department researches and develops broadcasting policies for the communications cluster, which comprises the Department of Communications, the Government Communication and Information System, the South African Broadcasting Corporation, Brand South Africa, the Independent Communications Authority of South Africa, the Film and Publication Board, and the Media Development and Diversity Agency. The department also develops standards, manages technology and engineering services, and develops print media, new media and communication policies, as well as branding and messaging policies. Over the medium term, the department will develop the White Paper on National Communication Policy, the media transformation policy, the broadcasting radio frequency spectrum dividend policy, and an overarching communications policy to address transformation in the communications sector. It will also review branding policy frameworks. The department will host 10 stakeholder engagements per year over the medium term as part of developing these broadcast policies, particularly in relation to the digital migration programme, and social cohesion and nation building. Stakeholder engagements are interactions between the department and communities across the country. The engagements inform the public about

government activities and programmes, and the aim is to build active participation between government, citizens, the private sector, civil society, organised labour and the media. This policy research and development work and the related stakeholder engagements are labour intensive, and the department projects spending R21.9 million over the medium term on compensation of employees in the *Communications Policy, Research and Development* programme.

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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	12.4	12.4	12.4	11.4	11.4	11.4	12.8	24.8	24.4	42.4	42.4	47.5	121.2%	105.2%
Programme 2	5.0	5.0	5.0	5.7	5.7	5.7	6.5	6.5	6.5	7.9	7.9	5.9	92.2%	92.2%
Programme 3	7.6	7.6	7.6	9.0	9.0	9.0	9.3	9.3	9.3	10.2	20.2	18.0	121.5%	95.2%
Programme 4	1 179.6	1 298.9	1 232.9	1 249.1	1 327.8	1 322.4	1 193.0	1 226.6	1 246.9	1 220.4	1 220.4	1 217.2	103.7%	98.9%
Total	1 204.6	1 323.9	1 257.9	1 275.2	1 353.9	1 348.4	1 221.6	1 267.2	1 287.2	1 280.9	1 290.9	1 288.6	104.0%	99.0%
Change to 2015 Budget estimate										10.0				
Economic classification														
Current payments	26.7	26.7	26.7	26.2	26.2	27.9	32.0	44.0	43.7	70.1	80.1	77.6	113.5%	99.4%
Compensation of employees	23.7	23.7	23.7	23.0	23.0	24.7	28.1	40.1	39.8	56.0	56.0	50.7	106.2%	97.3%
Goods and services	3.0	3.0	3.0	3.2	3.2	3.2	3.9	3.9	3.9	14.1	24.1	26.9	153.2%	108.4%
<i>of which:</i>														
Advertising	-	-	-	-	-	-	-	-	-	0.0	10.0	10.6	35 266.7%	105.8%
Communication	0.0	0.0	0.0	-	-	-	-	-	-	0.3	1.2	0.8	230.9%	67.5%
Legal services	-	-	-	-	-	-	-	-	-	-	-	0.5	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-	2.9	1.5	2.3	78.8%	152.2%
Consumables: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-	0.3	0.8	0.5	172.8%	65.3%
Travel and subsistence	0.2	0.2	0.2	-	-	0.2	0.8	0.8	0.8	5.7	8.4	9.9	166.3%	118.6%
Transfers and subsidies	1 177.8	1 297.2	1 231.0	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	103.7%	99.0%
Departmental agencies and accounts	1 027.0	1 081.3	1 015.6	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	100.6%	97.5%
Public corporations and private enterprises	150.8	215.8	215.4	229.1	267.1	256.6	165.2	165.2	227.2	172.9	172.9	172.9	121.5%	106.2%
Payments for capital assets	-	-	0.2	-	0.2	0.2	0.3	0.3	0.3	0.7	0.7	0.8	150.2%	126.5%
Machinery and equipment	-	-	0.2	-	0.2	0.2	0.3	0.3	0.3	0.7	0.7	0.8	150.2%	126.5%
Total	1 204.6	1 323.9	1 257.9	1 275.2	1 353.9	1 348.4	1 221.6	1 267.2	1 287.2	1 280.9	1 290.9	1 288.6	104.0%	99.0%

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2016/17	2017/18	2018/19			
R million	2015/16	2012/13 - 2015/16		2015/16 - 2018/19					
Programme 1	47.5	56.3%	1.8%	45.1	53.9	59.5	7.8%	3.7%	
Programme 2	5.9	6.0%	0.4%	8.4	9.8	11.8	25.8%	0.6%	
Programme 3	18.0	33.4%	0.8%	10.9	12.7	19.3	2.4%	1.1%	
Programme 4	1 217.2	-2.1%	96.9%	1 281.0	1 354.6	1 436.3	5.7%	94.6%	
Total	1 288.6	-0.9%	100.0%	1 345.4	1 431.0	1 526.9	5.8%	100.0%	
Change to 2015				0.7	12.1	25.7			
Budget estimate									
Economic classification									
Current payments	77.6	42.6%	3.4%	75.1	87.7	102.6	9.8%	6.1%	
Compensation of employees	50.7	28.8%	2.7%	59.2	70.9	74.8	13.9%	4.6%	
Goods and services	26.9	107.1%	0.7%	16.0	16.8	27.8	1.1%	1.6%	
of which:									
Advertising	10.6	-	0.2%	0.6	0.6	4.2	-26.7%	0.3%	
Communication	0.8	217.6%	0.0%	1.4	1.4	1.5	22.4%	0.1%	
Legal services	0.5	-	0.0%	-	1.2	3.2	86.3%	0.1%	
Fleet services (including government motor transport)	2.3	-	0.0%	1.6	2.8	5.4	32.8%	0.2%	
Consumables: Stationery, printing and office supplies	0.5	-	0.0%	0.9	1.2	1.2	34.3%	0.1%	
Travel and subsistence	9.9	261.5%	0.2%	8.7	5.8	6.4	-13.5%	0.6%	
Transfers and subsidies	1 210.2	-2.3%	96.6%	1 270.2	1 343.2	1 424.2	5.6%	93.8%	
Departmental agencies and accounts	1 037.2	-1.4%	79.7%	1 088.1	1 152.0	1 221.9	5.6%	80.5%	
Public corporations and private enterprises	172.9	-7.1%	16.8%	182.1	191.2	202.3	5.4%	13.4%	
Payments for capital assets	0.8	-	0.0%	0.1	0.1	0.1	-51.6%	0.0%	
Machinery and equipment	0.8	-	0.0%	0.1	0.1	0.1	-51.6%	0.0%	
Total	1 288.6	-0.9%	100.0%	1 345.4	1 431.0	1 526.9	5.8%	100.0%	

Personnel information

Table 3.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																			
1. Administration																			
2. Communications Policy, Research and Development																			
3. Industry and Capacity Development																			
4. Entity Oversight																			
Number of posts estimated for 31 March 2016	Number of funded posts	Number of posts additional to the establishment	Number and cost ³ of personnel posts filled / planned for on funded establishment														Number		
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)			
			2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19											
Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Communications																			
Salary level	100	14	55	39.8	0.7	73	50.7	0.7	85	59.2	0.7	101	72.2	0.7	103	77.0	0.7	12.2%	100.0%
1 - 6	16	1	6	1.2	0.2	11	2.5	0.2	14	4.8	0.3	20	7.3	0.4	21	6.5	0.3	24.1%	18.2%
7 - 10	23	3	18	5.4	0.3	18	8.2	0.5	27	10.7	0.4	32	14.1	0.4	39	18.4	0.5	29.4%	32.0%
11 - 12	23	2	12	7.2	0.6	18	9.7	0.5	18	10.9	0.6	20	14.2	0.7	16	14.3	0.9	-3.9%	19.9%
13 - 16	38	8	19	26.0	1.4	26	30.3	1.2	26	32.8	1.3	29	36.6	1.3	27	37.9	1.4	1.3%	29.8%

Table 3.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filed / 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 (%)	Salary level/Total: Average (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Communications																			
Programme	100	14	55	39.8	0.7	73	50.7	0.7	85	59.2	0.7	101	72.2	0.7	103	77.0	0.7	12.2%	100.0%
Programme 1	71	8	31	24.4	0.8	46	35.2	0.8	53	36.0	0.7	66	45.3	0.7	68	47.9	0.7	13.9%	64.4%
Programme 2	8	–	9	5.4	0.6	8	4.3	0.5	12	6.2	0.5	14	7.6	0.5	14	8.6	0.6	20.5%	13.3%
Programme 3	14	5	11	7.1	0.6	12	5.6	0.5	13	8.1	0.6	14	9.9	0.7	14	10.5	0.7	5.3%	14.6%
Programme 4	7	1	4	2.8	0.7	7	5.6	0.8	7	8.9	1.3	7	9.5	1.4	7	10.0	1.4	–	7.7%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(1.4)	–	–	(2.2)	–	–	–
Total	100	14	55	39.8	0.7	73	50.7	0.7	85	59.2	0.7	–	70.9	–	–	74.8	–	–	–

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

2. The department's compensation of employees budget has been reduced by R3.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 3.5 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19			
R thousand												
Departmental receipts	943 612	1 196 370	976 478	1 025 126	1 025 126	2.8%	99.8%	1 025 794	1 026 291	1 026 403	–	100.0%
Sales of goods and services produced by department	941 748	1 194 476	974 895	1 023 434	1 023 434	2.8%	99.6%	1 024 120	1 024 533	1 024 558	–	99.8%
Administrative fees	933 774	1 194 470	967 600	1 015 759	1 015 759	2.8%	99.1%	1 015 759	1 015 759	1 015 759	–	99.0%
of which:												
Private radio station licences	439 308	645 000	431 057	452 610	452 610	1.0%	47.4%	452 610	452 610	452 610	–	44.1%
Private television licences	149 164	167 000	134 950	141 698	141 698	-1.7%	14.3%	141 698	141 698	141 698	–	13.8%
Telecommunication service licences	324 053	360 207	378 217	397 128	397 128	7.0%	35.2%	397 128	397 128	397 128	–	38.7%
Post office licence fees	19 546	21 078	22 132	23 017	23 017	5.6%	2.1%	23 017	23 017	23 017	–	2.2%
Cellular network licence fees	1 703	1 185	1 244	1 306	1 306	-8.5%	0.1%	1 306	1 306	1 306	–	0.1%
Other sales	7 974	6	7 295	7 675	7 675	-1.3%	0.6%	8 361	8 774	8 799	4.7%	0.8%
of which:												
Commission on insurance	5	6	7	28	28	77.6%	–	492	517	542	168.5%	–
Telephone equipment licences	7 531	–	7 181	7 540	7 540	–	0.5%	7 762	8 150	8 150	2.6%	0.8%
Unreserved postal service fees	438	–	107	107	107	-37.5%	–	107	107	107	–	–
Sales of scrap, waste, arms and other used current goods	–	–	–	2	2	–	–	–	–	–	-100.0%	–
of which:												
Waste paper	–	–	–	2	2	–	–	–	–	–	-100.0%	–
Interest, dividends and rent on land	1 864	1 894	1 583	1 662	1 662	-3.8%	0.2%	1 662	1 745	1 832	3.3%	0.2%
Interest	1 864	1 894	1 583	1 662	1 662	-3.8%	0.2%	1 662	1 745	1 832	3.3%	0.2%
Transactions in financial assets and liabilities	–	–	–	28	28	–	–	12	13	13	-22.6%	–
National Revenue Fund receipts	–	8 795	–	–	–	–	0.2%	–	–	–	–	–
of which:												
Independent Communications Authority of South Africa	–	8 795	–	–	–	–	0.2%	–	–	–	–	–
Total	943 612	1 205 165	976 478	1 025 126	1 025 126	2.8%	100.0%	1 025 794	1 026 291	1 026 403	–	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 3.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Ministry	–	–	12.0	7.5	–	21.5%	7.4	7.8	9.9	9.6%	16.3%
Departmental Management	0.7	0.8	0.9	17.5	187.3%	21.9%	14.6	18.8	20.5	5.5%	35.5%
Internal Audit	–	–	–	–	–	–	0.5	2.0	2.5	–	2.5%
Corporate Services	7.6	5.9	6.8	8.9	5.2%	32.2%	13.1	15.4	16.2	22.1%	26.6%
Financial Management	4.1	4.6	4.8	8.6	27.9%	24.3%	9.4	9.9	10.5	7.1%	19.1%
Total	12.4	11.4	24.4	42.4	50.5%	100.0%	45.1	53.9	59.5	12.0%	100.0%
Change to 2015 Budget estimate							–	6.4	9.2		
Economic classification											
Current payments	12.4	11.4	24.4	42.4	50.5%	99.9%	45.1	53.8	59.5	12.0%	99.9%
Compensation of employees	12.4	11.3	24.4	34.1	40.0%	90.7%	36.0	44.2	46.2	10.7%	79.8%
Goods and services	0.0	0.0	0.0	8.3	583.6%	9.3%	9.1	9.6	13.3	16.9%	20.1%
<i>of which:</i>											
<i>Audit costs: External</i>	–	–	–	–	–	–	0.4	0.4	0.7	–	0.7%
<i>Communication</i>	0.0	0.0	0.0	0.8	206.8%	0.9%	1.2	1.1	1.3	20.4%	2.2%
<i>Fleet services (including government motor transport)</i>	–	–	–	1.5	–	1.7%	1.6	2.8	5.4	53.0%	5.6%
<i>Consumables: Stationery, printing and office supplies</i>	–	–	–	0.2	–	0.2%	0.3	0.4	0.3	22.1%	0.6%
<i>Travel and subsistence</i>	–	–	–	5.5	–	6.0%	4.8	3.5	4.4	-6.8%	9.1%
<i>Training and development</i>	–	–	–	0.0	–	–	0.1	0.3	0.2	138.6%	0.3%
Total	12.4	11.4	24.4	42.4	50.5%	100.0%	45.1	53.9	59.5	12.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	0.8%	1.9%	3.3%	–	–	3.4%	3.8%	3.9%	–	–

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 2017.
- Promote socioeconomic development and investment by conducting research in order to assess South Africans and international stakeholder views on the reputation of South Africa and 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 communication 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 3.7 Communications Policy, Research and Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Broadcasting Policy	5.0	5.7	6.5	6.9	11.2%	95.9%	7.8	9.2	11.2	17.8%	92.6%
Media Policy	–	–	–	–	–	–	0.2	0.2	0.2	–	1.3%
Technology and Engineering Services	–	–	–	1.0	–	4.1%	0.4	0.4	0.5	-23.7%	6.2%
Total	5.0	5.7	6.5	7.9	16.5%	100.0%	8.4	9.8	11.8	14.4%	100.0%
Change to 2015 Budget estimate							–	0.8	2.4		
Economic classification											
Current payments	4.9	5.6	6.5	7.7	16.3%	98.2%	8.4	9.8	11.8	15.3%	99.5%
Compensation of employees	4.0	4.6	5.4	5.8	13.4%	78.6%	6.2	7.4	8.3	13.1%	73.0%
Goods and services	0.9	1.0	1.0	2.0	27.3%	19.7%	2.2	2.4	3.5	21.5%	26.5%
of which:											
Advertising	–	–	–	–	–	–	0.2	0.2	0.2	–	1.6%
Consultants: Business and advisory services	–	–	–	–	–	–	0.1	0.1	1.3	–	3.8%
Contractors	0.9	1.0	1.0	0.8	-5.5%	15.1%	0.2	0.2	0.2	-36.0%	3.7%
Agency and support/outsourced services	–	–	–	–	–	–	0.3	0.3	0.7	–	3.3%
Travel and subsistence	–	–	–	0.6	–	2.4%	1.0	0.5	0.2	-28.3%	6.0%
Operating payments	–	–	–	0.2	–	0.8%	0.2	0.2	0.4	25.5%	2.5%
Payments for capital assets	0.1	0.1	0.1	0.2	27.4%	1.8%	–	–	–	-100.0%	0.5%
Machinery and equipment	0.1	0.1	0.1	0.2	27.4%	1.8%	–	–	–	-100.0%	0.5%
Total	5.0	5.7	6.5	7.9	16.5%	100.0%	8.4	9.8	11.8	14.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.5%	0.6%	–	–	0.6%	0.7%	0.8%	–	–

Programme 3: Industry and Capacity Development

Programme purpose

Manage enterprise development, broadcasting digital migration, 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 SMMEs in the digital domain.
- *Industry Research and Analysis* manages industry research and analysis.

Expenditure trends and estimates

Table 3.8 Industry and Capacity Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Enterprise Development	5.4	5.9	6.0	5.0	-3.0%	48.3%	6.6	8.1	8.5	19.9%	44.8%
Broadcasting Digital Migration	2.1	3.1	3.3	15.2	92.6%	51.7%	4.1	4.4	10.5	-11.6%	54.3%
Industry Research and Analysis	-	-	-	-	-	-	0.2	0.2	0.2	-	0.8%
Total	7.6	9.0	9.3	20.2	38.7%	100.0%	10.9	12.7	19.3	-1.6%	100.0%
Change to 2015				10.0			-	1.1	7.0		
Budget estimate											
Economic classification											
Current payments	7.5	8.9	9.2	20.0	38.8%	99.0%	10.9	12.6	19.2	-1.4%	99.6%
Compensation of employees	5.6	7.0	7.1	7.6	10.5%	59.3%	8.1	9.8	10.2	10.4%	56.7%
Goods and services	1.9	2.0	2.1	12.4	88.7%	39.7%	2.7	2.9	9.0	-10.3%	42.9%
of which:											
Advertising	-	-	-	10.0	-	21.7%	0.3	0.3	3.9	-27.1%	23.1%
Communication	-	-	-	0.3	-	0.6%	0.2	0.2	0.2	-13.1%	1.3%
Consultants: Business and advisory services	-	-	-	0.0	-	-	0.2	0.2	0.2	229.7%	1.0%
Legal services	-	-	-	-	-	-	-	0.7	3.2	-	6.2%
Consumables: Stationery, printing and office supplies	-	-	-	0.2	-	0.3%	0.3	0.4	0.4	33.4%	2.0%
Travel and subsistence	-	-	-	1.6	-	3.4%	1.4	0.7	0.8	-20.6%	7.2%
Payments for capital assets	0.1	0.1	0.1	0.2	27.7%	1.0%	0.0	0.0	0.0	-33.6%	0.4%
Machinery and equipment	0.1	0.1	0.1	0.2	27.7%	1.0%	0.0	0.0	0.0	-33.6%	0.4%
Total	7.6	9.0	9.3	20.2	38.7%	100.0%	10.9	12.7	19.3	-1.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.6%	0.7%	0.7%	1.6%	-	-	0.8%	0.9%	1.3%	-	-

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 3.9 Entity Oversight expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
R million												
Programme Management for Entity Oversight	–	–	–	2.1	–	–	2.1	2.2	2.4	3.5%	0.2%	
Broadcasting and Community Media	237.4	279.4	252.7	198.0	-5.9%	19.3%	211.0	221.6	234.4	5.8%	16.3%	
Communication and Branding	536.5	569.6	539.1	543.4	0.4%	43.6%	565.2	602.0	640.0	5.6%	44.4%	
Regulatory Institutions	459.1	473.3	455.1	476.9	1.3%	37.1%	502.8	528.8	559.5	5.5%	39.1%	
Total	1 232.9	1 322.4	1 246.9	1 220.4	-0.3%	100.0%	1 281.0	1 354.6	1 436.3	5.6%	100.0%	
Change to 2015 Budget estimate							0.7	3.8	7.1			
Economic classification												
Current payments	1.9	2.1	3.6	9.9	73.3%	0.3%	10.8	11.4	12.1	6.8%	0.8%	
Compensation of employees	1.7	1.8	2.8	8.6	71.5%	0.3%	8.9	9.5	10.0	5.3%	0.7%	
Goods and services	0.2	0.2	0.8	1.4	86.3%	0.1%	1.9	2.0	2.1	15.5%	0.1%	
of which:												
Consultants: Business and advisory services	–	–	–	–	–	–	–	–	0.6	–	–	
Infrastructure and planning services	–	–	–	–	–	–	–	0.4	–	–	–	
Consumables: Stationery, printing and office supplies	–	–	–	0.2	–	–	0.2	0.2	0.2	0.6%	–	
Travel and subsistence	0.2	0.2	0.8	0.8	53.4%	–	1.4	1.1	1.0	9.8%	0.1%	
Training and development	–	–	–	0.1	–	–	0.2	0.2	0.2	59.7%	–	
Transfers and subsidies	1 231.0	1 320.3	1 243.2	1 210.2	-0.6%	99.6%	1 270.2	1 343.2	1 424.2	5.6%	99.2%	
Departmental agencies and accounts	1 015.6	1 063.7	1 016.0	1 037.2	0.7%	82.3%	1 088.1	1 152.0	1 221.9	5.6%	85.0%	
Public corporations and private enterprises	215.4	256.6	227.2	172.9	-7.1%	17.4%	182.1	191.2	202.3	5.4%	14.1%	
Payments for capital assets	–	–	0.1	0.3	–	–	–	–	–	-100.0%	–	
Machinery and equipment	–	–	0.1	0.3	–	–	–	–	–	-100.0%	–	
Total	1 232.9	1 322.4	1 246.9	1 220.4	-0.3%	100.0%	1 281.0	1 354.6	1 436.3	5.6%	100.0%	
Proportion of total programme expenditure to vote expenditure	98.0%	98.1%	96.9%	94.5%	–	–	95.2%	94.7%	94.1%	–	–	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	1 015.6	1 063.7	1 016.0	1 037.2	0.7%	82.3%	1 088.1	1 152.0	1 221.9	5.6%	85.0%	
Media Development and Diversity Agency	20.0	20.8	21.8	22.6	4.2%	1.7%	23.8	25.0	26.5	5.4%	1.8%	
Brand South Africa	148.8	160.4	167.7	173.2	5.2%	12.9%	181.2	194.3	205.6	5.9%	14.3%	
Government Communication and Information System	387.7	409.2	371.4	365.5	-1.9%	30.5%	382.2	405.8	432.4	5.8%	30.0%	
Independent Communications Authority of South Africa	389.8	390.7	376.2	393.6	0.3%	30.9%	414.5	435.2	460.4	5.4%	32.2%	
Film and Publication Board	69.3	82.7	78.9	82.4	5.9%	6.2%	86.5	91.7	97.0	5.6%	6.8%	

Table 3.9 Entity Oversight expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	215.4	256.6	227.2	172.9	-7.1%	17.4%	182.1	191.2	202.3	5.4%	14.1%
South African Broadcasting Corporation: Channel Africa	43.3	44.7	47.4	49.6	4.7%	3.7%	52.3	54.9	58.1	5.4%	4.1%
South African Broadcasting Corporation: Public broadcaster	154.2	127.1	97.2	101.8	-12.9%	9.6%	107.2	112.5	119.1	5.4%	8.3%
South African Broadcasting Corporation: Community radio stations	8.0	8.8	9.4	9.8	7.0%	0.7%	10.3	10.8	11.5	5.4%	0.8%
South African Broadcasting Corporation: Programme productions	10.0	–	11.2	11.7	5.4%	0.7%	12.3	12.9	13.7	5.4%	1.0%
South African Broadcasting Corporation: Broadcasting digital migration	–	76.0	62.0	–	–	2.7%	–	–	–	–	–

Other departments within the vote

Government Communication and Information System

Table 3.10 Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	143.1	142.5	0.0	0.5	151.7	161.5
Content Processing and Dissemination	133.6	133.1	–	0.5	141.9	150.9
Intergovernmental Coordination and Stakeholder Management	105.5	105.4	0.0	0.1	112.3	120.1
Total expenditure estimates	382.2	381.0	0.1	1.1	405.8	432.4

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 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 accordingly mandated to: develop overarching communication strategies for government; disseminate information, publicity and marketing on government programmes; and promote an informed citizenry through facilitating integrated, coordinated and clear communication between government and South African citizens to enable citizens to be involved in the country's transformation.

Selected performance indicators

Table 3.11 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of cluster reports on perceptions on government delivery and performance reports issued per year	Content Processing and Dissemination	Outcome 14: Nation building and social cohesion	35	14	14	14	10	10	10
Number of copies of Vuk'uzenzele newspaper published per year	Content Processing and Dissemination		20.7 million	21 million	18.7 million	20.4 million	18.7 million	18.7 million	18.7 million
Number of radio advertisements and dramas produced per year	Communication Service Agency		42	51	80	100	48	48	48
Number of video programmes produced per year	Communication Service Agency		316	383	92	120	120	120	120
Number of requests for photographic coverage handled per year	Communication Service Agency		926	819	884	500	500	500	500
Number of live broadcasts on community radio stations per year	Communication Service Agency		205	70	80	54	54	54	54
Number of government and national events covered by video per year ¹	Communication Service Agency		341	540	783	400	400 ¹	400 ¹	400 ¹
Number of graphic designs produced for communication products per year ¹	Communication Service Agency		359	315	584	160	160	160	160
Number of requests for media briefings received from government departments per year	Intergovernmental Coordination and Stakeholder Management		93	22	173	100	100	100	100
Number of community and stakeholder liaison visits per year	Intergovernmental Coordination and Stakeholder Management		3 588	3 588	2 506	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		3 010	2184	2 238	2 184	1 200	1 200	1 200
Number of rapid response reports produced per year ¹	Intergovernmental Coordination and Stakeholder Management		337	301	24	311	24	24	24
Number of marketing events per Thusong service centre per year	Intergovernmental Coordination and Stakeholder Management		519	484	746	484	484	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 South Africans around a common goal, ensure citizens are active in their own development, and build a capable and developmental state. This is given substance in outcome 12 (an efficient, effective and development oriented public service) and outcome 14 (nation building and social cohesion) of government's 2014-2019 medium term strategic framework. The Government Communication and Information System supports these national priorities by facilitating two-way communication between government and citizens. The department provides accessible information about government policies, plans, programmes and activities to promote government accountability as well as to ensure that citizens can actively participate in government initiatives.

Over the medium term, the department has 476 funded posts, of which 332 are in the *Content Processing and Dissemination* programme and the *Intergovernmental Coordination and Stakeholder Management* programme, the two line function programmes. The other 144 posts are in the *Administration* programme. Due to the labour intensity of the core activities and tasks, expenditure on compensation of employees accounts for 59 per cent of the department's budget over the medium term. Activities and tasks include the facilitation of stakeholder engagements, and imbizos held by the minister and deputy minister of communications. The increase in spending on compensation of employees over the medium term is mainly due to the costs of the public sector wage agreement.

Over the medium term, two-way communication between government and citizens will happen through development communication activations from the Thusong service centres, which have a countrywide footprint. Development communication activation can be defined as providing communities with information in a manner that enables them to use that information to improve their lives. The platforms or methods used include community radio and other community media, seminars, workshops, door to door visits, taxi and mall activations, dialogues, and meetings. These happen at the provincial and local government levels.

To improve the coherence of messaging across the three spheres of government, the department hosts monthly and quarterly communication coordination meetings with the public countrywide to discuss matters of national

interest including government programmes. At the end of the year or periodically, the department establishes the number of citizens that have been reached by its activities. R270.8 million is allocated to compensation of employees in the *Intergovernmental Coordination and Stakeholder Management* programme over the medium term for this work.

The department will also continue to publish and distribute the monthly Vuk'uzenzele newspaper and the annual South Africa Yearbook, conduct ongoing communication research, produce media products such as photos, videos and radio productions, and conduct communication liaison with the public in provincial districts. This work is budgeted for in the *Content Processing and Dissemination* programme. R426.3 million is allocated over the medium term, mainly for compensation of employees and goods and services. Total expected expenditure for the production and distribution of 18.7 million copies per year of Vuk'uzenzele in all 11 official languages is expected to increase from R25.8 million in 2016/17 to R29 million in 2018/19. The interministerial committee on information and publicity assigned the department to centralise the advertising of government vacancies in Vuk'uzenzele, intending to reach citizens that do not have general access to mainstream newspapers or digital information, and also for cost effectiveness. Total departmental expenditure on goods and services is mainly driven by these activities.

Other activities over the medium term include providing media bulk buying services for government departments, developing government's communication products and services, and building, maintaining and improving relations with the media.

Expenditure trends

Table 3.12 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Content Processing and Dissemination														
3. Intergovernmental Coordination 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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	170.8	192.6	149.2	132.6	181.4	178.8	141.4	134.6	133.6	139.8	139.8	140.6	103.0%	92.9%
Programme 2	141.7	142.3	133.1	144.2	137.5	130.9	150.0	145.6	137.3	130.9	130.9	130.2	93.8%	95.5%
Programme 3	116.5	126.1	105.5	120.0	118.2	99.4	121.7	99.3	93.9	94.7	94.7	94.8	86.9%	89.8%
Total	429.1	461.0	387.7	396.7	437.2	409.2	413.1	379.5	364.9	365.5	365.5	365.5	95.2%	92.9%
Change to 2015 Budget estimate														
Economic classification														
Current payments	405.6	427.5	332.2	374.3	378.1	362.2	388.0	374.8	356.2	364.5	363.9	363.9	92.3%	91.6%
Compensation of employees	176.4	178.3	165.1	188.4	188.7	171.3	200.1	188.3	181.6	210.0	209.4	207.7	93.7%	94.9%
Goods and services	229.3	249.3	167.1	185.9	189.4	190.9	187.9	186.5	174.6	154.5	154.5	156.1	90.9%	88.3%
of which:														
Communication	8.5	9.2	12.5	10.9	10.4	14.2	12.8	12.1	12.6	8.4	8.1	8.1	116.6%	119.0%
Computer services	14.3	14.2	15.2	16.0	15.0	15.3	15.4	16.1	16.0	12.5	12.3	12.7	101.8%	102.7%
Operating leases	37.9	33.9	12.4	35.4	35.6	39.4	39.3	40.0	43.5	48.0	48.2	48.2	89.3%	91.0%
Property payments	3.8	7.6	5.2	7.8	7.6	6.9	7.6	6.9	6.5	6.5	6.6	7.2	100.3%	89.8%
Travel and subsistence	21.3	19.5	20.8	23.1	18.5	19.5	19.7	19.4	20.6	17.4	18.0	20.0	99.1%	107.1%
Operating payments	41.8	43.5	41.2	42.9	42.1	41.2	43.2	42.6	35.8	35.3	34.1	33.7	93.2%	93.6%
Transfers and subsidies	20.0	20.0	0.7	20.8	21.1	0.8	21.8	0.6	1.0	0.1	0.7	0.7	5.2%	7.7%
Departmental agencies and accounts	20.0	20.0	0.1	20.8	20.8	0.0	21.8	0.6	0.6	0.1	0.1	0.1	1.2%	1.9%
Households	-	-	0.7	-	0.3	0.8	-	0.0	0.4	-	0.6	0.6	-	245.2%
Payments for capital assets	3.4	13.4	54.7	1.6	38.0	46.0	3.3	4.0	7.6	0.9	0.9	0.9	1 183.9%	193.8%
Buildings and other fixed structures	-	10.0	40.7	-	36.1	26.2	-	-	0.5	-	-	-	-	146.2%
Machinery and equipment	2.7	2.7	13.9	1.3	1.6	19.7	3.0	3.8	7.1	0.7	0.7	0.7	535.0%	471.0%
Software and other intangible assets	0.7	0.7	0.1	0.3	0.3	-	0.3	0.3	-	0.2	0.2	0.2	22.6%	22.6%
Payments for financial assets	-	-	0.0	-	-	0.1	-	-	0.0	-	-	-	-	-
Total	429.1	461.0	387.7	396.7	437.2	409.2	413.1	379.5	364.9	365.5	365.5	365.5	95.2%	92.9%

Expenditure estimates

Table 3.13 Vote 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Programme 1	140.6	-10.0%	39.4%	143.1	151.7	161.5	4.7%	37.6%
Programme 2	130.2	-2.9%	34.8%	133.6	141.9	150.9	5.0%	35.1%
Programme 3	94.8	-9.1%	25.8%	105.5	112.3	120.1	8.2%	27.3%
Total	365.5	-7.4%	100.0%	382.2	405.8	432.4	5.8%	100.0%
Change to 2015 Budget estimate				0.7	3.8	7.1		
Economic classification								
Current payments	363.9	-5.2%	92.6%	381.0	404.5	431.0	5.8%	99.7%
Compensation of employees	207.7	5.2%	47.5%	222.8	237.6	254.8	7.0%	58.2%
Goods and services	156.1	-14.4%	45.1%	158.2	166.9	176.2	4.1%	41.5%
of which:								
Communication	8.1	-3.9%	3.1%	8.8	9.2	9.6	5.5%	2.3%
Computer services	12.7	-3.7%	3.9%	14.1	14.9	15.8	7.6%	3.6%
Operating leases	48.2	12.5%	9.4%	48.2	50.9	53.8	3.7%	12.7%
Property payments	7.2	-1.9%	1.7%	6.1	6.4	7.5	1.2%	1.7%
Travel and subsistence	20.0	0.7%	5.3%	17.2	18.2	19.3	-1.1%	4.7%
Operating payments	33.7	-8.1%	10.0%	35.2	37.3	39.4	5.3%	9.2%
Transfers and subsidies	0.7	-67.3%	0.2%	0.1	0.1	0.1	-55.2%	0.1%
Departmental agencies and accounts	0.1	-82.6%	0.1%	0.1	0.1	0.1	-15.7%	0.0%
Households	0.6	-	0.2%	-	-	-	-100.0%	0.0%
Payments for capital assets	0.9	-59.1%	7.2%	1.1	1.3	1.3	13.7%	0.3%
Machinery and equipment	0.7	-35.9%	2.7%	0.9	1.0	1.1	14.3%	0.2%
Software and other intangible assets	0.2	-34.9%	0.0%	0.3	0.3	0.3	11.7%	0.1%
Total	365.5	-7.4%	100.0%	382.2	405.8	432.4	5.8%	100.0%

Personnel information

Table 3.14 Departmental personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																			
1. Administration																			
2. Content Processing and Dissemination																			
3. Intergovernmental Coordination and Stakeholder Management																			
Government Communication and Information System	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)			
			2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost
Salary level	476	28	474	181.6	0.4	464	207.7	0.4	476	222.8	0.5	476	242.3	0.5	476	262.5	0.6	0.9%	100.0%
1 – 6	103	12	109	20.2	0.2	115	22.9	0.2	123	29.1	0.2	123	31.6	0.3	123	34.3	0.3	2.3%	25.6%
7 – 10	235	14	212	69.0	0.3	215	79.6	0.4	217	85.1	0.4	217	92.5	0.4	217	100.2	0.5	0.3%	45.8%
11 – 12	86	2	82	46.8	0.6	84	53.2	0.6	85	52.8	0.6	85	57.4	0.7	85	62.2	0.7	0.4%	17.9%
13 – 16	52	-	47	44.1	0.9	50	52.0	1.0	51	55.9	1.1	51	60.8	1.2	51	65.8	1.3	0.7%	10.7%
Other	-	-	24	1.6	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Programme	476	28	474	181.6	0.4	464	207.7	0.4	476	222.8	0.5	476	242.3	0.5	476	262.5	0.6	0.9%	100.0%
Programme 1	144	17	167	51.0	0.3	148	61.6	0.4	144	64.1	0.4	144	69.7	0.5	144	75.5	0.5	0.9%	30.7%
Programme 2	154	10	146	62.4	0.4	150	71.9	0.5	154	74.3	0.5	154	80.8	0.5	154	87.6	0.6	0.9%	32.3%
Programme 3	178	1	161	68.3	0.4	166	74.3	0.4	178	84.4	0.5	178	91.7	0.5	178	99.4	0.6	2.4%	37.0%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(4.7)	-	-	(7.7)	-	-	-
Total	476	28	474	181.6	0.4	464	207.7	0.4	476	222.8	0.5	-	237.6	-	-	254.8	-	-	-

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

2. The department's compensation of employees budget has been reduced by R12.3 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 3.15 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	1 013	794	747	1 046	1 046	1.1%	100.0%	1 093	1 146	1 200	4.7%	100.0%
Sales of goods and services produced by department	405	225	379	270	270	-12.6%	35.5%	279	291	303	3.9%	25.5%
Sales by market establishments	128	140	146	142	142	3.5%	15.4%	145	150	155	3.0%	13.2%
of which:												
Market establishment: Rental parking: Covered and open	128	140	146	142	142	3.5%	15.4%	145	150	155	3.0%	13.2%
Other sales	277	85	233	128	128	-22.7%	20.1%	134	141	148	5.0%	12.3%
of which:												
Services rendered: Commission on insurance and garnishee	53	53	129	80	80	14.7%	8.8%	84	88	92	4.8%	7.7%
Sales: Departmental publications and production	223	32	104	48	48	-40.1%	11.3%	50	53	56	5.3%	4.6%
Replacement of security cards	1	-	-	-	-	-100.0%	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods	-	-	2	2	2	-	0.1%	2	2	2	-	0.2%
of which:												
Sales: Waste paper	-	-	2	2	2	-	0.1%	2	2	2	-	0.2%
Interest, dividends and rent on land	118	79	105	240	240	26.7%	15.1%	252	265	278	5.0%	23.1%
Interest	118	79	105	240	240	26.7%	15.1%	252	265	278	5.0%	23.1%
Transactions in financial assets and liabilities	490	490	261	534	534	2.9%	49.3%	560	588	617	4.9%	51.3%
Total	1 013	794	747	1 046	1 046	1.1%	100.0%	1 093	1 146	1 200	4.7%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 3.16 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Departmental Management	7.8	6.4	5.4	6.0	-8.6%	4.2%	7.2	7.7	8.2	11.4%	4.9%
Corporate Services	50.6	48.4	49.1	48.6	-1.3%	32.7%	48.6	51.6	55.0	4.2%	34.2%
Financial Administration	70.2	75.2	26.6	29.1	-25.5%	33.4%	31.0	33.0	35.3	6.7%	21.5%
Internal Audit	7.1	6.9	7.0	7.3	1.0%	4.7%	7.7	8.2	8.7	6.1%	5.3%
Office Accommodation	13.5	41.9	45.5	48.9	53.6%	24.9%	48.6	51.3	54.2	3.5%	34.1%
Total	149.2	178.8	133.6	139.8	-2.1%	100.0%	143.1	151.7	161.5	4.9%	100.0%
Change to 2015 Budget estimate							(2.7)	(1.8)	(0.9)		
Economic classification											
Current payments	96.1	134.2	128.2	139.4	13.2%	82.8%	142.5	151.1	160.8	4.9%	99.6%
Compensation of employees	47.3	49.7	51.0	63.2	10.2%	35.1%	64.1	68.3	73.3	5.1%	45.1%
Goods and services	48.8	84.5	77.2	76.2	16.0%	47.7%	78.4	82.7	87.5	4.7%	54.5%
of which:											
Computer services	12.2	11.9	9.1	9.5	-8.0%	7.1%	11.1	11.7	12.4	9.2%	7.5%
Contractors	0.8	2.8	2.4	1.7	31.2%	1.3%	2.1	2.2	2.4	10.8%	1.4%
Operating leases	10.9	38.3	42.8	47.2	63.0%	23.1%	47.2	49.8	52.6	3.7%	33.0%
Property payments	5.0	6.8	6.5	6.5	9.3%	4.1%	6.0	6.3	7.4	4.3%	4.4%
Travel and subsistence	4.3	4.0	3.3	2.5	-16.1%	2.3%	2.6	2.7	3.0	6.3%	1.8%
Operating payments	2.1	2.5	2.6	2.3	3.2%	1.6%	2.5	2.6	2.8	6.1%	1.7%

Table 3.16 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 (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R million											
Transfers and subsidies	0.2	0.3	0.8	0.1	-32.2%	0.2%	0.0	0.0	0.1	-13.0%	-
Departmental agencies and accounts	0.0	0.0	0.6	0.0	63.9%	0.1%	0.0	0.0	0.1	4.4%	-
Households	0.2	0.3	0.3	0.0	-48.5%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	52.8	44.3	4.6	0.3	-81.3%	17.0%	0.5	0.6	0.6	19.4%	0.3%
Buildings and other fixed structures	40.7	26.2	0.5	-	-100.0%	11.2%	-	-	-	-	-
Machinery and equipment	12.1	18.1	4.1	0.3	-69.3%	5.8%	0.5	0.5	0.5	16.3%	0.3%
Software and other intangible assets	0.1	-	-	-	-100.0%	-	0.0	0.0	0.0	-	-
Proportion of total programme expenditure to vote expenditure	38.5%	43.7%	36.6%	38.3%	-	-	37.4%	37.4%	37.3%	-	-

Programme 2: Content Processing and Dissemination

Programme purpose

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

Objectives

- Provide strategic leadership and support in government communication by conducting research on public opinion and analysis of media coverage to understand the communication 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 communication 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 communication in the department and other government departments, and ensures adherence to government communication standards.
- *Policy and Research* conducts research 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; guides the development of the websites of national and provincial government departments; produces government publications; and develops the national communication strategy.
- *Communication Service Agency* provides media bulk buying services and media production services to national 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 3.17 Content Processing and Dissemination expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13	2015/16	2016/17	2017/18	2018/19	2015/16	2018/19
R million												
Programme Management for Content Processing and Dissemination	2.5	2.5	3.4	3.3	9.7%	2.2%	3.4	3.6	3.9	5.8%	2.6%	
Policy and Research	29.3	28.3	29.8	31.8	2.9%	22.4%	33.0	35.2	37.3	5.5%	24.7%	
Products and Platforms	50.4	47.5	49.0	46.6	-2.6%	36.4%	50.5	53.6	56.8	6.8%	37.2%	
Communication Service Agency	51.0	52.7	55.1	49.2	-1.2%	39.1%	46.6	49.5	52.8	2.4%	35.5%	
Total	133.1	130.9	137.3	130.9	-0.5%	100.0%	133.6	141.9	150.9	4.8%	100.0%	
Change to 2015 Budget estimate							(2.5)	(1.6)	(0.9)			
Economic classification												
Current payments	131.8	129.2	134.9	130.1	-0.4%	98.8%	133.1	141.3	150.3	4.9%	99.6%	
Compensation of employees	54.2	56.6	62.4	71.9	9.8%	46.0%	74.3	79.3	85.0	5.8%	55.7%	
Goods and services	77.6	72.7	72.4	58.2	-9.1%	52.8%	58.8	62.1	65.3	3.9%	43.8%	
<i>of which:</i>												
Advertising	10.5	6.7	5.5	3.2	-32.4%	4.9%	2.5	2.7	2.8	-4.5%	2.0%	
Communication	4.3	5.6	5.7	3.0	-10.9%	3.5%	3.0	3.2	3.3	2.8%	2.2%	
Computer services	3.0	3.4	6.9	2.8	-1.6%	3.0%	3.0	3.2	3.4	6.4%	2.2%	
Agency and support/outourced services	8.3	7.9	6.3	5.8	-11.4%	5.3%	5.8	6.1	6.3	3.0%	4.3%	
Travel and subsistence	7.0	7.2	8.9	8.1	4.7%	5.9%	7.9	8.3	8.7	2.4%	5.9%	
Operating payments	36.0	35.9	31.1	30.4	-5.5%	25.0%	31.2	33.0	34.9	4.7%	23.2%	
Transfers and subsidies	0.2	0.2	0.1	0.5	34.3%	0.2%	-	-	-	-100.0%	0.1%	
Households	0.2	0.2	0.1	0.5	36.3%	0.2%	-	-	-	-100.0%	0.1%	
Payments for capital assets	1.1	1.4	2.4	0.4	-29.8%	1.0%	0.5	0.5	0.6	12.8%	0.4%	
Machinery and equipment	1.1	1.4	2.4	0.2	-44.1%	0.9%	0.3	0.3	0.3	19.7%	0.2%	
Software and other intangible assets	0.1	-	-	0.2	57.7%	-	0.2	0.2	0.2	5.5%	0.2%	
Payments for financial assets	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-	
Total	133.1	130.9	137.3	130.9	-0.5%	100.0%	133.6	141.9	150.9	4.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	34.3%	32.0%	37.6%	35.8%	-	-	35.0%	35.0%	34.9%	-	-	

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 communication 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 media engagement system by building, maintaining and improving relations with the media and driving government's communication agenda over the medium term.

Subprogrammes

- *Programme Management for Intergovernmental Coordination and Stakeholder Management* ensures a well functioning communication 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 communication 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 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 communication advice and support to national departments and leadership on key cluster communication issues and campaigns; and coordinates Cabinet cluster communications and the development of the government communications programme. It also develops communication strategies and key messages for the campaigns of the departments in these clusters.
- *Cluster Supervision (Economic and Infrastructure, Justice and International)* provides strategic cluster communication advice and support to national departments and leadership on key cluster communication issues and campaigns; and coordinates Cabinet cluster communications and the development of the government communications programme. It also develops communication strategies and key messages for the campaigns of the departments in these clusters.

Expenditure trends and estimates

Table 3.18 Intergovernmental Coordination and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Programme Management for Intergovernmental Coordination and Stakeholder Management	2.1	2.5	2.7	2.6	7.0%	2.5%	3.1	3.3	3.5	10.8%	2.9%
Provincial and Local Liaison	71.8	71.9	70.0	68.4	-1.6%	71.7%	73.6	78.3	83.7	6.9%	70.3%
Media Engagement	12.8	12.9	12.8	13.8	2.5%	13.3%	13.3	14.2	15.2	3.1%	13.1%
Cluster Supervision (Human Development, Social Protection and Governance and Administration)	14.9	8.4	4.6	5.0	-30.4%	8.4%	8.3	8.8	9.4	23.4%	7.3%
Cluster Supervision (Economic and Infrastructure, Justice and International)	3.8	3.7	3.8	4.9	8.4%	4.1%	7.3	7.7	8.3	19.3%	6.5%
Total	105.5	99.4	93.9	94.7	-3.5%	100.0%	105.5	112.3	120.1	8.2%	100.0%
Change to 2015 Budget estimate							6.0	7.1	8.8		
Economic classification											
Current payments	104.4	98.8	93.2	94.4	-3.3%	99.3%	105.4	112.1	119.9	8.3%	99.8%
Compensation of employees	63.6	65.0	68.3	74.3	5.3%	68.9%	84.4	90.0	96.5	9.1%	79.8%
Goods and services	40.8	33.7	24.9	20.1	-21.1%	30.4%	21.0	22.1	23.4	5.2%	20.0%
of which:											
Advertising	7.3	4.8	1.7	1.0	-48.2%	3.8%	1.2	1.3	1.4	10.6%	1.1%
Communication	5.6	5.7	4.9	4.0	-11.2%	5.1%	4.6	4.9	5.1	9.2%	4.3%
Contractors	3.9	4.9	2.1	1.3	-30.9%	3.1%	1.3	1.3	1.3	1.4%	1.2%
Fleet services (including government motor transport)	2.2	2.7	2.3	1.2	-18.5%	2.1%	1.2	1.3	1.4	4.5%	1.2%
Travel and subsistence	9.5	8.2	8.4	7.4	-8.0%	8.5%	6.8	7.2	7.6	1.0%	6.7%
Operating payments	3.1	2.8	2.1	1.4	-22.8%	2.4%	1.6	1.7	1.8	7.3%	1.5%
Transfers and subsidies	0.3	0.3	0.0	0.2	-18.1%	0.2%	0.0	0.0	0.0	-57.7%	-
Departmental agencies and accounts	0.0	0.0	0.0	0.1	12.4%	-	0.0	0.0	0.0	-40.3%	-
Households	0.3	0.3	0.0	0.1	-25.6%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	0.8	0.3	0.7	0.2	-38.3%	0.5%	0.1	0.2	0.2	3.5%	0.2%
Machinery and equipment	0.8	0.3	0.7	0.2	-38.3%	0.5%	0.1	0.2	0.2	3.5%	0.2%
Payments for financial assets	-	0.1	0.0	-	-	-	-	-	-	-	-
Total	105.5	99.4	93.9	94.7	-3.5%	100.0%	105.5	112.3	120.1	8.2%	100.0%
Proportion of total programme expenditure to vote expenditure	27.2%	24.3%	25.7%	25.9%	-	-	27.6%	27.7%	27.8%	-	-

Entities

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), as amended, in terms of which it is required to provide radio and television broadcasting services to South Africa.

Selected performance indicators

Table 3.19 South African Broadcasting Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of television audience share achieved per year	Local content delivery: Television	Outcome 12: An efficient, effective and development oriented public service	- ¹	53%	51%	52%	50%	50%	50%
Percentage of radio share achieved per year	Local content delivery: Radio		67%	67%	69%	70%	70%	70%	70%
Number of new/additional programmes broadcast with sign language per year	Local content delivery: Television		- ¹	- ¹	2	3	3	6	12
Number of companies controlled/owned by people with disabilities from which content was procured per year	Local content delivery: Television		- ¹	- ¹	3	3	2	4	6
Number of provincial programmes and inserts broadcast per year	Local content delivery: Television		- ¹	- ¹	26	26 ²	100 ²	200 ²	- ³

1. No historical data is available as these are new indicators.

2. Actual achieved on pilot was higher on inserts.

3. Full implementation will commence from 2018/19.

Expenditure analysis

Although the work of the South African Broadcasting Corporation is not directly aligned with the vision of the national development plan, it contributes indirectly to outcome 12 (an efficient, effective and development oriented public service) and outcome 14 (social cohesion and nation building) of government's 2014-2019 medium term strategic framework. It does this through its programming content, with an emphasis on audiences, editorial integrity, the development of local content, and the telling of authentic South African stories.

The corporation supports the policy of the Department of Communications by delivering public value programming that supports government's national priorities, and responds to the triple challenge of unemployment, poverty and inequality. Content will be delivered in the form of documentaries, talk shows, dramas, interviews and narrations. The corporation produces news and current affairs content that is editorially independent and relevant; continues to be an information leader on key national issues and events; provides an African perspective on international developments; and will provide extensive coverage of the 2016 local government elections. To carry out these activities, the corporation will use the transfers it receives from the department of R584 million over the medium term.

The focus of the corporation over the medium term will be on improving the quality of its content to increase its audience share, especially in preparation for digital migration. The key imperative is to increase audience share across all five television channels (SABC1, SABC2, SABC3, SABC Encore, and the 24-hour news channel on DStv channel 404) over the medium term. Instituting new channel schedules, removing repeats in prime time, increasing the volume of local content, and increasing and improving capacity in core business areas such as technology and digital platforms is expected to drive an increase in expenditure at an average annual rate of 6.4 per cent from R8.4 billion in 2015/16 to R10.2 billion in 2018/19. The corporation also aims to increase its radio audience share by expanding its commercial radio stations, and replacing or upgrading equipment in the studios.

In the run-up to digital migration, key strategic areas for the corporation include 360 degree content planning and commissioning; cross-platform production; the integration of internal processes; digital terrestrial television/direct to home delivery; increased digital platform presence; the construction of digital archives and

libraries; and research and development initiatives. These activities are expected to lead to an increase in capital expenditure from R280 million in 2014/15 to R957 million in 2017/18.

Sports rights and productions are part of the corporation's public mandate. Spending on sports rights and broadcasting sports of national interest is expected to be R2.1 billion over the medium term.

The corporation expects to generate 95.5 per cent of its revenue over the medium term from licence fees, commercial revenue from advertising, and programme and sport sponsorships across television, radio and online platforms; 2.5 per cent from transfers from the department; and 2 per cent from other sources such as interest, dividends, and rent on land. Revenue is expected to grow steadily from R9.1 billion in 2016/17 to R10.7 billion in 2018/19, despite continuing to be affected by weak economic conditions which affect most media, and other factors such as load shedding and declining marketing and advertising budgets.

Programmes/objectives/activities

Table 3.20 South African Broadcasting Corporation expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17		
Administration	1 655.4	1 253.2	1 806.2	1 694.7	0.8%	21.3%	1 818.5	1 956.1	2 069.3	6.9%	20.2%
Local content delivery: Television	2 252.7	2 382.5	2 675.6	2 967.1	9.6%	34.1%	3 180.1	3 395.3	3 555.8	6.2%	35.1%
Local content delivery: Radio	846.0	768.2	976.5	1 136.5	10.3%	12.3%	1 218.6	1 300.6	1 361.8	6.2%	13.4%
Universal access transmitter rollout news	573.0	688.8	813.4	897.0	16.1%	9.8%	961.3	1 026.4	1 065.9	5.9%	10.6%
Sports of national interest and mandate	711.8	581.7	828.2	614.8	-4.8%	9.1%	653.5	697.7	740.9	6.4%	7.3%
Digital terrestrial migration and technology	843.4	1 020.0	1 031.5	1 131.9	10.3%	13.4%	1 213.2	1 295.3	1 373.2	6.7%	13.4%
Total	6 882	6 694	8 131	8 442	7.0%	100.0%	9 045	9 671	10 167	6.4%	100.0%

Statements of historical financial performance and position

Table 3.21 South African Broadcasting Corporation statements of historical financial performance and position

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16						
R million	2012/13		2013/14		2014/15		2015/16				2012/13 - 2015/16
Revenue											
Non-tax revenue	6 126.7	6 108.1	6 120.3	6 525.6	7 023.1	6 927.9	7 571.7	8 266.5			103.7%
Sale of goods and services other than capital assets	6 125.6	6 007.9	6 087.7	6 460.6	6 969.2	6 845.4	7 532.5	7 341.6			99.8%
<i>of which:</i>											
Administrative fees	1 023.6	919.9	985.8	935.1	1 106.7	913.6	1 092.6	1 040.7			90.5%
Sales by market establishment	5 102.0	5 088.0	5 101.9	5 525.5	5 862.5	5 931.8	6 439.9	6 300.8			101.5%
Other non-tax revenue	1.1	100.1	32.6	65.0	53.9	82.5	39.2	924.9			925.1%
Transfers received	860.1	635.4	536.6	820.7	744.4	641.8	733.0	194.7			79.8%
Total revenue	6 987	6 743	6 657	7 346	7 768	7 734	8 305	8 461			101.9%
Expenses											
Current expenses	6 802	6 518	6 909	6 797	7 807	8 043	8 677	8 368			98.5%
Compensation of employees	1 522.3	1 814.8	1 455.4	2 073.8	2 320.6	2 511.1	2 419.9	2 676.0			117.6%
Goods and services	4 768.5	4 345.5	5 046.9	4 291.6	5 145.8	5 221.6	5 925.5	5 407.0			92.2%
Depreciation	391.7	284.1	318.8	398.1	325.0	271.8	341.8	270.1			88.9%
Interest, dividends and rent on land	119.3	73.9	87.8	33.1	15.2	38.7	(10.7)	14.6			75.8%
Transfers and subsidies	1.0	73.4	4.4	80.4	57.8	88.2	77.0	74.2			225.5%
Total expenses	6 802.8	6 882.3	6 913.3	6 694.4	7 864.3	8 131.4	8 912.4	8 442.0			98.9%
Surplus/(Deficit)	184	(139)	(256)	652	(97)	(397)	(608)	19			

Table 3.21 South African Broadcasting Corporation 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	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Carrying value of assets	1 971.2	1 337.5	2 081.8	1 485.2	1 242.4	1 609.8	1 545.8	1 489.3	86.6%
<i>of which:</i>									
Acquisition of assets	(784 848.0)	(124.5)	(1 091.1)	(104.5)	(2 771.0)	(194.8)	(321.4)	(321.4)	0.1%
Investments	120.4	1 085.1	1 027.1	1 506.6	896.8	427.9	687.2	156.9	116.3%
Inventory	1 032.7	692.2	1 664.8	729.7	677.0	729.2	878.7	652.7	65.9%
Receivables and prepayments	1 232.3	923.1	1 046.4	1 251.6	1 055.8	1 322.0	1 345.2	1 599.9	108.9%
Cash and cash equivalents	–	145.4	200.0	59.2	20.0	1 014.2	20.0	1 200.7	1 008.2%
Defined benefit plan assets	–	69.2	9.6	155.7	–	75.4	–	–	3 112.2%
Derivatives financial instruments	–	6.8	4.8	8.2	6.8	11.2	8.2	8.2	174.5%
Total assets	4 357	4 259	6 034	5 196	3 899	5 190	4 485	5 108	105.2%
Accumulated surplus/(deficit)	779.9	1 347.9	2 140.7	2 397.1	1 206.4	2 387.8	1 501.7	1 962.0	143.8%
Capital and reserves	2.5	5.8	3.1	7.0	5.8	9.4	7.0	7.0	158.8%
Capital reserve fund	–	368.6	337.8	348.7	326.7	461.3	347.9	341.5	150.2%
Borrowings	1 281.3	343.1	410.2	26.8	–	–	–	–	21.9%
Finance lease	256.0	57.2	1.1	92.2	0.2	22.6	–	–	66.8%
Deferred income	450.4	103.2	82.8	218.8	115.4	112.1	208.0	204.1	74.5%
Trade and other payables	964.9	700.8	1 668.9	725.5	899.6	677.4	584.2	1 134.5	78.6%
Taxation	–	69.0	–	134.9	–	–	201.0	–	101.5%
Provisions	621.5	1 236.2	1 287.7	1 222.9	1 317.2	1 491.7	1 613.3	257.3	86.9%
Managed funds (e.g. poverty alleviation fund)	–	–	–	–	–	–	–	1 173.9	–
Derivatives financial instruments	–	27.4	102.0	22.2	27.6	27.4	22.2	27.4	68.7%
Total equity and liabilities	4 357	4 259	6 034	5 196	3 899	5 190	4 485	5 108	105.2%

Statements of estimates of financial performance and position**Table 3.22 South African Broadcasting Corporation statements of estimates of financial performance and position**

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	8 266.5	10.6%	91.7%	8 886.3	9 656.8	10 503.2	8.3%	97.9%
Sale of goods and services other than capital assets	7 341.6	6.9%	88.1%	7 925.6	8 643.6	9 434.4	8.7%	87.5%
<i>of which:</i>								
Administrative fees	1 040.7	4.2%	12.6%	1 150.0	1 276.5	1 416.9	10.8%	12.8%
Sales by market establishment	6 300.8	7.4%	75.5%	6 775.6	7 367.0	8 017.4	8.4%	74.7%
Other non-tax revenue	924.9	109.8%	3.6%	960.7	1 013.2	1 068.8	4.9%	10.4%
Transfers received	195	-32.6%	7.8%	194.7	194.7	194.7	–	2.1%
Total revenue	8 461	7.9%	100.0%	9 081	9 851	10 698	8.1%	100.0%
Expenses								
Current expenses	8 367.8	8.7%	98.6%	8 959.8	9 611.8	10 166.9	6.7%	–
Compensation of employees	2 676.0	13.8%	30.0%	2 917.6	3 158.8	3 395.7	8.3%	32.5%
Goods and services	5 407.0	7.6%	63.9%	5 758.3	6 163.9	6 472.1	6.2%	63.8%
Depreciation	270.1	-1.7%	4.2%	268.3	284.8	299.1	3.4%	3.0%
Interest, dividends and rent on land	14.6	-41.8%	0.6%	15.6	4.3	–	-100.0%	0.1%
Transfers and subsidies	74.2	0.4%	1.1%	85.3	59.6	–	-100.0%	0.6%
Total expenses	8 442.0	7.0%	100.0%	9 045.1	9 671.5	10 166.9	6.4%	–
Surplus/(Deficit)	19	(2)		36	180	531	203.5%	

Table 3.22 South African Broadcasting Corporation statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)		
				2015/16	2012/13 - 2015/16	2016/17			2017/18	2018/19
				2015/16	2015/16	2016/17			2017/18	2018/19
R million										
Carrying value of assets	1 489.3	3.6%	30.0%	1 614.0	1 702.3	1 787.4	6.3%	29.9%		
of which:										
Acquisition of assets	(321.4)	37.2%	-3.7%	(397.6)	(370.0)	(390.0)	6.7%	-6.7%		
Investments	156.9	-47.5%	16.4%	184.2	208.3	218.7	11.7%	3.5%		
Inventory	652.7	-1.9%	14.3%	843.2	926.7	973.1	14.2%	15.3%		
Receivables and prepayments	1 599.9	20.1%	25.6%	1 602.2	1 706.5	1 791.8	3.8%	30.4%		
Cash and cash equivalents	1 200.7	102.1%	11.9%	1 057.8	1 114.0	1 169.7	-0.9%	20.7%		
Derivatives financial instruments	8.2	6.8%	0.2%	8.2	8.2	8.7	1.6%	0.2%		
Total assets	5 108	6.2%	100.0%	5 309.6	5 666.1	5 949.4	5.2%	100.0%		
Accumulated surplus/(deficit)	1 962.0	13.3%	40.6%	1 997.9	2 177.9	2 287.1	5.2%	38.2%		
Capital and reserves	7.0	6.6%	0.1%	7.0	7.0	7.0	-	0.1%		
Capital reserve fund	341.5	-2.5%	7.7%	235.3	47.1	49.4	-47.5%	3.2%		
Borrowings	-	-100.0%	2.1%	20.0	40.0	42.0	-	0.4%		
Deferred income	204.1	25.5%	3.2%	221.4	241.4	253.4	7.5%	4.2%		
Trade and other payables	1 134.5	17.4%	16.4%	1 210.2	1 299.8	1 364.8	6.4%	22.7%		
Provisions	257.3	-40.7%	21.6%	280.1	344.9	362.1	12.1%	5.6%		
Managed funds (e.g. poverty alleviation fund)	1 173.9	-	5.7%	1 310.4	1 480.7	1 554.7	9.8%	25.0%		
Derivatives financial instruments	27.4	-	0.5%	27.4	27.4	28.8	1.6%	0.5%		
Total equity and liabilities	5 108	6.2%	100.0%	5 310	5 666	5 949	-4.9%	100.0%		

Personnel information

Table 3.23 South African Broadcasting Corporation personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)			
			2014/15			2015/16			2016/17		2017/18		2018/19						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
South African Broadcasting Corporation																			
Salary level	3 907	3 907	3 907	2 511.1	0.6	3 880	2 676.0	0.7	3 880	2 917.6	0.8	3 880	3 158.8	0.8	3 880	3 395.7	0.9	8.3%	100.0%
1 – 6	18	18	18	3.3	0.2	18	3.6	0.2	18	3.9	0.2	18	4.2	0.2	18	4.5	0.3	8.3%	0.5%
7 – 10	2 632	2 632	2 632	1 312.1	0.5	2 614	1 398.3	0.5	2 614	1 524.6	0.6	2 614	1 650.6	0.6	2 614	1 774.4	0.7	8.3%	67.4%
11 – 12	1 036	1 036	1 036	862.3	0.8	1 029	919.0	0.9	1 029	1 001.9	1.0	1 029	1 084.8	1.1	1 029	1 166.1	1.1	8.3%	26.5%
13 – 16	208	208	208	293.3	1.4	207	312.6	1.5	207	340.8	1.6	207	368.9	1.8	207	396.6	1.9	8.3%	5.3%
17 – 22	13	13	13	40.0	3.1	13	42.6	3.3	13	46.5	3.6	13	50.3	3.9	13	54.1	4.2	8.3%	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.

- **Brand South Africa** develops and implements a proactive and coordinated international marketing and communication 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 2016/17 is R181.2 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. Its total budget for 2016/17 is R94.9 million.
- **The Independent Communications Authority of South Africa** makes regulations and issues communication licences. In addition, it enforces compliance with rules and regulations, protects consumers from unfair business practices and poor quality services, hears and decides on disputes and complaints brought against licences, and controls and manages the frequency spectrum. The organisation's total budget for 2016/17 is R425.5 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 2016/17 is R78.2 million.

Vote 4

Cooperative Governance and Traditional Affairs

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	266.5	261.4	0.1	5.0	258.3	270.3
Regional and Urban Development and Legislative Support	332.2	34.8	297.4	–	146.2	88.9
Institutional Development	68 122.2	159.7	67 962.4	–	73 707.1	79 318.1
National Disaster Management Centre	598.9	75.1	521.5	2.3	521.8	547.2
Local Government Support and Intervention Management	483.2	79.6	403.6	–	170.3	168.8
Community Work Programme	3 191.2	3 191.2	–	–	3 753.4	3 865.2
Total expenditure estimates	72 994.0	3 801.7	69 185.0	7.3	78 557.2	84 258.5

Executive authority: Minister of Cooperative Governance and Traditional Affairs
 Accounting officer: Director General of Cooperative Governance
 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 service delivery, where appropriate.

Vote purpose

Improve cooperative governance across the three spheres of government in partnership with institutions of traditional leadership, thereby ensuring 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; transform and strengthen key institutions and mechanisms of governance 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 over 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of partnerships facilitated between municipalities and the private sector per year	Regional and Urban Development and Legislative Support	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	–1	–1	–1	24	10	15	8
Number of spatial contracts facilitated for key restructuring zones and targeted regions per year	Regional and Urban Development and Legislative Support		–2	–2	–2	–2	8	15	10

Table 4.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of municipalities (of 40 targeted municipalities) supported in implementing local economic development programmes per year ³	Regional and Urban Development and Legislative Support	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	25	25	35	40	40	40	40
Total number of towns and cities implementing the Clean Cities and Towns programme ³	Regional and Urban Development and Legislative Support		8	8	8	8	8	8	8
Number of municipalities supported to develop and institutionalise community complaints management mechanisms per year	Institutional Development		- ¹	- ¹	- ¹	40	78	80	80
Number of municipalities assessed and guided to comply with the rating aspects of the Municipal Property Rates Act (2004) by target date	Institutional Development		24	30	40	152	193	213	213
Value of municipalities spending on municipal infrastructure grant per year	Institutional Development		R13.9bn	R14.4bn	R14.7bn	R15bn	R14.9bn	R15.9bn	R16.9bn
Total number of fully functional disaster management centres (of 62) across the three spheres of government ³	National Disaster Management Centre		40	50	30	58	60	62	62
Number of smaller municipalities (136 in total) supported to implement the revised integrated development planning framework per year	Local Government Support and Intervention Management		- ⁴	70	136	136	136	136	136
Number of municipalities where Back-to-Basics interventions are being implemented per year	Local Government Support and Intervention Management		- ²	- ²	- ²	- ²	36	47	83
Total number of provinces assessed for institutional capacity	Local Government Support and Intervention Management		- ⁴	4	9	9	9	9	9
Number of work opportunities created through the community work programme per year	Community Work Programme		205 494	172 000	187 021	197 000	268 000	268 000	267 000

1. No historical data is available as these are new indicators introduced in 2015/16.

2. No historical data is available as this indicator is introduced in 2016/17 as part of the implementation of the Back-to-Basics strategy.

3. The department will not report on these indicators in future as they have been included as part of the Back-to-Basics programme.

4. No historical data is available as this indicator was introduced in 2013/14.

Expenditure analysis

Back-to-Basics was launched in September 2014 at the presidential local government summit hosted by the Department of Cooperative Governance. Back-to-Basics is an urgent action plan to strengthen local government, which is a key component of the developmental state. The programme has 5 pillars: prioritise residents; support the delivery of municipal services to the right quality and standard; promote good governance, transparency and accountability; ensure sound financial management and accounting; and build institutional resilience and administrative capability. The national development plan envisages a developmental and capable state, and acknowledges the need to produce and develop technical and specialist skills in government to overcome the skills shortage and professionalise the public service, particularly at local government level. Back-to-Basics is linked to outcome 9 (a responsive, accountable and efficient local government system) of government's 2014-2019 medium term strategic framework.

While Back-to-Basics has had significant successes, it has not yet had enough impact on residents' experience of local government. The department has reported internal capacity challenges as negatively impacting on its implementation of Back-to-Basics. The department's main focus over the medium term will be on implementing Back-to-Basics interventions in 166 municipalities, prioritised from the total of 258 because they are experiencing difficulties. The Back-to-Basics interventions are geared mainly towards delivering basic services, delivering municipal infrastructure and strengthening institutional capacity, and local economic development and job creation.

At 30 September 2015, the department had 429 funded posts and no additional posts.

Delivering basic services

Over the medium term, the department projects spending R221 billion on the delivery of basic services and infrastructure, budgeted for in the *Institutional Development* programme, which constitutes 94.1 per cent of the department's total budget over the medium term. The department receives increased funding of R14.7 billion

over the medium term for this programme, of which R12.7 billion is for the local government equitable share grant. The increase in the equitable share is to support the anticipated bulk tariff increases in the costs of basic services over the period.

The local government equitable share grant underspent by R2.9 billion in 2014/15. National Treasury withheld the grant from 60 municipalities that failed to pay water boards and Eskom for services provided. The withholding is in line with section 39 of the Municipal Finance Management Act (2003). National Treasury, the Department of Cooperative Governance and the South African Local Government Association met with the municipalities and established debt repayment agreements. National Treasury monitors adherence to the agreements to ensure that proactive interventions can be made if a municipality fails to pay the service providers as agreed. Interventions would include further engagements with the municipality, assistance with municipal revenue and debt management plans, and negotiating affordable repayment plans.

Delivering municipal infrastructure and strengthening institutional capacity

The municipal infrastructure grant is an important vehicle for delivering basic municipal infrastructure to poorer communities through local government, and an important enabler of the Back-to-Basics programme. The department administers and disburses the municipal infrastructure grant to municipalities, who use it for infrastructure projects. Over the MTEF period, the municipal infrastructure grant is projected to grow from R14.9 billion in 2016/17 to R16.9 billion in 2018/19. Through the *Management: Local Government Support and Interventions* subprogramme, the department plans to strengthen its administration role to monitor and support municipalities in their spending of their grant allocations.

The Municipal Infrastructure Support Agency will continue to strengthen municipal institutional capacity. Transfers amounting to R1.1 billion over the MTEF period are made to the agency in the *Institutional Development* programme.

The municipal systems improvement grant, previously a direct grant to municipalities for the development and strengthening of municipal administrative systems, has been converted to an indirect grant from 2016/17. The department can now decide on capacity interventions at the local government level. R303 million of the municipal systems improvement grant allocation over the MTEF period will be directed towards the development of municipal revenue management plans and records management systems. R45 million over the medium term will be used for procuring the integrated property and consumer database and for developing a system to align municipal organograms with assigned municipal powers and functions.

Local economic development and job creation

Over the medium term, the community work programme, which is part of Back-to-Basics, aims to increase the number of sites where the programme is implemented. The community work programme targets unemployed youth in formal settlements to provide day-to-day services such as grass cutting, gardening, patching potholes and cleaning cemeteries, among many others. After the Cabinet approved reductions of R773.4 million over the medium term on the budget of the *Community Work Programme* programme, the programme's budget is R10.8 billion for the period and projected growth is at an average annual rate of 17.7 per cent. This budget will still enable the programme to create 267 000 new job opportunities per year by 2018/19. The programme has dual benefits for personal development and economic participation and growth. Participants benefit from its training programmes, and get work experience and exposure that will provide them with skills that could be used in the formal economy.

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			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)									
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	201.4	197.5	204.8	248.8	247.9	237.7	252.1	238.5	236.4	236.5	228.6	228.6	96.7%	99.5%
Programme 2	46.1	49.3	29.4	30.3	31.1	30.0	33.1	30.0	30.0	76.2	76.2	76.2	89.2%	88.8%
Programme 3	52 188.3	52 318.9	51 539.9	55 441.5	55 609.7	53 843.0	59 729.4	59 966.4	57 049.7	65 898.4	67 407.6	66 209.2	98.0%	97.2%
Programme 4	555.2	555.4	114.3	585.1	694.4	423.9	650.8	831.4	471.9	606.8	606.8	506.8	63.3%	56.4%
Programme 5	284.7	285.2	256.0	272.1	145.3	145.3	289.5	129.7	125.8	120.4	120.4	118.7	66.8%	94.9%
Programme 6	1 439.9	1 448.9	1 289.9	1 675.0	1 730.6	1 721.7	2 257.8	2 257.8	1 650.0	2 375.9	2 375.9	2 275.9	89.5%	88.8%
Total	54 715.6	54 855.2	53 434.4	58 252.7	58 458.9	56 401.6	63 212.7	63 453.9	59 563.7	69 314.2	70 815.5	69 415.5	97.3%	96.5%
Change to 2015 Budget estimate	1 501.3													
Economic classification														
Current payments	2 319.0	2 334.5	2 083.9	2 660.2	2 718.2	2 354.2	2 942.9	2 941.9	2 318.7	3 061.0	3 063.9	2 963.9	88.5%	87.9%
Compensation of employees	255.4	290.4	266.4	277.7	311.2	226.8	256.6	246.6	234.4	271.8	271.8	271.8	94.2%	89.2%
Goods and services	2 063.6	2 044.1	1 817.6	2 382.5	2 407.0	2 127.4	2 686.3	2 695.4	2 084.3	2 789.2	2 792.1	2 692.1	87.9%	87.8%
of which:														
Computer services	60.6	38.6	17.1	57.5	21.9	21.5	69.3	66.8	18.0	70.7	72.6	72.6	50.1%	64.7%
Consultants: Business and advisory services	445.7	432.5	941.9	513.7	605.0	603.2	333.4	352.2	492.0	324.5	333.3	333.3	146.6%	137.6%
Contractors	1 009.7	1 023.6	713.4	1 166.5	1 639.2	1 356.3	1 667.1	1 660.3	1 360.3	1 774.2	1 774.1	1 774.1	92.6%	85.4%
Inventory: Materials and supplies	–	–	0.0	407.9	0.1	0.1	450.0	460.1	27.3	456.0	456.0	356.0	29.2%	41.9%
Property payments	37.3	37.3	9.0	0.4	9.1	46.6	41.3	45.6	45.6	44.8	40.0	40.0	114.0%	106.9%
Travel and subsistence	54.2	53.2	51.9	4.0	34.8	38.5	36.9	37.9	29.4	38.2	37.2	37.2	117.8%	96.3%
Transfers and subsidies	52 377.1	52 507.3	51 331.7	55 580.3	55 729.4	54 032.2	60 261.2	60 503.2	57 226.8	66 245.3	67 744.9	66 444.9	97.7%	96.9%
Provinces and municipalities	52 265.1	52 265.1	51 092.7	55 468.5	55 602.6	53 571.4	59 772.3	60 009.5	56 735.1	65 754.8	67 253.6	65 953.6	97.5%	96.7%
Departmental agencies and accounts	101.3	101.3	101.3	100.7	100.7	441.6	477.2	481.8	481.9	478.5	484.9	484.9	130.4%	129.2%
Foreign governments and international organisations	–	–	0.3	–	–	0.4	–	0.3	0.2	–	–	–	–	352.7%
Non-profit institutions	10.6	8.0	3.7	11.1	11.1	13.9	11.7	11.7	9.3	12.1	6.3	6.3	72.8%	89.4%
Households	–	132.8	133.7	–	15.0	4.8	–	–	0.4	–	0.1	0.1	–	94.0%
Payments for capital assets	19.6	13.3	17.8	12.2	10.6	14.8	8.7	8.7	17.9	7.8	6.5	6.5	118.2%	145.7%
Machinery and equipment	18.6	13.3	17.7	11.4	9.8	14.8	7.7	7.7	17.8	7.8	6.5	6.5	124.8%	151.9%
Heritage assets	–	–	–	–	–	–	–	–	0.1	–	–	–	–	–
Software and other intangible assets	1.0	–	0.1	0.8	0.8	–	1.0	1.0	–	–	–	–	4.1%	6.5%
Payments for financial assets	–	0.1	0.9	–	0.8	0.4	–	–	0.3	–	0.1	0.1	–	171.6%
Total	54 715.6	54 855.2	53 434.4	58 252.7	58 458.9	56 401.6	63 212.7	63 453.9	59 563.7	69 314.2	70 815.5	69 415.5	97.3%	96.5%

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	228.6	5.0%	0.4%	266.5	258.3	270.3	5.7%	0.3%
Programme 2	76.2	15.6%	0.1%	332.2	146.2	88.9	5.3%	0.2%
Programme 3	66 209.2	8.2%	95.7%	68 122.2	73 707.1	79 318.1	6.2%	94.1%
Programme 4	506.8	-3.0%	0.6%	598.9	521.8	547.2	2.6%	0.7%
Programme 5	118.7	-25.3%	0.3%	483.2	170.3	168.8	12.4%	0.3%
Programme 6	2 275.9	16.2%	2.9%	3 191.2	3 753.4	3 865.2	19.3%	4.3%
Total	69 415.5	8.2%	100.0%	72 994.0	78 557.2	84 258.5	6.7%	100.0%
Change to 2015 Budget estimate				(466.6)	798.5	1 989.8		
Economic classification								
Current payments	2 963.9	8.3%	4.1%	3 801.7	4 394.7	4 524.3	15.1%	5.1%
Compensation of employees	271.8	-2.2%	0.4%	320.5	342.7	343.3	8.1%	0.4%
Goods and services	2 692.1	9.6%	3.7%	3 481.2	4 052.0	4 181.0	15.8%	4.7%
<i>of which:</i>								
Computer services	72.6	23.5%	0.1%	80.7	77.4	79.8	3.2%	0.1%
Consultants: Business and advisory services	333.3	-8.3%	1.0%	189.3	216.5	236.0	-10.9%	0.3%
Contractors	1 774.1	20.1%	2.2%	2 454.7	2 819.6	2 870.3	17.4%	3.2%
Inventory: Materials and supplies	356.0	-	0.2%	570.6	750.3	799.6	31.0%	0.8%
Property payments	40.0	2.4%	0.1%	40.7	45.0	46.6	5.2%	0.1%
Travel and subsistence	37.2	-11.3%	0.1%	47.2	42.0	48.1	8.9%	0.1%
Transfers and subsidies	66 444.9	8.2%	95.9%	69 185.0	74 155.0	79 726.4	6.3%	94.9%
Provinces and municipalities	65 953.6	8.1%	95.2%	68 301.7	73 539.1	79 126.8	6.3%	94.0%
Departmental agencies and accounts	484.9	68.5%	0.6%	567.4	609.0	592.2	6.9%	0.7%
Non-profit institutions	6.3	-7.8%	0.0%	6.6	7.0	7.4	5.4%	0.0%
Households	0.1	-91.3%	0.1%	309.3	-	-	-100.0%	0.1%
Payments for capital assets	6.5	-21.2%	0.0%	7.3	7.6	7.8	6.3%	0.0%
Machinery and equipment	6.5	-21.2%	0.0%	7.3	7.6	7.8	6.3%	0.0%
Payments for financial assets	0.1	4.4%	0.0%	-	-	-	-100.0%	0.0%
Total	69 415.5	8.2%	100.0%	72 994.0	78 557.2	84 258.5	6.7%	100.0%

Personnel information

Table 4.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

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																					
Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)						
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost								
Cooperative Governance and Traditional Affairs		436			436	234.4	0.5	429	271.8	0.6	616	350.5	0.6	616	373.7	0.6	616	393.4	0.6	12.8%	100.0%
Salary level	436			436	234.4	0.5	429	271.8	0.6	616	350.5	0.6	616	373.7	0.6	616	393.4	0.6	12.8%	100.0%	
1 – 6	119			119	31.3	0.3	119	34.0	0.3	146	34.7	0.2	146	37.0	0.3	146	39.0	0.3	7.1%	24.5%	
7 – 10	86			85	32.6	0.4	85	36.0	0.4	174	72.6	0.4	174	77.6	0.4	174	81.9	0.5	27.0%	26.7%	
11 – 12	92			93	43.0	0.5	86	47.7	0.6	147	99.2	0.7	147	105.2	0.7	147	111.1	0.8	19.6%	23.1%	
13 – 16	139			139	127.6	0.9	139	154.1	1.1	149	143.9	1.0	149	153.9	1.0	149	161.4	1.1	2.3%	25.7%	
Programme	436			436	234.4	0.5	429	271.8	0.6	616	350.5	0.6	616	373.7	0.6	616	393.4	0.6	12.8%	100.0%	
Programme 1	227			227	110.3	0.5	220	114.9	0.5	248	129.5	0.5	248	137.0	0.6	248	145.0	0.6	4.1%	42.3%	
Programme 2	30			30	20.0	0.7	30	23.0	0.8	41	23.3	0.6	41	24.7	0.6	41	26.3	0.6	11.0%	6.7%	
Programme 3	70			70	33.2	0.5	70	39.6	0.6	81	44.0	0.5	81	46.6	0.6	81	49.1	0.6	5.0%	13.7%	
Programme 4	33			33	18.7	0.6	33	21.5	0.7	42	27.3	0.7	42	28.9	0.7	42	30.6	0.7	8.4%	7.0%	
Programme 5	57			57	30.0	0.5	57	36.1	0.6	97	62.8	0.6	97	66.5	0.7	97	70.4	0.7	19.4%	15.3%	
Programme 6	19			19	22.3	1.2	19	36.7	1.9	107	63.5	0.6	107	70.0	0.7	107	72.1	0.7	77.9%	14.9%	
Reduction														(31.0)			(50.1)				
Total	436			436	234.4	0.5	429	271.8	0.6	616	350.5	0.6		342.7			343.3				

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

2. The department's compensation of employees budget has been reduced by R81.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 4.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	984	1 220	1 916	1 148	1 148	5.3%	100.0%	1 165	1 261	1 332	5.1%	100.0%
Sales of goods and services produced by department	261	174	173	351	351	10.4%	18.2%	305	355	375	2.2%	28.3%
Sales by market establishments	163	94	173	351	351	29.1%	14.8%	300	350	370	1.8%	27.9%
of which:												
Rental parking: Covered and open	113	94	173	351	351	45.9%	13.9%	300	350	370	1.8%	27.9%
Commission on insurance and garnishee	48	-	-	-	-	-100.0%	0.9%	-	-	-	-	-
Sale of Assets <R5 000	1	-	-	-	-	-100.0%	-	-	-	-	-	-
Reimbursement of goods issued	1	-	-	-	-	-100.0%	-	-	-	-	-	-
Other sales	98	80	-	-	-	-100.0%	3.4%	5	5	5	-	0.3%
of which:												
Capital equipment	95	80	-	-	-	-100.0%	3.3%	-	-	-	-	-
Replacement of security cards	3	-	-	-	-	-100.0%	0.1%	5	5	5	-	0.3%

Table 4.5 Departmental receipts by economic classification

Departmental receipts	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
R thousand												
Sales of scrap, waste, arms and other used current goods	1	1	1	-	-	-100.0%	0.1%	5	6	7	-	0.4%
of which:												
Sales of paper	1	1	1	-	-	-100.0%	0.1%	5	6	7	-	0.4%
Transfers received	-	-	-	244	244	-	4.6%	-	-	-	-100.0%	5.0%
Interest, dividends and rent on land	-	-	1	13	13	-	0.3%	15	10	10	-8.4%	1.0%
Interest	-	-	1	13	13	-	0.3%	15	10	10	-8.4%	1.0%
Sales of capital assets	-	16	53	-	-	-	1.3%	40	40	40	-	2.4%
Transactions in financial assets and liabilities	722	1 029	1 688	540	540	-9.2%	75.5%	800	850	900	18.6%	63.0%
Total	984	1 220	1 916	1 148	1 148	5.3%	100.0%	1 165	1 261	1 332	5.1%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 4.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Ministry	35.0	36.8	32.9	27.8	-7.5%	14.6%	26.7	28.0	29.4	2.0%	10.9%
Management	12.8	15.7	16.5	20.1	16.1%	7.2%	14.2	14.9	15.7	-7.8%	6.3%
Corporate Services	100.9	105.0	109.8	103.3	0.8%	46.2%	142.0	125.0	130.7	8.2%	49.0%
Financial Services	24.5	27.0	25.3	30.0	6.9%	11.8%	34.6	36.8	38.9	9.0%	13.7%
Internal Audit and Risk Management	8.3	8.7	8.6	11.9	12.7%	4.1%	11.5	12.0	12.5	1.9%	4.7%
Office Accommodation	23.2	44.5	43.3	35.6	15.3%	16.2%	37.5	41.6	43.0	6.5%	15.4%
Total	204.8	237.7	236.4	228.6	3.7%	100.0%	266.5	258.3	270.3	5.7%	100.0%
Change to 2015 Budget estimate				(7.9)			9.7	(12.7)	(16.5)		
Economic classification											
Current payments	190.0	226.9	224.2	224.6	5.7%	95.4%	261.4	253.0	264.8	5.7%	98.1%
Compensation of employees	97.4	107.4	110.3	114.9	5.7%	47.4%	119.9	126.8	134.1	5.3%	48.4%
Goods and services	92.6	119.5	113.9	109.7	5.8%	48.0%	141.5	126.3	130.8	6.0%	49.6%
of which:											
Audit costs: External	5.6	7.6	6.9	6.6	6.0%	2.9%	7.1	8.2	9.2	11.6%	3.0%
Communication	6.4	7.6	4.1	9.1	12.1%	3.0%	11.3	9.6	10.2	4.1%	3.9%
Computer services	14.2	14.3	14.3	12.1	-5.2%	6.0%	12.8	12.0	11.3	-2.1%	4.7%
Consultants: Business and advisory services	4.0	7.1	5.4	2.9	-11.0%	2.1%	30.4	10.7	11.3	58.3%	5.4%
Property payments	22.0	46.6	45.6	40.0	22.0%	17.0%	40.7	45.0	46.6	5.2%	16.8%
Travel and subsistence	12.5	14.6	12.3	9.9	-7.4%	5.4%	10.9	11.0	10.3	1.2%	4.1%
Transfers and subsidies	1.1	1.0	1.0	0.2	-46.5%	0.4%	0.1	0.1	0.1	-13.5%	-
Provinces and municipalities	0.0	0.0	0.0	0.1	71.0%	-	0.1	0.1	0.1	2.0%	-
Departmental agencies and accounts	-	-	0.7	-	-	0.1%	-	-	-	-	-
Households	1.1	1.0	0.2	0.1	-60.6%	0.3%	-	-	-	-100.0%	-
Payments for capital assets	12.8	9.4	10.9	3.8	-33.6%	4.1%	5.0	5.1	5.3	12.4%	1.9%
Machinery and equipment	12.8	9.4	10.9	3.8	-33.6%	4.1%	5.0	5.1	5.3	12.4%	1.9%
Payments for financial assets	0.9	0.4	0.3	0.1	-52.2%	0.2%	-	-	-	-100.0%	-
Total	204.8	237.7	236.4	228.6	3.7%	100.0%	266.5	258.3	270.3	5.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.4%	0.3%	-	-	0.4%	0.3%	0.3%	-	-

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.

Objective

- Facilitate the restructuring of the existing municipal spatial configuration through integrated development planning by supporting district municipalities in building geographic information systems capabilities by March 2019.

Subprogrammes

- Management: Regional and Urban Development and Legislative Support* provides strategic leadership to the programme to ensure compliance and the achievement of departmental targets in line with the Back-to-Basics approach.
- 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 impacting on the mandate of the department.
- Urban Development Planning* monitors the implementation of urban development policies such as the integrated urban development framework and local economic development plans. This subprogramme also supports municipalities to facilitate and implement integrated planning and spatial contracts in key restructuring and priority regions, and to promote economic development in partnership with the private sector.
- 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.
- Intergovernmental Policy and Practice* reviews, clarifies and strengthens the policy and institutional environment for the assignment and management of municipal powers and functions; and strengthen intergovernmental coordination amongst sectors, provinces and local government.
- Municipal Demarcation Transition Grant* makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and government systems.

Expenditure trends and estimates

Table 4.7 Regional and Urban Development and Legislative Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Management: Regional and Urban Development and Legislative Support	3.2	3.0	3.3	6.1	24.6%	9.5%	3.1	3.2	3.4	-17.7%	2.5%
Local Government Legislative Support and Institutional Establishment	5.8	5.8	6.8	5.6	-0.8%	14.5%	3.4	3.5	6.4	4.6%	3.0%
Urban Development Planning	8.1	6.6	7.0	8.8	2.7%	18.4%	7.3	6.0	6.1	-11.5%	4.4%
Spatial Planning: Districts and Regions	9.4	8.0	6.5	8.8	-2.2%	19.8%	11.9	12.5	9.4	1.9%	6.6%
Intergovernmental Policy and Practice	2.9	6.6	6.4	7.8	39.7%	14.3%	9.0	9.0	10.7	11.2%	5.7%
Municipal Demarcation Transition Grant	-	-	-	39.0	-	23.5%	297.4	111.9	52.9	10.7%	77.9%
Total	29.4	30.0	30.0	76.2	37.4%	100.0%	332.2	146.2	88.9	5.3%	100.0%
Change to 2015				39.0			293.1	108.0	48.4		
Budget estimate											

Table 4.7 Regional and Urban Development and Legislative Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	29.2	30.0	30.0	37.2	8.4%	76.3%	34.8	34.4	36.0	-1.1%	22.1%
Compensation of employees	22.2	17.9	20.0	23.0	1.1%	50.1%	18.2	19.4	20.6	-3.6%	12.6%
Goods and services	7.0	12.1	10.0	14.2	26.5%	26.1%	16.5	15.0	15.5	2.8%	9.5%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.1	0.3	0.3	0.9	85.0%	1.0%	0.9	0.9	0.9	3.2%	0.6%
<i>Communication</i>	0.3	0.4	0.6	0.5	24.1%	1.1%	0.6	0.7	1.4	37.5%	0.5%
<i>Computer services</i>	0.0	0.1	0.4	1.0	197.8%	0.9%	0.4	1.4	0.8	-8.3%	0.6%
<i>Consultants: Business and advisory services</i>	1.5	4.1	4.7	2.9	24.3%	8.0%	6.5	5.2	3.8	9.2%	2.9%
<i>Consumables: Stationery, printing and office supplies</i>	2.2	1.2	0.8	1.3	-16.4%	3.3%	1.4	1.4	1.6	7.3%	0.9%
<i>Travel and subsistence</i>	1.8	5.0	2.5	6.1	51.1%	9.3%	5.6	3.7	5.5	-3.2%	3.2%
Transfers and subsidies	-	-	-	39.0	-	23.5%	297.4	111.9	52.9	10.7%	77.9%
Provinces and municipalities	-	-	-	39.0	-	23.5%	297.4	111.9	52.9	10.7%	77.9%
Payments for capital assets	0.1	0.1	0.1	-	-100.0%	0.2%	-	-	-	-	-
Machinery and equipment	0.1	0.1	0.1	-	-100.0%	0.2%	-	-	-	-	-
Total	29.4	30.0	30.0	76.2	37.4%	100.0%	332.2	146.2	88.9	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.1%	0.1%	0.1%	0.1%	-	-	0.5%	0.2%	0.1%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	-	39.0	-	23.5%	297.4	111.9	52.9	10.7%	77.9%
Municipal demarcation transition grant	-	-	-	39.0	-	23.5%	297.4	111.9	52.9	10.7%	77.9%

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

- Strengthen the capacity of municipalities to deliver sustainable free basic services by providing them support in updating their indigent registers by March 2019.
- Strengthen intergovernmental fiscal relations by managing the transfer of the local government equitable share, in line with the Division of Revenue Act, on an ongoing basis.
- 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 programme.
- *Human Resource Management Systems* builds sound municipal institutional capabilities through the development, implementation and enforcement of an efficient and effective human resources management framework as per the Municipal Systems Act (2000).

- *Municipal Finance* provides support and technical capacity to municipalities on municipal finance policies such as audit plans, financial management, revenue enhancement strategies, tariff setting and modelling, free basic services and procurement policies.
- *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 will improve ethical conduct at the local level. It also strengthens and implements preventative measures for corruption and creates a conducive environment for the expeditious resolution of corruption cases.
- *Municipal Property Rates* guides municipalities to comply with the Municipal Property Rates Act (2004) and its regulations.
- *Local Government Equitable Share* is the share of nationally raised revenue, which is payable to the local government sphere 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.
- *Municipal Infrastructure Grant* makes specific transfers to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure delivery.
- *Municipal Systems Improvement Grant* assists municipalities in building in-house capacity to perform functions.
- *Department of Traditional Affairs* makes transfers to the Department of Traditional Affairs to support traditional leadership.
- *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 4.8 Institutional Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16					2015/16 - 2018/19	
Management: Institutional Development	4.5	9.8	15.4	20.8	67.0%	–	3.2	3.3	3.5	-44.9%	–
Human Resources Management Systems	5.9	5.4	6.5	9.6	18.1%	–	7.4	7.8	8.2	-5.4%	–
Municipal Finance	7.9	8.3	8.7	13.1	18.4%	–	34.5	32.7	31.1	33.5%	–
Citizen Engagement	5.7	4.6	6.7	7.0	6.7%	–	8.4	6.7	7.3	1.4%	–
Anti-Corruption and Good Governance	3.2	4.8	4.9	5.5	20.4%	–	7.0	7.3	5.5	-0.2%	–
Municipal Property Rates	7.4	7.5	7.8	9.5	8.7%	–	14.9	15.6	16.4	19.8%	–
Local Government Equitable Share	37 139.5	38 964.3	41 592.1	51 706.5	11.7%	73.7%	52 568.7	57 012.1	61 731.8	6.1%	77.3%
Municipal Infrastructure Grant	13 879.2	14 224.4	14 745.4	14 955.8	2.5%	25.1%	14 914.0	15 991.3	16 893.7	4.1%	21.7%
Municipal Systems Improvement Grant	230.1	240.3	252.2	251.4	3.0%	0.4%	84.3	103.2	115.1	-22.9%	0.2%
Department of Traditional Affairs	106.9	111.7	115.9	125.9	5.6%	0.2%	129.8	141.7	150.7	6.2%	0.2%
Municipal Infrastructure Support Agency	149.7	261.8	294.2	304.0	26.6%	0.4%	349.9	385.3	354.8	5.3%	0.5%
Total	51 539.9	53 843.0	57 049.7	67 409.2	9.4%	100.0%	68 122.2	73 707.1	79 318.1	5.6%	100.0%
Change to 2015				1 471.8			(1 094.1)	912.5	2 301.3		
Budget estimate											
Economic classification											
Current payments	264.1	280.2	301.7	316.9	6.3%	0.5%	159.7	176.7	187.0	-16.1%	0.3%
Compensation of employees	25.8	30.2	33.2	39.6	15.4%	0.1%	33.2	35.6	35.5	-3.5%	–
Goods and services	238.3	250.1	268.5	277.3	5.2%	0.4%	126.5	141.0	151.5	-18.3%	0.2%
of which:											
Communication	0.2	0.3	0.4	0.5	28.3%	–	1.2	1.5	1.8	53.4%	–
Computer services	–	–	–	0.2	–	–	10.0	–	–	-100.0%	–
Consultants: Business and advisory services	233.1	241.9	261.2	263.7	4.2%	0.4%	91.5	109.5	122.2	-22.6%	0.2%
Contractors	0.0	0.0	0.1	1.2	394.2%	–	10.2	15.2	10.2	103.7%	–
Consumables: Stationery, printing and office supplies	0.4	0.5	1.0	1.3	43.5%	–	1.5	2.3	2.4	23.1%	–
Travel and subsistence	3.7	4.2	4.4	5.7	15.6%	–	9.1	9.4	10.9	23.9%	–

Table 4.8 Institutional Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Transfers and subsidies	51 275.6	53 562.6	56 747.8	67 092.2	9.4%	99.5%	67 962.4	73 530.4	79 131.0	5.7%	99.7%
Provinces and municipalities	51 018.6	53 188.7	56 337.5	66 662.3	9.3%	98.9%	67 482.7	73 003.4	78 625.5	5.7%	99.0%
Departmental agencies and accounts	256.7	373.5	410.0	429.9	18.8%	0.6%	479.7	527.0	505.5	5.5%	0.7%
Foreign governments and international organisations	0.3	0.4	0.2	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.2	0.1	0.2	0.1	-31.7%	-	-	-	-	-100.0%	-
Machinery and equipment	0.2	0.1	0.2	0.1	-31.7%	-	-	-	-	-100.0%	-
Total	51 539.9	53 843.0	57 049.7	67 409.2	9.4%	100.0%	68 122.2	73 707.1	79 318.1	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	96.5%	95.5%	95.8%	95.2%	-	-	93.3%	93.8%	94.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	256.7	373.5	410.0	429.9	18.8%	0.6%	479.7	527.0	505.5	5.5%	0.7%
Department of Traditional Affairs	106.9	111.7	115.9	125.9	5.6%	0.2%	129.8	141.7	150.7	6.2%	0.2%
Municipal Infrastructure Support Agency	149.7	261.8	294.2	304.0	26.6%	0.4%	349.9	385.3	354.8	5.3%	0.5%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	37 139.5	38 964.3	41 592.1	51 706.5	11.7%	73.7%	52 568.7	57 012.1	61 731.8	6.1%	77.3%
Local government equitable share	37 139.5	38 964.3	41 592.1	51 706.5	11.7%	73.7%	52 568.7	57 012.1	61 731.8	6.1%	77.3%
Capital	13 879.2	14 224.4	14 745.4	14 955.8	2.5%	25.1%	14 914.0	15 991.3	16 893.7	4.1%	21.7%
Municipal infrastructure grant	13 879.2	14 224.4	14 745.4	14 955.8	2.5%	25.1%	14 914.0	15 991.3	16 893.7	4.1%	21.7%

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, and developing and implementing a monitoring and evaluation framework by March 2019.

Subprogrammes

- *Management: National Disaster Management Centre* provides strategic leadership to the programme.
- *Disaster Risk Reduction, Capacity Building and Intervention* develops and implements disaster management operational systems and coordinates disaster management capacity building and strategic research across all three spheres of government. The subprogramme also provides for the allocation of disaster response, relief and rehabilitation funding when there has been a disaster.
- *Legislation and Policy Management* develops disaster management policies and legislative frameworks 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 a monitoring and evaluation system 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 post-disaster cost verification process.

Expenditure trends and estimates

Table 4.9 National Disaster Management Centre expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R million											
Management: National Disaster Management Centre	8.2	5.5	17.9	6.0	-9.8%	2.3%	3.4	3.6	3.8	-14.2%	0.7%
Disaster Risk Reduction, Capacity Building and Intervention	10.3	11.0	41.6	12.7	7.1%	4.7%	33.3	54.0	54.4	62.6%	6.8%
Legislation and Policy Management	6.4	7.3	5.0	6.1	-1.6%	1.5%	5.8	6.1	6.4	1.3%	1.1%
Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems	-	-	-	2.0	-	0.1%	4.1	4.3	4.5	30.3%	0.7%
Fire Services	-	-	-	-	-	-	3.1	3.3	3.5	-	0.4%
Information Technology, Intelligence and Information Management Systems	15.4	17.4	9.8	26.7	20.2%	4.3%	27.7	26.9	26.4	-0.5%	4.7%
Disaster Relief Grant	74.0	264.3	207.4	364.3	70.1%	56.3%	381.5	423.7	448.3	7.2%	71.1%
Municipal Disaster Recovery Grant	-	118.3	190.1	188.9	-	30.8%	140.0	-	-	-100.0%	14.5%
Total	114.3	423.9	471.9	606.8	74.4%	100.0%	598.9	521.8	547.2	-3.4%	100.0%
Change to 2015 Budget estimate							24.2	42.0	39.5		
Economic classification											
Current payments	37.8	36.1	67.7	51.1	10.6%	11.9%	75.1	95.7	96.4	23.5%	14.0%
Compensation of employees	19.9	18.5	18.7	21.5	2.5%	4.9%	27.3	28.9	24.3	4.2%	4.5%
Goods and services	17.9	17.6	49.0	29.6	18.3%	7.1%	47.7	66.8	72.1	34.5%	9.5%
of which:											
Bursaries: Employees	1.8	0.5	-	-	-100.0%	0.1%	2.0	1.8	-	-	0.2%
Communication	0.3	0.4	0.5	0.5	10.7%	0.1%	0.5	0.6	0.6	8.4%	0.1%
Computer services	3.7	6.1	1.1	7.9	29.1%	1.2%	8.6	7.5	7.8	-0.7%	1.4%
Consultants: Business and advisory services	6.2	3.9	35.6	13.8	30.7%	3.7%	31.4	51.2	57.0	60.4%	6.7%
Inventory: Other supplies	0.0	-	-	0.5	248.2%	-	0.4	0.5	0.5	-2.0%	0.1%
Travel and subsistence	3.2	3.1	2.0	3.0	-2.0%	0.7%	2.8	2.9	3.8	8.1%	0.5%
Transfers and subsidies	74.2	382.7	397.5	553.2	95.3%	87.1%	521.5	423.7	448.3	-6.8%	85.6%
Provinces and municipalities	74.0	382.7	397.5	553.2	95.5%	87.1%	521.5	423.7	448.3	-6.8%	85.6%
Households	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	2.3	5.1	6.6	2.4	2.6%	1.0%	2.3	2.4	2.5	0.7%	0.4%
Machinery and equipment	2.3	5.1	6.4	2.4	2.6%	1.0%	2.3	2.4	2.5	0.7%	0.4%
Heritage assets	-	-	0.1	-	-	-	-	-	-	-	-
Total	114.3	423.9	471.9	606.8	74.4%	100.0%	598.9	521.8	547.2	-3.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.8%	0.8%	0.9%	-	-	0.8%	0.7%	0.6%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	73.2	170.7	121.5	261.1	52.8%	38.7%	269.9	300.3	317.7	6.8%	50.5%
Municipal disaster grant	73.2	170.7	121.5	261.1	52.8%	38.7%	269.9	300.3	317.7	6.8%	50.5%
Capital	-	118.3	190.1	188.9	-	30.8%	140.0	-	-	-100.0%	14.5%
Municipal disaster recovery grant	-	118.3	190.1	188.9	-	30.8%	140.0	-	-	-100.0%	14.5%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	0.9	93.6	86.0	103.2	395.2%	17.5%	111.5	123.4	130.6	8.2%	20.6%
Provincial disaster grant	0.9	93.6	86.0	103.2	395.2%	17.5%	111.5	123.4	130.6	8.2%	20.6%

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

- Coordinate the implementation of Back-to-Basics interventions in dysfunctional municipalities through monitoring and reporting municipal performance on an ongoing basis by March 2017.
- Structure intergovernmental relations for national and provincial government to support, monitor, intervene and enforce performance through the promulgation of the Intergovernmental Monitoring Support and Intervention Bill by March 2019.
- Build accountability for performance in the local government system by setting and enforcing clear performance standards and quality of information by March 2019.
- Improve the department's ability to detect problems experienced in municipal performance by monitoring, analysing data and reporting on municipal performance in the Back-to-Basics approach that will inform the development of national policies and legislation to address detected problems by March 2017.
- 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 in order 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 and ensures compliance and the achievement of departmental targets in line with the Back-to-Basics approach.
- *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, develops diagnostic assessment and supports municipalities with the development and implementation of remedial action plans.
- *Litigations and Interventions* monitors compliance with intervention policies and regulations, and develops and supports the implementation of intervention packages.
- *Municipal Infrastructure Grant Management* makes specific transfers to supplement municipal capital budgets to address infrastructure investment priorities of the poor.
- *Municipal Demarcation Board* makes transfers to the Municipal Demarcation Board to fund operational activities, including capacity assessments, ward delimitation and boundary redetermination. This subprogramme's total 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 total budget is transferred in full to the network.
- *South African Local Government Association* makes transfers to the South African Local Government Association to fund operational activities, including participation in intergovernmental and oversight structures, capacity building programmes for councillors; and advocates for other interests of councillors such as their remuneration and benefits, local government research, advise and support, and knowledge sharing initiatives. This subprogramme's total budget is transferred in full to the association.
- *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. This subprogramme's total budget is transferred in full to the association.

Expenditure trends and estimates

Table 4.10 Local Government Support and Intervention Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Management: Local Government Support and Interventions	13.6	9.0	6.9	13.8	0.4%	6.7%	3.1	3.3	3.5	-36.8%	2.5%
Municipal Performance Monitoring	137.0	14.1	4.5	5.0	-66.8%	24.9%	322.1	13.4	11.1	30.4%	37.4%
Local Government Improvement Programme	14.9	19.4	11.5	14.6	-0.9%	9.4%	29.2	30.7	26.2	21.7%	10.7%
Litigations and Interventions	9.2	13.0	11.9	8.5	-2.6%	6.6%	13.8	12.4	8.7	1.0%	4.6%
Municipal Infrastructure Grant Management	10.5	7.8	10.5	15.6	14.1%	6.9%	20.7	21.6	25.2	17.3%	8.8%
South African Local Government Association	26.7	26.0	26.9	9.2	-29.9%	13.8%	29.5	31.3	33.1	53.1%	11.0%
Municipal Demarcation Board	40.4	42.2	44.2	45.8	4.3%	26.7%	58.2	50.6	53.6	5.4%	22.1%
South African Cities Network	3.7	11.8	6.1	6.3	19.4%	4.3%	6.6	7.0	7.4	5.4%	2.9%
United Cities and Local Government of Africa	-	2.1	3.2	-	-	0.8%	-	-	-	-	-
Total	256.0	145.3	125.8	118.7	-22.6%	100.0%	483.2	170.3	168.8	12.4%	100.0%
Change to 2015 Budget estimate				(1.6)			364.8	39.1	30.0		
Economic classification											
Current payments	54.5	59.3	45.1	57.2	1.6%	33.5%	79.6	81.4	74.8	9.4%	31.1%
Compensation of employees	33.8	28.7	30.0	36.1	2.2%	19.9%	58.3	62.0	56.7	16.2%	22.7%
Goods and services	20.6	30.6	15.1	21.0	0.6%	13.5%	21.2	19.4	18.0	-5.0%	8.5%
of which:											
Catering: Departmental activities	0.6	0.7	0.8	1.0	21.4%	0.5%	0.8	0.9	0.8	-7.7%	0.4%
Communication	0.8	0.5	0.5	0.7	-3.5%	0.4%	0.8	0.7	0.7	2.3%	0.3%
Consultants: Business and advisory services	7.3	16.6	4.4	13.0	21.5%	6.4%	7.0	6.7	7.1	-18.5%	3.6%
Legal services	-	-	-	-	-	-	1.7	1.7	1.0	-	0.5%
Consumables: Stationery, printing and office supplies	0.7	1.2	0.8	1.3	25.2%	0.6%	0.7	0.8	0.9	-11.7%	0.4%
Travel and subsistence	8.1	5.6	5.2	3.1	-27.8%	3.4%	9.2	7.5	6.1	25.9%	2.7%
Transfers and subsidies	201.3	85.9	80.5	61.3	-32.7%	66.4%	403.6	88.9	94.0	15.3%	68.8%
Departmental agencies and accounts	67.1	68.2	71.1	55.0	-6.4%	40.5%	87.7	81.9	86.7	16.4%	33.1%
Non-profit institutions	3.7	13.9	9.3	6.3	19.4%	5.1%	6.6	7.0	7.4	5.4%	2.9%
Households	130.6	3.9	0.1	0.0	-94.3%	20.8%	309.3	-	-	-100.0%	32.9%
Payments for capital assets	0.2	0.0	0.1	0.3	0.3%	0.1%	-	-	-	-100.0%	-
Machinery and equipment	0.2	0.0	0.1	0.3	0.3%	0.1%	-	-	-	-100.0%	-
Total	256.0	145.3	125.8	118.7	-22.6%	100.0%	483.2	170.3	168.8	12.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.3%	0.2%	0.2%	-	-	0.7%	0.2%	0.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	67.1	68.2	71.1	55.0	-6.4%	40.5%	87.7	81.9	86.7	16.4%	33.1%
South African Local Government Association	26.7	26.0	26.9	9.2	-29.9%	13.8%	29.5	31.3	33.1	53.1%	11.0%
Municipal Demarcation Board	40.4	42.2	44.2	45.8	4.3%	26.7%	58.2	50.6	53.6	5.4%	22.1%
Households											
Social benefits											
Current	130.6	3.9	0.1	0.0	-94.3%	20.8%	309.3	-	-	-100.0%	32.9%
Employee social benefits	-	-	0.1	0.0	-	-	-	-	-	-100.0%	-
Non-returning local government councillors	130.6	3.9	-	-	-100.0%	20.8%	309.3	-	-	-	32.9%
Non-profit institutions											
Current	3.7	13.9	9.3	6.3	19.4%	5.1%	6.6	7.0	7.4	5.4%	2.9%
South African Cities Network	3.7	11.8	6.1	6.3	19.4%	4.3%	6.6	7.0	7.4	5.4%	2.9%
United Cities and Local Government of Africa	-	2.1	3.2	-	-	0.8%	-	-	-	-	-

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 the poor and unemployed living in the most marginalised communities by progressively increasing the number of participants in the community work programme, expanding the geographical spread to reach all municipalities and ensuring programme activity in at least 2 wards per municipality by March 2017.
- Provide and maintain an additional 267 000 work opportunities per year 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 4.11 Community Work Programme expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million											
Management: Community Work Programme	1 289.9	1 721.7	1 650.0	2 375.9	22.6%	100.0%	3 140.8	3 700.6	3 809.5	17.0%	98.8%
Programme Coordination	-	-	-	-	-	-	38.5	40.4	42.6	-	0.9%
Partnerships, Norms, Standards and Innovation	-	-	-	-	-	-	11.9	12.5	13.2	-	0.3%
Total	1 289.9	1 721.7	1 650.0	2 375.9	22.6%	100.0%	3 191.2	3 753.4	3 865.2	17.6%	100.0%
Change to 2015 Budget estimate							(64.4)	(290.3)	(413.0)		
Economic classification											
Current payments	1 289.9	1 721.7	1 649.9	2 375.9	22.6%	100.0%	3 191.2	3 753.4	3 865.2	17.6%	100.0%
Compensation of employees	17.5	24.1	22.3	36.7	28.0%	1.4%	63.5	70.0	72.1	25.2%	1.8%
Goods and services	1 272.4	1 697.6	1 627.7	2 339.2	22.5%	98.6%	3 127.7	3 683.4	3 793.1	17.5%	98.2%
of which:											
Computer services	0.2	-	-	51.0	549.7%	0.7%	48.9	56.5	59.9	5.5%	1.6%
Consultants: Business and advisory services	559.6	329.6	180.7	36.0	-59.9%	15.7%	22.5	33.3	34.7	-1.2%	1.0%
Contractors	709.1	1 359.1	1 361.3	1 769.9	35.6%	73.9%	2 443.2	2 803.0	2 858.5	17.3%	74.9%
Inventory: Materials and supplies	-	0.1	27.2	456.0	-	6.9%	570.6	750.2	799.5	20.6%	19.5%
Consumables: Stationery, printing and office supplies	0.2	0.3	0.2	9.7	258.6%	0.1%	13.5	15.5	9.9	0.4%	0.4%
Travel and subsistence	1.8	5.9	2.9	9.5	74.8%	0.3%	9.7	7.5	11.6	7.0%	0.3%
Total	1 289.9	1 721.7	1 650.0	2 375.9	22.6%	100.0%	3 191.2	3 753.4	3 865.2	17.6%	100.0%
Proportion of total programme expenditure to vote expenditure	2.4%	3.1%	2.8%	3.4%	-	-	4.4%	4.8%	4.6%	-	-

Other departments within the vote

Department of Traditional Affairs

Table 4.12 Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	28.8	27.8	–	1.0	35.4	37.2
Research, Policy and Legislation	17.1	17.1	–	–	19.0	20.9
Institutional Support and Coordination	83.9	45.3	38.5	–	87.3	92.7
Total expenditure estimates	129.8	90.2	38.5	1.0	141.7	150.7
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 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 of Traditional Affairs is mandated to: oversee traditional and KhoiSan leadership and communities; provide for the establishment and recognition of traditional councils by establishing a statutory framework for leadership positions within the institutions of traditional leadership; and provide for dispute resolution and the establishment of the Commission on Traditional Leadership Disputes and Claims. The department's mandate is informed by the following legislation:

- 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 4.13 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of genealogies and customary laws of succession for kingships updated and developed per year	Research, Policy and Legislation	Outcome 14: Nation building and social cohesion	– ¹	– ¹	4	4	1	1	1
Number of traditional leadership claims and dispute cases researched per year	Institutional Support and Coordination		249	300	320	320	320	320	320
Number of kings and queens consulted on the National House of Traditional Leaders programme per year	Institutional Support and Coordination		– ¹	– ¹	6	12	12	12	12
Number of consultations per year between National House of Traditional Leaders and provincial houses of traditional leaders	Institutional Support and Coordination		– ¹	– ¹	4	4	4	4	4

1. No historical data is available as these indicators were introduced in 2014/15.

Expenditure analysis

The Back-to-Basics approach recognises the significant role played by institutions of traditional leadership in local governance. The role of traditional leaders in municipal affairs includes their responsibility to facilitate the participation of traditional communities in order to enhance public participation in municipal activities. In partnership with the Back-to-Basics programme, municipalities and traditional leadership will forge good relations, social cohesion and cooperation to fast-track service delivery to rural traditional communities over the medium term.

The Department of Traditional Affairs will focus on strengthening the technical and administrative capacity of the institutions of traditional leadership, and research and policy development. This work is linked to

outcome 9 (a responsive, accountable and efficient local government system) of government's 2014-2019 medium term strategic framework

At 30 September 2015, the department had 92 filled posts. It plans to fill 22 additional posts over the MTEF period to strengthen departmental capacity, which has been thinly stretched since the department's establishment. The department receives increased funding of R21.8 million for the 2015 public sector wage agreement and for bridging a funding gap for personnel. Over the MTEF period, expenditure on compensation of employees is set to increase from R61 million in 2016/17, to R69 million in 2017/18, and R73.9 million in 2018/19.

Strengthening the technical and administrative capacity of the institutions of traditional leadership

Over the medium term, 62 per cent, or R264 million, of the department's total medium term budget of R422 million will be directed towards activities that provide support and coordination to the institutions of traditional leadership.

The term of the Commission of Traditional Leadership Disputes and Claims was 5 years and ended in 2015. But Parliament has extended the term from 2016 to 2020, so that the commission can finalise outstanding disputes and claims and deal with the 320 traditional leadership disputes and claims per year that are envisaged. R44.1 million has been allocated to the commission over the medium term in the *Commission of Traditional Leadership Disputes and Claims* subprogramme of the *Institutional Support and Coordination* programme. This budget will also enable the department to focus on developing and implementing standard procedures for resolving traditional leadership dispute and claims.

The department plans to finalise a policy on the customary practice of initiation in South Africa, with the intention of reducing the number of deaths and fatalities in initiations. R46.6 million is allocated in the *National House of Traditional Leaders* subprogramme over the MTEF period to fund extensive consultations on safe customary initiations with the national and provincial houses of traditional leadership.

The department will also focus on improving its relations with the houses of traditional leadership and the kings and queens, to enhance their roles in South African society. Among their many contributions, traditional leaders promote community solidarity, advance gender representation in the succession to traditional leadership positions and administer traditional customs.

Over the medium term, the National House of Traditional Leaders will focus on promoting socioeconomic development in traditional communities through a socioeconomic development programme for traditional councils. The programme will deal with issues such as gender parity, a non-discriminatory society, relations with municipalities, basic human rights, and the alignment of tradition with the Constitution. It will also focus on increasing the efficiency and effectiveness of traditional councils and on establishing partnerships with provincial and local houses of traditional leadership to implement the socioeconomic development programme. The National House of Traditional Leadership will also develop protocol guidelines for senior traditional leadership in 8 provinces, providing direction on procedures for engaging with the house.

Research and policy development

The department will conduct social and cultural anthropological research, particularly, over the medium term, on laws relating to genealogy and customary laws of succession for kingships or queenships. The research will inform the socioeconomic development programme. The department will also review and monitor the implementation of traditional affairs policies nationally. Furthermore, the department will implement national frameworks and strategies for the coordination of social cohesion within traditional communities. R57 million is expected to be spent on research and policy development over the period.

Expenditure trends

Table 4.14 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Research, Policy and Legislation														
3. Institutional Support and Coordination														
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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	12.7	12.7	12.7	8.4	8.4	8.4	21.5	21.5	21.5	29.3	29.3	29.3	100.0%	100.0%
Programme 2	14.7	14.7	14.7	11.4	11.4	11.4	13.9	13.9	13.9	14.9	14.9	14.9	100.0%	100.0%
Programme 3	77.7	77.7	77.7	22.2	22.2	22.2	80.4	80.4	80.4	81.7	81.7	81.7	100.0%	100.0%
Total	105.1	105.1	105.1	42.1	42.1	42.1	115.9	115.9	115.9	125.9	125.9	125.9	100.0%	100.0%
Change to 2015 Budget estimate														
Economic classification														
Current payments	70.7	70.7	70.7	42.1	42.1	42.1	80.5	80.5	80.5	85.1	85.1	85.1	100.0%	100.0%
Compensation of employees	41.3	41.3	41.3	42.1	42.1	42.1	49.6	49.6	49.6	54.9	54.9	54.9	100.0%	100.0%
Goods and services	29.5	29.5	29.5	-	-	-	31.0	31.0	31.0	30.2	30.2	30.2	100.0%	100.0%
<i>of which:</i>														
<i>Audit costs: External</i>	-	-	-	-	-	-	-	-	-	3.8	3.8	3.8	100.0%	100.0%
<i>Communication</i>	2.6	2.6	2.6	-	-	-	1.4	1.4	1.4	1.9	1.9	1.9	100.0%	100.0%
<i>Consultants: Business and advisory services</i>	1.2	1.2	1.2	-	-	-	1.9	1.9	1.9	0.7	0.7	0.7	100.0%	100.0%
<i>Legal services</i>	4.1	4.1	4.1	-	-	-	-	-	-	5.1	5.1	5.1	100.0%	100.0%
<i>Consumables: Stationery, printing and office supplies</i>	0.6	0.6	0.6	-	-	-	2.8	2.8	2.8	2.1	2.1	2.1	100.0%	100.0%
<i>Travel and subsistence</i>	17.3	17.3	17.3	-	-	-	1.2	1.2	1.2	11.4	11.4	11.4	100.0%	100.0%
Transfers and subsidies	34.2	34.2	34.2	-	-	-	35.0	35.0	35.0	36.6	36.6	36.6	100.0%	100.0%
Departmental agencies and accounts	-	-	-	-	-	-	35.0	35.0	35.0	36.6	36.6	36.6	100.0%	100.0%
Non-profit institutions	34.2	34.2	34.2	-	-	-	-	-	-	-	-	-	100.0%	100.0%
Payments for capital assets	0.1	0.1	0.1	-	-	-	0.4	0.4	0.4	4.2	4.2	4.2	100.0%	100.0%
Machinery and equipment	0.1	0.1	0.1	-	-	-	0.4	0.4	0.4	4.2	4.2	4.2	100.0%	100.0%
Total	105.1	105.1	105.1	42.1	42.1	42.1	115.9	115.9	115.9	125.9	125.9	125.9	100.0%	100.0%

Expenditure estimates

Table 4.15 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Research, Policy and Legislation									
3. Institutional Support and Coordination									
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Programme 1	29.3	32.2%	18.5%	28.8	35.4	37.2	8.2%	23.8%	
Programme 2	14.9	0.5%	14.1%	17.1	19.0	20.9	11.9%	13.1%	
Programme 3	81.7	1.7%	67.4%	83.9	87.3	92.7	4.3%	63.0%	
Total	125.9	6.2%	100.0%	129.8	141.7	150.7	6.2%	100.0%	
Change to 2015 Budget estimate				5.0	7.8	9.0			
Economic classification									
Current payments	85.1	6.4%	71.6%	90.2	100.2	106.8	7.9%	69.7%	
Compensation of employees	54.9	10.0%	48.3%	61.0	69.0	73.9	10.4%	47.2%	
Goods and services	30.2	0.8%	23.3%	29.2	31.1	32.9	2.9%	22.5%	
<i>of which:</i>									
<i>Audit costs: External</i>	3.8	-	1.0%	2.4	2.6	2.8	-9.8%	2.1%	
<i>Communication</i>	1.9	-9.0%	1.5%	1.6	1.7	1.8	-3.0%	1.3%	

Table 4.15 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2016/17	2017/18		
R million								
Consultants: Business and advisory services	0.7	-16.6%	1.0%	2.4	2.4	2.6	54.2%	1.5%
Legal services	5.1	7.9%	2.4%	4.3	4.5	4.8	-2.1%	3.4%
Consumables: Stationery, printing and office supplies	2.1	48.6%	1.4%	3.3	2.9	3.1	14.6%	2.1%
Travel and subsistence	11.4	-13.0%	7.7%	12.0	12.2	12.9	4.3%	8.8%
Transfers and subsidies	36.6	2.2%	27.2%	38.5	40.4	42.8	5.4%	28.9%
Departmental agencies and accounts	36.6	-	18.4%	-	-	-	-100.0%	6.7%
Non-profit institutions	-	-100.0%	8.8%	38.5	40.4	42.8	-	22.2%
Payments for capital assets	4.2	262.7%	1.2%	1.0	1.1	1.2	-35.3%	1.4%
Machinery and equipment	4.2	262.7%	1.2%	1.0	1.1	1.2	-35.3%	1.4%
Total	125.9	6.2%	100.0%	129.8	141.7	150.7	6.2%	100.0%

Personnel information

Table 4.16 Departmental personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)				
		2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19												
Traditional Affairs		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	83	2	86	49.6	0.6	92	54.9	0.6	101	61.0	0.6	109	69.0	0.6	114	73.9	0.6	7.4%	100.0%
1 – 6	21	2	28	7.1	0.3	29	5.9	0.2	31	6.8	0.2	31	7.2	0.2	34	8.4	0.2	5.4%	30.0%
7 – 10	18	-	12	3.3	0.3	14	5.3	0.4	20	7.4	0.4	24	9.9	0.4	26	10.5	0.4	22.9%	20.2%
11 – 12	13	-	15	7.3	0.5	15	8.7	0.6	16	9.8	0.6	20	13.0	0.6	20	13.5	0.7	10.1%	17.1%
13 – 16	30	-	30	30.0	1.0	33	33.3	1.0	33	34.8	1.1	33	36.7	1.1	33	39.4	1.2	-	31.7%
Other	1	-	1	1.9	1.9	1	1.8	1.8	1	2.2	2.2	1	2.2	2.2	1	2.0	2.0	-	1.0%
Programme	83	2	86	49.6	0.6	92	54.9	0.6	101	61.0	0.6	109	69.0	0.6	114	73.9	0.6	7.4%	100.0%
Programme 1	26	-	23	13.9	0.6	23	15.8	0.7	32	20.1	0.6	38	24.5	0.6	40	25.7	0.6	20.3%	32.0%
Programme 2	21	-	20	11.9	0.6	22	13.3	0.6	22	14.2	0.6	23	15.8	0.7	26	17.5	0.7	5.7%	22.4%
Programme 3	36	2	43	23.8	0.6	47	25.8	0.5	47	26.8	0.6	48	28.8	0.6	48	30.7	0.6	0.7%	45.7%
Total	83	2	86	49.6	0.6	92	54.9	0.6	101	61.0	0.6	109	69.0	0.6	114	73.9	0.6	-	-

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

2. The department's compensation of employees budget has been reduced by R0 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 4.17 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Ministry	-	-	4.0	6.3	-	14.3%	5.7	5.9	6.3	0.2%	18.5%
Management of Traditional Affairs	12.7	8.4	9.7	7.8	-15.0%	53.7%	9.3	10.5	11.2	12.7%	29.7%
Corporate Services	-	-	6.5	13.1	-	27.3%	11.5	16.5	17.2	9.6%	44.6%
Internal Audit	-	-	1.3	2.1	-	4.7%	2.3	2.4	2.5	6.1%	7.2%
Total	12.7	8.4	21.5	29.2	32.1%	100.0%	28.8	35.4	37.2	8.3%	100.0%
Change to 2015 Budget estimate				29.2			28.8	35.4	37.2		

Table 4.17 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Current payments	12.6	8.4	21.4	27.8	30.0%	97.7%	27.8	34.3	36.0	9.1%	96.4%
Compensation of employees	5.5	8.4	13.9	18.4	49.3%	64.3%	19.6	24.5	25.7	11.8%	67.5%
Goods and services	7.1	–	7.5	9.4	9.6%	33.3%	8.2	9.8	10.3	3.3%	28.9%
of which:											
Advertising	0.2	–	0.7	0.7	46.3%	2.3%	–	0.8	0.8	4.1%	1.7%
Audit costs: External	–	–	–	2.8	–	3.9%	2.4	2.6	2.8	-0.3%	8.2%
Communication	1.6	–	0.3	0.5	-30.2%	3.4%	0.4	0.4	0.5	-4.1%	1.4%
Consultants: Business and advisory services	0.0	–	1.9	0.7	196.0%	3.7%	0.7	0.8	0.8	6.1%	2.4%
Consumables: Stationery, printing and office supplies	0.1	–	0.2	0.6	68.9%	1.3%	0.6	0.7	0.8	9.4%	2.1%
Travel and subsistence	4.0	–	2.3	2.5	-15.2%	12.2%	2.9	3.0	3.2	8.6%	8.8%
Payments for capital assets	0.1	–	0.2	1.5	209.7%	2.3%	1.0	1.1	1.2	-8.1%	3.6%
Machinery and equipment	0.1	–	0.2	1.5	209.7%	2.3%	1.0	1.1	1.2	-8.1%	3.6%
Total	12.7	8.4	21.5	29.2	32.1%	100.0%	28.8	35.4	37.2	8.3%	100.0%
Proportion of total programme expenditure to vote expenditure	12.1%	20.0%	18.6%	23.2%	–	–	22.2%	25.0%	24.7%	–	–

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.

Objective

- Enhance the development of traditional communities on traditional issues by reviewing and monitoring policies, legislation, and norms and standards on an ongoing basis.

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. This 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 entities, and research support for entities, and develops and maintains the traditional affairs information management system.

Expenditure trends and estimates

Table 4.18 Research, Policy and Legislation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Management	14.7	11.4	3.3	3.5	-37.8%	60.1%	4.0	4.4	4.7	9.5%	23.1%
Policy and Legislation	–	–	3.3	3.6	–	12.5%	4.1	5.4	5.8	17.5%	26.3%
Research and Information Management	–	–	7.2	7.8	–	27.4%	9.0	9.2	10.5	10.3%	50.6%
Total	14.7	11.4	13.9	14.9	0.5%	100.0%	17.1	19.0	20.9	11.9%	100.0%
Change to 2015 Budget estimate				14.9			17.1	19.0	20.9		

Table 4.18 Research, Policy and Legislation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Current payments	14.7	11.4	13.9	14.9	0.5%	100.0%	17.1	19.0	20.9	11.9%	100.0%
Compensation of employees	11.5	11.4	11.9	13.3	5.1%	87.5%	14.3	15.8	17.5	9.5%	84.5%
Goods and services	3.2	–	2.0	1.6	-20.5%	12.5%	2.9	3.2	3.4	28.5%	15.5%
of which:											
Advertising	–	–	–	0.1	–	0.1%	–	0.1	0.1	19.3%	0.3%
Communication	0.2	–	0.2	0.2	-7.6%	1.0%	0.3	0.3	0.3	23.9%	1.5%
Consumables: Stationery, printing and office supplies	0.2	–	0.2	0.1	-18.6%	0.9%	0.5	0.5	0.6	77.4%	2.4%
Travel and subsistence	2.6	–	1.4	1.1	-24.7%	9.3%	1.9	2.1	2.2	25.0%	10.0%
Training and development	0.0	–	0.1	0.1	165.3%	0.2%	0.1	0.1	0.1	24.1%	0.4%
Venues and facilities	0.1	–	0.1	–	-100.0%	0.4%	0.1	0.1	0.1	–	0.4%
Total	14.7	11.4	13.9	14.9	0.5%	100.0%	17.1	19.0	20.9	11.9%	100.0%
Proportion of total programme expenditure to vote expenditure	14.0%	27.2%	12.0%	11.8%	–	–	13.2%	13.4%	13.9%	–	–

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.

Objective

- Promote and integrate the role of traditional affairs in South Africa's governance system by establishing synergistic relations with other governance structures across the three spheres of government on an ongoing basis.

Subprogrammes

- *Management* provides strategic oversight for the programme.
- *Institutional Development and Capacity Building* ensures that traditional communities are empowered by reviewing and developing national support programmes for traditional 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 relations with other governance structures across the three spheres of government.
- *National House of Traditional Leaders* enhances cooperation between government and institutions of traditional leadership and advises government on programmes, policies and legislation that impact on 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 of Traditional Leaders Disputes and Claims* processes and finalises traditional leadership disputes and claims.

Expenditure trends and estimates

Table 4.19 Institutional Support and 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 (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R million											
Management	13.2	4.4	2.0	2.1	-46.2%	8.3%	2.2	2.7	2.9	12.1%	2.9%
Institutional Development and Capacity Building	-	-	6.0	6.0	-	4.6%	6.9	6.6	7.0	4.8%	7.7%
Intergovernmental Relations and Partnerships	-	-	6.1	6.9	-	5.0%	7.3	7.7	8.1	5.8%	8.7%
National House of Traditional Leaders	18.6	10.6	18.6	16.6	-3.6%	24.5%	15.2	15.3	16.2	-0.9%	18.3%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	34.2	-	35.0	36.6	2.2%	40.4%	38.5	40.4	42.8	5.4%	45.8%
Commission on Traditional Leaders Disputes and Claims	11.7	7.3	12.7	13.6	5.2%	17.3%	13.8	14.6	15.7	4.9%	16.7%
Total	77.7	22.2	80.4	81.8	1.7%	100.0%	83.9	87.3	92.7	4.3%	100.0%
Change to 2015 Budget estimate				81.8			83.9	87.3	92.7		
Economic classification											
Current payments	43.4	22.2	45.3	43.2	-0.2%	58.8%	45.3	46.9	49.9	4.9%	53.6%
Compensation of employees	24.3	22.2	23.8	26.7	3.2%	37.0%	27.2	28.8	30.7	4.8%	32.8%
Goods and services	19.1	-	21.5	16.5	-4.8%	21.8%	18.1	18.1	19.2	5.1%	20.8%
of which:											
Communication	0.8	-	0.9	0.9	5.1%	1.0%	0.9	0.9	1.0	1.7%	1.1%
Consultants: Business and advisory services	1.2	-	-	-	-100.0%	0.4%	1.6	1.6	1.7	-	1.4%
Legal services	4.1	-	4.0	4.3	1.8%	4.7%	4.3	4.5	4.8	3.8%	5.2%
Consumables: Stationery, printing and office supplies	0.3	-	2.4	1.4	62.9%	1.6%	2.2	1.7	1.8	8.8%	2.0%
Travel and subsistence	10.6	-	10.4	7.8	-9.7%	11.0%	7.2	7.2	7.6	-1.0%	8.6%
Training and development	0.2	-	0.5	0.4	20.5%	0.4%	0.4	0.5	0.5	5.4%	0.5%
Transfers and subsidies	34.2	-	35.0	36.6	2.2%	40.4%	38.5	40.4	42.8	5.4%	45.8%
Non-profit institutions	34.2	-	35.0	36.6	2.2%	40.4%	38.5	40.4	42.8	5.4%	45.8%
Payments for capital assets	0.0	-	0.2	2.0	301.1%	0.9%	-	-	-	-100.0%	0.6%
Machinery and equipment	0.0	-	0.2	2.0	301.1%	0.9%	-	-	-	-100.0%	0.6%
Total	77.7	22.2	80.4	81.8	1.7%	100.0%	83.9	87.3	92.7	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	74.0%	52.8%	69.4%	64.9%	-	-	64.6%	61.6%	61.5%	-	-
Details of selected transfers and subsidies											
Non-profit institutions											
Current	34.2	-	35.0	36.6	2.2%	40.4%	38.5	40.4	42.8	5.4%	45.8%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	34.2	-	35.0	36.6	2.2%	40.4%	38.5	40.4	42.8	5.4%	45.8%

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 the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities** promotes and protects cultural, religious and linguistic rights. The commission's total budget for 2016/17 is R38.7 million.
- The **Municipal Demarcation Board** is an independent authority responsible for determining municipal boundaries. The board's total budget for 2016/17 is R58.7 million.
- The **Municipal Infrastructure Support Agency** is mandated to provide immediate support to municipalities that are struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to municipalities and overseeing them. The agency's total budget for 2016/17 is R349.9 million.
- The **South African Local Government Association** is mandated in terms of the Constitution to assist in the comprehensive transformation of local government. The association participates in intergovernmental structures at the provincial and district levels, and is therefore able to influence national and provincial legislation and gauge its impact on local government. The entity's total budget for 2016/17 is R567.8 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
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 transfer	Eradicate the backlog in municipal infrastructure by providing basic services to poor households	Various	83 958.3	13 879.2	14 224.4	14 745.4	14 955.8	14 914.0	15 991.3	16 893.7
Total			83 958.3	13 879.2	14 224.4	14 745.4	14 955.8	14 914.0	15 991.3	16 893.7

Vote 5

Home Affairs

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	2 222.9	2 209.7	2.3	10.9	2 323.0	2 434.5
Citizen Affairs	3 901.6	2 178.3	1 723.2	–	3 671.1	3 636.2
Immigration Affairs	1 042.7	1 042.3	0.4	–	1 066.3	1 103.0
Total expenditure estimates	7 167.1	5 430.4	1 725.9	10.9	7 060.4	7 173.7

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 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of machine readable passports (new live capture process) issued per year within 13 working days	Citizen Affairs	Outcome 12: An efficient, effective and development oriented public service	– ¹	– ¹	– ¹	90%	90%	90%	90%
Number of births per year registered within 30 calendar days	Citizen Affairs		602 530	650 682	704 527	750 000	750 000	750 000	950 000
Percentage of identity documents (first issue) issued per year within 54 working days	Citizen Affairs		92.2% (1 039 862)	91.7%	86.7%	90%	90%	90%	90%
Percentage of identity documents (second issue) issued per year within 47 working days	Citizen Affairs		98.15% (896 613)	98.2%	92.3%	95%	95%	95%	95%
Number of smart identity cards issued per year to citizens 16 years and older	Citizen Affairs	Outcome 3: All people in South Africa are and feel safe	– ¹	125 112	1 638 387	2 200 000	2 200 000	3 000 000	5 000 000
Percentage of permanent residence applications per year adjudicated within 12 months (collected within South Africa) ²	Immigration Affairs	Outcome 12: An efficient, effective and development oriented public service	1.3% (211)	28.2%	36.8%	70%	80%	90%	95%
Percentage of business and general work visa applications per year adjudicated within 3 weeks (processed within South Africa) ²	Immigration Affairs		49.5% (14 471)	48.7%	62%	70%	85%	90%	95%
Percentage of critical skills visa applications per year adjudicated within 4 weeks (processed within South Africa)	Immigration Affairs	Outcome 4: Decent employment through inclusive economic growth	– ¹	– ¹	– ¹	65%	75%	80%	85%
Number of illegal foreigners deported per year	Immigration Affairs	Outcome 3: All people in South Africa are and feel safe	105 392	131 907	54 169	90 000	50 000	50 000	50 000

1. No historical data is available as these are new indicators.

2. Up to 2012/13, focus was placed on work, business and corporate temporary residence permits. From 2015/16 onwards, focus will be placed on business and general work visas.

Expenditure analysis

The services provided by the Department of Home Affairs are key enablers of the development objectives of the national development plan, including the capable state envisaged in chapter 13, and that all people in the country feel safe, envisaged in chapter 12. A great deal of what the department does contributes to outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium term strategic framework. The department also contributes to outcomes 3 and 4 by managing the national identity system, facilitating the importing of the skills needed to build the national economy and the Southern African Development Community (SADC), and combating identity fraud and related corruption.

The focus over the medium term will be on the department repositioning itself as a highly secure, professional and modern organisation through increasing its immigration enforcement capacity, modernising and integrating its information systems, and increasing and improving its client interfaces.

The department's work is labour intensive, with core activities including collecting, processing, issuing and ensuring the quality of documents. The bulk of the department's spending is on compensation of employees across all programmes. In previous years, the department received significant increases on compensation of employees for appointing the frontline staff who perform client interface functions and also to strengthen the assistant and deputy director level of management. The client interface functions are funded in the *Service Delivery to Provinces* subprogramme in the *Citizen Affairs* programme, which currently has 7 093 staff, or almost 15.9 per cent of the department's total staff. Between 2009/10 and 2015/16, 2 209 staff were recruited, increasing the department's total staff from 8 560 to 10 769. The compensation of employees budget also increased over the same period from R1.637 billion in 2009/10 to R2.866 billion in 2015/16, including annual cost of living adjustments.

The department receives increased funding of R91.4 million in 2016/17, R231.9 million in 2017/18 and R280.4 million for compensation of employees for the costs of the 2015 public sector wage agreement. However, as part of Cabinet's decision to lower the national aggregate expenditure ceiling, the department's compensation of employees budget has been reduced by R253.9 million for 2017/18 and R396.9 million for 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget. The department's goods and services budget has similarly been reduced by R21.9 million for 2016/17, R43.6 million for 2017/18 and R58.8 million for 2018/19.

Increasing immigration enforcement capacity

To improve the department's effectiveness at enforcing the new immigration regulations, the department began appointing additional immigration inspectors in 2015/16. 161 additional immigration inspectors have been appointed so far, which has increased the immigration enforcement capacity to 785. The appointments have been made in existing funded positions, reprioritised for the additional inspectors, which explains why the total compensation of employees budget increases by only 5.1 per cent over the medium term. The amount reprioritised for the additional inspectors is R118 million over the medium term.

Modernising and integrating information systems

The department's information systems modernisation project (formerly Who Am I Online) will provide an integrated IT platform and automate civic and immigration business processes. The department has budgeted R436.9 million for 2016/17, R518.9 million for 2017/18 and R549 million for 2018/19 for the information systems modernisation project, including for the following activities:

The integrated and highly secured national identity system will provide an instant and single view of citizens and non-citizens. The system will facilitate e-government, given its capacity to integrate with other newly developed government systems. Current processes of identification and authentication are still largely happening through the unintegrated and largely obsolete information system that the department inherited.

The reengineering and automation of business processes for passport and identity documents has been completed and rolled out as a live capture system in 140 of the department's 400 service points, as planned and budgeted for. The department has signed a memorandum of understanding for partnering with banks to extend

the department's services and make them more efficient, particularly to accelerate the uptake of the smart identity card.

Cleaning the national population register, integrating all backend systems into the national identity system, automating the permits system and providing a full biometric border management solution are due for completion over the medium term.

The department will also continue implementing the electronic documentation management system, namely digitising paper based records and planning for future electronic record keeping. The project was not fully funded, and the department receives increased funding of R30 million for it. The project will start at the beginning of 2016/17, having been delayed in 2015/16 due to a delay in appointing the service provider, which has since been resolved. The department aims to digitise 15.8 million birth records over the medium term.

Increasing and improving client interfaces

As in 2014/15, the department continues to provide its services at more than 400 service points, including district and regional offices (small, medium and large offices). There are also approximately 389 health facilities that process birth registrations; and 117 mobile offices that connect by satellite from remote areas to the department's central systems. There have been delays in converting the department's customer service call centre into a contact centre, but this will have been resolved before the start of 2016/17. The department's strategy to increase its footprint led to the memorandum of understanding with banks in 2015/16, and the department continues to open new offices. The department plans to construct 14 new offices, and upgrade and renovate 12 buildings over the medium term. These projects will significantly increase capital expenditure on office accommodation: by R103.229 million in 2015/16, R154.708 million in 2016/17, R196.2 million in 2017/18, and R142.2 million in 2018/19. The costs are budgeted for in the *Office Accommodation* subprogramme of the *Administration* programme, and include providing 4 residences for officials at ports of entry.

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	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	1 674.1	1 572.5	1 551.3	1 871.6	1 845.5	1 906.3	1 860.3	2 124.2	2 031.5	1 704.2	1 877.0	1 877.0	103.6%	99.3%
Programme 2	3 177.0	3 203.3	2 919.6	4 048.7	4 388.2	3 900.0	4 106.9	4 051.0	4 075.7	4 025.7	4 826.5	4 826.5	102.4%	95.5%
Programme 3	554.4	577.2	972.7	647.5	761.1	1 103.6	656.5	969.5	1 037.3	720.9	645.2	645.2	145.7%	127.3%
Total	5 405.4	5 353.1	5 443.6	6 567.8	6 994.7	6 909.9	6 623.7	7 144.8	7 144.4	6 450.8	7 348.7	7 348.7	107.2%	100.0%
Change to 2015 Budget estimate											897.9			
Economic classification														
Current payments	4 279.3	4 256.8	4 319.1	4 756.9	5 135.0	4 922.4	4 853.8	5 453.8	5 176.2	4 790.5	5 688.4	5 688.4	107.6%	97.9%
Compensation of employees	2 363.9	2 446.3	2 179.6	2 538.2	2 496.5	2 433.7	2 670.0	2 670.0	2 661.9	2 868.1	2 866.0	2 866.0	97.1%	96.8%
Goods and services of which:	1 915.5	1 810.5	2 139.5	2 218.7	2 638.4	2 488.7	2 183.8	2 783.8	2 514.4	1 922.4	2 822.4	2 822.4	120.9%	99.1%
Communication	62.5	62.5	85.8	58.8	76.7	119.2	59.5	59.5	78.6	62.2	54.2	54.2	139.1%	133.6%
Computer services	282.6	277.2	324.2	730.2	710.9	527.6	707.7	757.7	552.1	520.3	576.0	576.0	88.4%	85.3%
Contractors	121.8	128.1	136.1	146.9	161.9	171.8	148.7	148.7	136.4	155.6	155.6	155.6	104.7%	100.9%
Operating leases	602.1	485.9	144.3	232.1	155.8	288.8	272.8	302.8	276.2	284.0	284.0	284.0	71.4%	80.9%
Property payments	198.2	195.2	85.6	102.0	102.6	234.6	214.4	289.2	237.0	194.7	284.7	284.7	118.7%	96.6%
Travel and subsistence	187.3	196.6	266.6	144.6	160.7	224.1	168.9	168.9	170.4	125.2	123.8	123.8	125.4%	120.7%

Table 5.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Transfers and subsidies	1 072.7	1 079.1	1 019.5	1 800.0	1 799.4	1 733.2	1 759.0	1 680.1	1 703.5	1 649.4	1 649.4	1 649.4	97.2%	98.3%
Provinces and municipalities	1.3	1.3	0.9	1.4	1.1	0.9	1.5	1.5	0.9	1.5	1.5	1.5	73.7%	77.5%
Departmental agencies and accounts	1 070.0	1 076.4	1 015.2	1 795.9	1 795.9	1 721.0	1 754.7	1 675.8	1 683.7	1 644.9	1 644.9	1 644.9	96.8%	97.9%
Households	1.5	1.5	3.5	2.7	2.3	11.3	2.9	2.9	18.8	3.0	3.0	3.0	365.4%	379.4%
Payments for capital assets	0.4	17.1	104.7	10.8	8.4	254.3	10.9	10.9	264.7	10.9	10.9	10.9	1 923.3%	1 341.3%
Buildings and other fixed structures	-	-	-	-	0.1	4.6	-	-	66.2	-	-	-	-	67 449.5%
Machinery and equipment	0.4	5.1	97.0	10.8	8.3	185.2	10.9	10.9	178.6	10.9	10.9	10.9	1 429.8%	1 341.0%
Software and other intangible assets	-	12.0	7.6	-	0.0	64.4	-	-	20.0	-	-	-	-	764.8%
Payments for financial assets	53.0	-	0.4	-	52.0	0.1	-	-	-	-	-	-	0.9%	0.9%
Total	5 405.4	5 353.1	5 443.6	6 567.8	6 994.7	6 909.9	6 623.7	7 144.8	7 144.4	6 450.8	7 348.7	7 348.7	107.2%	100.0%

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	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Programme 1	1 877.0	6.1%	27.4%	2 222.9	2 323.0	2 434.5	9.1%	30.8%
Programme 2	4 826.5	14.6%	58.6%	3 901.6	3 671.1	3 636.2	-9.0%	55.8%
Programme 3	645.2	3.8%	14.0%	1 042.7	1 066.3	1 103.0	19.6%	13.4%
Total	7 348.7	11.1%	100.0%	7 167.1	7 060.4	7 173.7	-0.8%	100.0%
Change to 2015				(29.0)	10.8	(284.8)		
Budget estimate								
Economic classification								
Current payments	5 688.4	10.1%	74.9%	5 430.4	5 602.9	5 822.0	0.8%	78.4%
Compensation of employees	2 866.0	5.4%	37.8%	3 146.8	3 233.7	3 328.4	5.1%	43.7%
Goods and services	2 822.4	16.0%	37.1%	2 283.5	2 369.1	2 493.6	-4.0%	34.7%
of which:								
Communication	54.2	-4.7%	1.3%	81.6	86.4	90.9	18.8%	1.1%
Computer services	576.0	27.6%	7.4%	806.2	849.8	896.2	15.9%	10.9%
Contractors	155.6	6.7%	2.2%	183.1	193.6	201.2	8.9%	2.6%
Operating leases	284.0	-16.4%	3.7%	239.6	241.8	254.1	-3.6%	3.5%
Property payments	284.7	13.4%	3.1%	389.4	409.9	432.5	15.0%	5.3%
Travel and subsistence	123.8	-14.3%	2.9%	164.1	184.0	193.9	16.1%	2.3%
Transfers and subsidies	1 649.4	15.2%	22.7%	1 725.9	1 446.2	1 339.6	-6.7%	21.4%
Provinces and municipalities	1.5	7.0%	0.0%	1.7	1.8	1.9	6.7%	0.0%
Departmental agencies and accounts	1 644.9	15.2%	22.6%	1 721.1	1 441.1	1 334.3	-6.7%	21.4%
Households	3.0	26.7%	0.1%	3.1	3.3	3.5	5.3%	0.0%
Payments for capital assets	10.9	-14.0%	2.4%	10.9	11.4	12.0	3.4%	0.2%
Machinery and equipment	10.9	28.6%	1.8%	10.9	11.4	12.0	3.4%	0.2%
Total	7 348.7	11.1%	100.0%	7 167.1	7 060.4	7 173.7	-0.8%	100.0%

Personnel information

Table 5.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Home Affairs																			
Salary level	9 984	76	9 765	2 600.2	0.3	10 769	2 899.4	0.3	10 737	3 146.8	0.3	10 397	3 487.7	0.3	10 397	3 725.3	0.4	-1.2%	100.0%
1 – 6	6 655	66	6 426	1 152.4	0.2	7 235	1 374.2	0.2	7 205	1 498.7	0.2	6 866	1 597.3	0.2	6 866	1 706.3	0.2	-1.7%	66.6%
7 – 10	2 854	4	2 858	850.8	0.3	3 058	956.1	0.3	3 058	1 054.4	0.3	3 058	1 160.1	0.4	3 058	1 239.2	0.4	–	28.9%
11 – 12	283	2	285	295.6	1.0	278	280.1	1.0	276	294.0	1.1	276	362.0	1.3	276	386.6	1.4	-0.2%	2.6%
13 – 16	192	4	196	301.4	1.5	198	288.9	1.5	198	299.7	1.5	197	368.2	1.9	197	393.2	2.0	-0.2%	1.9%
Programme	9 984	76	9 765	2 600.2	0.3	10 769	2 899.4	0.3	10 737	3 146.8	0.3	10 397	3 487.7	0.3	10 397	3 725.3	0.4	-1.2%	100.0%
Programme 1	974	75	1 002	420.4	0.4	1 468	490.5	0.3	1 468	575.2	0.4	1 223	632.8	0.5	1 223	675.5	0.6	-5.9%	12.7%
Programme 2	8 035	1	7 820	1 630.2	0.2	7 093	2 076.2	0.3	7 093	1 902.3	0.3	6 998	2 104.5	0.3	6 998	2 247.5	0.3	-0.4%	66.6%
Programme 3	975	–	943	549.6	0.6	2 208	332.7	0.2	2 176	669.4	0.3	2 176	750.4	0.3	2 176	802.3	0.4	-0.5%	20.7%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	9 984	76	9 765	2 600.2	0.3	10 769	2 899.4	0.3	10 737	3 146.8	0.3	–	(254.0)	–	–	(396.9)	–	–	–

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

2. The department's compensation of employees budget has been reduced by R650.9 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 5.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	712 090	741 605	767 104	921 911	921 911	9.0%	100.0%	989 879	1 071 205	1 163 170	8.1%	100.0%
Sales of goods and services produced by department	655 846	673 773	711 868	887 785	887 785	10.6%	93.2%	966 936	1 053 558	1 144 502	8.8%	97.7%
Sales by market establishments of which:	2 124	2 405	2 698	3 206	3 206	14.7%	0.3%	3 393	3 589	3 796	5.8%	0.3%
Market establishment: Non-residential building	–	2	–	–	–	–	–	–	–	–	–	–
Market establishment: Rental dwelling	2 100	2 373	2 698	3 187	3 187	14.9%	0.3%	3 372	3 567	3 774	5.8%	0.3%
Market establishment: Rental parking: Covered and open	24	30	–	19	19	-7.5%	–	21	22	22	5.0%	–
Administrative fees of which:	651 588	668 447	708 894	882 121	882 121	10.6%	92.6%	960 944	1 047 217	1 137 794	8.9%	97.2%
Certificates	35 791	39 654	155 632	42 260	42 260	5.7%	8.7%	57 872	67 856	55 354	9.4%	5.4%
Identity documents	239 879	183 745	192 862	520 145	520 145	29.4%	36.2%	548 714	578 859	721 713	11.5%	57.1%
Passports	152 242	187 463	296 405	199 991	199 991	9.5%	26.6%	228 192	267 018	230 501	4.8%	22.3%
Permits	140 641	162 354	56 492	108 795	108 795	-8.2%	14.9%	114 602	121 249	117 281	2.5%	11.1%
Other	83 035	95 231	7 503	10 930	10 930	-49.1%	6.3%	11 564	12 235	12 945	5.8%	1.1%
Other sales of which:	2 134	2 921	276	2 458	2 458	4.8%	0.2%	2 599	2 752	2 912	5.8%	0.3%
Commission on insurance	1 950	2 462	115	1 781	1 781	-3.0%	0.2%	1 884	1 994	2 110	5.8%	0.2%
Clearance fees	–	365	72	483	483	–	–	511	541	572	5.8%	0.1%
Postal fees for travel documents	11	11	29	11	11	–	–	11	12	13	5.7%	–
Photocopies and faxes	34	31	4	122	122	53.1%	–	129	137	145	5.9%	–
Other	139	52	56	61	61	-24.0%	–	64	68	72	5.7%	–
Sales of scrap, waste, arms and other used current goods of which:	26	7	12	38	38	13.5%	–	40	43	45	5.8%	–
Sales: Waste paper	26	7	12	38	38	13.5%	–	40	43	45	5.8%	–
Fines, penalties and forfeits	45 642	61 201	46 850	24 538	24 538	-18.7%	5.7%	12 769	6 884	7 283	-33.3%	1.2%
Interest, dividends and rent on land	385	509	636	238	238	-14.8%	0.1%	252	266	281	5.7%	–
Interest	385	509	636	238	238	-14.8%	0.1%	252	266	281	5.7%	–
Sales of capital assets	2 420	46	577	2 077	2 077	-5.0%	0.2%	2 198	2 325	2 459	5.8%	0.2%
Transactions in financial assets and liabilities	7 771	6 069	7 161	7 235	7 235	-2.4%	0.9%	7 684	8 129	8 600	5.9%	0.8%
Total	712 090	741 605	767 104	921 911	921 911	9.0%	100.0%	989 879	1 071 205	1 163 170	8.1%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 5.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19		
R million											
Ministry	26.6	27.2	28.4	44.3	18.5%	1.7%	43.8	45.2	47.0	2.0%	2.0%
Management Support Services	179.7	184.8	193.4	217.3	6.5%	10.5%	208.5	214.7	222.0	0.7%	9.7%
Corporate Services	684.2	630.7	728.8	613.4	-3.6%	36.1%	630.7	659.3	684.6	3.7%	29.2%
Transversal Information Technology Management	333.2	675.8	682.3	532.5	16.9%	30.2%	872.7	916.3	965.0	21.9%	37.1%
Office Accommodation	327.5	387.8	398.7	469.5	12.8%	21.5%	467.3	487.6	515.9	3.2%	21.9%
Total	1 551.3	1 906.3	2 031.5	1 877.0	6.6%	100.0%	2 222.9	2 323.0	2 434.5	9.1%	100.0%
Change to 2015 Budget estimate				172.8			1.0	(13.7)	(37.7)		
Economic classification											
Current payments	1 446.8	1 646.3	1 764.2	1 863.6	8.8%	91.2%	2 209.7	2 309.2	2 419.9	9.1%	99.4%
Compensation of employees	370.7	368.0	420.4	490.5	9.8%	22.4%	575.2	590.6	609.6	7.5%	25.6%
Goods and services	1 076.1	1 278.4	1 343.7	1 373.1	8.5%	68.8%	1 634.6	1 718.6	1 810.3	9.7%	73.8%
of which:											
Communication	78.7	113.9	72.5	41.0	-19.5%	4.2%	73.1	77.3	81.5	25.7%	3.1%
Computer services	137.9	317.0	413.4	434.7	46.6%	17.7%	657.4	686.4	724.1	18.5%	28.3%
Contractors	57.7	89.7	64.5	57.8	0.1%	3.7%	55.9	56.3	56.5	-0.8%	2.6%
Operating leases	140.4	282.9	266.5	278.4	25.6%	13.1%	225.6	237.9	250.0	-3.5%	11.2%
Property payments	79.1	232.3	234.6	283.6	53.0%	11.3%	387.2	407.6	430.0	14.9%	17.0%
Travel and subsistence	125.2	48.6	47.7	56.0	-23.5%	3.8%	68.4	71.7	75.5	10.5%	3.1%
Transfers and subsidies	2.3	9.6	9.8	2.5	2.5%	0.3%	2.3	2.4	2.5	0.3%	0.1%
Provinces and municipalities	0.1	7.9	8.1	0.7	88.6%	0.2%	0.7	0.8	0.8	5.4%	-
Households	2.2	1.7	1.7	1.8	-6.8%	0.1%	1.5	1.6	1.7	-1.8%	0.1%
Payments for capital assets	101.8	250.2	257.6	10.9	-52.5%	8.4%	10.9	11.4	12.0	3.4%	0.5%
Buildings and other fixed structures	-	4.6	66.2	-	-	1.0%	-	-	-	-	-
Machinery and equipment	94.2	181.2	171.4	10.9	-51.3%	6.2%	10.9	11.4	12.0	3.4%	0.5%
Software and other intangible assets	7.6	64.4	20.0	-	-100.0%	1.2%	-	-	-	-	-
Payments for financial assets	0.4	0.1	-	-	-100.0%	-	-	-	-	-	-
Total	1 551.3	1 906.3	2 031.5	1 877.0	6.6%	100.0%	2 222.9	2 323.0	2 434.5	9.1%	100.0%
Proportion of total programme expenditure to vote expenditure	28.5%	27.6%	28.4%	25.5%	-	-	31.0%	32.9%	33.9%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	0.1	7.9	8.1	0.7	88.6%	0.2%	0.7	0.8	0.8	5.4%	-
Vehicle licences	0.1	7.9	8.1	0.7	88.6%	0.2%	0.7	0.8	0.8	5.4%	-

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 2016/17 to 950 000 in 2018/19.
- 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
- issuing 90 per cent of identity documents (first issue) within 54 working days over the medium term
- issuing 95 per cent of identity documents (re-issue) within 47 working days over the medium term
- increasing the number of smart identity cards issued from 2.2 million per year in 2016/17 to 5 million per year in 2018/19.

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* transfers funds to the Government Printing Works, which provides printing services to the South African government and some SADC states. This subprogramme's total budget is transferred in full to the entity.
- *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 5.7 Citizen Affairs expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16					2015/16 - 2018/19	
Citizen Affairs Management	25.8	21.0	25.3	24.7	-1.4%	0.6%	22.0	22.9	23.7	-1.3%	0.6%
Status Services	302.3	440.2	562.0	870.0	42.2%	13.8%	116.8	119.7	123.7	-47.8%	7.7%
Identification Services	242.5	210.9	204.9	278.2	4.7%	6.0%	292.4	303.9	316.5	4.4%	7.4%
Service Delivery to Provinces	1 342.4	1 514.7	1 607.8	2 008.8	14.4%	41.2%	1 749.4	1 783.4	1 838.0	-2.9%	46.0%
Government Printing Works	135.2	134.0	–	–	-100.0%	1.7%	–	–	–	–	–
Electoral Commission	762.2	1 464.0	1 553.6	1 517.1	25.8%	33.7%	1 586.6	1 299.9	1 184.9	-7.9%	34.9%
Represented Political Parties' Fund	109.2	115.2	122.1	127.7	5.4%	3.0%	134.5	141.2	149.4	5.4%	3.4%
Total	2 919.6	3 900.0	4 075.7	4 826.5	18.2%	100.0%	3 901.6	3 671.1	3 636.2	-9.0%	100.0%
Change to 2015				800.8			50.7	164.3	(74.0)		
Budget estimate											

Table 5.7 Citizen Affairs expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Current payments	1 901.2	2 174.4	2 381.0	3 179.6	18.7%	61.3%	2 178.3	2 227.7	2 299.5	-10.2%	61.6%
Compensation of employees	1 335.0	1 500.4	1 630.2	2 076.2	15.9%	41.6%	1 902.3	1 953.6	2 011.5	-1.1%	49.5%
Goods and services	566.1	674.1	750.8	1 103.4	24.9%	19.7%	276.0	274.1	288.0	-36.1%	12.1%
<i>of which:</i>											
Minor Assets	3.5	6.1	2.0	13.6	56.9%	0.2%	8.7	9.1	9.6	-11.1%	0.3%
Computer services	23.9	18.2	23.2	24.5	0.8%	0.6%	39.4	41.8	44.1	21.6%	0.9%
Contractors	69.8	73.1	58.2	78.7	4.1%	1.8%	89.2	94.9	99.9	8.3%	2.3%
Agency and support/outsourced services	2.5	0.5	0.1	0.1	-61.3%	-	14.3	15.5	16.4	381.1%	0.3%
Consumables: Stationery, printing and office supplies	280.3	366.2	471.1	799.0	41.8%	12.2%	19.2	20.1	20.8	-70.4%	5.4%
Travel and subsistence	59.5	76.0	56.4	47.0	-7.6%	1.5%	41.4	53.2	56.0	6.0%	1.2%
Transfers and subsidies	1 016.1	1 721.8	1 691.9	1 646.9	17.5%	38.7%	1 723.2	1 443.4	1 336.7	-6.7%	38.4%
Provinces and municipalities	0.4	0.2	0.9	0.9	37.0%	-	1.0	1.0	1.1	5.3%	-
Departmental agencies and accounts	1 015.1	1 713.2	1 675.7	1 644.8	17.5%	38.5%	1 721.0	1 441.1	1 334.3	-6.7%	38.3%
Households	0.6	8.3	15.3	1.2	25.0%	0.2%	1.2	1.3	1.4	5.3%	-
Payments for capital assets	2.4	3.8	2.8	-	-100.0%	0.1%	-	-	-	-	-
Machinery and equipment	2.4	3.8	2.8	-	-100.0%	0.1%	-	-	-	-	-
Total	2 919.6	3 900.0	4 075.7	4 826.5	18.2%	100.0%	3 901.6	3 671.1	3 636.2	-9.0%	100.0%
Proportion of total programme expenditure to vote expenditure	53.6%	56.4%	57.0%	65.7%	-	-	54.4%	52.0%	50.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 015.1	1 713.2	1 675.7	1 644.8	17.5%	38.5%	1 721.0	1 441.1	1 334.3	-6.7%	38.3%
Employee social benefits	8.5	0.0	0.0	-	-100.0%	0.1%	-	-	-	-	-
Government Printing Works	135.2	134.0	-	-	-100.0%	1.7%	-	-	-	-	-
Electoral Commission	762.2	1 464.0	1 553.6	1 517.1	25.8%	33.7%	1 586.6	1 299.9	1 184.9	-7.9%	34.9%
Represented Political Parties' Fund	109.2	115.2	122.1	127.7	5.4%	3.0%	134.5	141.2	149.4	5.4%	3.4%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	0.4	0.2	0.9	0.9	37.0%	-	1.0	1.0	1.1	5.3%	-
Vehicle licences	0.4	0.2	0.9	0.9	37.0%	-	1.0	1.0	1.1	5.3%	-
Households											
Social benefits											
Current	0.6	8.3	14.7	1.2	25.0%	0.2%	1.2	1.3	1.4	5.3%	-
Employee social benefits	0.6	8.3	14.7	1.2	25.0%	0.2%	1.2	1.3	1.4	5.3%	-

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.

Objectives

- 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 8 months, increasing the percentage from 85 per cent in 2016/17 to 95 per cent in 2018/19
 - adjudicating business and general work visa applications (processed within South Africa) within 8 weeks, increasing the percentage from 80 per cent in 2016/17 to 95 per cent in 2018/19
 - adjudicating critical skills visa applications (collected within South Africa) within 4 weeks, increasing the percentage from 75 per cent in 2016/17 to 85 per cent in 2018/19.

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, 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 5.8 Immigration Affairs expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Immigration Affairs Management	99.9	60.3	63.9	31.0	-32.3%	7.1%	31.1	32.5	33.8	3.0%	3.3%
Admission Services	474.8	603.7	564.2	267.9	-17.4%	53.3%	515.1	536.9	555.9	27.5%	48.6%
Immigration Services	223.2	261.4	200.7	277.6	7.5%	26.8%	287.1	273.7	281.5	0.5%	29.0%
Asylum Seekers	126.2	130.0	133.5	68.7	-18.3%	12.8%	209.4	223.2	231.7	50.0%	19.0%
Total	924.1	1 055.3	962.3	645.2	-11.3%	100.0%	1 042.7	1 066.3	1 103.0	19.6%	100.0%
Change to 2015 Budget estimate				(75.7)			(80.7)	(139.7)	(173.1)		
Economic classification											
Current payments	922.4	1 053.3	956.1	645.2	-11.2%	99.7%	1 042.3	1 066.0	1 102.6	19.6%	100.0%
Compensation of employees	431.9	517.5	549.6	332.7	-8.3%	51.1%	669.4	689.5	707.3	28.6%	62.2%
Goods and services	490.5	535.8	406.6	312.5	-14.0%	48.7%	372.9	376.4	395.3	8.1%	37.8%
of which:											
Computer services	162.5	192.4	115.5	116.8	-10.4%	16.4%	109.4	121.7	128.0	3.1%	12.3%
Consultants: Business and advisory services	15.4	12.5	7.6	4.0	-36.4%	1.1%	22.0	24.6	26.1	87.4%	2.0%
Contractors	8.6	9.0	13.7	19.0	30.1%	1.4%	37.9	42.4	44.8	33.0%	3.7%
Agency and support/outsourced services	47.3	31.3	39.3	65.6	11.5%	5.1%	56.5	30.2	30.6	-22.5%	4.7%
Transport provided: Departmental activity	43.6	104.0	89.1	38.8	-3.8%	7.7%	50.0	52.8	55.6	12.7%	5.1%
Travel and subsistence	81.8	99.6	66.2	24.5	-33.1%	7.6%	54.3	59.1	62.4	36.6%	5.2%
Transfers and subsidies	1.1	1.8	1.8	0.0	-86.2%	0.1%	0.4	0.4	0.4	413.8%	-
Provinces and municipalities	0.4	0.6	0.0	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	0.1	-	0.0	0.0	-68.9%	-	0.0	0.0	0.0	-	-
Households	0.6	1.2	1.8	-	-100.0%	0.1%	0.4	0.4	0.4	-	-
Payments for capital assets	0.5	0.3	4.4	-	-100.0%	0.1%	-	-	-	-	-
Machinery and equipment	0.5	0.3	4.4	-	-100.0%	0.1%	-	-	-	-	-
Total	924.1	1 055.3	962.3	645.2	-11.3%	100.0%	1 042.7	1 066.3	1 103.0	19.6%	100.0%
Proportion of total programme expenditure to vote expenditure	17.0%	15.3%	13.5%	8.8%	-	-	14.5%	15.1%	15.4%	-	-

Entities

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

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of registered voters as at 31 March each year	Electoral operations	Outcome 12: An efficient, effective and development oriented public service	22 979 394	25 364 669	25 161 799	26 345 242	25 200 000	24 600 000	27 185 000
Number of contracted voting stations on main registration weekends or general election days in the years where applicable	Electoral operations		- ¹	22 263	22 263	22 600	22 600	- ¹	23 000
Number of liaison sessions with members of party liaison committees at the national (1), provincial (9) and municipal (234) levels per year	Electoral operations		1 234	2 060	1 748	2 600	1 400	976	1 708
Number of electoral staff recruited and trained per year	Electoral operations		1 071	46 251	211 252	50 092	213 092	- ²	500 092
Voter turnout in the national and provincial elections of 2014, and in the local government elections of 2016, as a percentage of registered voters	Outreach		- ¹	- ¹	73.5%	- ¹	60%	- ¹	- ¹
Number of civic and democracy education events per year	Outreach		4 875	65 454	11 363	60 000	60 000	15 000	30 000
Audience reach for televised democracy education content as evidenced by the relevant viewership, listenership and readership figures in each year covered by the annual performance plan	Outreach	Outcome 11: Create a better South Africa, a better Africa and a better world	- ³	- ³	3.1 million (viewers)	2.5 million (viewers and listeners)	5 million (viewers and listeners)	2 million (viewers and listeners)	6 million (viewers and listeners)
Number of international interactions/ liaisons per year	Outreach		36	26	28	30	30	30	30

1. These were non-election years but campaigning for registration takes place in these years.

2. This was a non-election year, in which there were no election activities. As a result, no expansion staff members were recruited.

3. No historical data is available as this is a new indicator introduced in 2014/15.

Expenditure analysis

The national development plan envisages a capable developmental state through building an active and engaged citizenry. This commitment is further emphasised in outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium term strategic framework. The Electoral Commission gives effect to these policies by managing national, provincial and local government elections, ensuring that those elections are free and fair, and declaring results within a prescribed period.

The focus of the commission over the medium term will be on preparations for the 2016 local government elections, and registration and outreach activities leading up to the 2019 national and provincial elections. As a result, the bulk of the commission's budget over the medium term will be directed, in registration and election years, towards spending linked to the commission's main performance areas, which are divided into electoral operation and outreach programmes.

The commission's expenditure is influenced by the electoral cycle, which consists of two parts: the four years in which election preparations and voting takes place for national, provincial and municipal elections; and the one year in which the only election activity that takes place is for municipal by-elections. In non-election years, the commission's expenditure decreases in line with the decrease in the number of election related activities, and increases accordingly, adjusted for inflation, in elections years.

The commission has 1 034 permanent personnel, and this number is expected to remain constant over the medium term. Expenditure on compensation of employees is expected to increase from R572 million for the 2014 national and provincial government elections to R646.3 million for the 2016 local government elections, and to R794.5 million for the 2019 national and provincial elections. The estimated 28 per cent increase in this expenditure over the medium term is mainly a result of the increase in the expected payment rate, which is 2 per cent higher than inflation for electoral and expansion personnel.

To pay tariffs commensurate with attracting approximately 213 000 mature and experienced electoral staff for election day (approximately 51 000 of these staff are also compensated for registration activities); improving and increasing the amount of training provided to these staff members in the electoral operations programme; and compensating approximately 6 000 expansion staff appointed to work at approximately 22 600 voting stations, an estimated R204 million is allocated over the medium term. Embarking on extensive civic and democracy education and communication programmes to protect the credibility and integrity of electoral processes is expected to drive further expenditure of R188.6 million over the medium term.

Ongoing activities include event specific registration activities; voter and civic democracy education programmes; the procurement of items on the electoral bill of materials, including ballot papers, ballot boxes and stationery used at voting stations; and extensive communication programmes across various media platforms. The balance of the commission's activities over the medium term includes increasing the number of prefabricated houses as office accommodation from 14 in 2015/16 to a projected 30 in 2018/19; updating electoral databases in line with election specific requirements; updating and rolling out the commission's IT infrastructure; and replacing the current fleet of 32 000 old zip-zip machines, which capture a person's identity number and link it to the specific voting district where the person is registering, with a new fleet of 38 000 machines, which are expected to be acquired in 2017/18 at an estimated cost of R369 million. For this, the commission receives an allocation of R180 million in 2017/18 from the Department of Home Affairs, and plans to provide R189 million from its own funds, generated through savings, to make up the total project cost.

Cabinet approved budget reductions of R24.5 million in 2015/16 and R36.7 million in 2016/17 will be effected mainly on non-essential spending items of the commission's operations, such as venues, facilities, catering and entertainment. These are not expected to have adverse effects on service delivery.

Programmes/objectives/activities

Table 5.10 Electoral Commission expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	383.1	446.4	522.3	523.3	11.0%	36.8%	485.9	535.2	581.0	3.5%	35.2%
Electoral operations	316.8	681.0	926.5	749.2	33.2%	48.7%	959.2	482.7	884.5	5.7%	49.0%
Outreach	65.7	282.1	167.0	296.6	65.3%	14.5%	201.0	133.6	380.6	8.7%	15.8%
Total	765.6	1 409.5	1 615.9	1 569.1	27.0%	100.0%	1 646.1	1 151.5	1 846.1	5.6%	100.0%

Statements of historical financial performance

Table 5.11 Electoral Commission statements of historical financial performance

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate 2015/16	Revised estimate 2015/16	Outcome/Budget Average (%) 2012/13 - 2015/16
	Budget 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18			
Revenue									
Non-tax revenue	15.0	6.1	15.0	16.6	15.0	31.4	15.0	15.0	115.1%
Other non-tax revenue	15.0	6.1	15.0	16.6	15.0	31.4	15.0	15.0	115.1%
Transfers received	756.2	762.2	1 464.0	1 464.0	1 553.6	1 553.6	1 517.1	1 517.1	100.1%
Total revenue	771.2	768.2	1 479.0	1 480.6	1 568.6	1 585.0	1 532.1	1 532.1	100.3%
Expenses									
Current expenses	817.7	765.6	1 491.9	1 409.5	1 613.1	1 615.9	1 582.3	1 569.1	97.4%
Compensation of employees	336.0	369.1	562.7	571.7	566.2	572.0	680.2	655.2	101.1%
Goods and services	422.4	339.0	867.7	779.0	984.2	980.0	838.8	851.9	94.8%
Depreciation	59.3	57.5	61.4	58.8	62.8	63.8	63.4	62.0	98.1%
Interest, dividends and rent on land	—	0.0	—	0.0	—	0.0	—	—	—
Total expenses	817.7	765.6	1 491.9	1 409.5	1 613.1	1 615.9	1 582.3	1 569.1	97.4%
Surplus/(Deficit)	(47.0)	3.0	(13.0)	71.0	(44.0)	(31.0)	(50.0)	(37.0)	

Statements of estimates of financial performance and position

Table 5.12 Electoral Commission statements of estimates financial performance and position

Statement of financial performance		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
Revised estimate	2015/16			2012/13 - 2015/16	2016/17	2017/18			2018/19
R million									
Revenue									
Non-tax revenue		15.0	35.1%	1.2%	15.0	10.0	15.0	-	1.0%
Other non-tax revenue		15.0	35.1%	1.2%	15.0	10.0	15.0	-	1.0%
Transfers received		1 517.1	25.8%	98.8%	1 586.6	1 119.9	1 184.9	-7.9%	99.0%
Total revenue		1 532.1	25.9%	100.0%	1 601.6	1 129.9	1 199.9	-7.8%	100.0%
Expenses									
Current expenses		1 569.1	27.0%	100.0%	1 646.1	1 151.5	1 846.1	5.6%	-
Compensation of employees		655.2	21.1%	41.5%	646.3	611.2	794.5	6.6%	44.3%
Goods and services		851.9	36.0%	53.6%	939.7	490.0	1 018.8	6.1%	52.3%
Depreciation		62.0	2.5%	4.9%	60.1	50.3	32.7	-19.2%	3.4%
Total expenses		1 569.1	27.0%	100.0%	1 646.1	1 151.5	1 846.1	5.6%	-
Surplus/(Deficit)		(37.0)	(3)		(45.0)	(22.0)	(646.0)	159.4%	
Statement of financial position									
Carrying value of assets		293.5	-4.3%	63.4%	245.7	211.2	206.0	-11.1%	54.5%
of which:									
Acquisition of assets		(25.0)	-22.0%	-8.5%	(15.5)	(28.7)	(27.6)	3.3%	-5.6%
Inventory		45.0	57.9%	5.1%	15.0	12.0	45.0	-	6.5%
Receivables and prepayments		25.0	13.1%	4.7%	18.0	18.0	23.5	-2.0%	4.8%
Cash and cash equivalents		162.6	27.0%	26.7%	142.6	140.6	149.6	-2.7%	34.2%
Total assets		526.1	5.6%	100.0%	421.3	381.8	424.1	-6.9%	100.0%
Accumulated surplus/(deficit)		372.6	2.3%	74.9%	327.8	298.3	270.6	-10.1%	72.6%
Trade and other payables		153.0	18.2%	24.7%	93.0	83.0	153.0	-	27.2%
Provisions		0.5	70.2%	0.1%	0.5	0.5	0.5	-	0.1%
Total equity and liabilities		526.1	5.6%	100.0%	421.3	381.8	424.1	-10.1%	100.0%

Personnel information

Table 5.13 Electoral Commission personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
Electoral Commission																			
Salary level	14 256	14 274	22 637	572.0	0.0	14 165	655.2	0.0	14 169	646.3	0.0	7 149	611.2	0.1	14 271	794.5	0.1	6.6%	100.0%
1 – 6	13 294	13 294	21 764	117.7	0.0	13 290	158.6	0.0	13 207	85.1	0.0	6 187	24.8	0.0	13 309	176.6	0.0	3.6%	91.7%
7 – 10	874	886	798	348.4	0.4	800	386.2	0.5	874	434.2	0.5	874	452.4	0.5	874	476.8	0.5	7.3%	7.5%
13 – 16	87	93	74	103.3	1.4	74	107.8	1.5	87	124.3	1.4	87	131.0	1.5	87	138.1	1.6	8.6%	0.7%
17 – 22	1	1	1	2.5	2.5	1	2.6	2.6	1	2.8	2.8	1	2.9	2.9	1	3.1	3.1	5.2%	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 **Government Printing Works** is mandated to provide security printing and ancillary services to all organs of state in all spheres of government. It performs its mandate subject to policies as prescribed by the Minister of Home Affairs. The entity's total budget for 2016/17 is R1.2 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		
				2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
Sebokeng	Construction of new office building	Handed over	10.0	1.1	-	-	-	-	-	-
Phutaditjaba	Construction of new office building	Construction	34.5	1.1	18.1	6.4	2.2	-	-	-
Taung	Construction of new office building	Design	22.8	2.0	4.9	3.0	19.8	-	-	-
Hluhluwe	Construction of new office building	Feasibility	35.8	-	-	23.1	1.3	-	-	-
Stanger	Construction of new office building	Feasibility	29.8	-	-	13.8	4.6	-	-	-
Lusikisiki	Demolition of old prison and construction of new office building	Various	25.6	2.0	5.0	1.0	7.0	-	-	-
Randfontein	Demolition of old commando and construction of new office building	Various	43.4	-	5.0	15.9	9.5	18.0	-	-
Marabastad	Construction of ablution block and shelter	Various	5.0	3.9	0.5	-	-	-	-	-
Repair and upgrade	Renovations, repairs and maintenance of buildings to make them habitable	Handed over	30.1	4.7	-	-	-	-	-	-
Repair and upgrade	Renovations, repairs and maintenance of buildings to make them habitable	Identification	45.4	6.0	31.2	-	-	-	-	-
New head office	Refurbishment of 13th floor	Design	2.7	-	2.0	0.5	-	-	-	-
Ganyesa	Construction of new office building	Pre-feasibility	21.7	-	-	3.7	9.5	11.0	11.9	-
Bushbuckridge	Construction of new office building	Pre-feasibility	15.7	-	-	1.5	6.3	6.8	7.7	-
Modimolle	Construction of new office building	Pre-feasibility	15.7	-	-	(5.2)	6.3	6.8	7.7	-
Bochum	Construction of new office building	Pre-feasibility	15.7	-	-	0.3	0.3	6.3	7.7	-
Ministry	Rezoning	Pre-feasibility	20.0	-	-	20.0	-	-	-	-
Lebombo refugee reception centre	Construction of a refugee reception centre	Feasibility	33.0	-	-	-	11.0	12.0	10.0	-
Sea port of entry: New offices	Construction of new office building	Feasibility	31.0	-	-	-	10.0	11.0	11.0	-
Lebombo official residential accommodation	Residential accommodation for officials	Feasibility	31.0	-	-	-	10.0	11.0	11.0	-
Oshoek	Residential accommodation for officials	Feasibility	33.8	-	-	-	10.0	10.0	15.6	-
Maseru	Residential accommodation for officials	Feasibility	61.1	-	-	-	25.0	24.0	14.5	-
Beitbridge	Residential accommodation for officials	Feasibility	20.6	-	-	-	4.0	5.5	15.6	-
Planned maintenance	Upgrading and renovations, such as painting and new flooring	Construction	33.9	3.0	4.5	3.5	-	-	-	-
Maintenance	Installation of generators, earth wires and related services	Handed over	3.9	-	1.3	-	-	-	-	-
New corporation building	Elevators	Handed over	2.5	-	0.4	-	-	-	-	-
New corporation building	Upgrading and renovations, such as painting and new flooring	Handed over	12.0	-	5.2	-	-	-	-	-
Look and feel	Upgrading and renovations, such as painting and new flooring	Construction	58.8	3.7	-	-	-	-	-	-
Itsoeng	Upgrading and renovations, such as painting and new flooring	Construction	10.3	-	-	0.3	0.3	6.2	3.5	-
Christiana	Upgrading and renovations, such as painting and new flooring	Construction	6.8	-	-	0.3	0.3	6.2	3.5	-
Thohoyandou	Upgrading and renovations, such as painting and new flooring	Construction	6.8	-	-	0.3	0.3	6.2	3.5	-
Lichtenburg	Upgrading and renovations, such as painting and new flooring	Construction	5.3	-	-	0.3	5.0	-	-	-

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		
				2012/13	2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
R million											
Louis Trichardt	Upgrading and renovations, such as painting and new flooring	Construction	6.8	-	-	-	0.3	0.3	6.2	3.5	
Phalaborwa and Mhala	Upgrading and renovations, such as painting and new flooring	Construction	2.8	-	-	-	0.1	2.7	-	-	
New head office	Construction of new office building	Feasibility	68.0	-	-	-	1.5	1.5	30.0	5.0	
Atamelang, Molepo and Mankwe	Upgrading and renovations, such as painting and new flooring	Construction	14.8	-	-	-	7.8	6.6	0.4	-	
New cooperation Building	Upgrading and renovations, such as painting and new flooring	Construction	4.0	-	-	-	4.0	-	-	-	
Harding	Construction of new office building	Feasibility	10.3	-	-	-	0.3	0.3	6.2	3.5	
Ingwavuma	Construction of new office building	Feasibility	10.3	-	-	-	0.3	0.3	6.2	3.5	
Komanga	Construction of new office building	Feasibility	10.3	-	-	-	0.3	0.3	6.2	3.5	
Cowie Place: Refurbishment	Upgrading and renovations, such as painting and new flooring	Construction	16.3	-	16.3	-	-	-	-	-	
Cowie Place: Project management	Upgrading and renovations, such as painting and new flooring	Construction	2.2	-	2.2	-	-	-	-	-	
Ministry: Refurbishment for Border Management Agency	Upgrading and renovations, such as painting and new flooring	Construction	1.8	-	1.8	-	-	-	-	-	
Total			872.2	27.6	98.5	-	103.2	154.7	196.2	142.2	

Vote 6

International Relations and Cooperation

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 458.7	1 193.3	1.4	264.0	1 520.7	1 634.1
International Relations	3 083.1	3 063.8	4.8	14.4	2 939.7	3 019.0
International Cooperation	579.3	577.1	0.5	1.7	565.4	574.0
Public Diplomacy and Protocol Services	252.1	250.7	0.4	1.0	266.1	288.1
International Transfers	515.5	–	515.5	–	621.1	667.4
Total expenditure estimates	5 888.7	5 084.8	522.7	281.1	5 913.0	6 182.6

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 service delivery, where appropriate.

Vote purpose

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

Mandate

According to the Constitution, the president is ultimately responsible for the foreign policy and international relations of South Africa. 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of tourism promotional events hosted per year ¹	International Relations	Outcome 11: Create a better South Africa, a better Africa and a better world	- ²	- ²	96	67	67	67	67
Number of structured bilateral mechanisms to promote national priorities (the African Agenda and the Agenda of the South) per year	International Relations		- ²	42	29 ³	34	34	34	34
Number of high level engagements coordinated to promote national priorities (the African Agenda and the Agenda of the South) per year	International Relations		- ²	61	32 ³	58	58	58	58
Number of economic diplomacy activities to attract investment, tourism and the development of cooperation per year:	International Relations		- ²						
- Trade and investment seminars			- ²	154	111 ⁴	112	112	112	112
- Engagements with chambers of commerce			- ²	57	122 ⁴	126	125	125	125
Number of bilateral meetings held with targeted government ministries and high level potential investors per year	International Relations		- ²	72	148	150	150	150	150
Number of AU structures and processes used to promote peace and stability, socioeconomic development, good governance and democracy on the continent per year	International Cooperation		- ²	5	3	3	3	3	3
Number of NEPAD summits, working group meetings and processes supported with substance and logistics to enhance socioeconomic development on the continent per year	International Cooperation		- ²	4	4	4	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		- ²	5	7	11	11	11	11
Number of multilateral structures and processes engaged in to enhance the responsiveness of the multilateral system to South Africa's needs and the needs of developing countries per year	International Cooperation		- ²	- ²	- ²	- ²	21	21	21
Percentage of requests for protocol services responded to per year	Public Diplomacy and Protocol Services		- ⁵	100% (211)	100% (74)	100% ⁶	100% ⁶	100% ⁶	100% ⁶
Percentage of requests for public diplomacy services responded to per year	Public Diplomacy and Protocol Services		- ⁵	100% (192)	100% (277)	100% ⁶	100% ⁶	100% ⁶	100% ⁶

1. This indicator relates to tourism promotional events undertaken by the Department of International Relations and Cooperation where the Department of Tourism has no representation in a foreign mission. From 2015/16, the indicator reflects integrated targets that now include the number of development cooperation initiatives held per year.

2. No historical data is available as these are new indicators.

3. Targets for 2014/15 were not achieved as parties could not schedule engagements on mutually convenient dates. In certain instances, planned visits had to be postponed or cancelled owing to domestic or international developments.

4. Targets for 2014/15 were not achieved due to operational challenges. Of the targeted 273 diplomacy activities planned, 162 could not take place. Similarly, of the targeted 144 trade seminars for the year, 33 could not be held.

5. No historical data is available as these indicators were revised and expressed as percentages from 2013/14 onwards.

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

Expenditure analysis

In pursuit of the national imperatives outlined in chapter 7 of the national development plan and outcome 11 (create a better South Africa, a better Africa and a better world) of the 2014-2019 medium term strategic framework, the Department of International Relations and Cooperation will focus over the medium term on consolidating South Africa's global economic, political and social relations, strengthening the African Agenda and regional integration, and enhancing the department's operational capacity. The department will also continue with its ongoing development and management of its infrastructure projects and properties.

In an effort to rationalise and to ensure appropriate levels of staffing at foreign missions, the department has identified savings in compensation of employees for the locally recruited personnel of R215 million over the medium term in the *International Relations* programme and R183 million in 2017/18 and 2018/19 in the *International Relations* programme and the *International Cooperation* programme. In addition, the department's compensation of employees budget has been reduced by R232.2 million for 2017/18 and R388.4 million for 2018/19 as part of Cabinet's decision to lower the national aggregate expenditure ceiling. After consultation

with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

The department's goods and services budget has been similarly reduced by R55.5 million for 2016/17, R54.6 million for 2017/18 and R71.4 million for 2018/19. These reductions are to be effected mainly on consultants and outsourced services, operating leases, property payments and travel and subsistence. Also as part of the decision to lower the national aggregate expenditure ceiling, Cabinet has approved budget reductions of R88 million in 2016/17, R300 million in 2017/18 and R307.1 million in 2018/19 on transfers to the African Renaissance and International Cooperation Fund. The fund has sufficient cash reserves to absorb the impact of the reductions and its operations will not be affected.

Consolidating global economic, political and social relations

South Africa continues to engage with strategic formations of the North, while advancing mutually beneficial South-South cooperation through structured bilateral mechanisms and multilateral agreements. Over the medium term, the department plans to use the United States' African Growth and Opportunity Act as a platform for industrialisation and regional integration, and relations with the European Union (EU) on the establishment of joint infrastructure projects are at the advanced stages. These engagements are complementary with ongoing participation in United Nations (UN) structures and multilateral organisations and forums.

The department will strengthen and consolidate South-South relations, reflecting the shift in the balance of the global distribution of power and the increasing influence of emerging economies in the multilateral trading system. Over the medium term, the department will continue to utilise its membership and engagements with groupings of the South, such as the Forum on China-Africa Cooperation, the G77, the People's Republic of China, and the Brazil-Russia-India-China-South Africa (BRICS), to advance South Africa's foreign policy objectives. The adoption of the strategy for the BRICS economic partnership is expected to facilitate trade and investment, enhance market access opportunities and facilitate market interlinkages between the countries. The BRICS' New Development Bank, once operationalised, will serve as an instrument for financing infrastructure investment and sustainable development projects in the BRICS and other developing countries and emerging market economies. These activities are budgeted for in the *International Relations* and *International Cooperation* programmes. Joint spending is set to decrease from R4 billion in 2015/16 to R3.6 billion in 2018/19, the bulk of which will be on compensation of employees, travel and subsistence, and other contractual obligations in missions abroad.

Strengthening the African Agenda and regional integration

The department continues to support regional and continental processes, responding to and resolving crises, strengthening regional integration, contributing to an enabling trade environment, increasing intra-Africa trade, and championing sustainable development and opportunities. Strengthening the African Union (AU) and its structures is a key priority for deepening continental integration. Over the medium term, the department will continue to make contributions to: operationalising the tripartite agreement between South Africa, Angola and the Democratic Republic of the Congo in support of the peace and security framework agreement for the Great Lakes region; deploying the Southern African Development Community (SADC) intervention brigade; and, working with the Department of Defence, operationalising the AU peace and security architecture and the African Capacity for Immediate Response to Crises, which is the multinational African interventionist standby force set up in November 2013.

The AU's Agenda 2063 seeks to chart a new development trajectory for Africa towards self-determination, freedom, progress and collective prosperity. The first 10-year implementation plan of Agenda 2063 identifies the key outcomes by 2023. Over the medium term, the department will be involved in rationalising regional economic communities towards a continental free trade area, revitalising the New Partnership for Africa's Development (NEPAD) on infrastructure development, and promoting good governance systems through the African Peer Review Mechanism. These and other related activities are budgeted for in the *Africa* subprogramme of the *International Relations* programme and the *Continental Cooperation* subprogramme in the *International Cooperation* programme. Joint spending over the medium term is projected to be R3.4 billion, the bulk of which will be in compensation of employees, travel and subsistence and other contractual obligations in missions abroad.

Enhancing the department's operational capacity

To meet the demands of the department's expanding role in economic diplomacy and trade promotion, and to ensure that there is a more uniform understanding in government of South African foreign policy, the department is responsible for capacitating government officials in the diplomatic training academy. Spending in the *Diplomatic Training, Research and Development* subprogramme of the *Administration* programme is thus set to increase from R68.7 million in 2015/16 to R85.3 million in 2018/19. The department offers the training, but it is taken up at the discretion of individual government departments.

The department operates in a global environment, under conditions that are often significantly different from those defined by the policy context for the public service in South Africa. To address these differences, the department has reviewed the legislative framework governing its operations. The Foreign Services Bill is currently before Parliament and expected to be finalised over the medium term. In addition, the department aims to address disparities in its human resources, finance and administrative systems, and has embarked on a systems modernisation project to provide more secure ICT infrastructure and an integrated information system. Spending on these and other related activities is set to increase from R1.4 billion in 2015/16 to R1.6 billion in 2018/19, the bulk of which is on computer services, outsourced services, training and development, and professional advisory services in the *Administration* programme.

Developing and managing infrastructure projects and properties

Spending on infrastructure decreased from R247 million in 2012/13 to R209.3 million in 2015/16 due to the completion of chanceries and official residences, but is expected to increase to R303.5 million in 2018/19. Allocations are earmarked to fund new or existing infrastructure development, the acquisition of land and buildings, and the renovation and refurbishment of state owned chanceries, official residences and staff accommodation. Currently, there are 57 such infrastructure projects at various stages of implementation. Over the medium term, the department will complete chanceries and official residences in Dar es Salaam, Lilongwe and Luanda. Work on these projects is reflected in the projected increase in spending in the *Foreign Fixed Assets Management* subprogramme of the *Administration* programme.

Over the medium term, the department will also finalise its property acquisition and management strategy and explore alternative funding models. The finalisation of the strategy is expected to significantly reduce spending on property leases by an estimated R700 million over the medium term, and thus make available funding for acquiring additional properties and implementing a property lifecycle maintenance plan.

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			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Revised estimate			Outcome/Annual budget Average (%)		Outcome/Adjusted appropriation Average (%)	
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16																		
Programme 1	1 275.6	1 265.3	1 133.1	1 327.8	1 320.7	1 267.2	1 396.3	1 419.6	1 247.9	1 418.5	1 381.6	1 381.6	92.8%	93.4%																	
Programme 2	2 425.2	2 441.7	2 500.3	2 653.4	2 768.1	2 941.2	2 810.2	3 047.5	3 194.9	2 931.7	3 506.2	3 506.2	112.2%	103.2%																	
Programme 3	369.9	364.8	370.4	447.9	459.0	451.7	486.4	504.4	485.2	466.9	525.2	525.2	103.5%	98.9%																	
Programme 4	220.3	301.1	292.1	243.9	254.5	281.6	317.2	309.3	275.9	246.3	363.6	363.6	118.0%	98.7%																	
Programme 5	825.6	898.6	937.8	875.4	952.4	973.9	744.3	823.6	862.7	635.2	734.3	734.3	113.9%	102.9%																	
Total	5 116.6	5 271.5	5 233.7	5 548.4	5 754.6	5 915.5	5 754.3	6 104.3	6 066.5	5 698.6	6 510.9	6 510.9	107.3%	100.4%																	
Change to 2015 Budget estimate													812.2																		

Table 6.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	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	4 044.1	4 001.6	3 986.6	4 300.3	4 403.3	4 732.0	4 582.6	4 996.6	5 029.2	4 773.5	5 561.3	5 561.3	109.1%	101.8%
Compensation of employees	1 851.5	2 118.3	2 185.1	2 238.8	2 354.3	2 470.3	2 461.8	2 581.8	2 754.7	2 526.2	2 986.2	2 986.2	114.5%	103.5%
Goods and services	2 072.6	1 883.3	1 801.5	2 061.5	2 013.2	2 261.6	2 120.8	2 414.8	2 227.8	2 247.3	2 525.9	2 525.9	103.7%	99.8%
<i>of which:</i>														
<i>Computer services</i>	112.4	133.1	87.1	111.7	111.7	112.5	128.0	106.8	169.3	130.8	170.2	170.2	111.7%	103.3%
<i>Consultants: Business and advisory services</i>	10.5	13.9	15.5	26.1	28.7	37.1	15.5	12.5	130.1	25.0	155.4	155.4	438.9%	160.6%
<i>Operating leases</i>	775.4	652.8	636.2	748.2	753.3	922.8	763.3	882.9	893.3	861.3	1 009.7	1 009.7	110.0%	105.0%
<i>Property payments</i>	230.2	185.8	230.5	225.3	226.8	302.8	223.7	241.1	225.1	266.3	308.9	308.9	112.9%	110.9%
<i>Travel and subsistence</i>	269.3	268.7	349.7	318.8	325.9	367.8	341.9	324.2	315.9	288.3	326.1	326.1	111.6%	109.2%
<i>Operating payments</i>	221.3	168.9	158.9	210.8	202.6	182.6	216.6	230.1	200.8	190.6	169.9	169.9	84.9%	92.3%
<i>Interest and rent on land</i>	120.0	–	–	–	35.8	–	–	–	46.6	–	49.2	49.2	79.9%	112.7%
Transfers and subsidies	825.6	898.6	944.8	875.4	965.8	980.3	745.7	833.7	869.0	641.2	740.3	740.3	114.5%	102.8%
Departmental agencies and accounts	445.0	518.0	518.0	476.9	491.9	481.4	285.6	285.6	277.6	154.0	154.0	154.0	105.1%	98.7%
Foreign governments and international organisations	380.6	380.6	419.8	398.4	460.4	492.5	460.1	539.4	585.2	481.2	580.3	580.3	120.8%	106.0%
Public corporations and private enterprises	–	–	0.6	–	6.8	0.1	–	–	–	–	–	–	–	11.4%
Households	–	–	6.4	–	6.7	6.3	0.0	8.7	6.3	6.0	6.0	6.0	414.6%	116.3%
Payments for capital assets	247.0	371.3	302.3	372.7	385.5	203.3	426.0	274.0	168.4	284.0	209.3	209.3	66.4%	71.2%
Buildings and other fixed structures	207.7	327.6	210.0	330.3	343.1	177.0	400.2	236.6	131.5	233.1	153.4	153.4	57.4%	63.4%
Machinery and equipment	39.3	43.7	21.5	42.4	42.4	26.3	25.8	37.4	36.9	50.9	55.9	55.9	88.7%	78.3%
Land and sub-soil assets	–	–	70.2	–	–	–	–	–	0.0	–	–	–	–	–
Software and other intangible assets	–	–	0.6	–	–	–	–	–	–	–	–	–	–	–
Total	5 116.6	5 271.5	5 233.7	5 548.4	5 754.6	5 915.5	5 754.3	6 104.3	6 066.5	5 698.6	6 510.9	6 510.9	107.3%	100.4%

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million									
Programme 1	1 381.6	3.0%	21.2%	1 458.7	1 520.7	1 634.1	5.8%	24.5%	
Programme 2	3 506.2	12.8%	51.2%	3 083.1	2 939.7	3 019.0	-4.9%	51.2%	
Programme 3	525.2	12.9%	7.7%	579.3	565.4	574.0	3.0%	9.2%	
Programme 4	363.6	6.5%	5.1%	252.1	266.1	288.1	-7.5%	4.8%	
Programme 5	734.3	-6.5%	14.8%	515.5	621.1	667.4	-3.1%	10.4%	
Total	6 510.9	7.3%	100.0%	5 888.7	5 913.0	6 182.6	-1.7%	100.0%	
Change to 2015 Budget estimate				(153.5)	(733.8)	(836.0)			
Economic classification									
Current payments	5 561.3	11.6%	81.4%	5 084.8	4 997.4	5 203.0	-2.2%	85.1%	
Compensation of employees	2 986.2	12.1%	43.8%	2 767.4	2 563.5	2 655.8	-3.8%	44.8%	
Goods and services	2 525.9	10.3%	37.2%	2 265.2	2 378.6	2 488.6	-0.5%	39.4%	
<i>of which:</i>									
<i>Computer services</i>	170.2	8.6%	2.3%	122.7	129.5	137.0	-7.0%	2.3%	
<i>Consultants: Business and advisory services</i>	155.4	123.4%	1.4%	152.6	159.6	169.5	2.9%	2.6%	

Table 6.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Operating leases	1 009.7	15.6%	14.6%	961.9	989.8	1 048.3	1.3%	16.4%
Property payments	308.9	18.5%	4.5%	240.4	251.4	234.8	-8.7%	4.2%
Travel and subsistence	326.1	6.7%	5.7%	261.1	284.1	297.7	-3.0%	4.8%
Operating payments	169.9	0.2%	3.0%	193.8	207.4	227.6	10.2%	3.3%
Interest and rent on land	49.2	-	0.4%	52.3	55.3	58.5	5.9%	0.9%
Transfers and subsidies	740.3	-6.3%	14.9%	522.7	628.8	676.1	-3.0%	10.5%
Departmental agencies and accounts	154.0	-33.3%	6.0%	8.8	131.5	149.4	-1.0%	1.8%
Foreign governments and international organisations	580.3	15.1%	8.8%	506.7	489.6	518.0	-3.7%	8.6%
Households	6.0	-	0.1%	7.1	7.7	8.7	13.3%	0.1%
Payments for capital assets	209.3	-17.4%	3.7%	281.1	286.8	303.5	13.2%	4.4%
Buildings and other fixed structures	153.4	-22.3%	2.8%	249.9	250.3	264.7	19.9%	3.7%
Machinery and equipment	55.9	8.5%	0.6%	31.2	36.5	38.8	-11.5%	0.7%
Total	6 510.9	7.3%	100.0%	5 888.7	5 913.0	6 182.6	-1.7%	100.0%

Personnel information

Table 6.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes

- Administration
- International Relations
- International Cooperation
- Public Diplomacy and Protocol Services
- International Transfers

Number of posts estimated for 31 March 2016	Number and cost ³ 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 (%)	Salary level/Total: Average (%)			
			2014/15		2015/16			2016/17		2017/18		2018/19		2015/16 - 2018/19					
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost				Unit Cost		
International Relations and Cooperation	2 359	1 740	2 358	2 754.7	1.2	2 359	2 980.7	1.3	2 394	2 777.4	1.2	2 398	2 942.7	1.2	2 440	3 285.2	1.3	1.1%	100.0%
Salary level	2 359	1 740	2 358	2 754.7	1.2	2 359	2 980.7	1.3	2 394	2 777.4	1.2	2 398	2 942.7	1.2	2 440	3 285.2	1.3	1.1%	100.0%
1 – 6	314	2	355	68.6	0.2	314	64.4	0.2	313	64.3	0.2	346	72.5	0.2	346	84.0	0.2	3.3%	13.8%
7 – 10	1 361	9	1 294	552.3	0.4	1 361	640.7	0.5	1 378	558.3	0.4	1 359	601.2	0.4	1 394	661.7	0.5	0.8%	57.3%
11 – 12	400	7	434	313.8	0.7	400	317.3	0.8	413	299.3	0.7	403	305.3	0.8	406	334.7	0.8	0.5%	16.9%
13 – 16	281	17	272	248.1	0.9	281	300.3	1.1	287	275.0	1.0	287	285.3	1.0	291	323.2	1.1	1.2%	11.9%
Other	3	1 705	3	1 571.9	524.0	3	1 657.9	552.6	3	1 580.3	526.8	3	1 678.4	559.5	3	1 881.6	627.2	-	0.1%
Programme	2 359	1 740	2 358	2 754.7	1.2	2 359	2 980.7	1.3	2 394	2 777.4	1.2	2 398	2 942.7	1.2	2 440	3 285.2	1.3	1.1%	100.0%
Programme 1	815	35	872	369.6	0.4	815	397.4	0.5	817	401.8	0.5	835	421.1	0.5	877	470.9	0.5	2.5%	34.9%
Programme 2	945	1 594	912	1 944.5	2.1	945	2 121.6	2.2	1 005	1 903.1	1.9	991	2 019.5	2.0	991	2 256.4	2.3	1.6%	41.0%
Programme 3	238	111	234	305.9	1.3	238	321.7	1.4	211	325.9	1.5	211	348.4	1.7	211	388.5	1.8	-3.9%	9.1%
Programme 4	361	-	340	134.7	0.4	361	140.1	0.4	361	146.5	0.4	361	153.7	0.4	361	169.4	0.5	-	15.1%
Reduction	-	-	-	-	-	-	-	-	(10.0)	-	-	(379.2)	-	-	(629.4)	-	-	-	-
Total	2 359	1 740	2 358	2 754.7	1.2	2 359	2 980.7	1.3	2 394	2 767.4	1.2	-	2 563.5	-	-	2 655.8	-	-	-

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

2. The department's compensation of employees budget has been reduced by R1008.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 6.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	46 694	36 569	35 147	41 846	39 618	-5.3%	100.0%	42 740	44 404	47 384	6.1%	100.0%
Sales of goods and services produced by department	682	870	903	2 114	1 852	39.5%	2.7%	1 534	1 657	1 750	-1.9%	3.9%
Sales by market establishments	351	417	903	1 294	924	38.1%	1.6%	1 446	1 565	1 653	21.4%	3.2%
of which:												
Parking fees	351	417	454	1 214	814	32.4%	1.3%	1 286	1 389	1 459	21.5%	2.8%
Rent income	-	-	449	80	110	-	0.4%	160	176	194	20.8%	0.4%
Administrative fees	-	-	-	532	551	-	0.3%	-	-	-	-100.0%	0.3%
of which:												
Insurance fees	-	-	-	194	274	-	0.2%	-	-	-	-100.0%	0.2%
Garnishee fees	-	-	-	338	277	-	0.2%	-	-	-	-100.0%	0.2%
Other sales	331	453	-	288	377	4.4%	0.7%	88	92	97	-36.4%	0.4%
of which:												
Replacement of access cards and name tags	331	453	-	116	77	-38.5%	0.5%	-	-	-	-100.0%	-
Sale of departmental documents and publications	-	-	-	71	125	-	0.1%	-	-	-	-100.0%	0.1%
Transport fees	-	-	-	101	175	-	0.1%	88	92	97	-17.9%	0.3%
Sales of scrap, waste, arms and other used current goods	182	-	-	-	-	-100.0%	0.1%	-	-	-	-	-
of which:												
Sales of scrap	182	-	-	-	-	-100.0%	0.1%	-	-	-	-	-
Transfers received	-	-	-	244	244	-	0.2%	-	-	-	-100.0%	0.1%
Fines, penalties and forfeits	2 554	37	7	-	-	-100.0%	1.6%	-	-	-	-	-
Interest, dividends and rent on land	582	1 384	1 090	2 506	2 961	72.0%	3.8%	1 145	1 202	1 262	-24.7%	3.8%
Interest	547	1 384	1 090	2 506	2 961	75.6%	3.8%	1 145	1 202	1 262	-24.7%	3.8%
Rent on land	35	-	-	-	-	-100.0%	-	-	-	-	-	-
Sales of capital assets	1 675	2 125	3 033	2 061	2 861	19.5%	6.1%	3 185	3 344	3 511	7.1%	7.4%
Transactions in financial assets and liabilities	41 019	32 153	30 114	34 921	31 700	-8.2%	85.4%	36 876	38 201	40 861	8.8%	84.8%
Total	46 694	36 569	35 147	41 846	39 618	-5.3%	100.0%	42 740	44 404	47 384	6.1%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 6.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18			2018/19
R million												
Ministry	4.4	6.1	5.9	6.2	12.3%	0.5%	6.9	7.3	7.7	7.4%	0.5%	
Departmental Management	14.0	14.3	14.5	16.4	5.3%	1.2%	16.6	17.7	18.8	4.6%	1.2%	
Audit Services	14.2	17.0	14.7	19.8	11.8%	1.3%	20.4	21.6	24.1	6.7%	1.4%	
Financial Management	104.5	122.2	99.2	128.7	7.2%	9.0%	134.3	141.2	157.6	7.0%	9.4%	
Corporate Services	540.8	633.3	657.4	695.9	8.8%	50.2%	653.2	682.5	734.9	1.8%	46.1%	
Diplomatic Training, Research and Development	67.5	59.4	60.2	68.7	0.6%	5.1%	72.7	77.7	85.3	7.5%	5.1%	
Foreign Fixed Assets Management	194.5	154.4	122.3	149.2	-8.5%	12.3%	235.7	235.7	249.2	18.7%	14.5%	
Office Accommodation	193.4	260.4	273.7	296.6	15.3%	20.4%	318.9	337.1	356.5	6.3%	21.8%	
Total	1 133.1	1 267.2	1 247.9	1 381.6	6.8%	100.0%	1 458.7	1 520.7	1 634.1	5.8%	100.0%	
Change to 2015 Budget estimate				(36.9)			(10.0)	(14.6)	23.4			

Table 6.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million				2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19
Current payments	847.6	1 089.8	1 099.7	1 204.8	12.4%	84.3%	1 193.3	1 253.3	1 351.1	3.9%	83.4%
Compensation of employees	328.3	330.3	369.6	397.4	6.6%	28.3%	401.8	421.1	472.2	5.9%	28.2%
Goods and services	519.3	759.5	683.5	758.1	13.4%	54.1%	739.3	776.9	820.4	2.7%	51.6%
<i>of which:</i>											
Computer services	85.2	110.8	168.3	170.1	25.9%	10.6%	121.8	128.6	136.0	-7.2%	9.3%
Consultants: Business and advisory services	2.2	36.4	129.2	153.2	313.5%	6.4%	151.9	159.0	168.8	3.3%	10.6%
Contractors	65.9	65.9	40.9	81.9	7.5%	5.1%	74.9	77.8	81.1	-0.3%	5.3%
Operating leases	74.5	198.5	82.9	105.9	12.4%	9.2%	124.5	131.3	138.9	9.5%	8.3%
Travel and subsistence	118.6	102.0	93.8	82.6	-11.4%	7.9%	90.7	95.3	100.9	6.9%	6.2%
Operating payments	71.7	73.7	86.7	62.3	-4.6%	5.9%	68.2	71.7	75.8	6.8%	4.6%
Interest and rent on land	–	–	46.6	49.2	–	1.9%	52.3	55.3	58.5	5.9%	3.6%
Transfers and subsidies	2.2	1.1	1.7	1.2	-17.5%	0.1%	1.4	1.5	1.6	8.4%	0.1%
Public corporations and private enterprises	0.0	0.1	–	–	-100.0%	–	–	–	–	–	–
Households	2.1	1.0	1.7	1.2	-17.0%	0.1%	1.4	1.5	1.6	8.4%	0.1%
Payments for capital assets	283.4	176.3	146.6	175.6	-14.7%	15.5%	264.0	266.0	281.4	17.0%	16.5%
Buildings and other fixed structures	209.5	176.1	131.5	153.4	-9.9%	13.3%	248.7	250.3	264.7	19.9%	15.3%
Machinery and equipment	3.7	0.2	15.0	22.2	81.2%	0.8%	15.3	15.6	16.7	-9.0%	1.2%
Land and sub-soil assets	70.2	–	0.0	–	-100.0%	1.4%	–	–	–	–	–
Total	1 133.1	1 267.2	1 247.9	1 381.6	6.8%	100.0%	1 458.7	1 520.7	1 634.1	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	21.7%	21.4%	20.6%	21.2%	–	–	24.8%	25.7%	26.4%	–	–

Programme 2: International Relations

Programme purpose

Promote relations with foreign countries.

Objective

- Strengthen political, economic and social relations through structured bilateral agreements and high level engagements to advance South Africa's national priorities, the African Agenda and strengthening of South-South cooperation 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 added industries and mineral beneficiation, and inbound tourism and skills enhancement. 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 added industries and mineral beneficiation, and inbound tourism and skills enhancement. South Africa currently has foreign representation in 32 diplomatic missions.
- *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 added industries and mineral beneficiation, and inbound tourism and skills enhancement.
- *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 added industries and mineral beneficiation, and inbound tourism and skills enhancement. South Africa currently has foreign representation in 28 diplomatic missions.

Expenditure trends and estimates

Table 6.7 International Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
Africa	746.5	871.8	949.3	1 182.0	16.6%	30.9%	957.4	916.5	995.8	-5.6%	32.3%
Asia and Middle East	663.0	777.9	825.3	837.6	8.1%	25.6%	768.9	733.4	717.8	-5.0%	24.4%
Americas and Caribbean	404.5	492.2	535.8	579.6	12.7%	16.6%	525.7	483.2	477.4	-6.3%	16.5%
Europe	686.3	799.3	884.4	906.9	9.7%	27.0%	831.1	806.5	828.0	-3.0%	26.9%
Total	2 500.3	2 941.2	3 194.9	3 506.2	11.9%	100.0%	3 083.1	2 939.7	3 019.0	-4.9%	100.0%
Change to 2015				574.5			(48.4)	(364.3)	(476.6)		
Budget estimate											
Economic classification											
Current payments	2 480.9	2 921.5	3 171.6	3 471.7	11.9%	99.2%	3 063.8	2 916.5	2 994.5	-4.8%	99.2%
Compensation of employees	1 511.9	1 748.3	1 944.5	2 121.6	12.0%	60.3%	1 834.4	1 633.4	1 667.5	-7.7%	57.8%
Goods and services	969.0	1 173.3	1 227.0	1 350.1	11.7%	38.9%	1 229.4	1 283.0	1 327.0	-0.6%	41.4%
of which:											
Communication	30.1	34.1	32.3	30.9	0.9%	1.0%	30.0	31.5	33.3	2.6%	1.0%
Consumable supplies	-	25.7	24.4	21.3	-	0.6%	20.3	19.5	20.6	-1.2%	0.7%
Operating leases	511.5	663.8	727.9	824.0	17.2%	22.5%	751.3	756.4	797.3	-1.1%	24.9%
Property payments	162.5	175.3	169.9	245.1	14.7%	6.2%	179.8	186.9	166.3	-12.1%	6.2%
Travel and subsistence	100.7	105.9	102.9	77.7	-8.3%	3.2%	75.6	95.5	101.7	9.4%	2.8%
Operating payments	70.7	87.5	92.7	70.2	-0.2%	2.6%	87.7	96.0	106.3	14.8%	2.9%
Transfers and subsidies	4.0	4.1	3.6	4.4	3.3%	0.1%	4.8	5.2	5.5	7.2%	0.2%
Households	4.0	4.1	3.6	4.4	3.3%	0.1%	4.8	5.2	5.5	7.2%	0.2%
Payments for capital assets	15.4	15.6	19.7	30.0	24.9%	0.7%	14.4	18.0	19.0	-14.1%	0.6%
Buildings and other fixed structures	0.6	-	(0.0)	0.0	-69.6%	-	1.2	-	-	-100.0%	-
Machinery and equipment	14.3	15.6	19.7	30.0	28.1%	0.7%	13.2	18.0	19.0	-14.1%	0.6%
Software and other intangible assets	0.6	-	-	-	-100.0%	-	-	-	-	-	-
Total	2 500.3	2 941.2	3 194.9	3 506.2	11.9%	100.0%	3 083.1	2 939.7	3 019.0	-4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	47.8%	49.7%	52.7%	53.9%	-	-	52.4%	49.7%	48.8%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	4.0	4.1	3.6	4.4	3.3%	0.1%	4.8	5.2	5.5	7.2%	0.2%
Employee social benefits	4.0	4.1	3.6	4.4	3.3%	0.1%	4.8	5.2	5.5	7.2%	0.2%

Programme 3: International Cooperation

Programme purpose

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

Objectives

- Contribute towards 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 dialogue forum of the BRICS group of countries through continuous, active participation in forum structures.

- Strengthen political solidarity, economic cooperation and sociocultural relations with Asian countries by participating in structures of the New Asian-African Strategic Partnership 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 6.8 International Cooperation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19
Global System of Governance	221.8	249.4	270.3	283.0	8.5%	55.9%	310.0	298.9	307.7	2.8%	53.5%
Continental Cooperation	82.0	124.2	132.0	154.8	23.6%	26.9%	184.3	176.0	170.1	3.2%	30.5%
South-South Cooperation	6.1	6.9	4.6	3.7	-15.7%	1.2%	6.4	7.2	8.1	29.9%	1.1%
North-South Dialogue	60.5	71.2	78.2	83.7	11.5%	16.0%	78.6	83.3	88.1	1.7%	14.9%
Total	370.4	451.7	485.2	525.2	12.3%	100.0%	579.3	565.4	574.0	3.0%	100.0%
Change to 2015				58.3			95.8	53.3	32.1		
Budget estimate											
Economic classification											
Current payments	367.7	441.1	482.7	523.1	12.5%	99.0%	577.1	563.0	570.8	3.0%	99.6%
Compensation of employees	238.8	277.1	305.9	321.7	10.4%	62.4%	384.6	355.3	346.7	2.5%	62.8%
Goods and services	128.9	163.9	176.9	201.4	16.0%	36.6%	192.4	207.7	224.2	3.6%	36.8%
of which:											
Communication	4.6	4.8	5.2	5.3	4.9%	1.1%	5.5	5.8	6.5	6.6%	1.0%
Entertainment	1.7	1.6	1.9	2.1	7.7%	0.4%	2.1	2.2	2.6	8.2%	0.4%
Operating leases	50.2	60.6	82.5	78.8	16.2%	14.8%	86.0	102.1	112.1	12.5%	16.9%
Property payments	7.6	9.0	9.4	11.1	13.8%	2.0%	8.6	9.1	10.0	-3.6%	1.7%
Travel and subsistence	39.2	58.0	47.4	54.1	11.4%	10.8%	44.7	40.4	39.9	-9.7%	8.0%
Operating payments	14.6	15.8	21.0	40.5	40.5%	5.0%	37.4	39.3	45.0	3.5%	7.2%
Transfers and subsidies	0.1	1.0	0.6	0.0	-32.4%	0.1%	0.5	0.7	1.2	259.9%	0.1%
Households	0.1	1.0	0.6	0.0	-32.4%	0.1%	0.5	0.7	1.2	259.9%	0.1%
Payments for capital assets	2.6	9.6	1.8	2.1	-7.3%	0.9%	1.7	1.8	1.9	-2.7%	0.3%
Buildings and other fixed structures	-	0.9	-	-	-	0.1%	-	-	-	-	-
Machinery and equipment	2.6	8.7	1.8	2.1	-7.3%	0.8%	1.7	1.8	1.9	-2.7%	0.3%
Total	370.4	451.7	485.2	525.2	12.3%	100.0%	579.3	565.4	574.0	3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	7.1%	7.6%	8.0%	8.1%	-	-	9.8%	9.6%	9.3%	-	-

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 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 both 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 6.9 Public Diplomacy and Protocol Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Public Diplomacy	68.2	74.0	71.2	68.5	0.2%	23.2%	70.6	75.3	81.7	6.0%	25.3%
Protocol Services	223.9	207.6	204.7	295.0	9.6%	76.8%	181.5	190.8	206.3	-11.2%	74.7%
Total	292.1	281.6	275.9	363.6	7.6%	100.0%	252.1	266.1	288.1	-7.5%	100.0%
Change to 2015 Budget estimate				117.3			(4.4)	(4.6)	1.6		
Economic classification											
Current payments	290.4	279.6	275.1	361.7	7.6%	99.5%	250.7	264.6	286.5	-7.5%	99.5%
Compensation of employees	106.1	114.7	134.7	140.1	9.7%	40.9%	146.5	153.7	169.4	6.6%	52.1%
Goods and services	184.3	164.9	140.4	221.6	6.3%	58.6%	104.2	110.9	117.1	-19.2%	47.3%
of which:											
Advertising	11.0	3.6	9.5	5.3	-21.3%	2.4%	7.2	7.8	8.2	15.4%	2.4%
Communication	5.6	8.4	4.5	5.5	-0.8%	2.0%	3.6	3.8	4.0	-10.2%	1.4%
Consumables: Stationery, printing and office supplies	3.8	3.9	3.5	4.1	2.5%	1.3%	3.9	4.2	4.4	2.5%	1.4%
Property payments	29.6	31.0	28.1	35.6	6.4%	10.2%	30.1	31.1	33.0	-2.5%	11.1%
Travel and subsistence	91.2	101.9	71.8	113.9	7.7%	31.2%	50.0	52.8	55.3	-21.4%	23.3%
Venues and facilities	20.1	0.5	5.2	51.1	36.4%	6.3%	3.7	5.2	5.5	-52.4%	5.6%
Transfers and subsidies	0.7	0.2	0.4	0.3	-28.9%	0.1%	0.4	0.4	0.4	17.3%	0.1%
Public corporations and private enterprises	0.6	-	-	-	-100.0%	-	-	-	-	-	-
Households	0.1	0.2	0.4	0.3	25.5%	0.1%	0.4	0.4	0.4	17.3%	0.1%
Payments for capital assets	1.0	1.8	0.4	1.6	19.2%	0.4%	1.0	1.1	1.1	-11.2%	0.4%
Machinery and equipment	1.0	1.8	0.4	1.6	19.2%	0.4%	1.0	1.1	1.1	-11.2%	0.4%
Total	292.1	281.6	275.9	363.6	7.6%	100.0%	252.1	266.1	288.1	-7.5%	100.0%
Proportion of total programme expenditure to vote expenditure	5.6%	4.8%	4.5%	5.6%	-	-	4.3%	4.5%	4.7%	-	-

Programme 5: International Transfers

Programme purpose

Fund membership fees and transfers to international organisations.

Objectives

- Promote multilateral activities that enhance South Africa's economic and diplomatic relations within the continent and with the world by:
 - providing for South Africa's annual contribution to membership fees of international organisations such as the UN, AU and SADC
 - providing annually for transfers to recapitalise the African Renaissance and International Cooperation Fund as a contribution 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 6.10 International Transfers expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
R million												
Departmental agencies	518.0	481.4	277.6	154.0	-33.3%	40.8%	8.8	131.5	149.4	-1.0%	17.5%	
Membership contribution	419.8	492.5	585.2	580.3	11.4%	59.2%	506.7	489.6	518.0	-3.7%	82.5%	
Total	937.8	973.9	862.7	734.3	-7.8%	100.0%	515.5	621.1	667.4	-3.1%	100.0%	
Change to 2015 Budget estimate				99.1			(88.0)	(300.0)	(307.1)			
Economic classification												
Transfers and subsidies	937.8	973.9	862.7	734.3	-7.8%	100.0%	515.5	621.1	667.4	-3.1%	100.0%	
Departmental agencies and accounts	518.0	481.4	277.6	154.0	-33.3%	40.8%	8.8	131.5	149.4	-1.0%	17.5%	
Foreign governments and international organisations	419.8	492.5	585.2	580.3	11.4%	59.2%	506.7	489.6	518.0	-3.7%	82.5%	
Total	937.8	973.9	862.7	734.3	-7.8%	100.0%	515.5	621.1	667.4	-3.1%	100.0%	
Proportion of total programme expenditure to vote expenditure	17.9%	16.5%	14.2%	11.3%	-	-	8.8%	10.5%	10.8%	-	-	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	518.0	481.4	277.6	154.0	-33.3%	40.8%	8.8	131.5	149.4	-1.0%	17.5%	
African Renaissance and International Cooperation Fund	518.0	481.4	277.6	145.6	-34.5%	40.5%	0.0	122.2	139.6	-1.4%	16.1%	
South African Development Partnership Agency	-	-	-	8.4	-	0.2%	8.8	9.2	9.8	5.2%	1.4%	
Foreign governments and international organisations												
Current	419.8	492.5	585.2	580.3	11.4%	59.2%	506.7	489.6	518.0	-3.7%	82.5%	
AU	167.0	176.8	231.8	205.0	7.1%	22.2%	168.7	177.1	187.4	-2.9%	29.1%	
G77	0.1	0.1	0.1	0.1	4.2%	-	0.1	0.1	0.2	5.4%	-	
India-Brazil-South Africa Trust Fund	9.1	8.4	17.3	24.1	38.5%	1.7%	9.9	10.4	11.0	-22.9%	2.2%	
NEPAD	7.5	10.1	8.0	8.3	3.5%	1.0%	8.8	9.2	9.7	5.4%	1.4%	
African Peer Review Mechanism	2.5	1.0	2.7	2.8	3.5%	0.3%	2.9	3.1	3.2	5.4%	0.5%	
Organisation for Economic Cooperation and Development	0.3	0.4	0.1	0.3	-7.3%	-	0.3	0.3	0.3	5.2%	-	
United Nations Development Programme	7.6	6.8	11.3	6.2	-6.4%	0.9%	6.5	6.9	7.3	5.4%	1.1%	
African, Caribbean and Pacific Group of States	5.7	3.9	12.0	5.0	-4.3%	0.8%	4.6	4.8	5.1	1.0%	0.8%	
Commonwealth of Nations	5.6	7.0	7.9	10.4	23.0%	0.9%	11.0	11.5	12.2	5.4%	1.8%	
SADC	52.4	66.9	70.5	88.5	19.1%	7.9%	53.0	55.7	58.9	-12.7%	10.1%	
United Nations	129.5	152.7	199.0	198.0	15.2%	19.4%	154.1	161.8	171.2	-4.7%	27.0%	
United Nations Human Rights Council	1.1	-	-	0.4	-30.1%	-	0.4	0.4	0.4	5.4%	0.1%	
Biochemical and Toxin Weapons Convention	0.3	0.4	0.4	0.6	22.2%	-	0.6	0.6	0.6	5.4%	0.1%	
Comprehensive Nuclear-Test-Ban Treaty	1.3	5.1	5.2	6.7	74.0%	0.5%	7.0	7.4	7.8	5.4%	1.1%	
Humanitarian Aid	24.7	28.2	16.8	16.9	-11.9%	2.5%	30.9	32.4	34.3	26.5%	4.5%	
Indian Ocean Rim Research Centre	-	0.2	-	0.2	-	-	0.2	0.2	0.2	5.5%	-	
Perez-Guerrero Trust Fund	0.1	0.1	0.1	0.1	4.3%	-	0.1	0.1	0.1	5.6%	-	
South Centre Capital Fund	1.2	-	-	1.3	4.9%	0.1%	1.4	1.5	1.6	5.4%	0.2%	
United Nations Development Programme in Southern Africa	1.2	1.2	-	1.3	3.5%	0.1%	1.3	1.4	1.5	5.4%	0.2%	
United Nations Technical Cooperation	-	-	0.6	0.1	-	-	0.1	0.1	0.2	5.4%	-	
United Nations Voluntary Fund for Disability	0.1	-	0.1	0.1	2.5%	-	0.1	0.1	0.1	5.9%	-	
United Nations Children's Fund	0.2	-	0.2	0.3	1.9%	-	0.3	0.3	0.3	5.3%	-	
United Nations Convention on the Law of the Sea	0.3	-	-	0.6	28.1%	-	0.7	0.7	0.8	5.4%	0.1%	
AU Commission	-	21.9	-	-	-	0.6%	40.4	3.5	3.7	-	1.9%	
Other transfer payments	2.0	1.3	1.2	3.1	15.5%	0.2%	3.3	-	-	-100.0%	0.3%	

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 **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, human resource development, and infrastructural development. The fund's total budget for 2016/17 is R108.3 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	
				2012/13	2013/14		2014/15	2016/17
Departmental infrastructure								
Small projects (total project cost of less than R250 million over the project life cycle)								
R million								
Dar es Salaam: Construction of chancery	Construction of chancery	Construction	114.3	0.4	27.5	28.8	3.5	-
Lilongwe: Construction of chancery and staff housing	Construction of chancery and staff housing	Construction	117.9	0.1	11.6	33.3	-	-
Design of standard concept for chancery and official residence	Once off project with an aim to design a standard concept for the chancery and official residence	Design	0.5	-	-	-	-	-
Kigali: Construction of chancery and official residence	Construction of chancery	Design	75.0	-	-	-	3.0	7.5
Mbabane: Construction of staff housing	Construction of chancery and official residence	Feasibility	65.8	0.7	2.0	-	28.6	31.0
Mbabane: Construction of chancery	Construction of chancery	Feasibility	29.5	-	-	-	6.3	13.0
Dakar: Construction of chancery: Vacant land: Building of wall	Construction of chancery: Vacant land: Building of wall	Feasibility	0.0	-	-	-	0.0	-
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	Property redevelopment	Identification	130.1	-	-	-	-	88.8
Gaborone: Construction of official residence	Construction of official residence	Feasibility	25.0	-	-	-	25.0	-
London: Refurbishment of official residence	Refurbishment of infrastructure	Handed over	1.8	0.8	-	-	0.8	-
Washington: Refurbishment of chancery	Refurbishment of infrastructure	Handed over	234.2	89.2	88.1	17.6	-	-
Juba: Construction of chancery	Refurbishment of infrastructure	Feasibility	63.3	-	-	-	-	40.2
Paris: Refurbishment of official residence	Refurbishment of infrastructure	Tender	7.0	0.4	1.0	5.1	-	-
The Hague: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	153.6	3.8	15.0	16.0	-	-
Madrid: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	4.5	-	-	-	1.5	3.0
Sao Paulo: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	2.7	1.4	1.1	-	-	-
London: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	51.0	-	-	-	28.0	10.0
Kinshasa: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	15.0	-	-	-	5.0	2.0
New York: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	5.0	-	-	-	2.5	2.5
Buenos Aires: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	25.0	-	-	-	13.0	2.5
Harare: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	18.0	-	-	-	5.0	3.0
Maputo: Refurbishment of chancery, official residence and staff housing	Refurbishment of infrastructure	Feasibility	28.5	-	-	-	18.2	6.5
Lisbon: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	21.5	-	-	-	10.0	2.0
								3.5

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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Tehran: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	8.5	-	-	-	-	2.5	3.5	5.0
Brasilia: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	12.0	-	-	-	-	1.5	3.5	-
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	1.1	-	-	-	-	-	-
Maseru: Office accommodation	Construction of office accommodation	Identification	1.5	0.1	1.0	-	-	-	-	-
Tokyo: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	51.7	13.0	35.6	-	1.0	-	-	-
Refurbishment at various missions	Refurbishment of infrastructure	Various	-	2.2	19.8	-	-	-	-	-
Mbabane: Refurbishment of official residence	Refurbishment of infrastructure	Tender	2.0	-	-	0.5	2.0	-	-	-
Addis Ababa: Refurbishment of chancery and staff residence	Refurbishment of infrastructure	Construction	21.0	-	-	-	3.6	13.2	13.9	-
Copenhagen: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Construction	0.1	-	0.3	2.2	0.1	-	-	-
New Delhi: Construction of chancery and official residence	Property acquisition	Feasibility	140.0	-	-	-	0.0	5.9	26.0	29.6
Geneva: Acquisition of chancery	Property acquisition	Feasibility	150.0	-	-	-	-	-	-	-
Antananarivo: Acquisition of chancery and official residence	Property acquisition	Feasibility	40.0	-	-	-	-	-	-	40.0
Port Louis: Acquisition of chancery and official residence	Property acquisition	Feasibility	40.0	-	-	-	-	-	-	40.0
Lusaka: Acquisition of chancery and official residence	Property acquisition	Feasibility	50.0	-	-	-	-	50.0	-	-
Nairobi: Acquisition of chancery	Property acquisition	Feasibility	70.0	-	-	-	-	-	-	70.0
Total			1 935.2	113.0	202.9	103.6	149.2	231.7	223.7	305.0

Vote 7

National Treasury

Budget summary

R million	2016/17					2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	412.7	379.3	3.7	29.6	–	411.9	432.3
Economic Policy, Tax, Financial Regulation and Research	146.1	116.8	28.5	0.8	–	148.9	150.9
Public Finance and Budget Management	287.0	240.6	44.8	1.5	–	293.6	297.7
Asset and Liability Management	107.2	106.6	–	0.6	–	100.3	101.9
Financial Accounting and Supply Chain Management Systems	849.9	759.2	85.6	5.1	–	910.0	945.8
International Financial Relations	5 039.1	51.1	835.5	0.3	4 152.2	5 834.8	5 910.1
Civil and Military Pensions, Contributions to Funds and Other Benefits	4 173.2	61.4	4 111.8	–	–	4 381.9	4 636.1
Technical Support and Development Finance	2 634.7	377.3	2 257.4	–	–	2 897.0	3 434.5
Revenue Administration	10 009.2	–	10 009.2	–	–	11 078.5	11 037.1
Financial Intelligence and State Security	4 812.5	–	4 812.5	–	–	5 070.0	5 364.1
Subtotal	28 471.4	2 092.3	22 189.0	38.0	4 152.2	31 127.0	32 310.5
Direct charge against the National Revenue Fund							
Provincial equitable share	410 698.6	–	410 698.6	–	–	441 831.1	469 051.1
Debt-service costs	147 720.0	147 720.0	–	–	–	161 927.0	178 556.0
General fuel levy sharing with metropolitan municipalities	11 223.8	–	11 223.8	–	–	11 785.0	12 468.6
National Revenue Fund payments	145.0	–	–	–	145.0	–	–
Total expenditure estimates	598 258.8	149 812.3	444 111.4	38.0	4 297.2	646 670.2	692 386.2
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 chapter 13, 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 its macroeconomic policy
- ensure the stability and soundness of the financial system and financial services
- coordinate intergovernmental financial and fiscal relations
- manage the budget preparation process
- enforce transparency and effective management in respect of revenue and expenditure, assets and liabilities, public entities, and constitutional institutions.

Selected performance indicators

Table 7.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive economic growth	35.5% (R1.2tr)	38.2% (R1.4tr)	41.2% (R1.6tr)	44.3% (R1.8tr)	45.7% (R2tr)	46.2% (R2.2tr)	46.2% (R2.4tr)
Value of government gross annual borrowing	Asset and Liability Management		R209.4bn	R201.3bn	R215.4bn	R204.6bn	R229.5bn	R220.9bn	R206.3bn
Cost to service debt as a percentage of GDP	Asset and Liability Management		2.6% (R88.1bn)	2.8% (R101.2bn)	3% (R114.8bn)	3.2% (R129.1bn)	3.4% (R147.7bn)	3.4% (R161.9bn)	3.5% (R178.6bn)
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	72	24	40	43	43	43	43
Percentage of identified transversal contracts with strategic sourcing principles introduced per year	Financial Accounting and Supply Chain Management Systems		70% (14)	90% (18)	100% (15)	100% (21)	100% (14)	100% (23)	100% (23)
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Accounting and Supply Chain Management Systems		3 547	267	350	760	750	740	740
Number of neighbourhood development partnership grant projects under construction per year	Technical Support and Development Finance	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	86	83	43	40	40	40	40
Total estimated third party investment leveraged	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	R1.5bn	R1.9bn	R2.1bn	R3bn	R3.5bn	R4bn	R4bn
Total number of new jobs contracted for approved and active projects in the Jobs Fund	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	65 121	143 914	100 423	140 000	150 000	150 000	150 000
Number of long term urban regeneration programmes registered per year	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	- ¹	18	18	18	18	20	20
Number of training placements contracted with active private companies in the Jobs Fund per year	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	105 000 ²	128 085	140 000 ²	160 000	160 000	160 000	160 000
Number of placements contracted with project partners on the Jobs Fund (cumulative inception to date and still active) per year ³	Technical Support and Development Finance		35 000	49 000	56 000	70 000	70 000	70 000	70 000

1. No historical data is available as the urban regeneration programme was launched in 2013/14.

2. The indicator was erroneously recorded for 2012/13 and 2014/15 when published in the past.

3. This is a new indicator showing jobs created that did not previously exist in the economy (cumulative). This indicator is closely linked to other published indicators in the Estimates of National Expenditure.

Expenditure analysis

The national development plan charts a growth trajectory to reduce poverty and inequality, and envisages a country in which citizens have the capabilities required to access available opportunities equitably. These capabilities include education and skills, decent accommodation, nutrition, safe communities, social security, and transport, facilitated by a capable state and a growing, resilient economy. Government's 2014-2019 medium term strategic framework directs government to invest in infrastructure development, create jobs, transform South Africa to a low carbon economy, and bring about social transformation and unity. In the current tight fiscal environment, National Treasury will continue to channel resources towards the critical outcomes of the national development plan and the medium term strategic framework. The global economic crisis has caused a deceleration in economic growth, and South Africa's low GDP continues to place the fiscus under considerable pressure. This compels the Treasury to be vigilant in managing competing demands on public funds.

National Treasury's priorities over the medium term will be: 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. These priorities support long term financial stability and the continued direction of public funds towards inclusive economic growth.

The Treasury's total budget for transfers and subsidies, excluding direct charges, is R71.4 billion over the medium term. The Treasury makes transfers to post-retirement medical scheme subsidy benefits for civil pensioners, former members of development boards and former members of the National Film Board. Following the increase in benefits legislated in 2015, spending on the post-retirement medical scheme subsidy benefits is projected at R5.8 billion over the medium term, budgeted for in the *Civil and Military Pensions, Contributions to Funds and Other Benefits* programme. The department is responsible for the main statutory transfers to provincial governments. The department will also transfer R410.7 billion in 2016/17, R441.8 billion in 2017/18 and R469.1 billion in 2018/19 for the provincial equitable share. Increases to the main statutory transfers to provincial governments of R5.4 billion in 2016/17, R12.9 billion in 2017/18 and R15.3 billion in 2018/19, were approved by Cabinet.

National Treasury is also responsible for servicing government debt and for the distribution of the general fuel levy to metropolitan municipalities. These are regarded as a direct charge against the National Revenue Fund, and together account for 95.3 per cent of the department's budget over the medium term. Cabinet also approved increased funding of R6.9 billion in 2016/17, R8.6 billion in 2017/18 and R11.9 billion in 2018/19 for higher debt service costs.

The department's compensation of employees budget has been reduced by R73.8 million for 2017/18 and R120.5 million for 2018/19 as part of Cabinet's decision to lower the national aggregate expenditure ceiling. In consultation with the Department of Public Service and Administration, National Treasury will develop and implement a plan to manage its personnel expenditure, including cost of living adjustments within its reduced personnel cost. The compensation of employees budget is projected at R2.4 billion over the medium term. The department's goods and services budget has been similarly reduced by R31.2 million for 2016/17, R31.4 million for 2017/18 and R41.2 million for 2018/19. This is made possible by the department's plans to carry out some functions in-house that were previously performed by consultants and by it continuing to identify cost reduction opportunities.

R88 million over the medium term is allocated for the urgent upgrading and maintenance of the department's ICT infrastructure, and for renewing software licences.

Managing future spending growth and fiscal risk

Over the medium term, National Treasury will continue to manage the national budget preparation process and facilitate the Division of Revenue Act process (which provides for an equitable distribution of nationally raised revenue between the national, provincial and local spheres of government). These activities are budgeted for in the *Public Finance and Budget Management* programme, at a projected cost of R878.3 million over the medium term, mainly on compensation of employees and goods and services. In 2015/16, the Treasury proposed reforms to manage expenditure growth and improve capital budgeting and fiscal risk analysis. In 2016/17, the Treasury will seek comments on a proposed fiscal guideline that links spending growth to long term GDP growth. The department will also publish discussion papers on capital budgeting and fiscal risk in 2016/17.

Reviewing tax policy

The Davis Tax Committee was established in 2013 to review South Africa's tax policy framework to promote inclusive economic growth, employment creation, development and fiscal sustainability. Since its inception, the committee has established 11 sub-committees to look at various tax streams. It has published interim reports on macro-analysis, value added tax, estate duty, mining taxation and carbon tax for public comment. In 2015/16, 3 interim reports were submitted to the Minister of Finance for approval. Over the medium term, the committee will be finalising these interim reports, and focusing on base erosion and profit shifting as well as on corporate income tax. The work of the Davis Tax Committee is funded through the *Tax Policy* subprogramme of the *Economic Policy, Tax, Financial Regulation and Research* programme, and spending over the medium term is projected at R95.8 million.

Supporting sustainable employment

National Treasury supports the creation of sustainable employment through the Jobs Fund. Established by government in 2011, the Jobs Fund supports initiatives that generate employment in innovative ways. The fund has recently completed a funding round that focused on the agriculture sector. Each funding round usually takes around 9 months. At its inception, the total budget for the fund was set at R9 billion, which is ringfenced until

the completion of the fund's work. R5.6 billion has thus far been allocated to a portfolio of 108 innovative employment generation initiatives. 60 675 new permanent jobs have been created and an additional 30 358 unemployed individuals have been placed in employment. Spending is projected at R3 billion over the medium term in the *Employment Creation Facilitation* subprogramme in the *Technical Support and Development Finance* programme. The Jobs Fund will have facilitated the creation of approximately 150 000 new permanent jobs when the fund's work is completed.

Supporting infrastructure development and economically integrated cities and communities

To support the development of infrastructure and economically integrated cities and communities, National Treasury provides subsidies, technical assistance and training for infrastructure planning and development. This support is provided to municipalities, especially metropolitan municipalities, through the neighbourhood development partnership grant, the integrated city development grant, and the infrastructure delivery improvement programme, in the *Technical Support and Development Finance* programme.

The neighbourhood development partnership grant assists 18 metropolitan and secondary city municipalities to plan and develop inclusive and productive cities through catalytic infrastructure that attracts third-party investment to township nodes, known as urban hubs, located in strategic integration zones. Over the medium term, the grant will support an estimated 24 urban hub precinct plans that will prioritise 60 catalytic infrastructure projects. Spending is projected at R2.9 billion in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme. The interventions are aimed at leveraging R12.8 billion in third party investments.

The integrated city development grant was introduced in 2013/14 to provide financial incentives for metropolitan municipalities to use their infrastructure investments and regulatory instruments to develop more compact urban environments. Spending on this grant is projected at R868 million over the medium term 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, Treasury will deploy 36 long term technical assistants to train provincial officials on the Construction Industry Development Board's infrastructure delivery management toolkit for public service infrastructure delivery. The department will also use temporary specialist consultants to provide technical assistance for planning infrastructure development and supporting implementation across government. These functions are ad hoc, and it is inefficient for full time Treasury personnel to be employed to perform them. Spending on the programme is projected at R266.9 million over the medium term in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme.

Making government procurement more efficient

The department's reforms to government supply chain management will be accelerated over the medium term, funded in the *Financial Accounting and Supply Chain Management Systems* programme at a projected R2.7 billion. The bulk of the spending is expected to be on computer services (R1.4 billion), compensation of employees (R604.2 million) and consultants (R280.6 million).

Strategies for sourcing travel and accommodation, mobile and fixed line communication, medical waste, hospital nutrition, hospital laundry and linen services have been finalised. An evaluation of the top 100 suppliers that do business with government is at an advanced stage. Negotiations with these suppliers to generate savings for government will be undertaken.

The Office of the Chief Procurement Officer standardised and costed school building plans in June 2015. Provinces are now compelled to adhere to the standard when building schools. It is anticipated that this intervention will reduce the average cost of building a new school from between R60 million and R70 million to just under R35 million.

In 2016/17, the technological modernisation of supply chain management is one of the department's major interventions for saving money for government and reducing fraud. The Treasury will be establishing integrated

electronic planning, quotation, and tendering, as well as enhancing the supplier management database and the e-tendering portal.

Strengthening government financial management

An important element of the Treasury's work to modernise financial management in government entails replacing ageing financial systems with integrated financial management systems. Implementation of the systems will be given increased momentum over the medium term, reflected in projected spending of R1.5 billion in the *Financial Systems* subprogramme of the *Financial Accounting and Supply Chain Management Systems* programme over the period.

Building financial management capacity in municipalities will also receive attention, supported mainly through the local government financial management grant and the Government Technical Advisory Centre. Spending on building financial management capacity in municipalities is projected to increase to R1.9 billion over the medium term in the *Local Government Financial Management Support* subprogramme in the *Technical Support and Development Finance* programme. Municipalities use the funds to train interns, and Treasury deploys finance experts to municipalities, including to address issues detected in auditing processes.

Strengthening the regulation of the financial sector

The twin peaks model for regulating the financial sector as encapsulated in the Financial Sector Regulation Bill tabled in October 2015, will redefine the regulatory and supervisory responsibilities of the South African Reserve Bank and the Financial Services Board, shifting the current system of regulation and supervision, which is determined by financial sectors, to one determined by functions. The South African Reserve Bank will regulate and supervise prudential management, and the Financial Services Board will regulate and supervise market conduct. The new system lays the basis for South Africa to meet higher regulatory standards for the financial sector, and to address the gaps identified in South Africa's assessment in 2015 by the financial sector assessment programme of the International Monetary Fund and the World Bank. Higher and more comprehensive regulatory standards will allow South African financial institutions to compete better globally. The Financial Sector Regulation Bill also lays the foundation for creating more efficient and dedicated regulators, reducing fragmentation between them, and improving efficiency in funding the regulators. Spending on these activities is expected to increase from R29.3 million in 2015/16 to R30.9 million in 2018/19 in the *Financial Sector Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

Regional and international cooperation

Over the medium term, the Treasury will maintain its engagement with regional and international forums and institutions, such as the African Development Bank, the Brazil-Russia-India-China-South Africa (BRICS) group of countries, the G20, the Southern African Customs Union, the International Monetary Fund and the World Bank Group. National Treasury represents South Africa in engagements with the BRICS led New Development Bank, both as a shareholder and a borrower. The New Development Bank intends to mobilise resources for infrastructure and sustainable development projects in the BRICS and other emerging markets and developing countries. South Africa plays an active and equal role in the management and leadership of the bank. Moreover, as a borrower, South Africa will use the bank as an additional source of financing for infrastructure. The first capital instalment to the bank of just over R2 billion, paid at the end of December 2015, was funded through a Special Appropriation Act using the proceeds of the sale of government's stake in Vodacom. For the second instalment, R3.8 billion has been made available in 2016/17, R4.5 billion in 2017/18 and R4.5 billion in 2018/19 in the *International Development Funding Institutions* subprogramme in the *International Financial Relations* programme. The New Development Bank's Africa Regional Centre will be established in the first quarter of 2016 in Johannesburg. The Africa Regional Centre will serve as the primary operational interface between the bank and the continent, with the overarching objective to engage closely with governments and other public sector stakeholders, private sector role players, and civil society.

Compensation to the member countries of the Common Monetary Area for the use of the Rand as currency is expected to increase from R653.4 million in 2015/16 to R804.9 million in 2018/19, funded in the *African Integration and Support* subprogramme in the *International Financial Relations* programme. The Common Monetary Area links South Africa, Namibia, Lesotho and Swaziland into a monetary union and is allied to the Southern African Customs Union.

Managing government's assets and liabilities

Over the medium term, the Treasury will continue its oversight of state owned companies. The aim is to enable state owned companies to meet government's policy objectives in a financially and fiscally sustainable manner, as well as to promote sound corporate governance in the companies. State owned companies' applications for funding, guarantees and borrowing limits will be reviewed, as well as the compliance with other requirements of the Public Finance Management Act (1999). Companies' financial performance and adherence to conditions attached to borrowings and guarantees will also be monitored. To strengthen regulatory compliance, the Treasury will report on the compliance of major state owned companies with the Public Finance Management Act (1999), the Companies Act (2008), Treasury Regulations and the King III Code of Corporate Governance. Allocations to state owned companies administered by National Treasury was provided for at R3.2 billion in 2015/16, budgeted for in the *Financial Investments* subprogramme in the *Asset and Liability Management* programme. No provision is made over the medium term for transfers due to non-recurring expenditure on the Land and Agricultural Development Bank of South Africa and the Development Bank of Southern Africa.

Expenditure trends

Table 7.2 Vote expenditure trends by programme and economic classification

Programme	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Programme 1	318.3	321.1	296.7	341.7	356.4	319.6	343.1	372.4	362.5	366.7	363.6	377.0	99.0%	95.9%
Programme 2	149.0	122.5	111.2	145.9	133.9	124.1	138.9	134.4	124.3	133.9	135.4	134.7	87.1%	93.9%
Programme 3	227.5	247.3	232.8	265.5	246.2	227.6	262.8	259.9	245.3	257.0	266.1	265.5	95.9%	95.3%
Programme 4	286.6	282.8	278.2	2 995.2	2 994.0	2 990.9	3 342.1	3 343.4	3 089.4	3 116.9	3 264.9	3 266.6	98.8%	97.4%
Programme 5	686.3	686.3	639.3	724.6	734.7	707.8	761.6	770.0	731.5	751.4	807.1	799.2	98.4%	96.0%
Programme 6	1 038.2	1 040.5	1 003.1	1 112.5	1 092.0	1 067.7	1 179.8	1 199.7	1 198.7	1 247.4	3 254.9	3 272.8	142.9%	99.3%
Programme 7	3 348.3	3 345.9	3 343.6	3 497.0	3 497.0	3 523.1	3 717.8	3 717.8	3 730.9	3 962.9	3 962.9	4 042.7	100.8%	100.8%
Programme 8	2 404.8	1 999.6	1 982.6	2 764.7	2 469.1	2 437.3	3 712.2	3 099.8	2 893.3	3 143.9	2 774.6	2 649.5	82.8%	96.3%
Programme 9	9 194.4	9 149.4	9 149.4	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	99.6%	100.0%
Programme 10	3 897.8	3 982.1	3 982.1	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	100.6%	100.0%
Subtotal	21 551.1	21 177.6	21 019.0	25 556.0	25 232.3	25 107.1	27 265.0	26 703.9	26 182.5	26 957.3	28 726.1	28 704.6	99.7%	99.2%
Direct charge against the National Revenue Fund	405 210.0	408 574.9	410 488.7	445 415.7	446 793.2	447 809.7	485 012.5	484 907.8	486 435.9	519 893.8	525 742.6	526 640.6	100.9%	100.3%
Provincial equitable share	306 782.3	310 740.7	310 740.7	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	100.7%	100.0%
Debt-service costs	89 388.1	88 794.5	88 121.1	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 800.0	100.6%	100.3%
General fuel levy sharing with metropolitan municipalities	9 039.7	9 039.7	9 039.7	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	100.0%	100.0%
National revenue fund payments	-	-	2 587.2	930.0	200.0	516.3	-	310.9	1 525.5	121.0	681.7	681.7	505.3%	445.3%
Total	426 761.2	429 752.5	431 507.7	470 971.7	472 025.5	472 916.7	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 345.1	100.8%	100.2%
Change to 2015 Budget estimate											7 617.5			

Table 7.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Current payments	90 942.4	90 494.8	89 682.7	101 551.5	102 283.2	102 847.4	116 832.7	116 304.8	116 328.4	128 388.5	129 824.5	130 710.2	100.4%	100.2%
Compensation of employees	665.9	616.1	561.5	710.5	659.5	602.1	764.9	689.0	671.5	725.5	733.4	739.3	89.8%	95.4%
Goods and services	888.4	1 084.2	1 000.1	1 099.5	1 139.2	1 060.6	1 167.2	1 130.8	858.5	1 222.6	1 189.1	1 170.8	93.4%	90.0%
of which:														
Audit costs: External	11.2	11.6	11.0	11.3	13.4	12.6	15.5	12.8	15.3	13.5	15.1	13.2	101.2%	98.5%
Computer services	249.5	419.3	380.0	437.3	438.8	432.5	438.2	437.5	420.6	445.4	355.6	377.6	102.6%	97.6%
Consultants: Business and advisory services	408.0	443.7	430.4	422.6	447.7	427.1	474.3	454.4	218.1	550.1	603.2	558.0	88.1%	83.8%
Operating leases	36.2	34.7	40.8	48.7	47.7	41.1	48.8	61.8	60.8	56.1	56.1	60.9	107.3%	101.6%
Property payments	–	–	11.4	–	–	12.0	–	–	21.4	13.8	13.8	19.1	463.9%	463.7%
Travel and subsistence	8.7	12.3	46.4	10.4	9.4	46.6	9.3	9.4	43.1	48.0	50.2	49.9	243.5%	228.6%
Interest and rent on land	89 388.1	88 794.5	88 121.1	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 800.0	100.6%	100.3%
Transfers and subsidies	335 424.4	339 023.4	338 546.5	365 286.5	366 323.5	366 311.6	391 863.0	391 336.9	391 368.2	414 954.5	418 329.0	418 299.5	100.5%	100.0%
Provinces and municipalities	316 878.3	320 836.7	320 836.7	345 905.6	347 270.0	347 257.9	371 511.7	371 511.7	371 510.9	394 767.6	398 594.2	398 594.2	100.6%	100.0%
Departmental agencies and accounts	13 278.3	13 316.8	13 355.7	13 919.6	13 922.2	13 960.1	14 011.1	14 127.7	14 115.1	15 420.4	15 042.1	14 930.0	99.5%	99.9%
Higher education institutions	8.0	9.0	9.0	10.0	10.0	10.0	5.8	5.8	–	–	–	–	79.8%	76.6%
Foreign governments and international organisations	1 004.7	1 012.7	628.2	800.4	771.5	712.3	828.3	777.2	790.5	854.1	777.9	774.1	83.3%	87.0%
Public corporations and private enterprises	953.6	545.5	545.5	1 206.3	903.1	903.1	1 844.5	1 252.2	1 274.5	11.4	11.4	11.4	68.1%	100.8%
Non-profit institutions	0.1	0.1	–	–	–	–	–	–	–	–	–	–	–	–
Households	3 301.3	3 302.5	3 171.4	3 444.6	3 446.7	3 468.2	3 661.6	3 662.2	3 677.1	3 900.9	3 903.5	3 989.8	100.0%	99.9%
Payments for capital assets	194.4	34.3	19.6	21.6	33.3	21.3	11.4	19.6	20.1	16.4	26.1	22.0	34.1%	73.3%
Buildings and other fixed structures	5.3	5.0	0.6	5.0	5.0	–	–	–	0.4	–	0.4	0.2	11.6%	11.5%
Machinery and equipment	189.1	29.3	19.0	16.6	28.3	21.3	11.4	19.6	19.8	16.4	25.7	21.8	35.1%	79.6%
Payments for financial assets	200.0	200.0	3 258.9	4 112.0	3 385.5	3 736.4	3 570.5	3 950.5	4 901.8	3 491.7	6 289.0	6 313.5	160.1%	131.7%
Total	426 761.2	429 752.5	431 507.7	470 971.7	472 025.5	472 916.7	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 345.1	100.8%	100.2%

Expenditure estimates

Table 7.3 Vote expenditure estimates by programme and economic classification

Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2016/17	2017/18	2018/19		
R million								
Programme 1	377.0	5.5%	0.1%	412.7	411.9	432.3	4.7%	0.1%
Programme 2	134.7	3.2%	0.0%	146.1	148.9	150.9	3.9%	0.0%
Programme 3	265.5	2.4%	0.0%	287.0	293.6	297.7	3.9%	0.0%
Programme 4	3 266.6	126.0%	0.5%	107.2	100.3	101.9	-68.5%	0.1%
Programme 5	799.2	5.2%	0.1%	849.9	910.0	945.8	5.8%	0.1%
Programme 6	3 272.8	46.5%	0.3%	5 039.1	5 834.8	5 910.1	21.8%	0.8%
Programme 7	4 042.7	6.5%	0.7%	4 173.2	4 381.9	4 636.1	4.7%	0.7%
Programme 8	2 649.5	9.8%	0.5%	2 634.7	2 897.0	3 434.5	9.0%	0.5%
Programme 9	9 334.4	0.7%	1.9%	10 009.2	11 078.5	11 037.1	5.7%	1.7%
Programme 10	4 562.1	4.6%	0.9%	4 812.5	5 070.0	5 364.1	5.5%	0.8%
Subtotal	28 704.6	10.7%	5.1%	28 471.4	31 127.0	32 310.5	4.0%	4.8%
Direct charge against the National Revenue Fund	526 640.6	8.8%	94.9%	569 787.4	615 543.1	660 075.7	7.8%	95.2%
Provincial equitable share	386 500.0	7.5%	70.7%	410 698.6	441 831.1	469 051.1	6.7%	68.5%
Debt-service costs	128 800.0	13.2%	21.9%	147 720.0	161 927.0	178 556.0	11.5%	24.8%
General fuel levy sharing with metropolitan municipalities	10 658.9	5.6%	2.0%	11 223.8	11 785.0	12 468.6	5.4%	1.9%
National Revenue Fund payments	681.7	–	0.3%	145.0	–	–	-100.0%	0.0%
Total	555 345.1	8.9%	100.0%	598 258.8	646 670.2	692 386.2	7.6%	100.0%
Change to 2015 Budget estimate				15 085.7	25 238.5	35 402.6		

Table 7.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Current payments	130 710.2	13.0%	22.3%	149 812.3	164 105.1	180 810.2	11.4%	25.1%
Compensation of employees	739.3	6.3%	0.1%	817.6	808.2	816.9	3.4%	0.1%
Goods and services	1 170.8	2.6%	0.2%	1 274.8	1 370.0	1 437.3	7.1%	0.2%
of which:								
Audit costs: External	13.2	4.5%	0.0%	16.0	16.9	17.8	10.5%	0.0%
Computer services	377.6	-3.4%	0.1%	463.2	506.0	543.1	12.9%	0.1%
Consultants: Business and advisory services	558.0	7.9%	0.1%	567.4	600.7	615.8	3.3%	0.1%
Operating leases	60.9	20.6%	0.0%	69.1	77.4	83.6	11.1%	0.0%
Property payments	19.1	-	0.0%	15.8	16.4	18.2	-1.6%	0.0%
Travel and subsistence	49.9	59.5%	0.0%	52.8	55.5	58.8	5.6%	0.0%
Interest and rent on land	128 800.0	13.2%	21.9%	147 720.0	161 927.0	178 556.0	11.5%	24.8%
Transfers and subsidies	418 299.5	7.3%	76.8%	444 111.4	477 680.1	506 673.1	6.6%	74.1%
Provinces and municipalities	398 594.2	7.5%	72.9%	423 409.0	455 214.4	483 210.7	6.6%	70.6%
Departmental agencies and accounts	14 930.0	3.9%	2.9%	15 741.5	17 219.7	17 907.3	6.2%	2.6%
Foreign governments and international organisations	774.1	-8.6%	0.1%	838.0	917.4	975.4	8.0%	0.1%
Public corporations and private enterprises	11.4	-72.5%	0.1%	12.0	12.6	13.3	5.4%	0.0%
Households	3 989.8	6.5%	0.7%	4 111.0	4 315.9	4 566.4	4.6%	0.7%
Payments for capital assets	22.0	-13.8%	0.0%	38.0	15.8	16.6	-8.9%	0.0%
Buildings and other fixed structures	0.2	-64.8%	0.0%	-	-	-	-100.0%	0.0%
Machinery and equipment	21.8	-9.4%	0.0%	37.9	15.8	16.6	-8.6%	0.0%
Payments for financial assets	6 313.5	216.0%	0.9%	4 297.2	4 869.1	4 886.3	-8.2%	0.8%
Total	555 345.1	8.9%	100.0%	598 258.8	646 670.2	692 386.2	7.6%	100.0%

Personnel information

Table 7.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number	
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2015/16 - 2018/19				
		2014/15		2015/16		2016/17		2017/18		2018/19								
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit		
National Treasury	1 245	37	1 185 671.5	0.6	1 282 739.3	0.6	1 332 817.6	0.6	1 332 882.0	0.7	1 332 937.4	0.7	1 332 937.4	0.7	1.3%	100.0%		
Salary level																		
1 – 6	66	3	69 13.1	0.2	69 13.5	0.2	69 14.1	0.2	69 15.2	0.2	69 16.2	0.2	69 16.2	0.2	-	5.2%		
7 – 10	548	12	524 178.8	0.3	560 199.9	0.4	568 210.8	0.4	568 227.8	0.4	568 241.9	0.4	568 241.9	0.4	0.5%	42.9%		
11 – 12	327	10	297 191.9	0.6	337 220.3	0.7	364 253.2	0.7	364 273.0	0.7	364 291.5	0.8	364 291.5	0.8	2.6%	27.1%		
13 – 16	304	12	295 287.6	1.0	316 305.6	1.0	331 339.5	1.0	331 366.0	1.1	331 387.8	1.2	331 387.8	1.2	1.6%	24.8%		
Programme	1 245	37	1 185 671.5	0.6	1 282 739.3	0.6	1 332 817.6	0.6	1 332 882.0	0.7	1 332 937.4	0.7	1 332 937.4	0.7	1.3%	100.0%		
Programme 1	408	6	385 166.4	0.4	414 187.8	0.5	419 196.9	0.5	419 212.8	0.5	419 225.7	0.5	419 225.7	0.5	0.4%	31.7%		
Programme 2	115	-	106 70.8	0.7	115 78.5	0.7	121 90.9	0.8	121 98.0	0.8	121 104.5	0.9	121 104.5	0.9	1.7%	9.1%		
Programme 3	277	21	271 175.1	0.6	298 192.0	0.6	309 213.8	0.7	309 230.5	0.7	309 245.8	0.8	309 245.8	0.8	1.2%	23.2%		
Programme 4	115	-	113 69.3	0.6	115 71.5	0.6	119 76.8	0.6	119 82.8	0.7	119 88.3	0.7	119 88.3	0.7	1.1%	8.9%		
Programme 5	292	10	274 158.3	0.6	302 182.4	0.6	319 204.2	0.6	319 220.2	0.7	319 232.9	0.7	319 232.9	0.7	1.8%	23.9%		
Programme 6	38	-	36 26.1	0.7	38 27.2	0.7	45 35.0	0.8	45 37.7	0.8	45 40.2	0.9	45 40.2	0.9	5.8%	3.3%		
Programme 8	-	-	- 5.4	-	- -	-	- -	-	- -	-	- -	-	- -	-	-	-		
Reduction	-	-	- -	-	- -	-	- -	-	(73.8)	-	(120.5)	-	(120.5)	-	-	-		
Total	1 245	37	1 185 671.5	0.6	1 282 739.3	0.6	1 332 817.6	0.6	- 808.2	-	- 816.9	-	- 816.9	-	-	-		

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

2. The department's compensation of employees budget has been reduced by R194.3 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 7.5 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
R thousand												
Departmental receipts	4 201 708	3 687 531	5 599 130	4 990 385	5 566 173	9.8%	27.6%	4 225 199	4 194 236	2 954 635	-19.0%	34.1%
Sales of goods and services produced by department	53 840	73 026	65 722	22 150	22 150	-25.6%	0.3%	20 806	15 281	13 515	-15.2%	0.1%
Sales by market establishments	99	96	100	110	110	3.6%	-	100	110	120	2.9%	-
of which:												
Rental parking: Covered and open	96	96	100	105	105	3.0%	-	100	110	120	4.6%	-
Access to information	3	-	-	5	5	18.6%	-	-	-	-	-100.0%	-
Administrative fees	4	-	1	10	10	35.7%	-	10	10	10	-	-
of which:												
Required information: Duplicate certificate	4	-	1	10	10	35.7%	-	10	10	10	-	-
Other sales	53 737	72 930	65 621	22 030	22 030	-25.7%	0.3%	20 696	15 161	13 385	-15.3%	0.1%
of which:												
Commission: Insurance	68	73	82	73	73	2.4%	-	60	60	70	-1.4%	-
Directors fees	176	307	250	226	226	8.7%	-	228	242	256	4.2%	-
Replacement of security cards	2	7	12	5	5	35.7%	-	3	4	5	-	-
Fees for government guarantee insurance	53 429	72 467	65 158	21 720	21 720	-25.9%	0.3%	20 402	14 851	13 050	-15.6%	0.1%
Sales of assets less than R5 000	62	76	119	6	6	-54.1%	-	3	4	4	-12.6%	-
Sales of scrap, waste, arms and other used current goods	26	61	69	28	28	2.5%	-	13	13	16	-17.0%	-
of which:												
Waste paper	11	5	9	12	12	2.9%	-	12	12	15	7.7%	-
Scrap	-	24	30	16	16	-	-	-	-	-	-100.0%	-
Departmental publications	15	32	30	-	-	-100.0%	-	1	1	1	-	-
Interest, dividends and rent on land	3 245 937	2 586 428	4 580 566	3 867 929	4 443 717	11.0%	21.5%	3 114 050	3 088 602	2 680 754	-15.5%	26.9%
Interest	3 089 037	2 479 141	4 374 788	3 653 779	4 213 669	10.9%	20.5%	2 955 802	2 917 934	2 500 500	-16.0%	25.4%
Dividends	156 900	107 287	205 778	214 150	230 048	13.6%	1.0%	158 248	170 668	180 254	-7.8%	1.5%
of which:												
South African Reserve Bank	156 900	107 287	-	79 800	79 800	-20.2%	0.5%	-	-	-	-100.0%	0.2%
South African Special Risks Insurance Association	-	-	205 778	134 350	150 248	-	0.5%	158 248	170 668	180 254	6.3%	1.3%
Sales of capital assets	261	111	-	-	-	-100.0%	-	-	-	-	-	-
Transactions in financial assets and liabilities	901 644	1 027 905	952 773	1 100 278	1 100 278	6.9%	5.8%	1 090 330	1 090 340	260 350	-38.1%	7.1%
National Revenue Fund receipts	11 533 610	11 663 544	12 646 970	8 167 034	14 159 903	7.1%	72.4%	12 165 000	3 842 000	2 506 000	-43.9%	65.9%
of which:												
Revaluation of profits on foreign currency transactions	939 005	5 670 623	4 406 734	2 600 000	8 592 000	109.2%	28.4%	12 165 000	3 842 000	2 506 000	-33.7%	54.6%
Premiums on loan transactions	10 541 967	5 510 307	5 467 553	3 000 000	3 000 000	-34.2%	35.5%	-	-	-	-100.0%	6.0%
Liquidation of South African Special Risks Insurance Association investment	50 000	75 000	40 000	-	-	-100.0%	0.2%	-	-	-	-	-
Other (mainly penalties on retail bonds)	2 638	8 346	2 646	2 131	3 000	4.4%	-	-	-	-	-100.0%	-
Proceeds from foreign exchange amnesty	-	399 268	-	-	-	-	0.6%	-	-	-	-	-
Premiums on debt portfolio restructuring (switches)	-	-	2 730 037	2 564 903	2 564 903	-	7.7%	-	-	-	-100.0%	5.2%
Total	15 735 318	15 351 075	18 246 100	13 157 419	19 726 076	7.8%	100.0%	16 390 199	8 036 236	5 460 635	-34.8%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 7.6 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Ministry	3.1	3.3	3.3	4.2	10.4%	1.0%	4.5	4.9	5.1	6.8%	1.2%
Departmental Management	37.8	42.2	47.5	45.8	6.6%	12.9%	49.6	50.4	51.1	3.7%	12.1%
Corporate Services	89.0	90.5	107.3	108.7	6.9%	29.5%	135.5	121.3	127.6	5.5%	30.4%
Enterprise Wide Risk Management	25.6	32.0	22.5	26.9	1.7%	8.0%	25.7	26.4	27.6	0.8%	6.6%
Financial Administration	32.2	35.7	38.6	40.8	8.2%	11.0%	41.2	41.6	43.8	2.4%	10.3%
Legal Services	15.7	16.4	16.6	18.2	5.1%	5.0%	19.7	20.0	20.6	4.3%	4.8%
Internal Audit	15.7	22.0	17.1	22.4	12.6%	5.7%	22.8	23.2	23.9	2.3%	5.7%
Communications	9.6	8.8	10.1	10.0	1.4%	2.9%	11.9	11.7	11.8	5.8%	2.8%
Office Accommodation	68.0	68.7	99.5	86.7	8.4%	24.1%	101.8	112.4	120.7	11.7%	26.0%
Total	296.7	319.6	362.5	363.6	7.0%	100.0%	412.7	411.9	432.3	5.9%	100.0%
Change to 2015 Budget estimate				(3.0)			33.1	13.0	10.4		
Economic classification											
Current payments	279.8	298.6	345.1	346.4	7.4%	94.6%	379.3	400.7	420.5	6.7%	95.5%
Compensation of employees	132.5	144.3	166.4	183.2	11.4%	46.7%	196.9	197.3	203.3	3.5%	48.2%
Goods and services	147.3	154.3	178.7	163.2	3.5%	47.9%	182.5	203.3	217.2	10.0%	47.3%
of which:											
Computer services	23.1	18.4	24.9	21.5	-2.3%	6.5%	22.5	29.4	31.9	14.0%	6.5%
Legal services	9.9	10.7	12.3	11.2	4.3%	3.3%	11.9	12.5	13.1	5.4%	3.0%
Agency and support/outsourced services	8.8	10.4	9.7	11.1	8.0%	3.0%	10.7	11.6	12.3	3.5%	2.8%
Operating leases	39.6	39.5	58.9	53.8	10.8%	14.3%	66.8	75.0	81.1	14.7%	17.1%
Property payments	11.4	12.0	21.4	13.8	6.5%	4.4%	15.8	16.4	18.2	9.7%	4.0%
Travel and subsistence	15.8	15.2	13.2	13.0	-6.3%	4.3%	15.1	15.9	16.7	8.7%	3.7%
Transfers and subsidies	2.6	3.5	4.3	4.3	17.3%	1.1%	3.7	3.9	4.0	-1.8%	1.0%
Departmental agencies and accounts	0.5	1.9	2.3	2.1	57.7%	0.5%	2.1	2.1	2.2	1.4%	0.5%
Households	2.1	1.7	2.0	2.2	1.0%	0.6%	1.6	1.8	1.9	-5.1%	0.5%
Payments for capital assets	14.3	17.2	13.1	13.0	-3.2%	4.3%	29.6	7.3	7.8	-15.5%	3.6%
Buildings and other fixed structures	0.6	-	-	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	13.7	17.2	13.1	13.0	-1.7%	4.2%	29.6	7.3	7.8	-15.5%	3.6%
Payments for financial assets	0.0	0.3	0.1	-	-100.0%	-	-	-	-	-	-
Total	296.7	319.6	362.5	363.6	7.0%	100.0%	412.7	411.9	432.3	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	1.4%	1.3%	1.4%	1.3%	-	-	1.4%	1.3%	1.3%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	1.8	1.4	1.6	1.6	-4.2%	0.5%	1.6	1.8	1.9	5.7%	0.4%
Bursaries for non-employees	1.5	1.4	1.6	1.6	0.7%	0.4%	1.6	1.8	1.9	5.7%	0.4%
Advocate Zubeida Barmania	0.3	-	-	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	0.5	1.9	2.3	2.1	57.7%	0.5%	2.1	2.1	2.2	1.4%	0.5%
Finance and Accounting Services Sector Education and Training Authority	0.5	1.9	2.3	2.1	57.9%	0.5%	2.1	2.1	2.2	1.4%	0.5%

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/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 economic 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 7.7 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Programme Management for Economic Policy, Tax, Financial Regulation and Research	19.4	20.2	20.7	22.1	4.5%	16.6%	23.3	24.0	24.9	4.1%	16.2%
Research	7.5	16.7	11.5	10.9	13.5%	9.4%	11.7	12.5	12.1	3.4%	8.1%
Financial Sector Policy	21.4	25.1	28.0	29.3	11.0%	21.0%	30.8	30.6	30.9	1.8%	20.9%
Tax Policy	24.2	23.4	21.6	26.8	3.4%	19.4%	32.5	31.8	31.6	5.6%	21.1%
Economic Policy	22.8	22.5	25.7	28.9	8.3%	20.2%	31.3	30.8	30.9	2.3%	21.0%
Cooperative Banks Development Agency	16.0	16.2	16.8	17.3	2.7%	13.4%	16.5	19.3	20.4	5.6%	12.6%
Total	111.2	124.1	124.3	135.4	6.8%	100.0%	146.1	148.9	150.9	3.7%	100.0%
Change to 2015 Budget estimate				1.5			3.4	(4.9)	(11.9)		

Table 7.7 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 -	2015/16				2015/16 -	2018/19
Current payments	84.5	97.1	96.3	105.9	7.8%	77.5%	116.8	116.2	116.4	3.2%	78.3%
Compensation of employees	62.2	66.7	70.8	79.1	8.3%	56.3%	90.9	88.7	88.4	3.8%	59.7%
Goods and services	22.3	30.4	25.5	26.9	6.4%	21.2%	25.9	27.5	28.0	1.4%	18.6%
<i>of which:</i>											
Communication	0.4	0.4	0.3	0.4	1.9%	0.3%	0.4	0.4	0.4	-1.1%	0.3%
Consultants: Business and advisory services	8.3	17.1	11.8	11.7	12.1%	9.9%	12.2	13.0	12.6	2.5%	8.5%
Consumables: Stationery, printing and office supplies	0.9	0.9	1.0	0.9	1.3%	0.7%	1.0	1.0	1.1	6.1%	0.7%
Travel and subsistence	5.7	5.4	5.4	6.2	3.2%	4.6%	5.9	6.2	6.6	2.1%	4.3%
Training and development	0.6	0.6	0.7	0.8	10.1%	0.5%	0.7	0.7	0.8	-1.1%	0.5%
Operating payments	3.1	4.0	4.0	4.8	15.4%	3.2%	4.1	4.3	4.5	-1.8%	3.0%
Transfers and subsidies	26.2	26.5	27.7	28.7	3.2%	22.0%	28.5	31.9	33.7	5.5%	21.1%
Departmental agencies and accounts	16.0	16.2	16.8	17.3	2.7%	13.4%	16.5	19.3	20.4	5.6%	12.6%
Public corporations and private enterprises	10.0	9.9	10.8	11.4	4.4%	8.5%	12.0	12.6	13.3	5.4%	8.5%
Households	0.2	0.4	0.0	0.0	-52.1%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.5	0.4	0.4	0.7	11.7%	0.4%	0.8	0.8	0.8	3.8%	0.5%
Machinery and equipment	0.5	0.4	0.4	0.7	11.7%	0.4%	0.8	0.8	0.8	3.8%	0.5%
Total	111.2	124.1	124.3	135.4	6.8%	100.0%	146.1	148.9	150.9	3.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.5%	-	-	0.5%	0.5%	0.5%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	16.0	16.2	16.8	17.3	2.7%	13.4%	16.5	19.3	20.4	5.6%	12.6%
Cooperative Banks Development Agency	16.0	16.2	16.8	17.3	2.7%	13.4%	16.5	19.3	20.4	5.6%	12.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	10.0	9.9	10.8	11.4	4.4%	8.5%	12.0	12.6	13.3	5.4%	8.5%
Economic Research Southern Africa	10.0	9.9	10.8	11.4	4.4%	8.5%	12.0	12.6	13.3	5.4%	8.5%

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

- Give effect to government's economic, fiscal, social and development goals by engaging in an ongoing analytical and consultative process to produce the national budget to be tabled annually in Parliament.
- Promote accountability and transparency by:
 - publishing the Budget Review, the Estimates of National Expenditure and the Medium Term Budget Policy Statement, and appropriation legislation containing relevant financial information and associated indicators of service delivery and performance, on an annual basis
 - monitoring and analysing progress on the implementation of the appropriated budget on a monthly, quarterly and annual basis.
- Contribute to public policy and programme development by promoting sound planning, budgeting and project management; and providing increased support to public finance reform in provinces and municipalities, on an ongoing basis.
- Ensure the appropriate use of public and private financial resources for social and economic development and infrastructure investment by continuously improving the monitoring and analysis of public expenditure monthly, quarterly and annually.

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 provision of fiscal policy advice and the alignment of government's medium term spending and revenue plans with its longer term fiscal policy and strategic priorities. The unit leads the budget reform programme, coordinates international technical assistance and donor finance, provides advice on public service remuneration and pension arrangements, and compiles public finance statistics. It is also responsible for the effective implementation of conditions stipulated for conditional allocations and performing assessments for the grants.
- *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 for 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 7.8 Public Finance and Budget 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 (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R million											
Programme Management for Public Finance and Budget Management	33.8	17.3	20.6	18.4	-18.3%	9.3%	23.4	25.6	23.7	8.8%	8.0%
Public Finance	46.6	47.5	52.3	61.0	9.4%	21.3%	62.3	62.4	63.5	1.4%	21.8%
Budget Office and Coordination	47.6	52.4	53.2	58.8	7.3%	21.8%	61.0	60.5	61.4	1.5%	21.1%
Intergovernmental Relations	67.5	70.8	73.8	86.8	8.7%	30.8%	95.4	94.5	96.0	3.4%	32.6%
Financial and Fiscal Commission	37.3	39.6	45.3	41.2	3.4%	16.8%	44.8	50.6	53.1	8.9%	16.6%
Total	232.8	227.6	245.3	266.1	4.6%	100.0%	287.0	293.6	297.7	3.8%	100.0%
Change to 2015 Budget estimate				9.1			11.2	(1.2)	(14.2)		
Economic classification											
Current payments	193.2	185.3	198.4	222.4	4.8%	82.3%	240.6	241.6	243.1	3.0%	82.8%
Compensation of employees	152.2	157.0	175.1	193.4	8.3%	69.7%	213.8	211.5	213.8	3.4%	72.7%
Goods and services	41.0	28.3	23.3	29.0	-10.9%	12.5%	26.7	30.1	29.3	0.3%	10.1%
of which:											
Bursaries: Employees	0.7	0.6	0.7	0.9	12.0%	0.3%	1.0	1.0	0.8	-6.2%	0.3%
Communication	0.8	0.8	0.6	0.9	6.7%	0.3%	0.9	0.9	1.0	2.8%	0.3%
Computer services	0.2	0.7	1.0	0.9	53.1%	0.3%	1.0	0.9	0.9	0.1%	0.3%
Consultants: Business and advisory services	19.7	8.5	4.4	5.2	-35.8%	3.9%	4.6	7.1	5.8	3.8%	-2.0%
Consumables: Stationery, printing and office supplies	7.2	5.7	5.8	6.7	-2.4%	2.6%	6.8	7.4	7.2	2.7%	2.5%
Travel and subsistence	9.6	8.6	7.9	9.7	0.3%	3.7%	8.6	8.9	9.4	-1.0%	3.2%
Transfers and subsidies	38.1	41.4	45.5	42.0	3.3%	17.2%	44.8	50.6	53.1	8.1%	16.7%
Departmental agencies and accounts	37.3	39.6	45.3	41.2	3.4%	16.8%	44.8	50.6	53.1	8.9%	16.6%
Households	0.8	1.8	0.2	0.9	1.7%	0.4%	-	-	-	-100.0%	0.1%
Payments for capital assets	1.4	0.9	1.3	1.7	5.9%	0.5%	1.5	1.4	1.5	-3.0%	0.5%
Machinery and equipment	1.4	0.9	1.3	1.7	5.9%	0.5%	1.5	1.4	1.5	-3.0%	0.5%
Payments for financial assets	0.1	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	232.8	227.6	245.3	266.1	4.6%	100.0%	287.0	293.6	297.7	3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	1.1%	0.9%	0.9%	0.9%	-	-	1.0%	0.9%	0.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	37.3	39.6	45.3	41.2	3.4%	16.8%	44.8	50.6	53.1	8.9%	16.6%
Financial and Fiscal Commission	37.3	39.6	45.3	41.2	3.4%	16.8%	44.8	50.6	53.1	8.9%	16.6%

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.
- Finance government's gross borrowing requirement consisting of the budget deficit and maturing debt by sourcing funds from the domestic and international markets by March 2016.
- Ensure that government's liquidity requirements are consistently met through effective cash management on an ongoing basis.
- Enable government to manage financial risk and attract investment by reviewing credit, debt, country ratings and contingent liability risk benchmarks, and ensuring adherence to set standards, 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, and the efficient accounting of debt and investment transactions in all spheres of government. This subprogramme also 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 state owned entities, and implements debt management strategies that minimise government's exposure to adverse risks.
- *Financial Investments* provides for the funding needs of state owned entities, such as the recapitalisation of the Land and Agricultural Development Bank of South Africa, Postbank, and the Development Bank of Southern Africa.

Expenditure trends and estimates

Table 7.9 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)		Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17		2017/18	2018/19	2015/16 - 2018/19			
R million													
Programme Management for Asset and Liability Management	14.9	16.4	12.0	11.6	-7.9%	0.6%		21.9	14.2	13.7	5.6%	1.7%	
State Owned Entity Financial Management and Governance	23.7	26.3	29.2	30.1	8.4	1.1		33.4	33.1	33.6	3.7	3.6	
Government Debt Management	15.7	17.3	19.3	19.6	7.7%	0.7%		19.8	19.9	20.6	1.7%	2.2%	
Financial Operations	15.9	17.2	20.0	19.8	7.6%	0.8%		21.4	22.4	23.0	5.2%	2.4%	
Strategy and Risk Management	8.0	8.6	9.0	9.7	6.4%	0.4%		10.6	10.7	10.9	4.1%	1.2%	
Financial Investments	200.0	2 905.0	3 000.0	3 174.0	151.3%	96.4%		–	–	–	-100.0%	88.8%	
Total	278.2	2 990.9	3 089.4	3 264.9	127.2%	100.0%		107.2	100.3	101.9	-68.5%	100.0%	
Change to 2015 Budget estimate				148.0				9.1	(4.2)	(8.6)			
Economic classification													
Current payments	77.7	85.4	88.9	89.4	4.8%	3.5%		106.6	99.6	101.2	4.2%	11.1%	
Compensation of employees	58.2	62.8	69.3	71.4	7.1%	2.7%		76.8	76.7	78.3	3.1%	8.5%	
Goods and services	19.5	22.6	19.6	18.0	-2.5%	0.8%		29.7	22.9	23.0	8.3%	2.6%	
<i>of which:</i>													
<i>Audit costs: External</i>	0.6	0.7	0.5	0.7	6.2%	–		0.6	0.7	0.7	-0.4%	0.1%	
<i>Bursaries: Employees</i>	0.3	0.5	0.6	0.7	28.5%	–		0.9	0.9	1.0	13.7%	0.1%	
<i>Computer services</i>	8.1	10.5	9.6	8.7	2.6%	0.4%		9.3	9.7	10.0	4.6%	1.1%	
<i>Consultants: Business and advisory services</i>	6.5	6.0	4.9	2.9	-23.3%	0.2%		14.5	5.9	5.3	22.3%	0.8%	
<i>Travel and subsistence</i>	1.8	2.8	1.7	2.5	12.1%	0.1%		2.0	3.2	3.3	8.8%	0.3%	
<i>Training and development</i>	0.5	0.4	0.4	0.6	11.5%	–		0.7	0.8	0.9	10.2%	0.1%	
Transfers and subsidies	0.0	0.1	0.2	0.8	166.6%	–		–	–	–	-100.0%	–	
Households	0.0	0.1	0.2	0.8	166.6%	–		–	–	–	-100.0%	–	
Payments for capital assets	0.5	0.4	0.3	0.6	8.8%	–		0.6	0.7	0.7	5.1%	0.1%	
Machinery and equipment	0.5	0.4	0.3	0.6	8.8%	–		0.6	0.7	0.7	5.1%	0.1%	
Payments for financial assets	200.0	2 905.0	3 000.0	3 174.0	151.3%	96.4%		–	–	–	-100.0%	88.8%	
Total	278.2	2 990.9	3 089.4	3 264.9	127.2%	100.0%		107.2	100.3	101.9	-68.5%	100.0%	
Proportion of total programme expenditure to vote expenditure	1.3%	11.9%	11.8%	11.4%	–	–		0.4%	0.3%	0.3%	–	–	

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 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 resource management systems across national and provincial departments.
- *Financial Reporting for National Accounts* is responsible for accounting for the National Revenue Fund and the Reconstruction and Development Programme Fund, providing banking services to national government, providing support for all spheres of government in implementing financial reporting frameworks, and preparing consolidated financial statements.
- *Financial Management Policy and Compliance Improvement* improves financial management, develops financial management regulatory frameworks with local and international best practice; develops and implements accounting policies; and improves the financial management, risk management and internal audit capacity in government.
- *Audit Statutory Bodies* is a transfer payment that provides for compensation for certain shortfalls of statutory bodies and municipalities in terms of the Auditor-General Act (1995). This subprogramme's total budget is transferred in full to fund municipalities that are unable to pay for audit services.
- *Service Charges: Commercial Banks* is a transfer payment that provides for bank service charges for all government departments' deposit accounts.

Expenditure trends and estimates

Table 7.10 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Programme Management for Financial Accounting and Supply Chain Management Systems	7.3	18.4	15.2	48.7	88.6%	3.1%	39.3	43.3	46.3	-1.7%	5.1%
Office of the Chief Procurement Officer	34.1	33.3	38.6	51.8	15.0%	5.5%	72.0	70.4	70.0	10.6%	7.5%
Financial Systems	369.6	424.1	412.1	445.5	6.4%	57.2%	480.8	512.6	534.8	6.3%	56.2%
Financial Reporting for National Accounts	79.4	85.4	86.4	85.1	2.3%	11.7%	88.4	100.2	104.4	7.1%	10.8%
Financial Management Policy and Compliance Improvement	118.6	105.6	117.8	133.9	4.2%	16.5%	125.0	137.0	141.1	1.7%	15.3%
Audit Statutory Bodies	30.3	40.8	61.3	41.9	11.4%	6.0%	44.1	46.3	49.0	5.4%	5.2%
Service Charges: Commercial Banks	0.2	0.1	0.1	0.2	16.2%	–	0.3	0.3	0.3	5.9%	–
Total	639.3	707.8	731.5	807.1	8.1%	100.0%	849.9	910.0	945.8	5.4%	100.0%
Change to 2015 Budget estimate				55.7			24.5	27.0	11.5		
Economic classification											
Current payments	563.6	621.1	619.8	713.9	8.2%	87.3%	759.2	805.2	835.1	5.4%	88.6%
Compensation of employees	135.6	149.5	158.3	177.2	9.3%	21.5%	204.2	200.1	200.0	4.1%	22.2%
Goods and services	428.0	471.5	461.5	536.7	7.8%	65.8%	555.0	605.1	635.1	5.8%	66.4%
of which:											
Audit costs: External	4.1	3.7	6.5	6.6	17.3%	0.7%	7.9	8.3	8.7	9.8%	0.9%
Computer services	348.5	402.9	384.6	324.2	-2.4%	50.6%	430.3	466.0	500.1	15.5%	49.0%
Consultants: Business and advisory services	50.6	41.9	49.9	176.8	51.8%	11.1%	87.0	99.9	93.7	-19.1%	13.0%
Travel and subsistence	6.8	7.0	7.2	10.7	16.1%	1.1%	11.1	11.7	12.4	5.3%	1.3%
Training and development	6.1	2.4	2.1	3.0	-20.8%	0.5%	3.5	3.4	3.7	6.5%	0.4%
Venues and facilities	5.4	7.1	4.7	4.8	-4.0%	0.8%	5.3	5.6	5.9	7.3%	0.6%
Transfers and subsidies	72.9	84.5	106.5	83.3	4.6%	12.0%	85.6	99.4	105.3	8.1%	10.6%
Departmental agencies and accounts	72.0	83.8	106.1	83.1	4.9%	12.0%	85.6	99.4	105.3	8.2%	10.6%
Households	0.9	0.6	0.4	0.2	-40.0%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	2.8	2.1	3.9	9.9	51.7%	0.6%	5.1	5.4	5.4	-18.0%	0.7%
Buildings and other fixed structures	–	–	0.4	0.4	–	–	–	–	–	-100.0%	–
Machinery and equipment	2.8	2.1	3.5	9.4	49.4%	0.6%	5.0	5.4	5.4	-16.8%	0.7%
Payments for financial assets	0.0	0.2	1.3	–	-100.0%	0.1%	–	–	–	–	–
Total	639.3	707.8	731.5	807.1	8.1%	100.0%	849.9	910.0	945.8	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	3.0%	2.8%	2.8%	2.8%	–	–	3.0%	2.9%	2.9%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	72.0	83.8	106.1	83.1	4.9%	12.0%	85.6	99.4	105.3	8.2%	10.6%
Accounting Standards Board	9.5	10.1	10.3	11.3	6.0%	1.4%	12.5	13.5	14.4	8.5%	1.5%
Independent Regulatory Board for Auditors	32.2	32.9	34.6	30.0	-2.3%	4.5%	29.0	39.6	41.9	11.8%	4.0%
Auditor-General of South Africa	30.3	40.8	61.3	41.9	11.4%	6.0%	44.1	46.3	49.0	5.4%	5.2%

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 forum, 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
 - securing the third board chair for the International Monetary Fund for the benefit of sub-Saharan Africa.

- Enhance South Africa's participation in strategic regional, continental and global governance institutions by seconding South Africans into strategic positions at 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 strengthen economic links within Africa by:
 - developing and implementing a policy of one-stop border posts
 - providing ongoing support to the SADC committees 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. The unit 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 Southern African Development Community, the African Union, the United Nations Economic Commission for Africa, the New Partnership for Africa's Development, the International Monetary Fund, the G20, the G24 and the BRICS group of countries.
- *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 Institute for Economic Development and Planning, and the African Regional Technical Assistance Centre for Southern Africa.
- *International Development Funding Institutions* provides for subscriptions and contributions to international development institutions and banks. This subprogramme transfers funds to: the African Development Bank and the World Bank to buy shares and subscriptions; and the African Development Fund of the African Development Bank and the International Development Association of the World Bank Group to provide concessional loans and grants to low income countries. In line with the shareholding agreement for South Africa, capital transfers to the New Development Bank for the group of BRICS countries will also be made under this subprogramme.
- *International Projects* transfers funds to international projects and interventions to various causes such as capacity building, and catastrophic 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 7.11 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Programme Management for International Financial Relations	9.0	19.1	8.3	13.9	15.4%	0.8%	11.7	12.3	12.4	-3.5%	0.3%
International Economic Cooperation	21.0	23.8	27.3	32.1	15.3%	1.6%	39.7	38.5	38.6	6.3%	0.7%
African Integration and Support	492.3	558.8	588.3	666.9	10.6%	35.3%	726.4	765.6	816.8	7.0%	14.8%
International Development Funding Institutions	467.5	450.0	557.6	2 524.0	75.4%	61.3%	4 242.8	4 999.2	5 022.4	25.8%	83.8%
International Projects	13.2	16.0	17.2	18.0	10.9%	1.0%	18.5	19.1	19.8	3.1%	0.4%
Total	1 003.1	1 067.7	1 198.7	3 254.9	48.0%	100.0%	5 039.1	5 834.8	5 910.1	22.0%	100.0%
Change to 2015 Budget estimate				2 007.5			3 724.7	4 454.6	4 449.8		
Economic classification											
Current payments	29.8	42.6	35.4	45.7	15.4%	2.4%	51.1	50.6	50.8	3.5%	1.0%
Compensation of employees	20.8	21.8	26.1	29.2	12.0%	1.5%	35.0	33.8	33.3	4.4%	0.7%
Goods and services	8.9	20.8	9.3	16.5	22.6%	0.9%	16.1	16.8	17.5	2.0%	0.3%
of which:											
Bursaries: Employees	0.1	0.1	0.1	0.2	8.1%	-	0.6	0.6	0.6	55.0%	-
Communication	0.6	0.5	0.4	0.5	-6.9%	-	0.5	0.5	0.5	5.7%	-
Consultants: Business and advisory services	0.3	1.9	0.6	-	-100.0%	-	1.4	0.9	1.0	-	-
Travel and subsistence	6.8	7.6	6.9	8.2	6.5%	0.5%	10.1	9.5	10.5	8.5%	0.2%
Operating payments	0.3	0.3	0.2	1.5	67.2%	-	0.6	0.6	0.6	-25.0%	-
Venues and facilities	0.4	4.5	0.3	5.2	142.1%	0.2%	2.0	3.5	3.1	-15.6%	0.1%
Transfers and subsidies	626.7	710.3	788.3	775.6	7.4%	44.5%	835.5	914.9	972.7	7.8%	17.5%
Foreign governments and international organisations	626.6	710.2	788.3	775.6	7.4%	44.5%	835.5	914.9	972.7	7.8%	17.5%
Households	0.1	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.1	0.3	0.1	0.2	24.2%	-	0.3	0.3	0.3	6.8%	-
Machinery and equipment	0.1	0.3	0.1	0.2	24.2%	-	0.3	0.3	0.3	6.8%	-
Payments for financial assets	346.4	314.6	374.8	2 433.4	91.5%	53.2%	4 152.2	4 869.1	4 886.3	26.2%	81.5%
Total	1 003.1	1 067.7	1 198.7	3 254.9	48.0%	100.0%	5 039.1	5 834.8	5 910.1	22.0%	100.0%
Proportion of total programme expenditure to vote expenditure	4.8%	4.3%	4.6%	11.3%	-	-	17.7%	18.7%	18.3%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.1	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Employee social benefits	0.1	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	505.6	574.8	605.5	684.9	10.7%	36.3%	744.9	784.7	836.6	6.9%	15.2%
Common Monetary Area Compensation	490.7	554.4	581.6	653.4	10.0%	34.9%	716.4	754.9	804.9	7.2%	14.6%
Collaborative Africa Budget Reform Initiative	1.3	1.3	4.4	1.5	5.4%	0.1%	1.6	1.6	1.7	5.1%	-
Commonwealth Fund for Technical Cooperation	4.5	5.3	5.7	5.5	7.4%	0.3%	5.8	6.1	6.4	5.1%	0.1%
International Finance Facility for Immunisation	8.8	10.7	11.5	12.5	12.6%	0.7%	12.7	13.0	13.4	2.3%	0.3%
African Institute for Economic Development and Planning	-	1.7	0.9	1.0	-	0.1%	1.3	1.3	1.4	10.5%	-
Africa Regional Technical Assistance Centre for Southern Africa	0.4	0.4	0.4	1.0	38.5%	-	1.0	1.1	1.2	8.1%	-
Infrastructure Consortium for Africa	-	1.0	1.0	-	-	-	-	-	-	-	-
African Risk Capacity	-	-	-	10.0	-	0.2%	6.1	6.6	7.7	-8.4%	0.2%
Capital	121.1	135.4	182.8	90.7	-9.2%	8.1%	90.7	130.1	136.1	14.5%	2.2%
African Development Bank and African Development Fund	40.2	40.2	92.1	-	-100.0%	2.6%	-	33.5	35.4	-	0.3%
World Bank Group	80.9	95.2	90.7	90.7	3.9%	5.5%	90.7	96.7	100.7	3.6%	1.9%

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

Programme purpose

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

Objectives

- Ensure the effective administration of pension, retirement and other policies on an ongoing basis by completing annual reviews and implementing recommendations in accordance with stakeholder agreements reached on pension reforms, post-retirement medical benefits, political office bearers and pension legislation.
- Ensure good service to eligible applicants and recipients on an ongoing basis by:
 - processing member applications and making payments punctually, as required by applicable legislation
 - processing post-retirement medical benefit applications within 60 days of receipt and paying all medical subsidies within 7 days of receiving a valid and correct claim
 - processing and paying injury on duty benefits to civil servants within 45 days of receiving complete 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), 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 in terms of the Judges' Remuneration and Conditions of Employment Act (2001); and former state presidents, among other benefits.

Expenditure trends and estimates

Table 7.12 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Government Pensions Administration Agency	174.8	57.5	54.4	61.2	-29.5%	2.4%	61.4	65.2	68.9	4.0%	1.5%
Civil Pensions and Contributions to Funds	2 621.7	2 673.5	2 613.9	2 929.4	3.8%	74.4%	3 146.4	3 338.3	3 575.5	6.9%	75.7%
Military Pensions and Other Benefits	547.1	792.1	1 062.6	972.4	21.1%	23.2%	965.4	978.4	991.7	0.7%	22.8%
Total	3 343.6	3 523.1	3 730.9	3 962.9	5.8%	100.0%	4 173.2	4 381.9	4 636.1	5.4%	100.0%
Change to 2015 Budget estimate											
Economic classification											
Current payments	49.7	57.5	54.4	61.2	7.1%	1.5%	61.4	65.2	68.9	4.0%	1.5%
Goods and services	49.7	57.5	54.4	61.2	7.1%	1.5%	61.4	65.2	68.9	4.0%	1.5%
of which:											
Consultants: Business and advisory services	49.7	57.5	54.4	61.2	7.1%	1.5%	61.4	65.2	68.9	4.0%	1.5%
Transfers and subsidies	3 168.8	3 465.6	3 676.5	3 901.8	7.2%	97.6%	4 111.8	4 316.7	4 567.2	5.4%	98.5%
Foreign governments and international organisations	1.5	2.1	2.3	2.3	14.6%	0.1%	2.4	2.6	2.7	5.1%	0.1%
Households	3 167.2	3 463.5	3 674.2	3 899.4	7.2%	97.6%	4 109.4	4 314.1	4 564.5	5.4%	98.4%
Payments for financial assets	125.1	0.0	0.0	-	-100.0%	0.9%	-	-	-	-	-
Total	3 343.6	3 523.1	3 730.9	3 962.9	5.8%	100.0%	4 173.2	4 381.9	4 636.1	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	15.9%	14.0%	14.2%	13.8%	-	-	14.7%	14.1%	14.3%	-	-

Table 7.12 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17	2017/18	2018/19			
R million											
Households											
Social benefits											
Current	3 167.2	3 463.5	3 674.2	3 899.4	7.2%	97.6%	4 109.4	4 314.1	4 564.5	5.4%	98.4%
Contribution to provident funds for associated institutions	0.4	0.4	0.3	0.3	-8.7%	-	0.4	0.4	0.4	6.5%	-
Other benefits	75.0	77.8	70.4	89.1	5.9%	2.1%	88.1	93.1	98.5	3.4%	2.1%
Injury on duty	478.7	500.7	526.4	550.2	4.8%	14.1%	591.7	621.2	652.3	5.8%	14.1%
Post-Retirement Medical Scheme	1 413.0	1 441.4	1 511.1	1 805.7	8.5%	42.4%	1 975.1	1 811.6	1 966.3	2.9%	44.1%
Special pensions	434.8	435.4	423.5	472.3	2.8%	12.1%	479.8	508.8	539.2	4.5%	11.7%
Political Office Bearers Pension Fund	211.1	208.2	72.0	-	-100.0%	3.4%	-	291.2	306.1	-	3.5%
Pension benefits: President of South Africa	7.1	7.5	7.9	9.5	10.0%	0.2%	9.0	9.5	10.0	2.0%	0.2%
Military pensions: Ex-servicemen	28.6	26.5	11.7	28.3	-0.4%	0.7%	30.9	32.4	34.0	6.4%	0.7%
South African citizen force	126.8	139.0	155.9	175.7	11.5%	4.1%	174.6	183.9	193.6	3.3%	4.2%
Civil protection	0.0	0.0	0.0	0.0	-	-	0.0	0.0	0.0	1.7%	-
Other benefits: Ex-servicemen	21.8	26.6	20.2	31.1	12.7%	0.7%	22.8	24.8	26.7	-5.0%	0.6%
Non-statutory forces	370.0	600.0	874.8	737.3	25.8%	17.7%	737.2	737.3	737.3	-	17.2%
Foreign governments and international organisations											
Current	1.5	2.1	2.3	2.3	14.6%	0.1%	2.4	2.6	2.7	5.1%	0.1%
United Kingdom tax	1.5	2.1	2.3	2.3	14.6%	0.1%	2.4	2.6	2.7	5.1%	0.1%

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.
- Strengthen public finance management capacity in municipalities and support provincial treasury oversight of local government financial management, on an ongoing basis.
- Promote public and private investment in city development, integrated urban networks and neighbourhood development initiatives, on an ongoing basis.
- Promote innovative and partnership based approaches to employment creation, work seeker support and enterprise development, on an ongoing basis.
- Support 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.
- *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.
- *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 into 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.

- *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 7.13 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Local Government Financial Management Support	512.7	546.3	547.9	573.9	3.8%	21.6%	591.9	636.5	672.0	5.4%	21.1%
Urban Development and Support	658.1	680.9	875.4	884.2	10.3%	30.7%	913.0	983.3	1 040.3	5.6%	32.5%
Employment Creation Facilitation	589.9	952.9	1 213.2	1 003.5	19.4%	37.3%	782.9	912.3	1 338.4	10.1%	34.4%
Government Technical Advisory Centre	61.4	69.7	79.8	83.6	10.8%	2.9%	88.0	89.9	95.1	4.4%	3.0%
Infrastructure Development Support	160.5	187.5	177.1	229.4	12.6%	7.5%	258.9	275.1	288.8	8.0%	9.0%
Total	1 982.6	2 437.3	2 893.3	2 774.6	11.9%	100.0%	2 634.7	2 897.0	3 434.5	7.4%	100.0%
Change to 2015 Budget estimate				(369.3)			(643.5)	(434.7)	(90.4)		
Economic classification											
Current payments	283.3	275.2	91.7	337.5	6.0%	9.8%	377.3	399.0	418.4	7.4%	13.0%
Compensation of employees	–	–	5.4	–	–	0.1%	–	–	–	–	–
Goods and services	283.3	275.2	86.2	337.5	6.0%	9.7%	377.3	399.0	418.4	7.4%	13.0%
of which:											
Administrative fees	–	–	0.5	–	–	–	–	–	–	–	–
Advertising	–	–	0.1	–	–	–	–	–	–	–	–
Minor assets	–	–	0.6	–	–	–	–	–	–	–	–
Consultants: Business and advisory services	283.3	275.2	83.0	337.5	6.0%	9.7%	377.3	399.0	418.4	7.4%	13.0%
Transfers and subsidies	1 699.3	2 162.1	2 800.7	2 437.1	12.8%	90.2%	2 257.4	2 498.0	3 016.1	7.4%	87.0%
Provinces and municipalities	1 056.3	1 149.2	1 399.0	1 435.3	10.8%	50.0%	1 486.5	1 598.3	1 691.0	5.6%	52.9%
Departmental agencies and accounts	98.4	109.6	138.1	1 001.8	116.7%	13.4%	770.9	899.8	1 325.1	9.8%	34.0%
Higher education institutions	9.0	10.0	–	–	-100.0%	0.2%	–	–	–	–	–
Public corporations and private enterprises	535.5	893.2	1 263.7	–	-100.0%	26.7%	–	–	–	–	–
Payments for capital assets	–	–	1.0	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	1.0	–	–	–	–	–	–	–	–
Total	1 982.6	2 437.3	2 893.3	2 774.6	11.9%	100.0%	2 634.7	2 897.0	3 434.5	7.4%	100.0%
Proportion of total programme expenditure to vote expenditure	9.4%	9.7%	11.1%	9.7%	–	–	9.3%	9.3%	10.6%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	98.2	109.3	137.7	1 001.3	116.8%	13.3%	770.2	899.0	1 324.4	9.8%	34.0%
Government Technical Advisory Centre	98.2	109.3	107.7	1 001.3	116.8%	13.1%	770.2	899.0	1 324.4	9.8%	34.0%
Neighbourhood development partnership grant: Indirect	–	–	30.0	–	–	0.3%	–	–	–	–	–
Capital	0.2	0.3	0.4	0.5	42.8%	–	0.7	0.7	0.8	12.8%	–
Government Technical Advisory Centre	0.2	0.3	0.4	0.5	42.8%	–	0.7	0.7	0.8	12.8%	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	478.2	523.3	553.6	577.0	6.5%	21.1%	595.7	642.8	680.1	5.6%	21.3%
Local government financial management grant	402.8	424.8	449.1	452.5	4.0%	17.1%	465.3	502.0	531.1	5.5%	16.6%
Infrastructure skills development grant	75.5	98.5	104.4	124.5	18.2%	4.0%	130.5	140.8	148.9	6.2%	4.6%
Capital	578.1	625.9	845.4	858.3	14.1%	28.8%	890.8	955.5	1 010.9	5.6%	31.6%
Integrated city development grant	–	40.0	255.0	251.3	–	5.4%	266.8	292.1	309.1	7.1%	9.5%
Neighbourhood development partnership grant	578.1	585.9	590.4	607.0	1.6%	23.4%	624.0	663.4	701.9	5.0%	22.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	535.5	893.2	1 263.7	–	-100.0%	26.7%	–	–	–	–	–
Development Bank of Southern Africa	535.5	893.2	1 164.9	–	-100.0%	25.7%	–	–	–	–	–
Municipal Finance Improvement Programme	–	–	98.8	–	–	1.0%	–	–	–	–	–
Higher education institutions											
Current	9.0	10.0	–	–	-100.0%	0.2%	–	–	–	–	–
University of Cape Town	9.0	10.0	–	–	-100.0%	0.2%	–	–	–	–	–

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 R89.7 billion debtors book efficiently through a quality assurance system intended to provide users with integrated debt management solutions on an ongoing basis.

Subprogramme

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

Expenditure trends and estimates

Table 7.14 Revenue Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
South African Revenue Service	9 149.4	9 534.4	9 440.3	9 334.4	0.7%	100.0%	10 009.2	11 078.5	11 037.1	5.7%	100.0%
Total	9 149.4	9 534.4	9 440.3	9 334.4	0.7%	100.0%	10 009.2	11 078.5	11 037.1	5.7%	100.0%
Change to 2015 Budget estimate				(100.0)			(424.4)	(337.1)	(549.4)		
Economic classification											
Transfers and subsidies	9 149.4	9 534.4	9 440.3	9 334.4	0.7%	100.0%	10 009.2	11 078.5	11 037.1	5.7%	100.0%
Departmental agencies and accounts	9 149.4	9 534.4	9 440.3	9 334.4	0.7%	100.0%	10 009.2	11 078.5	11 037.1	5.7%	100.0%
Total	9 149.4	9 534.4	9 440.3	9 334.4	0.7%	100.0%	10 009.2	11 078.5	11 037.1	5.7%	100.0%
Proportion of total programme expenditure to vote expenditure	43.5%	38.0%	36.1%	32.5%	–	–	35.2%	35.6%	34.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8 299.7	8 676.3	8 596.2	8 391.0	0.4%	90.7%	8 965.8	9 936.9	9 829.3	5.4%	89.5%
South African Revenue Service	8 299.7	8 676.3	8 596.2	8 391.0	0.4%	90.7%	8 965.8	9 936.9	9 829.3	5.4%	89.5%
Capital	849.7	858.1	844.1	943.4	3.6%	9.3%	1 043.4	1 141.6	1 207.8	8.6%	10.5%
South African Revenue Service	849.7	858.1	844.1	943.4	3.6%	9.3%	1 043.4	1 141.6	1 207.8	8.6%	10.5%

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Financial Intelligence Centre	197.3	241.0	198.1	239.5	6.7%	5.1%	256.4	270.2	285.9	6.1%	5.3%
Secret Services	3 784.8	3 933.6	4 168.2	4 322.6	4.5%	94.9%	4 556.1	4 799.8	5 078.2	5.5%	94.7%
Total	3 982.1	4 174.6	4 366.3	4 562.1	4.6%	100.0%	4 812.5	5 070.0	5 364.1	5.5%	100.0%
Change to 2015 Budget estimate				19.3			19.5	36.3	38.4		
Economic classification											
Transfers and subsidies	3 982.1	4 174.6	4 366.3	4 562.1	4.6%	100.0%	4 812.5	5 070.0	5 364.1	5.5%	100.0%
Departmental agencies and accounts	3 982.1	4 174.6	4 366.3	4 562.1	4.6%	100.0%	4 812.5	5 070.0	5 364.1	5.5%	100.0%
Total	3 982.1	4 174.6	4 366.3	4 562.1	4.6%	100.0%	4 812.5	5 070.0	5 364.1	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	18.9%	16.6%	16.7%	15.9%	–	–	16.9%	16.3%	16.6%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3 710.0	3 660.3	4 068.1	4 242.0	4.6%	91.8%	4 392.3	4 631.1	4 899.7	4.9%	91.7%
Financial Intelligence Centre	124.8	175.0	186.7	226.7	22.0%	4.2%	239.6	254.9	269.7	6.0%	5.0%
Secret Services	3 585.1	3 485.3	3 881.4	4 015.4	3.8%	87.6%	4 152.6	4 376.2	4 630.0	4.9%	86.7%
Capital	272.2	514.2	298.2	320.0	5.5%	8.2%	420.2	438.9	464.4	13.2%	8.3%
Financial Intelligence Centre	72.5	66.0	11.4	12.8	-43.9%	1.0%	16.7	15.3	16.1	8.0%	0.3%
Secret Services	199.7	448.3	286.7	307.2	15.4%	7.3%	403.5	423.6	448.2	13.4%	8.0%

Entities

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 resource 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 indicators¹

Table 7.16 Development Bank of Southern Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Cost to income ratio (bank wide)	Administration		48.9%	28.4%	34%	44%	41%	38%	37%
Total value of disbursements to infrastructure related projects per year	Development finance		R9.2bn	R12.7bn	R13bn	R17.8bn	R22bn	R26.4bn	R31.8bn
Value of bank wide net profit/(loss) per year	Development finance		R825.9m	R787m ²	R1.2bn	R911m	R1.1bn	R1.2bn	R1.5bn
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 12: An efficient, effective and development oriented public service	17	32	23	49	– ³	– ³	– ³
Number of houses completed per year for which the bank has provided financial support (Elliotdale housing scheme)	Non-financing development activities		110	770	241	80	80	80	80

1. As the responsibility for the Employment Creation Facilitation Fund has been moved from the bank, the related outputs have been removed and will be reflected in the department's selected performance indicators table.

2. The 2013/14 figure was restated to reflect the actual outcome. Projections are subject to revision.

3. This indicator will be phased out from 2015/16.

Expenditure analysis

In line with the national development plan's vision of social development, the Development Bank of Southern Africa will aim to address backlogs and expedite the delivery of essential social services, in pursuit of the framework's outcome 8 (sustainable human settlements and improved quality of household life), by actively supporting infrastructure development in municipalities. As such, the bank will seek to increase its annual infrastructure lending support over the medium term.

The bank's focus is on social and economic infrastructure development, with an emphasis on driving financial and non-financial investments in the primary sectors of energy, transport, water, and communications, while also providing support to various social sectors such as health, education, and housing, to a lesser extent. The bank aims to accelerate infrastructure financing in South Africa that targets municipalities, state owned companies, independent power producers, and public private partnerships. Investment in infrastructure is not just essential for faster economic growth and higher employment, it also provides inclusive growth, proving citizens with the means to improve their lives and boost their income. This is in line with the national development plan's vision of strengthened financial services, and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium term strategic framework.

Over the medium term, the bank will drive investments in sectors such as energy, transport and logistics, water, ICT, health, and education, and aims to disburse R17.8 billion in 2015/16, increasing to R31.8 billion in 2018/19. The bank will actively support infrastructure development in municipalities by aiming to address backlogs and expedite the delivery of essential social services in support of sustainable living conditions and

improved quality of life within communities. As such, the bank will seek to increase its annual infrastructure lending support from R6 billion in 2015/16 to R7.5 billion in 2017/18. To complement these funding activities, it will also set aside between R180 million and R197 million per year over the medium term to provide interest subsidies to secondary and under-resourced municipalities to ensure that they can access funding at affordable rates, and provide planning and implementation support for the origination of infrastructure projects in selected under-capacitated municipalities.

In line with the cost containment directive from National Treasury, the bank is trying to curb operational spending without adversely affecting its business. Still, expenditure on interest is expected to increase from R4.1 billion in 2016/17 to R6.7 billion in 2018/19, in line with the funding requirements for growth in planned disbursements. Depreciation is expected to remain constant at R29 million over the medium term. Other operating expenditure, such as auditors' remuneration, communication costs, legal costs, and travel and subsistence, is expected to increase in line with inflation over the medium term.

The number of personnel decreased from 839 in 2012/13 to 549 in 2014/15 as a result of the strategy and organisational reviews undertaken by the bank to streamline operations and improve efficiency. After the implementation of these reviews, the bank reported a profit of R787 million in 2013/14 as opposed to a loss of R825.9 million reported in 2012/13. At the end of October 2015, the bank had 663 funded posts, of which 86 were vacant due to a shortage in the supply of many of the critical business skills required by the bank to deliver on its strategy. Over the medium term, the bank will aim to fill these vacant posts to ensure it is adequately capacitated to deliver on its mandate. Spending on compensation of employees is expected to increase at an average annual rate of 11.8 per cent from R842.5 million in 2016/17 to R1.1 billion in 2018/19.

Revenue is expected to increase from R6.5 billion in 2015/16 to R12.8 billion in 2018/19, driven by an expected increase in the repayment of developmental loan disbursements and the planned effective management of the non-performing loan book, which is expected to affect net loan impairments. National Treasury approved a R7.9 billion recapitalisation between 2013/14 and 2015/16 to support the bank's refocused mandate to drive infrastructure funding by increasing municipal lending, state owned enterprise infrastructure planning, regional lending, and public-private partnerships.

Programmes/objectives/activities

Table 7.17 Development Bank of Southern Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	1 691.1	1 433.5	1 109.7	1 293.2	-8.6%	26.7%	1 395.7	1 489.0	1 652.5	8.5%	18.6%
Development finance	3 861.9	3 126.3	3 747.9	4 147.9	2.4%	71.5%	5 429.1	7 120.0	9 351.6	31.1%	78.5%
Non-financing development activities	-	88.0	118.1	166.4	-	1.8%	208.4	248.5	343.5	27.3%	2.9%
Total	5 553.0	4 647.8	4 975.7	5 607.5	0.3%	100.0%	7 033.2	8 857.5	11 347.6	26.5%	100.0%

Statements of historical financial performance and position

Table 7.18 Development Bank of Southern Africa statements of historical financial performance and position

Statement of financial performance									Outcome/ Budget Average (%)
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	4 517.2	4 727.1	4 605.0	5 434.9	5 261.3	6 189.9	5 895.0	6 518.5	112.8%
Sale of goods and services other than capital assets	199.0	188.0	154.0	334.6	163.5	232.9	199.4	358.7	155.6%
of which:									
Sales by market establishment	199.0	188.0	154.0	334.6	163.5	232.9	199.4	358.7	155.6%
Other non-tax revenue	4 318.2	4 539.1	4 450.9	5 100.2	5 097.9	5 957.0	5 695.6	6 159.9	111.2%
Transfers received	300.0	-	-	-	-	-	-	-	-
Total revenue	4 817.2	4 727.1	4 605.0	5 434.9	5 261.3	6 189.9	5 895.0	6 518.5	111.1%

Table 7.18 Development Bank of Southern 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	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Expenses									
Current expenses	3 814.7	5 398.4	4 006.0	4 609.9	4 700.6	4 931.7	5 321.5	5 321.5	113.6%
Compensation of employees	608.5	654.3	564.3	561.6	628.2	607.3	772.7	772.7	100.9%
Goods and services	645.5	2 282.8	688.3	1 542.0	1 132.9	1 296.4	1 052.5	1 052.5	175.4%
Depreciation	24.0	19.4	19.6	18.6	23.8	25.1	29.0	29.0	95.5%
Interest, dividends and rent on land	2 536.8	2 441.9	2 733.7	2 487.8	2 915.5	3 002.9	3 467.4	3 467.4	97.8%
Transfers and subsidies	292.0	154.6	79.6	37.9	117.3	44.1	286.0	286.0	67.4%
Total expenses	4 106.7	5 553.0	4 085.6	4 647.8	4 817.9	4 975.7	5 607.5	5 607.5	111.6%
Surplus/(Deficit)	710.0	(826.0)	519.0	787.0	443.0	1 214.0	288.0	911.0	-
Statement of financial position									
Carrying value of assets	792.9	556.8	567.7	544.7	578.4	580.4	521.6	616.1	93.4%
Acquisition of assets	(762.2)	(10.1)	-	-	-	-	(18.5)	-	1.3%
Investments	9 132.5	9 388.1	9 155.8	8 150.9	8 190.3	8 203.6	9 032.4	5 246.3	87.3%
Loans	44 256.4	42 619.8	52 538.2	50 849.0	56 862.6	58 030.6	72 036.4	72 504.9	99.3%
Receivables and prepayments	108.0	148.4	314.9	145.3	305.7	227.9	120.0	146.7	78.7%
Cash and cash equivalents	436.9	1 252.1	5 413.9	4 135.7	796.9	3 901.7	1 195.3	3 108.8	158.1%
Total assets	54 726.7	53 965.2	67 990.5	63 825.5	66 733.9	70 944.1	82 905.7	81 622.7	99.3%
Accumulated surplus/(deficit)	766.3	11 031.6	10 867.8	11 496.4	11 681.1	12 460.6	13 690.9	13 322.5	130.5%
Capital and reserves	17 913.0	5 674.1	5 360.3	6 004.2	5 360.3	6 322.1	6 000.4	6 134.4	69.7%
Capital reserve fund	-	-	7 752.2	2 400.0	5 100.0	4 900.0	8 100.0	7 900.0	72.5%
Borrowings	31 156.1	36 159.2	43 015.2	42 887.2	43 597.4	46 163.5	54 063.1	52 722.4	103.6%
Deferred income	4 000.0	-	-	-	-	-	-	-	-
Trade and other payables	628.4	796.6	995.0	813.7	837.8	811.8	900.0	1 142.0	106.0%
Provisions	262.8	299.4	-	221.0	152.0	283.1	147.1	398.3	213.9%
Derivatives financial instruments	-	4.3	-	3.1	5.2	3.1	4.3	3.1	143.7%
Total equity and liabilities	54 726.7	53 965.2	67 990.5	63 825.5	66 733.9	70 944.1	82 905.7	81 622.7	99.3%

Statements of estimates of financial performance and position

Table 7.19 Development Bank of Southern Africa statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	6 518.5	11.3%	100.0%	8 092.8	10 102.2	12 843.6	25.4%	100.0%	
Sale of goods and services other than capital assets	358.7	24.0%	4.8%	411.8	523.0	585.3	17.7%	5.1%	
of which:									
Sales by market establishment	358.7	24.0%	4.8%	411.8	523.0	585.3	17.7%	5.1%	
Other non-tax revenue	6 159.9	10.7%	95.2%	7 681.0	9 579.2	12 258.3	25.8%	94.9%	
Total revenue	6 518.5	11.3%	100.0%	8 092.8	10 102.2	12 843.6	25.4%	100.0%	
Expenses									
Current expenses	5 321.5	-0.5%	97.6%	6 739.7	8 555.0	11 034.6	27.5%	168.5%	
Compensation of employees	772.7	5.7%	12.5%	842.5	933.1	1 078.6	11.8%	11.5%	
Goods and services	1 052.5	-22.7%	29.8%	1 302.5	1 616.0	1 870.7	21.1%	18.1%	
Depreciation	29.0	14.4%	0.4%	29.0	29.0	29.0	-	0.4%	
Interest, dividends and rent on land	3 467.4	12.4%	54.9%	4 565.7	5 976.9	8 056.4	32.4%	66.5%	
Transfers and subsidies	286.0	22.8%	2.4%	193.5	302.5	313.0	3.1%	3.5%	
Total expenses	5 607.5	0.3%	100.0%	6 933.2	8 857.5	11 347.6	26.5%	100.0%	
Surplus/(Deficit)	911.0	(2)	-	1 160.0	1 245.0	1 496.0	18.0%	-	
Statement of financial position									
Carrying value of assets	616.1	3.4%	0.9%	612.1	608.1	604.1	-0.7%	0.6%	
Investments	5 246.3	-17.6%	12.0%	5 057.2	5 328.6	6 559.0	7.7%	5.2%	
Loans	72 504.9	19.4%	82.3%	87 063.9	104 096.1	123 885.8	19.6%	89.5%	
Receivables and prepayments	146.7	-0.4%	0.3%	151.9	157.4	157.4	2.4%	0.1%	
Cash and cash equivalents	3 108.8	35.4%	4.5%	4 276.6	5 447.5	7 046.1	31.4%	4.5%	
Total assets	81 622.7	14.8%	100.0%	97 161.7	115 637.7	138 252.3	19.2%	100.0%	
Accumulated surplus/(deficit)	13 322.5	6.5%	18.1%	14 382.1	15 626.7	18 784.5	12.1%	14.6%	
Capital and reserves	6 134.4	2.6%	9.1%	6 134.4	6 134.4	4 472.6	-10.0%	5.6%	
Capital reserve fund	7 900.0	-	5.1%	7 900.0	7 900.0	7 900.0	-	7.6%	
Borrowings	52 722.4	13.4%	66.0%	67 072.2	84 163.0	105 281.7	25.9%	70.6%	
Trade and other payables	1 142.0	12.8%	1.3%	1 238.1	1 342.3	1 342.3	5.5%	1.2%	
Provisions	398.3	10.0%	0.4%	431.8	468.1	468.1	5.5%	0.4%	
Derivatives financial instruments	3.1	-10.3%	0.0%	3.1	3.1	3.1	-	0.0%	
Total equity and liabilities	81 622.7	14.8%	100.0%	97 161.7	115 637.7	138 252.3	19.2%	100.0%	

Personnel information

Table 7.20 Development Bank of Southern Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate									Average growth rate (%)	Salary level/Total: Average (%)	
								2016/17			2017/18			2018/19					
Development Bank of Southern Africa		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Salary level	663	663	549	607.3	1.1	663	772.7	1.2	663	842.5	1.3	663	933.1	1.4	663	1 078.6	1.6	11.8%	100.0%
1 – 6	19	19	19	3.3	0.2	19	3.5	0.2	19	3.7	0.2	19	4.0	0.2	19	4.2	0.2	6.0%	2.9%
7 – 10	168	168	168	75.3	0.4	168	79.8	0.5	168	84.6	0.5	168	89.7	0.5	168	95.1	0.6	6.0%	25.3%
11 – 12	253	253	139	128.7	0.9	253	335.8	1.3	253	379.5	1.5	253	442.3	1.7	253	558.3	2.2	18.5%	38.2%
13 – 16	215	215	215	377.7	1.8	215	329.9	1.5	215	349.7	1.6	215	370.7	1.7	215	392.9	1.8	6.0%	32.4%
17 – 22	8	8	8	22.2	2.8	8	23.6	2.9	8	25.0	3.1	8	26.5	3.3	8	28.1	3.5	6.0%	1.2%

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 sectors and better use of land; rural development and job creation; and commercial agriculture and food security.

Selected performance indicators

Table 7.21 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Cost to income ratio	Administration	Outcome 7: Comprehensive rural development and land reform	67.7%	59.5% ¹	55%	67%	62%	60%	61%
Capital adequacy ratio	Administration		24.4%	26%	37%	34%	32%	27%	26%
Value of development loan book disbursements	Administration		R654.6m	R819.3m	R769.1m	R700m	R735m	R772m	R811m
Value of business and corporate banking loans	Business and corporate banking		R22.6m	R24.6m	R31.5m	R34.4m	R36.1m	R37.9m	R39.8m
Value of development loan book disbursements	Business and corporate banking		R373.7m	R595.9m	R456.9m	R370m	R388.4m	R408m	R428.6m
Value of retail commercial banking loans	Retail commercial banking		R4.5m	R4.9m	R5.7m	R5.8m	R6.1m	R6.4m	R6.8m
Value of development loan book disbursements	Retail commercial banking		R171m ²	R134.4m	R107.7m	R130m	R136.5m	R143.4m	R150.6m
Value of retail emerging markets loans	Retail emerging markets		R247.5m	R391.2m	R489m	R504m	R529m	R556m	R583m

1. The percentage excludes discontinued operations.

2. The 2012/13 figure was restated to reflect the actual outcome. Projections are subject to revision.

Expenditure analysis

The Land and Agricultural Development Bank of South Africa has increased its appetite for the development component of its mandate, as supported by the growth in its development loan book, and will focus on playing a pivotal role in advancing agriculture and rural development over the medium term. The bank is implementing significant changes that will enhance operating efficiencies, and mitigate lending and enterprise risks. This includes a number of executive appointments to improve operational performance and accountability, and a redesign of the organisational structure to improve operational efficiency and provide a clear vision of the strategic initiatives earmarked for the near future. This is in line with the national development plan's vision of creating more jobs through agricultural development, and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium term strategic framework.

In building a sustainable institution while making a developmental impact through disbursing funds to deserving projects, total expenditure over the medium term is expected to increase from R3.6 billion in 2016/17 to R4.3 billion in 2018/19 at an average annual rate of 10.7 per cent. This expenditure will support the bank's income generating divisions in areas such as compensation of employees, which is expected to increase from R351.8 million in 2015/16 to R493.5 million in 2018/19 at an average annual rate of 11.9 per cent, driven mainly by the organisational redesign and salary increases in line with inflation. The number of personnel in the bank is expected to remain constant over the medium term at 546.

Consulting costs are expected to increase from R28 million in 2016/17 to R31 million in 2018/19 due to the implementation of the organisational redesign. Previously, the bank was understaffed in certain critical areas and had to rely heavily on consultants, but this has since changed following the successful recruitment of key personnel. With the new structure in place, the use of consultants is limited mainly to specialised areas in which the bank does not have capacity such as actuarial valuations, law, technical accounting, and the organisational review process on an ad hoc basis.

The bank derives more than 90 per cent of its revenue from interest income, which means that a stable and high quality loan book plays a significant role in its sustainability. The diversification of revenue streams is paramount for the future sustainability of the bank because of the potentially adverse impact of fluctuations in interest rates. The main drivers of these income streams are loans to corporate clients, commercial farming, subsistence farming, and investments.

Programmes/objectives/activities

Table 7.22 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 (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
Administration	508.7	415.1	352.9	477.1	-2.1%	18.3%	419.6	445.9	474.8	-0.2%	12.2%
Business and corporate banking	1 055.4	1 336.6	1 766.5	2 163.1	27.0%	62.6%	2 562.9	2 880.4	3 083.4	12.5%	70.7%
Retail commercial banking	394.2	425.8	464.2	479.6	6.8%	18.1%	579.0	641.2	670.3	11.8%	15.7%
Retail emerging markets	18.0	20.8	29.2	42.5	33.2%	1.1%	49.5	55.0	57.2	10.4%	1.4%
Total	1 976.3	2 198.3	2 612.8	3 162.2	17.0%	100.0%	3 611.0	4 022.5	4 285.8	10.7%	100.0%

Statements of historical financial performance and position

Table 7.23 Land and Agricultural Development Bank of South Africa statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	1 799.0	2 280.9	2 247.5	2 592.6	2 641.8	2 905.1	3 375.6	3 268.8	109.8%
Sale of goods and services other than capital assets	68.2	21.8	37.3	24.4	38.2	(116.8)	33.0	(178.8)	-141.1%
<i>of which:</i>									
Administrative fees	54.6	–	26.6	–	26.9	(164.2)	22.4	(194.6)	-275.1%
Sales by market establishment	13.6	21.8	10.8	24.4	11.4	47.4	10.7	15.8	235.6%
Other non-tax revenue	1 730.8	2 259.1	2 210.2	2 568.2	2 603.6	3 021.9	3 342.6	3 447.5	114.3%
Total revenue	1 799.0	2 280.9	2 247.5	2 592.6	2 641.8	2 905.1	3 375.6	3 268.8	109.8%
Expenses									
Current expenses	1 729.1	1 952.9	1 967.2	2 170.8	2 454.8	2 574.5	3 116.0	3 116.0	105.9%
Compensation of employees	388.9	359.8	393.7	381.3	399.0	343.6	351.8	351.8	93.7%
Goods and services	218.4	325.5	205.9	213.2	201.9	166.0	264.8	264.8	108.8%
Depreciation	22.3	25.0	25.3	16.1	26.8	18.2	12.1	12.1	82.5%
Interest, dividends and rent on land	1 099.5	1 242.6	1 342.3	1 560.2	1 827.0	2 046.8	2 487.3	2 487.3	108.6%
Total expenses	1 757.5	1 976.3	1 994.7	2 198.3	2 482.9	2 612.8	3 162.2	3 162.2	105.9%
Surplus/(Deficit)	42.0	305.0	253.0	394.0	159.0	292.0	213.0	107.0	–

Table 7.23 Land and Agricultural Development Bank of South Africa 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	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Carrying value of assets	326.9	227.5	144.6	218.2	227.4	224.3	207.2	213.9	97.5%
Acquisition of assets	(94.9)	(11.8)	(12.8)	(5.2)	(6.5)	(5.9)	(8.5)	(5.8)	23.5%
Investments	1 240.0	1 326.2	332.1	1 372.7	1 428.1	1 637.7	806.1	440.5	125.5%
Inventory	276.1	143.9	181.4	–	183.5	0.2	–	–	22.5%
Receivables and prepayments	19 036.0	27 129.3	28 355.4	33 706.9	33 147.8	37 027.6	36 716.6	40 068.4	117.6%
Cash and cash equivalents	1 300.0	1 891.4	2 000.0	1 474.9	2 898.8	1 605.7	1 365.1	1 400.0	84.2%
Non-current assets held for sale	129.9	52.3	136.1	52.6	–	53.1	41.6	53.6	68.8%
Total assets	22 308.9	30 782.0	31 149.7	36 825.1	37 885.6	40 548.5	39 136.5	42 176.3	115.2%
Accumulated surplus/(deficit)	4 797.9	5 995.6	6 156.0	2 790.6	6 879.1	3 085.3	6 641.5	1 923.0	56.4%
Capital and reserves	122.9	135.4	112.2	137.1	135.4	134.8	137.1	134.8	106.8%
Capital reserve fund	–	–	–	3 897.7	–	4 397.7	–	4 397.7	–
Borrowings	15 958.0	23 003.5	24 000.9	4 214.7	29 824.5	6 373.5	–	6 940.2	58.1%
Finance lease	619.4	–	–	–	–	–	–	–	–
Trade and other payables	205.7	935.3	185.8	253.7	207.1	647.7	227.1	365.4	266.7%
Provisions	604.9	712.2	685.8	1 017.6	791.7	495.7	606.4	742.0	110.4%
Derivatives financial instruments	–	–	9.0	24 513.7	47.7	25 413.9	31 524.5	27 673.4	245.7%
Total equity and liabilities	22 308.9	30 782.0	31 149.7	36 825.1	37 885.6	40 548.5	39 136.5	42 176.3	115.2%

Statements of estimates of financial performance and position**Table 7.24 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 (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	3 268.8	12.7%	100.0%	3 794.3	4 262.2	4 526.0	11.5%	100.0%
Sale of goods and services other than capital assets	(178.8)	-301.8%	-1.9%	(223.9)	(240.4)	(250.4)	11.9%	-5.6%
<i>of which:</i>								
Administrative fees	(194.6)	–	-2.9%	(240.6)	(258.0)	(269.0)	11.4%	-6.1%
Sales by market establishment	15.8	-10.1%	1.0%	16.7	17.6	18.6	5.7%	0.4%
Other non-tax revenue	3 447.5	15.1%	101.9%	4 018.2	4 502.6	4 776.4	11.5%	105.6%
Total revenue	3 268.8	12.7%	100.0%	3 794.3	4 262.2	4 526.0	11.5%	100.0%
Expenses								
Current expenses	3 116.0	16.9%	98.7%	3 562.2	3 971.0	4 231.1	10.7%	165.3%
Compensation of employees	351.8	-0.8%	15.0%	431.4	461.2	493.5	11.9%	11.5%
Goods and services	264.8	-6.6%	10.2%	161.9	172.5	196.1	-9.5%	5.4%
Depreciation	12.1	-21.5%	0.8%	12.8	13.5	–	-100.0%	0.3%
Interest, dividends and rent on land	2 487.3	26.0%	72.7%	2 956.2	3 323.9	3 541.6	12.5%	81.4%
Total expenses	3 162.2	17.0%	100.0%	3 611.0	4 022.5	4 285.8	10.7%	100.0%
Surplus/(Deficit)	107.0	–	–	183.0	240.0	240.0	30.9%	–
Statement of financial position								
Carrying value of assets	213.9	-2.0%	0.6%	216.8	219.9	223.3	1.4%	0.5%
<i>of which:</i>								
Acquisition of assets	(5.8)	-20.9%	-0.0%	(4.5)	(4.7)	(5.0)	-5.2%	-0.0%
Investments	440.5	-30.7%	3.3%	491.2	544.7	601.5	10.9%	1.1%
Receivables and prepayments	40 068.4	13.9%	91.5%	41 990.3	44 114.1	46 312.7	4.9%	94.4%
Cash and cash equivalents	1 400.0	-9.5%	4.4%	1 780.3	1 876.8	2 021.2	13.0%	3.9%
Non-current assets held for sale	53.6	0.8%	0.1%	53.1	52.5	52.0	-1.0%	0.1%
Total assets	42 176.3	11.1%	100.0%	44 531.6	46 808.1	49 210.8	5.3%	100.0%
Accumulated surplus/(deficit)	1 923.0	-31.5%	9.8%	2 055.7	2 241.4	2 423.4	8.0%	4.7%
Capital and reserves	134.8	-0.2%	0.4%	134.8	134.8	134.8	–	0.3%
Capital reserve fund	4 397.7	–	8.0%	4 397.7	4 397.7	4 397.7	–	9.7%
Borrowings	6 940.2	-32.9%	29.6%	7 297.6	7 684.7	8 211.5	5.8%	16.5%
Trade and other payables	365.4	-26.9%	1.5%	385.5	406.8	431.2	5.7%	0.9%
Provisions	742.0	1.4%	2.0%	781.5	823.7	869.7	5.4%	1.8%
Derivatives financial instruments	27 673.4	–	48.7%	29 478.9	31 118.9	32 742.5	5.8%	66.2%
Total equity and liabilities	42 176.3	11.1%	100.0%	44 531.6	46 808.1	49 210.8	30.7%	100.0%

Personnel information

Table 7.25 Land and Agricultural Development Bank of South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Land and Agricultural Development Bank of South Africa	546	546	542	343.6	0.6	546	351.8	0.6	546	431.4	0.8	546	461.2	0.8	546	493.5	0.9	11.9%	100.0%
Salary level	44	44	44	6.1	0.1	44	6.1	0.1	44	7.0	0.2	44	7.5	0.2	44	8.0	0.2	9.3%	8.1%
1 – 6	382	382	382	205.1	0.5	382	203.4	0.5	382	244.7	0.6	382	261.7	0.7	382	280.0	0.7	11.2%	70.0%
7 – 10	84	84	84	74.6	0.9	84	72.8	0.9	84	91.3	1.1	84	97.6	1.2	84	104.4	1.2	12.8%	15.4%
11 – 12	26	26	26	37.9	1.5	26	36.6	1.4	26	46.9	1.8	26	50.2	1.9	26	53.7	2.1	13.6%	4.8%
13 – 16	10	10	6	19.9	3.3	10	32.8	3.3	10	41.4	4.1	10	44.3	4.4	10	47.4	4.7	13.0%	1.8%
17 – 22																			

1. Rand million.

South African Revenue Service

Mandate

The mandate of the South African Revenue Service, in terms of the South African Revenue Service Act (1997), is to collect all revenue 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 7.26 South African Revenue Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Customs revenue collected per year	Operations		R151.1bn	R180.2bn	R202.2bn	R182.6bn	- ¹	- ¹	- ¹
Percentage of trade audited to obtain preferred trader status (number of preferred trader declarations versus the total number of declarations) per year	Operations		23.8% (20.7 million)	20% (20.7 million)	21% (20.7 million)	30% (20.7 million)	35% (20.7 million)	35% (20.7 million)	30% (20.7 million)
Revenue collected (excluding customs revenue) per year	Operations	Outcome 12: An efficient, effective and development oriented public service	R672bn	R714.8bn	R791.5bn	R898.7bn	- ¹	- ¹	- ¹
Percentage of compliance of personal income tax filing 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)	Large business centre		86.2% (4.89 million)	84% (4.89 million)	91.6% (4.89 million)	92% (4.89 million)	92.3% (4.89 million)	92.5% (4.89 million)	92.5% (4.89 million)

1. As the amount of revenue collected over the medium term is subject to the fiscal framework, projections cannot be provided.

Expenditure analysis

The focus of the South African Revenue Service over the MTEF period will be on contributing more than 90 per cent of the revenue required by government to meet its objectives. This is in line with the national development plan's vision of ensuring high quality public services as a result of tax contributions. Further focus will be on raising employment through faster economic growth; building the capability of the state to play a developmental and transformative role; building partnerships between the public sector, business and labour to facilitate and promote investment in labour intensive areas; raising competitiveness and export earnings through improved trade facilitation, better infrastructure and public services; lowering the cost of doing business; improving skills and innovation; and targeting state support to specific sectors.

The modernisation programme continues to enable the organisation to increase its revenue collection capability and build resilience in its key processes and systems, and has resulted in major efficiency and productivity gains over the past three years. Some of these gains include greater compliance, the combatting of illicit trade activities, improved turnaround times, and an improved experience for taxpayers and traders. The organisation will continue to modernise its systems over the medium term, with an emphasis on ensuring that the modernised infrastructure does not become obsolete and keeps up with the evolving legislative, tax, and customs compliance environment. Capital expenditure is expected to increase from R330 million in 2016/17 to R599 million in 2017/18 before decreasing to R259 million in 2018/19 as the modernisation programme is finalised.

The organisation's Footprint initiative will make its services more accessible to the majority of taxpayers, traders, and the general South African public. It seeks to provide funding for the acquisition of additional mobile units, new branch offices and the associated infrastructure requirements, and the renovation of the existing branch network where appropriate. Planned routine and preventative maintenance activities will be undertaken to ensure that the buildings within the portfolio are compliant with the applicable legislation, and are functional to support business imperatives. The expansion has been necessary for the service to deliver on its mandate.

As the service's work is labour intensive, the biggest contributor to its operational costs is compensation of employees, which accounts for more than 66.1 per cent of expected total expenditure over the medium term, increasing from R7.1 billion in 2016/17 to R7.7 billion 2018/19. In 2015/16, the number of personnel in the service increased from 14 038 to 15 048 as a result of the approved graduate recruitment plan, and the expansion of the Footprint initiative in all 9 provinces. The number of personnel in the agency is expected to remain fairly constant at 14 116 over the medium term. Expenditure on compensation of employees is expected to grow steadily at an average annual rate of 4.8 per cent over the medium term.

Total spending grew by 9.5 per cent in 2014/15 and 12.7 per cent in 2015/16. The increase in expenditure was mainly a result of planned spending on capital expenditure, including R223 million for the replacement of obsolete technology. Over the medium term, revenue is expected to increase from R10.4 billion in 2016/17 to R11.4 billion in 2018/19 at an average annual rate of 5.2 per cent due to inflationary adjustments.

Programmes/objectives/activities

Table 7.27 South African Revenue Service expenditure trends and estimates by programme/objective/activity

R million	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	2 693.4	2 709.6	3 245.8	4 103.3	4 103.3	15.1%	33.6%	4 166.3	4 356.6	4 236.6	1.1%	38.4%
Tax and customs enforcement investigations	333.4	390.3	841.1	865.9	865.9	37.5%	6.3%	897.2	957.2	1 012.8	5.4%	8.5%
Operations	5 210.6	5 107.5	4 952.4	4 722.8	4 722.8	-3.2%	53.6%	5 034.5	5 389.5	5 672.0	6.3%	47.3%
Large Business Centre	323.7	340.4	344.9	337.7	337.7	1.4%	3.6%	391.5	418.0	442.4	9.4%	3.6%
Modernisation and impactful initiatives	136.2	141.2	115.7	659.8	659.8	69.2%	2.6%	11.3	82.2	-	-100.0%	1.7%
African Tax Administration Forum	-	8.0	12.6	14.8	14.8	-	0.1%	15.7	16.6	17.6	5.9%	0.1%
Tax Ombud	-	2.4	11.0	28.5	28.5	-	0.1%	29.4	31.3	33.1	5.2%	0.3%
Tax Committee	-	2.5	4.2	3.6	3.6	-	0.0%	3.8	4.0	4.2	5.8%	0.0%
Advisory Committee	-	-	-	3.5	3.5	-	0.0%	3.7	3.9	4.1	5.8%	0.0%
Total	8 697.3	8 701.9	9 527.8	10 740.0	10 740.0	7.3%	100.0%	10 553.4	11 259.4	11 422.9	2.1%	100.0%

Statements of historical financial performance and position

Table 7.28 South African Revenue Service 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	Outcome/Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	298.0	435.0	310.0	480.0	310.0	525.5	360.3	473.9	149.8%
Sale of goods and services other than capital assets	238.0	234.0	250.0	339.8	250.0	305.7	265.9	297.4	117.2%
of which:									
Administrative fees	238.0	234.0	250.0	339.8	250.0	305.7	265.9	297.4	117.2%
Other non-tax revenue	60.0	201.0	60.0	140.2	60.0	219.8	94.5	176.4	268.7%
Transfers received	9 194.4	9 149.4	9 534.4	9 534.4	9 440.3	9 440.3	9 434.4	9 334.4	99.6%
Total revenue	9 492.4	9 584.4	9 844.4	10 014.4	9 750.3	9 965.9	9 794.7	9 808.3	101.3%

Table 7.28 South African Revenue Service statements of historical financial performance and position

Statement of financial performance									Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R million	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Expenses									
Current expenses	9 351.6	8 697.2	9 568.9	8 701.9	9 693.1	9 527.8	10 964.8	10 740.0	95.2%
Compensation of employees	6 002.8	5 821.2	6 253.8	5 841.9	6 442.5	6 467.5	7 104.1	6 718.8	96.3%
Goods and services	2 732.8	2 354.3	2 775.8	2 290.4	2 685.3	2 423.8	3 185.5	3 383.1	91.8%
Depreciation	599.2	506.2	526.6	563.0	558.3	629.7	670.4	633.3	99.0%
Interest, dividends and rent on land	16.8	15.5	12.8	6.6	7.0	6.7	4.7	4.8	81.3%
Transfers and subsidies	-	0.1	-	-	-	-	-	-	-
Total expenses	9 351.6	8 697.3	9 568.9	8 701.9	9 693.1	9 527.8	10 964.8	10 740.0	95.2%
Surplus/(Deficit)	141.0	887.0	275.0	1 313.0	57.0	438.0	(1 170.0)	(932.0)	-
Statement of financial position									
Carrying value of assets	2 207.9	2 612.6	2 641.3	2 749.2	3 751.8	2 712.9	3 413.9	3 830.0	99.1%
Acquisition of assets	(733.9)	(1 284.8)	(1 284.1)	(652.3)	(756.8)	(534.8)	(874.9)	(1 750.4)	115.7%
Loans	-	66.6	75.2	74.7	56.6	81.0	71.6	71.0	144.2%
Accrued investment interest	-	-	-	-	-	31.0	-	41.3	-
Receivables and prepayments	212.0	149.8	142.1	111.7	155.5	138.7	140.2	131.5	81.8%
Cash and cash equivalents	1 840.0	1 732.4	1 509.5	2 901.7	1 684.0	3 415.1	1 983.6	1 228.6	132.2%
Total assets	4 260.0	4 561.3	4 368.1	5 837.4	5 647.9	6 378.8	5 609.3	5 302.4	111.0%
Accumulated surplus/(deficit)	2 593.6	2 864.6	2 564.4	4 177.2	3 790.2	4 615.3	3 900.9	3 683.6	119.4%
Capital and reserves	102.6	92.6	77.1	124.5	93.5	190.2	152.0	397.6	189.3%
Finance lease	394.6	28.8	132.6	23.3	7.3	21.6	20.3	12.3	15.5%
Deferred income	0.5	0.6	0.2	0.1	0.6	0.4	0.1	-	76.1%
Trade and other payables	708.4	874.4	926.1	841.4	953.5	840.9	927.7	591.0	89.5%
Provisions	460.2	399.0	466.2	670.8	802.9	710.5	608.3	617.9	102.6%
Total equity and liabilities	4 260.0	4 561.3	4 368.1	5 837.4	5 647.9	6 378.8	5 609.3	5 302.4	111.0%

Statements of estimates of financial performance and position

Table 7.29 South African Revenue Service statements of estimates of financial performance and position

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expend- iture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expend- iture/ Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	473.9	2.9%	4.9%	367.8	368.8	374.4	-7.6%	3.7%
Sale of goods and services other than capital assets	297.4	8.3%	3.0%	300.4	303.4	306.5	1.0%	2.8%
of which:								
Administrative fees	297.4	8.3%	3.0%	300.4	303.4	306.5	1.0%	2.8%
Other non-tax revenue	176.4	-4.3%	1.9%	67.3	65.3	67.9	-27.2%	0.9%
Transfers received	9 334.4	0.7%	95.1%	10 009.2	11 078.5	11 037.1	5.7%	96.3%
Total revenue	9 808.3	0.8%	100.0%	10 376.9	11 447.2	11 411.5	5.2%	100.0%
Expenses								
Current expenses	10 740.0	7.3%	100.0%	10 553.4	11 259.4	11 422.9	2.1%	118.0%
Compensation of employees	6 718.8	4.9%	66.1%	7 073.9	7 557.6	7 733.4	4.8%	66.1%
Goods and services	3 383.1	12.8%	27.6%	2 946.0	3 251.0	3 368.0	-0.1%	29.4%
Depreciation	633.3	7.8%	6.2%	530.7	448.6	320.0	-20.3%	4.4%
Interest, dividends and rent on land	4.8	-32.3%	0.1%	2.8	2.2	1.5	-31.7%	0.0%
Total expenses	10 740.0	7.3%	100.0%	10 553.4	11 259.4	11 422.9	2.1%	100.0%
Surplus/(Deficit)	(932.0)	(2)	-	(176.0)	188.0	(11.0)	-77.2%	-
Statement of financial position								
Carrying value of assets	3 830.0	13.6%	54.8%	3 653.6	3 841.4	3 830.0	-0.0%	72.7%
of which:								
Acquisition of assets	(1 750.4)	10.9%	-20.2%	(354.3)	(636.4)	(308.6)	-43.9%	-14.5%
Loans	71.0	2.2%	1.3%	61.0	51.0	41.0	-16.7%	1.1%
Accrued investment interest	41.3	-	0.3%	42.5	41.2	40.3	-0.8%	0.8%
Receivables and prepayments	131.5	-4.3%	2.5%	133.7	136.0	139.2	1.9%	2.6%
Cash and cash equivalents	1 228.6	-10.8%	41.1%	1 167.1	1 259.4	1 105.7	-3.5%	22.8%
Total assets	5 302.4	5.1%	100.0%	5 057.9	5 329.0	5 156.3	-0.9%	100.0%
Accumulated surplus/(deficit)	3 683.6	8.7%	69.0%	3 507.1	3 694.9	3 683.5	-0.0%	69.9%
Capital and reserves	397.6	62.5%	3.7%	397.6	397.6	397.6	-	7.6%
Finance lease	12.3	-24.6%	0.4%	7.2	3.4	0.8	-59.1%	0.1%
Trade and other payables	591.0	-12.2%	14.5%	497.0	551.5	620.9	1.7%	10.8%
Provisions	617.9	15.7%	10.8%	649.0	681.5	453.4	-9.8%	11.5%
Total equity and liabilities	5 302.4	5.1%	100.0%	5 057.9	5 329.0	5 156.3	-67.2%	100.0%

Personnel information

Table 7.30 South African Revenue Service personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 2014/15			Revised estimate 2015/16			2016/17			Medium-term expenditure estimate 2017/18			2018/19			Average growth rate (%)	Salary level/Total: Average (%)		
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2015/16 - 2018/19	
South African Revenue Service		15 048	15 048	14 038	6 467.5	0.5	15 048	6 718.8	0.4	14 116	7 073.9	0.5	14 116	7 557.6	0.5	14 116	7 733.4	0.5	4.8%	100.0%
Salary level	15 048	15 048	14 038	6 467.5	0.5	15 048	6 718.8	0.4	14 116	7 073.9	0.5	14 116	7 557.6	0.5	14 116	7 733.4	0.5	4.8%	100.0%	
1 – 6	668	668	578	86.3	0.1	668	93.5	0.1	541	93.4	0.2	541	99.8	0.2	541	102.1	0.2	3.0%	4.0%	
7 – 10	9 905	9 905	9 421	2 972.5	0.3	9 905	2 980.6	0.3	9 371	3 112.5	0.3	9 371	3 325.3	0.4	9 371	3 402.7	0.4	4.5%	66.2%	
11 – 12	2 579	2 579	2 340	1 493.2	0.6	2 579	1 646.7	0.6	2 373	1 677.8	0.7	2 373	1 792.5	0.8	2 373	1 834.2	0.8	3.7%	16.9%	
13 – 16	1 857	1 857	1 657	1 817.4	1.1	1 857	1 903.8	1.0	1 772	2 028.7	1.1	1 772	2 167.4	1.2	1 772	2 217.8	1.3	5.2%	12.5%	
17 – 22	39	39	42	98.2	2.3	39	94.2	2.4	59	161.5	2.7	59	172.5	2.9	59	176.5	3.0	23.3%	0.4%	

1. Rand million.

Other entities

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

- The **Accounting Standards Board** develops uniform standards of generally recognised accounting practice for all spheres of government in terms of section 216(1)(a) of the Constitution and the Public Finance Management Act (1999). A further function of the board is to promote transparency in and the effective management of revenue, expenditure, assets and liabilities of the entities to which the standards apply. The board's total budget for 2016/17 is R12.7 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 2016/17 is R16.7 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 2016/17 is R44.9 million.
- The **Financial Intelligence Centre** was established by the Financial Intelligence Centre Act (2001) and began operations in 2003. The act mandates the centre to identify the proceeds of unlawful activities, combat money laundering activities, combat the financing of terrorist and related activities, exchange information with law enforcement and other local and international agencies, supervise and enforce compliance with the act, and facilitate effective supervision and enforcement by supervisory bodies. The organisation's total budget for 2016/17 is R270.7 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 2016/17 is R719.2 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 2016/17 is R1.3 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 2016/17 is R2.3 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 2016/17 is R103.3 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 2016/17 is R43.4 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 2016/17 is R58.1 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 2016/17 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 2016/17 is R35.6 billion.
- The **South African Special Risk 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 2016/17 is R1.7 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		
				2012/13	2013/14		2014/15	2016/17	2017/18
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	578.1	585.9	607.0	624.0	663.4	701.9
Total			9 000.0	578.1	585.9	607.0	624.0	663.4	701.9

Vote 8

Planning, Monitoring and Evaluation

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	134.3	120.3	–	14.0	151.3	166.2
Outcomes Monitoring and Evaluation	108.9	108.1	–	0.8	117.6	136.6
Institutional Performance Monitoring and Evaluation	67.8	67.5	–	0.4	74.7	82.2
National Planning	103.2	103.1	–	0.1	118.2	136.6
National Youth Development	413.4	7.6	405.8	0.0	445.8	472.7
Total expenditure estimates	827.7	406.6	405.8	15.3	907.8	994.3

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 service delivery, where appropriate.

Vote purpose

Improve government service delivery through planning, monitoring and evaluation.

Mandate

The Department of Planning Monitoring and Evaluation is mandated to:

- facilitate the implementation of the national development plan through the development of medium term plans and delivery agreements for the cross-cutting priorities or outcomes of government, and monitor and evaluate the implementation of these plans
- monitor the performance of individual national and provincial government departments and municipalities
- monitor frontline service delivery
- manage the presidential hotline
- promote good planning, monitoring and evaluation practices in government.

Selected performance indicators

Table 8.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Number of progress reports submitted to Cabinet per outcome per year	Outcomes Monitoring and Evaluation	All outcomes	4	4	1	3	3	3	3
Number of local government management improvement model scorecards completed per year	Outcomes Monitoring and Evaluation		–1	9	20	25	25	25	25
Number of evaluation reports approved by evaluation steering committees per year	Outcomes Monitoring and Evaluation		1	7	8	8	8	8	8
Number of assessment reports produced on outcomes data and reporting quality per year	Outcomes Monitoring and Evaluation		–1	–1	–1	–1	1	1	1
Number of consolidated management performance assessment tool reports submitted to Cabinet per year	Institutional Performance Monitoring and Evaluation		Outcome 12: An efficient, effective and development oriented public service	1	1	1	1	1	1

Table 8.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections	
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of new service delivery facilities monitored resulting in a site monitoring report per year	Institutional Performance Monitoring and Evaluation		215	196	123	90	90	90
Number of revisited service delivery facilities where improvement monitoring was conducted, per year	Institutional Performance Monitoring and Evaluation	Outcome 12: An efficient, effective and development oriented public service	29	81	123	120	120	120
Number of sector research reports on major and cross-cutting macro social implications developed per year	National Planning		3	5	5	3	3	3

1. No historical data is available as these are new indicators.

Expenditure analysis

In the main, the role of the Department of Planning, Monitoring and Evaluation is to institutionalise and strengthen planning in government to enhance the possibility of government's outcomes being satisfactorily achieved. The department identifies and addresses blockages to achieving the outcomes of the 2014-2019 medium term strategic framework and applies corrective measures, approaches and methodologies. It engages stakeholders on the outputs of planning processes, and ensures that high level priorities are translated across all spheres of government into departmental strategic plans. And it facilitates the development of sectoral plans to ensure that there is intergovernmental coherence between plans, policies and service delivery. Sectoral plans are detailed plans to the national development plan that outline specific activities that require coordinating within the various sectors of the economy as opposed to within line departments.

From 1 July 2015, the functions of the minister and deputy minister for planning, monitoring and evaluation have been fully transferred from the Presidency to the Department of Planning, Monitoring and Evaluation. Correspondingly, the department's budget and organisational structures are expected to change over the medium term, particularly its function of supporting the implementation of the national development plan. Total departmental spending is projected to increase from R749.2 million in 2015/16 to R994.3 million by 2018/19. The number of permanent posts in the department is set to increase from 372 in 2015/16 to 490 in 2018/19. Spending on compensation of employees is expected to grow from R192.3 million in 2015/16 to R319 million in 2018/19, at an average annual rate of 18.4 per cent, and accounting for 30.9 per cent of the department's budget over the medium term. This growth includes Cabinet approved increases totalling R218.6 million over the medium term to capacitate the department, including the costs of the 2015 public sector wage agreement. The department's goods and services budget has been increased by R16.1 million for 2016/17, R31.6 million for 2017/18 and R47.2 million for 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will revise its organisational structure, which will inform its recruitment strategy, set to begin in 2016/17.

The outcomes system has now been institutionalised in government, with the Department of Planning, Monitoring and Evaluation submitting quarterly reports to Cabinet on progress on the implementation of delivery agreements. Delivery agreements are performance agreements between ministers and the president on the 14 outcomes. They set out the outputs, targets, indicators and key activities for each outcome, and identify required inputs and clarify roles and responsibilities. They detail who will do what, by when, and with what resources. All departments have adopted the outcomes approach by focusing on measurable results and impacts, and are giving increased attention to improving interdepartmental coordination across the three spheres of government, particularly in relation to concurrent functions. However, monitoring and evaluation practices in government still need strengthening. Many departmental programmes are not rigorous enough in measuring baseline data and clearly articulating their programme's objectives. In addition, weaknesses in departments' internal information management systems contribute to weaknesses in government's overall effectiveness, efficiency, impact and sustainability.

Over the medium term, the strategic focus of the Department of Planning, Monitoring and Evaluation will be on improving government planning through evidence based research, assessing all policies, legislation and regulations, and monitoring and supporting frontline service delivery.

Improving government planning through evidence based research

The department supports and guides the implementation of the national development plan through evidence based research on economic, social and political issues that have implications for development. The 2010 Revised Green Paper on the National Planning Commission identifies 13 cross-cutting areas that require a concerted government effort to improve long term planning. These include employment, food security, energy security and water security. Over the medium term, the department will produce 9 sector specific reports on these cross-cutting areas and conduct annual reviews of sectoral priorities and departmental strategic plans to enhance their alignment with the national development plan, the 2014-2019 medium term strategic framework, and delivery agreements. Working with National Treasury, the department advises national departments on the sequencing, prioritisation and resource requirements of their departmental strategic plans. These activities are budgeted for in the *Research and Policy Services* subprogramme in the *National Planning* programme, and spending is mainly on compensation of employees for departmental staff to oversee and advise on research and policy development, and on consultants for highly specialised research services. Spending in the subprogramme is expected to increase from R43.4 million in 2014/15 to R97 million in 2018/19, at an average annual rate of 30.7 per cent.

Through the national income dynamics survey, the department tracks changes in the living conditions of a representative sample of respondents, and the results are generalised to the national population. This long term survey of the same variables for the same people was first conducted in 2008, and is conducted every 3 years. It is currently in its fifth phase. Its purpose is to contribute to an understanding of the socioeconomic patterns that inform policy making. Spending on the survey is expected to increase from R30 million in 2015/16 to R40 million in 2018/19, in the *Research and Policy Services* subprogramme in the *National Planning* programme.

Since 2012/13, the department has conducted 48 national evaluations on government priorities. Departments submit concepts to the Department of Planning, Monitoring and Evaluation, requesting research on the concept, and the Department of Planning, Monitoring and Evaluation produces a report. This process is a partnership between the Department of Planning, Monitoring and Evaluation and the other department. It supports the government wide monitoring and evaluation system, and promotes departments' use of research evidence to implement the 14 outcomes of the medium term strategic framework. Over the medium term, the department plans to conduct a further 24 such evaluations, including on the new school curriculum (curriculum assessment policy statements) for the Department of Basic Education, the Asset Forfeiture Unit for the National Prosecuting Authority, and an agricultural extension recovery plan for the Department of Agriculture, Forestry and Fisheries. Funding for these and related activities is in the *Outcomes Monitoring and Evaluation* programme, which is set to increase from R92.3 million in 2015/16 to R136.6 million in 2018/19, at an average annual rate of 14 per cent. The growth includes a Cabinet approved increase of R5 million in 2016/17 for the evaluation of business incentives, which are co-funded with the Department of Trade and Industry and the Department of Science and Technology to assess the impact of business incentives on employment creation, economic growth, productivity, empowerment and export competitiveness.

Assessing all policies, legislation and regulations

Over the medium term, the department will conduct assessments of the socioeconomic impacts of new and existing policy, legislation, and regulations to eliminate unnecessary regulatory burdens and facilitate increased policy coherence and alignment with the national development plan. The department's socioeconomic impact assessment system aims to assess all policies, legislation and regulations before they are approved by Cabinet or Parliament. Spending on these assessments in the *Outcomes Support* subprogramme in the *Outcomes, Monitoring and Evaluation* programme is expected to increase from R1.3 million in 2015/16 to R2.8 million in 2018/19.

Monitoring and supporting frontline service delivery

To monitor frontline service delivery, the department will conduct 90 unannounced visits to service delivery facilities per year, and an additional 120 service delivery facilities will be revisited per year over the medium term. Corrective plans or improvement plans are developed by the Department of Planning, Monitoring and Evaluation, the Office of the Premier and the management of the service delivery facility. These activities are budgeted for in the *Presidential Frontline Service Delivery Performance Monitoring and Support*

subprogramme of the *Institutional Performance Monitoring and Evaluation* programme, at R146.1 million over the medium term.

Operation Phakisa, launched by the department in 2014/15, aims to fast-track implementation. Detailed low level plans for cross-cutting areas coupled with improved project management processes are intended to translate high level government plans into concrete results. The pilot initiatives in 2015/16, in the ocean economy, the revitalisation of primary health care facilities and the integration of ICT systems in teaching and learning, highlighted additional areas that require fast-tracking. Over the medium term, the department will be scaling up and overseeing the implementation of new Operation Phakisa initiatives. Funding for Operation Phakisa is in the *Outcomes Support* subprogramme of the *Outcomes, Monitoring and Evaluation* programme, and is set to increase from R6.8 million in 2016/17 to R7.7 million in 2018/19.

Expenditure trends

Table 8.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Outcomes Monitoring and Evaluation														
3. Institutional Performance Monitoring and Evaluation														
4. National Planning														
5. 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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	2012/13 - 2015/16
Programme 1	86.8	87.6	82.8	86.4	86.4	87.1	95.2	104.3	112.3	69.8	104.2	104.2	114.3%	101.0%
Programme 2	56.5	61.9	53.4	61.2	71.6	68.4	78.2	89.7	84.0	85.6	92.3	92.3	105.9%	94.4%
Programme 3	57.8	52.4	51.2	74.6	63.1	63.1	66.2	66.1	62.3	59.6	60.4	60.4	91.8%	97.9%
Programme 4	95.6	90.6	68.1	77.7	77.3	54.6	113.4	92.9	68.7	88.2	82.2	77.2	71.7%	78.3%
Programme 5	381.0	390.9	389.4	396.4	397.4	397.1	412.3	412.3	413.3	414.5	415.1	415.1	100.7%	99.9%
Total	677.7	683.3	644.9	696.2	695.9	670.3	765.3	765.3	740.6	717.7	754.2	749.2	98.2%	96.8%
Change to 2015											36.5			
Budget estimate														
Economic classification														
Current payments	288.1	281.6	248.1	294.0	293.1	263.2	346.2	346.1	300.6	305.0	340.9	335.9	93.1%	91.0%
Compensation of employees	148.6	132.5	118.2	148.7	151.6	138.9	178.0	174.1	161.1	173.6	192.3	192.3	94.1%	93.9%
Goods and services	139.6	149.1	129.8	145.3	141.5	124.3	168.2	172.0	139.4	131.4	148.6	143.6	91.9%	87.9%
of which:														
Communication	10.9	5.6	4.0	7.2	6.1	4.5	5.8	5.8	4.3	4.1	5.0	5.0	63.8%	79.3%
Computer services	22.0	18.7	18.9	17.2	18.5	19.9	18.3	20.8	21.1	20.3	20.3	20.3	103.0%	102.3%
Consultants: Business and advisory services	55.7	68.6	55.1	48.6	53.4	49.9	71.6	68.4	52.5	65.0	65.0	60.0	90.2%	85.2%
Operating leases	1.5	1.2	0.5	2.5	1.3	0.9	7.1	7.1	2.9	5.6	5.6	5.6	59.1%	64.8%
Travel and subsistence	8.5	11.0	27.3	10.6	11.7	30.1	29.4	26.9	28.4	18.1	31.8	31.8	176.8%	144.6%
Operating payments	2.2	2.0	6.1	3.5	2.3	5.9	7.7	7.7	5.6	2.4	2.8	2.8	128.2%	137.6%
Transfers and subsidies	376.0	386.0	386.2	392.7	392.8	393.0	410.0	410.2	420.6	409.8	409.9	409.9	101.3%	100.7%
Departmental agencies and accounts	376.0	385.9	385.9	392.7	392.7	392.7	408.2	408.2	408.4	409.8	409.8	409.8	100.6%	100.0%
Non-profit institutions	-	0.1	0.1	-	-	-	-	-	10.0	-	-	-	-	9 190.9%
Households	-	0.0	0.2	-	0.1	0.3	1.8	2.0	2.1	-	0.1	0.1	156.3%	126.6%
Payments for capital assets	13.5	15.8	10.6	9.5	10.0	14.1	9.0	9.0	19.3	2.9	3.4	3.4	135.2%	123.9%
Buildings and other fixed structures	-	-	-	-	-	-	-	-	8.7	-	-	-	-	-
Machinery and equipment	11.0	10.5	8.7	6.7	8.2	12.2	7.5	7.5	9.5	2.4	2.9	2.9	120.5%	114.5%
Software and other intangible assets	2.5	5.3	1.9	2.9	1.8	1.9	1.6	1.6	1.1	0.5	0.5	0.5	72.8%	58.9%
Payments for financial assets	-	-	0.0	-	-	0.1	-	-	0.1	-	-	-	-	-
Total	677.7	683.3	644.9	696.2	695.9	670.3	765.3	765.3	740.6	717.7	754.2	749.2	98.2%	96.8%

Expenditure estimates

Table 8.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Outcomes Monitoring and Evaluation									
3. Institutional Performance Monitoring and Evaluation									
4. National Planning									
5. National Youth Development									
Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2016/17	2017/18	2018/19			
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Programme 1	104.2	6.0%	13.8%	134.3	151.3	166.2	16.8%	16.0%	
Programme 2	92.3	14.2%	10.6%	108.9	117.6	136.6	13.9%	13.1%	
Programme 3	60.4	4.9%	8.4%	67.8	74.7	82.2	10.8%	8.2%	
Programme 4	77.2	-5.2%	9.6%	103.2	118.2	136.6	20.9%	12.5%	
Programme 5	415.1	2.0%	57.6%	413.4	445.8	472.7	4.4%	50.2%	
Total	749.2	3.1%	100.0%	827.7	907.8	994.3	9.9%	100.0%	
Change to 2015 Budget estimate				54.8	87.1	126.0			
Economic classification									
Current payments	335.9	6.1%	40.9%	406.6	461.6	522.7	15.9%	49.6%	
Compensation of employees	192.3	13.2%	21.8%	246.6	279.2	319.0	18.4%	29.8%	
Goods and services	143.6	-1.2%	19.2%	160.0	182.4	203.7	12.4%	19.8%	
of which:									
Communication	5.0	-3.3%	0.6%	5.1	5.3	5.5	2.6%	0.6%	
Computer services	20.3	2.7%	2.9%	22.1	23.9	25.3	7.6%	2.6%	
Consultants: Business and advisory services	60.0	-4.3%	7.8%	77.0	84.6	101.3	19.0%	9.3%	
Operating leases	5.6	67.0%	0.4%	6.0	13.4	13.8	35.0%	1.1%	
Travel and subsistence	31.8	42.3%	4.2%	26.4	28.5	29.6	-2.3%	3.3%	
Operating payments	2.8	12.4%	0.7%	5.4	5.3	5.5	25.2%	0.5%	
Transfers and subsidies	409.9	2.0%	57.4%	405.8	437.2	462.5	4.1%	49.3%	
Departmental agencies and accounts	409.8	2.0%	56.9%	405.8	437.2	462.5	4.1%	49.3%	
Households	0.1	200.0%	0.1%	-	-	-	-100.0%	0.0%	
Payments for capital assets	3.4	-40.0%	1.7%	15.3	9.0	9.0	38.4%	1.1%	
Buildings and other fixed structures	-	-	0.3%	8.1	1.0	-	-	0.3%	
Machinery and equipment	2.9	-34.8%	1.2%	6.4	7.4	8.4	42.4%	0.7%	
Software and other intangible assets	0.5	-54.4%	0.2%	0.9	0.7	0.7	9.1%	0.1%	
Total	749.2	3.1%	100.0%	827.7	907.8	994.3	9.9%	100.0%	

Personnel information

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

Programmes																			
1. Administration																			
2. Outcomes Monitoring and Evaluation																			
3. Institutional Performance Monitoring and Evaluation																			
4. National Planning																			
5. National Youth Development																			
Number of funded posts	Number of posts estimated for 31 March 2016	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 (%)	Salary level/Total: Average (%)			
			2014/15		Unit	2015/16		Unit	2016/17		Unit	2017/18		Unit			2018/19		Unit
Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	2015/16 - 2018/19				
Planning, Monitoring and Evaluation			372	161.1	0.5	372	192.3	0.5	451	246.6	0.5	466	279.2	0.6	490	319.0	0.7	9.6%	100.0%
Salary level	372	12	331	161.1	0.5	372	192.3	0.5	451	246.6	0.5	466	279.2	0.6	490	319.0	0.7	9.6%	100.0%
1 – 6	84	5	64	8.2	0.1	84	10.7	0.1	107	16.1	0.2	107	17.6	0.2	113	20.3	0.2	10.4%	23.1%
7 – 10	117	3	104	34.5	0.3	117	41.4	0.4	135	51.6	0.4	135	56.4	0.4	141	64.0	0.5	6.4%	29.7%
11 – 12	78	-	75	44.4	0.6	78	49.2	0.6	104	71.5	0.7	105	77.4	0.7	106	85.1	0.8	10.8%	22.1%
13 – 16	91	4	86	70.1	0.8	91	87.0	1.0	103	103.4	1.0	117	123.6	1.1	128	145.0	1.1	12.0%	24.7%
Other	2	-	2	4.0	2.0	2	3.9	2.0	2	3.9	2.0	2	4.2	2.1	2	4.5	2.3	-	0.4%
Programme	372	12	331	161.1	0.5	372	192.3	0.5	451	246.6	0.5	466	279.2	0.6	490	319.0	0.7	9.6%	100.0%
Programme 1	152	5	134	53.8	0.4	152	59.0	0.4	188	73.8	0.4	193	85.0	0.4	196	96.6	0.5	8.8%	41.0%
Programme 2	97	4	88	50.1	0.6	97	64.7	0.7	118	80.9	0.7	124	91.2	0.7	130	104.5	0.8	10.3%	26.4%
Programme 3	76	-	71	38.8	0.5	76	39.1	0.5	80	47.8	0.6	82	53.3	0.7	94	60.1	0.6	7.3%	18.7%
Programme 4	41	1	35	17.1	0.5	41	27.3	0.7	56	39.8	0.7	58	45.0	0.8	60	51.8	0.9	13.5%	12.1%
Programme 5	6	2	3	1.4	0.5	6	2.2	0.4	9	4.3	0.5	9	4.7	0.5	10	6.0	0.6	18.6%	1.9%
Total	372	12	331	161.1	0.5	372	192.3	0.5	451	246.6	0.5	466	279.2	0.6	490	319.0	0.7	9.6%	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 8.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2015/16	2016/17		
Departmental receipts	113	69	88	266	266	33.0%	100.0%	143	152	160	-15.6%	100.0%
Sales of goods and services produced by department	28	46	54	72	72	37.0%	37.3%	77	82	87	6.5%	44.1%
Sales by market establishments	14	13	12	14	14	-	9.9%	15	16	17	6.7%	8.6%
of which:												
Parking	14	13	12	14	14	-	9.9%	15	16	17	6.7%	8.6%
Other sales	14	33	42	58	58	60.6%	27.4%	62	66	70	6.5%	35.5%
of which:												
Commission	14	33	25	28	28	26.0%	18.7%	30	32	34	6.7%	17.2%
Transport	-	-	17	30	30	-	8.8%	32	34	36	6.3%	18.3%
Interest, dividends and rent on land	-	1	8	6	6	-	2.8%	6	6	6	-	3.3%
Interest	-	1	8	6	6	-	2.8%	6	6	6	-	3.3%
Sales of capital assets	-	1	-	-	-	-	0.2%	-	-	-	-	-
Transactions in financial assets and liabilities	85	21	26	188	188	30.3%	59.7%	60	64	67	-29.1%	52.6%
Total	113	69	88	266	266	33.0%	100.0%	143	152	160	-15.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2015/16	2016/17		
R million											
Departmental Management	13.5	11.5	12.1	9.8	-10.0%	12.1%	13.1	16.6	18.0	22.5%	10.4%
Corporate and Financial Services	18.1	21.9	40.6	36.4	26.2%	30.3%	58.1	66.4	74.0	26.7%	42.2%
Information Technology Support	27.2	28.6	25.3	20.2	-9.5%	26.2%	26.8	30.0	33.3	18.1%	19.8%
Internal Audit and Enterprise Risk Management	1.3	1.6	2.9	3.4	35.8%	2.4%	3.9	4.4	4.9	12.9%	3.0%
Ministerial Support	22.7	23.7	31.4	34.4	14.9%	29.0%	32.4	34.0	36.0	1.5%	24.6%
Total	82.8	87.1	112.3	104.2	7.9%	100.0%	134.3	151.3	166.2	16.8%	100.0%
Change to 2015				34.4			60.2	72.8	83.1		
Budget estimate											
Economic classification											
Current payments	73.2	75.3	94.0	101.6	11.6%	89.0%	120.3	143.4	158.2	15.9%	94.2%
Compensation of employees	39.5	44.0	53.8	59.0	14.3%	50.8%	73.8	85.0	96.6	17.9%	56.5%
Goods and services	33.7	31.3	40.2	42.7	8.2%	38.2%	46.5	58.4	61.6	13.0%	37.6%
of which:											
Advertising	1.0	1.6	1.4	0.8	-5.3%	1.2%	2.0	4.3	4.5	74.2%	2.1%
Audit costs: External	2.6	2.5	3.0	2.6	0.2%	2.8%	2.8	2.9	3.0	4.9%	2.0%
Computer services	9.2	8.4	8.0	7.6	-6.1%	8.6%	10.3	11.3	12.3	17.5%	7.5%
Operating leases	0.1	0.7	2.8	5.6	235.0%	2.4%	6.0	13.4	13.8	35.0%	7.0%
Property payments	1.4	0.1	0.4	0.9	-13.8%	0.7%	1.9	2.1	2.2	35.0%	1.3%
Travel and subsistence	9.8	9.6	10.5	15.1	15.6%	11.7%	12.0	12.4	12.6	-5.8%	9.4%
Transfers and subsidies	0.0	0.1	0.4	0.1	103.5%	0.1%	-	-	-	-100.0%	-
Departmental agencies and accounts	-	-	0.2	-	-	0.1%	-	-	-	-	-
Households	0.0	0.1	0.2	0.1	119.7%	0.1%	-	-	-	-100.0%	-

Table 8.6 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 (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R million											
Payments for capital assets	9.7	11.7	17.8	2.5	-36.2%	10.8%	14.0	7.9	8.0	46.9%	5.8%
Buildings and other fixed structures	-	-	8.7	-	-	2.2%	8.1	1.0	-	-	1.6%
Machinery and equipment	8.3	11.3	8.8	2.5	-33.0%	8.0%	5.9	6.9	8.0	46.9%	4.2%
Software and other intangible assets	1.3	0.3	0.3	-	-100.0%	0.5%	-	-	-	-	-
Payments for financial assets	0.0	0.1	0.1	-	-100.0%	-	-	-	-	-	-
Total	82.8	87.1	112.3	104.2	7.9%	100.0%	134.3	151.3	166.2	16.8%	100.0%
Proportion of total programme expenditure to vote expenditure	12.8%	13.0%	15.2%	13.8%	-	-	16.2%	16.7%	16.7%	-	-

Programme 2: Outcomes Monitoring and Evaluation

Programme purpose

Further the strategic agenda of government by advancing and implementing the outcomes approach, monitoring and reporting on its progress, and evaluating its impact.

Objectives

- Ensure effective outcomes planning, monitoring and evaluation over the medium term by:
 - providing advisory and support services to the executive through regular reporting on the progress of the implementation of the 14 outcomes, as outlined in government's 2014-2019 medium term strategic framework
 - providing support to improve the performance of local government through the implementation of the local government management improvement model
 - supporting departments and other spheres of government, clusters and Cabinet in implementing the social impact assessment system
 - overseeing and supporting the implementation of all Operation Phakisa projects
 - conducting evaluations and research aimed at improving the performance of government programmes.

Subprogrammes

- *Programme Management for Outcomes Monitoring and Evaluation* provides for programme management and administrative support.
- *Outcomes Support* coordinates and manages the outcomes system and supports departments, other spheres of government, clusters and Cabinet committees to identify and address blockages in achieving the outcomes.
- *Evaluation and Research* conducts evaluation and policy research in support of the government wide monitoring and evaluation system.

Expenditure trends and estimates

Table 8.7 Outcomes Monitoring and Evaluation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R million											
Programme Management for Outcomes Monitoring and Evaluation	3.4	6.6	3.2	2.6	-7.8%	5.3%	2.8	3.0	3.2	7.1%	2.6%
Outcomes Support	31.9	38.7	58.6	64.4	26.4%	65.0%	75.1	84.0	95.4	14.0%	70.0%
Evaluation and Research	18.1	23.1	22.1	25.3	11.7%	29.7%	30.9	30.7	37.9	14.5%	27.4%
Total	53.4	68.4	84.0	92.3	20.0%	100.0%	108.9	117.6	136.6	13.9%	100.0%
Change to 2015				6.7			20.7	24.9	38.4		
Budget estimate											

Table 8.7 Outcomes Monitoring and Evaluation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million				2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	53.0	67.2	83.6	91.9	20.2%	99.2%	108.1	117.1	136.0	13.9%	99.5%
Compensation of employees	30.3	39.4	50.1	64.7	28.8%	61.8%	80.9	91.2	104.5	17.4%	74.9%
Goods and services	22.7	27.8	33.6	27.3	6.3%	37.4%	27.2	25.9	31.5	4.9%	24.5%
<i>of which:</i>											
Communication	0.5	0.6	0.7	0.7	15.1%	0.9%	0.8	0.8	0.8	2.5%	0.7%
Consultants: Business and advisory services	14.7	18.6	16.3	17.7	6.4%	22.6%	18.5	16.5	21.5	6.8%	16.3%
Travel and subsistence	4.3	5.1	8.5	5.7	10.1%	7.9%	5.9	6.4	7.0	6.7%	5.5%
Training and development	0.8	0.3	0.6	–	-100.0%	0.5%	0.3	0.3	0.3	–	0.2%
Operating payments	0.7	1.8	1.0	0.6	-5.6%	1.3%	0.8	0.8	0.8	13.1%	0.6%
Venues and facilities	1.1	0.6	3.7	1.5	13.2%	2.3%	0.4	0.4	0.4	-35.5%	0.6%
Transfers and subsidies	0.2	0.0	0.1	0.0	-51.2%	0.1%	–	–	–	-100.0%	–
Households	0.2	0.0	0.1	0.0	-51.2%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	0.2	1.2	0.2	0.4	20.6%	0.7%	0.8	0.6	0.6	15.5%	0.5%
Machinery and equipment	0.2	0.2	0.2	0.2	-4.4%	0.2%	0.2	0.2	0.2	0.6%	0.2%
Software and other intangible assets	0.0	1.0	0.0	0.2	142.6%	0.4%	0.6	0.4	0.4	26.0%	0.4%
Total	53.4	68.4	84.0	92.3	20.0%	100.0%	108.9	117.6	136.6	13.9%	100.0%
Proportion of total programme expenditure to vote expenditure	8.3%	10.2%	11.3%	12.2%	–	–	13.2%	13.0%	13.7%	–	–

Programme 3: Institutional Performance Monitoring and Evaluation

Programme purpose

Promote good monitoring and evaluation practices and processes in government through: management performance assessment and support; frontline service delivery monitoring and support; and capacity development.

Objectives

- Contribute to improving the quality of management practices in government departments and the quality of frontline service delivery on an ongoing basis by:
 - monitoring compliance and the quality of management practices in all national and provincial departments
 - conducting on-site monitoring of the quality of frontline service delivery to improve public responsiveness and accountability, and reporting on findings
 - utilising the presidential hotline as an effective monitoring tool and strengthening government wide, citizen based monitoring
 - leading the development of capacity in monitoring and evaluation, and knowledge management initiatives across all spheres of government.

Subprogrammes

- *Programme Management for Institutional Performance Monitoring and Evaluation* provides programme management and administrative support to the programme.
- *Management Performance Monitoring and Support* coordinates and facilitates improved management performance in government through the development, implementation and maintenance of a management performance assessment tool for measuring performance at the strategic and operational level for national and provincial departments.
- *Presidential Frontline Service Delivery Performance Monitoring and Support* manages, coordinates and maintains frontline service delivery monitoring systems aimed at supporting improved quality of frontline services throughout the public sector system.

- *Macro Monitoring and Evaluation Policy and Capacity Building* coordinates the implementation of monitoring and evaluation policies and systems, as well as capacity building programmes.

Expenditure trends and estimates

Table 8.8 Institutional Performance Monitoring and Evaluation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Programme Management for Institutional Performance Monitoring and Evaluation	0.5	2.0	2.0	2.9	74.3%	3.1%	2.5	2.7	2.9	0.4%	3.9%
Management Performance Monitoring and Support	14.4	15.9	14.8	10.7	-9.5%	23.5%	14.2	16.1	18.4	19.9%	20.8%
Presidential Frontline Service Delivery Performance Monitoring and Support	30.2	37.2	37.9	40.3	10.1%	61.5%	44.4	48.6	53.1	9.6%	65.4%
Macro Monitoring and Evaluation Policy and Capacity Building	6.0	8.0	7.7	6.5	3.0%	11.9%	6.8	7.3	7.8	6.1%	9.9%
Total	51.2	63.1	62.3	60.4	5.7%	100.0%	67.8	74.7	82.2	10.8%	100.0%
Change to 2015				0.9			4.4	7.1	10.7		
Budget estimate											
Economic classification											
Current payments	50.5	62.4	61.3	59.9	5.8%	98.8%	67.5	74.3	81.9	11.0%	99.4%
Compensation of employees	29.2	36.6	38.8	39.1	10.2%	60.6%	47.8	53.3	60.1	15.3%	70.2%
Goods and services	21.3	25.8	22.5	20.8	-0.8%	38.2%	19.6	21.0	21.8	1.6%	29.2%
of which:											
Communication	1.7	2.2	1.9	2.2	8.5%	3.4%	2.0	2.1	2.1	-0.6%	2.9%
Computer services	9.6	11.4	12.2	12.0	7.8%	19.1%	11.8	12.6	13.0	2.7%	17.3%
Consultants: Business and advisory services	3.1	5.1	0.9	1.0	-31.4%	4.2%	0.7	0.7	0.7	-11.2%	1.1%
Travel and subsistence	4.0	5.2	5.3	3.9	-0.6%	7.7%	4.0	4.5	4.8	7.1%	6.0%
Operating payments	0.3	0.3	0.4	0.4	11.8%	0.6%	0.3	0.4	0.4	-5.2%	0.5%
Venues and facilities	1.4	0.7	0.7	0.8	-16.5%	1.5%	0.4	0.4	0.4	-24.0%	0.7%
Transfers and subsidies	0.0	0.1	0.1	0.0	32.1%	0.1%	-	-	-	-100.0%	-
Households	0.0	0.1	0.1	0.0	32.1%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.6	0.7	0.9	0.5	-7.8%	1.1%	0.4	0.4	0.4	-7.0%	0.6%
Machinery and equipment	0.1	0.1	0.1	0.2	37.9%	0.2%	0.1	0.1	0.1	-9.1%	0.2%
Software and other intangible assets	0.5	0.5	0.8	0.3	-17.6%	0.9%	0.3	0.3	0.3	-5.9%	0.4%
Total	51.2	63.1	62.3	60.4	5.7%	100.0%	67.8	74.7	82.2	10.8%	100.0%
Proportion of total programme expenditure to vote expenditure	7.9%	9.4%	8.4%	8.0%	-	-	8.2%	8.2%	8.3%	-	-

Programme 4: National Planning

Programme purpose

Develop the country's long term vision and national strategic plan, and contribute towards better outcomes in government through better planning, better long term plans, greater policy coherence and the clear articulation of long term goals and aspirations.

Objectives

- Support the work of the National Planning Commission by providing secretarial services and support services on an ongoing basis.
- Facilitate planning and conduct research to inform policy development to support the implementation of the national development plan on an annual basis.
- Develop, strengthen and institutionalise the medium term strategic framework by conducting research on an ongoing basis.
- Review the alignment of strategic plans and annual performance plans with the national development plan and the medium term strategic framework across government on an annual basis.

Subprogrammes

- *Programme Management for National Planning* provides for programme management and administrative support to the programme, and to the National Planning Commission.
- *Research and Policy Services* manages and facilitates research and policy processes on long term developmental issues, and provides technical support to the National Planning Commission.
- *Government Performance Information* contributes towards the achievement of both the change and sustained agenda of government through the implementation of frameworks for medium term, and annual planning and reporting.

Expenditure trends and estimates

Table 8.9 National Planning expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Programme Management for National Planning	27.8	25.3	16.2	26.5	-1.6%	35.0%	19.2	19.9	20.8	-7.8%	19.6%
Research and Policy Services	40.3	29.3	49.8	48.4	6.3%	61.4%	70.6	82.6	97.0	26.1%	67.8%
Government Performance Information	–	–	2.6	7.3	–	3.6%	13.5	15.7	18.8	37.2%	12.6%
Total	68.1	54.6	68.7	82.2	6.5%	100.0%	103.2	118.2	136.6	18.5%	100.0%
Change to 2015				(6.0)			1.2	15.0	27.4		
Budget estimate											
Economic classification											
Current payments	67.9	54.1	56.6	82.2	6.5%	95.3%	103.1	118.1	136.5	18.4%	99.9%
Compensation of employees	18.0	17.2	17.1	27.3	14.9%	29.1%	39.8	45.0	51.8	23.8%	37.2%
Goods and services	49.9	36.9	39.4	54.9	3.2%	66.2%	63.4	73.1	84.7	15.6%	62.7%
of which:											
<i>Catering: Departmental activities</i>	0.2	0.2	0.2	0.5	34.6%	0.4%	0.2	0.2	0.2	-29.9%	0.2%
<i>Communication</i>	0.4	0.4	0.2	0.4	6.8%	0.5%	0.5	0.5	0.5	1.4%	0.4%
<i>Consultants: Business and advisory services</i>	36.4	25.6	34.6	43.2	5.9%	51.1%	56.8	66.4	78.0	21.8%	55.5%
<i>Travel and subsistence</i>	8.8	9.4	3.3	6.8	-8.2%	10.3%	4.1	4.2	4.2	-14.7%	4.4%
<i>Operating payments</i>	3.0	0.6	0.1	1.0	-29.9%	1.7%	0.6	0.6	0.6	-18.0%	0.6%
<i>Venues and facilities</i>	0.1	0.1	0.2	0.7	88.5%	0.4%	0.8	0.8	0.8	7.2%	0.7%
Transfers and subsidies	0.1	0.0	11.8	0.0	-39.9%	4.4%	–	–	–	-100.0%	–
Non-profit institutions	0.1	–	10.0	–	-100.0%	3.7%	–	–	–	–	–
Households	0.0	0.0	1.8	0.0	15.9%	0.7%	–	–	–	-100.0%	–
Payments for capital assets	0.0	0.5	0.3	–	-100.0%	0.3%	0.1	0.1	0.1	–	0.1%
Machinery and equipment	0.0	0.5	0.3	–	-100.0%	0.3%	0.1	0.1	0.1	–	0.1%
Total	68.1	54.6	68.7	82.2	6.5%	100.0%	103.2	118.2	136.6	18.5%	100.0%
Proportion of total programme expenditure to vote expenditure	10.6%	8.1%	9.3%	10.9%	–	–	12.5%	13.0%	13.7%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	0.1	–	10.0	–	-100.0%	3.7%	–	–	–	–	–
Gifts and donations	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Trade and Industrial Policy Strategies	–	–	10.0	–	–	3.7%	–	–	–	–	–

Programme 5: National Youth Development

Programme purpose

Provide oversight on youth development policy and its implementation, and facilitate the transfer of funds to the National Youth Development Agency.

Objectives

- Champion the development and implementation of the youth development policy and integrated strategic planning in government by:
 - monitoring and evaluating government youth development programmes on an ongoing basis

- providing policy oversight and conducting research on youth development policy, and implementation management on an ongoing basis
- making fund transfers to the National Youth Development Agency annually.
- Oversee the work of the National Youth Development Agency by analysing its strategic and annual performance plans and quarterly reports on an ongoing basis.

Subprogrammes

- *Youth Development* provides policy oversight and conducts research on youth development policy and implementation management.
- *National Youth Development Agency* transfers funds to the National Youth Development Agency, which initiates, implements, facilitates and monitors youth development interventions aimed at reducing youth unemployment and promoting social cohesion.

Expenditure trends and estimates

Table 8.10 National Youth Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Youth Development	3.5	4.4	5.1	5.3	14.5%	1.1%	7.7	8.7	10.2	24.4%	1.8%
National Youth Development Agency	385.9	392.7	408.2	409.8	2.0%	98.9%	405.8	437.2	462.5	4.1%	98.2%
Total	389.4	397.1	413.3	415.1	2.2%	100.0%	413.4	445.8	472.7	4.4%	100.0%
Change to 2015 Budget estimate				0.5			2.6	3.4	4.6		
Economic classification											
Current payments	3.4	4.3	5.0	5.2	15.0%	1.1%	7.6	8.6	10.1	24.7%	1.8%
Compensation of employees	1.2	1.7	1.4	2.2	20.9%	0.4%	4.3	4.7	6.0	40.4%	1.0%
Goods and services	2.2	2.6	3.7	3.1	11.4%	0.7%	3.4	4.0	4.1	10.5%	0.8%
of which:											
Catering: Departmental activities	0.4	0.1	0.3	–	-100.0%	0.1%	0.1	0.1	0.1	–	–
Communication	0.0	0.0	0.0	0.1	1.4%	–	0.0	0.0	0.0	-4.9%	–
Consultants: Business and advisory services	–	–	–	2.8	–	0.2%	0.6	0.6	0.7	-37.2%	0.3%
Travel and subsistence	0.4	0.8	0.8	0.2	-20.3%	0.1%	0.5	1.0	1.0	71.0%	0.2%
Operating payments	1.3	1.7	2.0	–	-100.0%	0.3%	2.1	2.2	2.3	–	0.4%
Transfers and subsidies	385.9	392.7	408.2	409.8	2.0%	98.9%	405.8	437.2	462.5	4.1%	98.2%
Departmental agencies and accounts	385.9	392.7	408.2	409.8	2.0%	98.9%	405.8	437.2	462.5	4.1%	98.2%
Payments for capital assets	0.1	0.1	0.0	0.1	-12.3%	–	0.0	0.0	0.0	-15.7%	–
Machinery and equipment	0.1	0.1	0.0	0.1	-12.3%	–	0.0	0.0	0.0	-15.7%	–
Total	389.4	397.1	413.3	415.1	2.2%	100.0%	413.4	445.8	472.7	4.4%	100.0%
Proportion of total programme expenditure to vote expenditure	60.4%	59.2%	55.8%	55.0%	–	–	49.9%	49.1%	47.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	385.9	392.7	408.2	409.8	2.0%	98.9%	405.8	437.2	462.5	4.1%	98.2%
National Youth Development Agency	385.9	392.7	408.2	409.8	2.0%	98.9%	405.8	437.2	462.5	4.1%	98.2%

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 2016/17 is R405.8 million.

Vote 9

Public Enterprises

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	158.0	154.2	0.1	3.7	161.4	168.2
Legal and Governance	26.0	26.0	–	–	26.7	27.9
Portfolio Management and Strategic Partnerships	90.0	90.0	–	–	91.4	93.9
Total expenditure estimates	274.0	270.1	0.1	3.7	279.5	289.9
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 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 mandate of the Department of Public Enterprises is to ensure that the state owned companies in its portfolio are directed to serve government's strategic objectives, as articulated in the national development plan, the new growth path and the industrial policy action plan. In the current economic climate, state owned companies have emerged as key instruments for the state to drive its developmental objectives of creating jobs, and for enhancing equity and transformation.

The state owned companies in the department's portfolio form the cornerstone of the economy and their capacity must be strategically utilised to support the delivery of the national development plan's outcomes, making the strengthening of oversight tools for the state owned companies crucial to socioeconomic transformation. The department does not directly execute programmes but seeks to leverage off state ownership in the economy to support the delivery of key outcomes outlined in the national development plan and government's 2014-2019 medium term strategic framework.

Selected performance indicators

Table 9.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of shareholder compacts signed per year ¹	Portfolio Management and Strategic Partnerships	Outcome 6: An efficient, competitive and responsive economic infrastructure network	7	7	7	6	6	6	6
Number of corporate plans reviewed per year ²	Portfolio Management and Strategic Partnerships		5	8	7	6	6	6	6
Number of quarterly financial reviews per year	Portfolio Management and Strategic Partnerships		32	32	28	24	24	24	24

1. Shareholder compacts: The targets for the South African Airways shareholder compact for 2012/13 could not be agreed on at the beginning of the financial year due to the department not accepting South African Airways' proposal to budget for a loss. South African Express Airways requested a downward revision of the targets for the 2012/13 shareholder compact from the targets that were agreed on earlier as the basis for the fleet renewal programme due to changes in the operating economic environment.

2. Corporate plans: South African Express Airways' corporate plan was not finalised due to the withdrawal of financial statements for 2010/11, which affected setting targets. Alexkor's corporate plan was not finalised due to the board being given an opportunity to revise key performance indicators in line with the shareholder compact, which took longer than anticipated. Transnet's corporate plan was not signed by the department due to the need for further engagement on the new market demand strategy.

Expenditure analysis

The Department of Public Enterprises oversees the 6 state owned companies in its portfolio: Alexkor, Denel, Eskom, the South African Forestry Company, South African Express Airways and Transnet. The department aims to ensure that they are financially sound and pursuing government's national development objectives, in particular outcome 6 (an efficient, competitive and responsive economic infrastructure network) of the 2014-2019 medium term strategic framework. Over the medium term, the department will focus on strengthening its oversight functions, increasing the public sector's investment in the economy, reducing state owned companies' reliance on the fiscus, and ensuring the financial sustainability of state owned companies.

Strengthening the department's oversight functions

The role of state owned companies has expanded in recent years, particularly in the electricity and freight logistics sector due to major infrastructure investment programmes, particularly by Eskom and Transnet. These mega projects require the department to strengthen its oversight functions. Over the medium term, the department will capacitate itself to oversee large and complex infrastructure projects by reorganising and carefully managing its existing human resources. It will strengthen intergovernmental relations to improve coordination with policy departments and provincial and municipal structures. And it will continue to ensure that companies' plans are aligned to government priorities and deliverables, and improve companies' accountability to the state by signing annual shareholder compacts with each of the companies, among other oversight processes.

These oversight activities require specialised, highly skilled personnel, and personnel costs are the key driver of spending in the department. Compensation of employees accounts for the bulk of the department's operational spending, reaching R173.5 million in 2018/19. The Cabinet approved reductions decrease the department's compensation of employees budget by R15.4 million in 2017/18 and R25.5 million in 2018/19 as part of Cabinet's decision to lower the national aggregate expenditure ceiling. In consultation with the Department of Public Service and Administration and National Treasury, the department will develop a plan to manage its personnel expenditure within its reduced personnel budget.

The department's core function, namely oversight, requires significant administrative support, and the department is exploring new ways of ensuring that core programmes have the support they need. It will prioritise the filling of critical posts in core programmes and shift vacancies from the *Administration* programme to the *Portfolio Management and Strategic Partnerships* programme. Oversight also requires significant travel, and expenditure on travel and subsistence remains significant over the medium term. In addition, the department uses consultants with specialised skills for highly technical research. The Cabinet approved reductions also affect the department's goods and services budget, which is set to decrease by R8.2 million over the medium term. Spending on consultants, in particular, will be reduced, as the department seeks to implement cost containment measures and reprioritise spending.

In 2014/15, the department underspent its allocation by R24.5 million or 7.6 per cent of the total budget, largely on goods and services and compensation of employees. Underspending on goods and services arose partly due to delays in projects. To mitigate any impact on the department's performance of its mandated oversight role, the department has prioritised which delayed projects to finalise over the medium term in terms of the importance of their deliverables. Underspending on compensation of employees was as a result of unfilled vacancies due to the scarcity of the specialist skills the department needs.

Increasing the public sector's investment in the economy

Government's 2014-2019 medium term strategic framework has set a target of increasing investment as a share of GDP to 25 per cent. Given the current slowdown in investment by the private sector, the public sector is crucial for driving investment in the economy. State owned companies such as Eskom and Transnet will play a leading role in shifting South Africa's economic growth trajectory from consumption towards production, through capital expenditure in infrastructure build programmes. This also stimulates sustainable economic growth and job creation.

The delivery of Eskom's current build programme, a key example of public sector infrastructure investment, is critical for creating the necessary power for supporting a growing economy. The current build programme

includes the Medupi, Kusile and Ingula power stations, and over the medium term the department will continue to monitor these projects so that risks that may result in delays are averted.

Transnet's significant investment to expand and modernise South African ports, rails and pipeline infrastructure is the main pillar of its 2012 7-year market demand strategy. Improving this infrastructure is expected to significantly reduce the cost of transporting freight, especially for commodities such as iron ore, coal and manganese. Constrained mining output has necessitated a review of the strategy, resulting in delays in certain infrastructure projects over the medium term and beyond. The department will assess the impact of such delays on government's industrialisation programme in consultation with departments in the economic cluster.

While the levels of current investment in relation to GDP need to be increased, state owned companies need to rely less on the fiscus for such investment. The department will examine funding arrangements for private sector investment in state owned companies that will augment the companies' capacity while retaining their developmental impact, and facilitate an increase in significant partnerships with the private sector to drive government's investment programme. Further, in consultation with the relevant departments, the department will identify non-core assets for disposal in order to strengthen the balance sheets of the state owned companies.

Ensuring the financial sustainability of Eskom and Transnet

The financial sustainability of Eskom is essential for South Africa. The department will continue to assess Eskom's key financial indicators to improve the company's financial health. This will include monitoring the implementation of the Special Appropriation Act (2015), which provided Eskom a further R23 billion allocation and outlines the conditions that Eskom needs to meet. This special once-off appropriation is in the *Energy Enterprises* subprogramme in the *Portfolio Management and Strategic Partnerships* programme, and accounts for the significant increase in spending in the programme in 2015/16. Spending in the programme is set to decline by 84 per cent over the medium term, as no funding injections to state owned companies from the fiscus are currently contemplated.

The department will also undertake an assessment of the strength of Transnet's balance sheet to ensure its financial sustainability. This oversight work is budgeted for in the *Transport Enterprises* subprogramme in the *Portfolio Management and Strategic Partnerships* programme.

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														
R million	Annual budget			Annual budget			Annual budget			Annual budget			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	104.4	108.5	115.4	127.1	131.0	133.3	152.1	156.9	145.6	158.6	161.9	151.9	100.7%	97.8%
Programme 2	26.9	26.2	23.5	23.8	22.3	23.2	24.0	24.3	20.3	23.8	23.5	23.5	91.8%	93.8%
Programme 3	1 115.0	1 239.2	1 225.5	82.8	137.7	112.9	80.3	138.4	130.2	85.1	23 117.2	23 107.2	1 802.8%	99.8%
Total	1 246.3	1 374.0	1 364.3	233.8	291.1	269.4	256.4	319.5	296.1	267.5	23 302.6	23 282.6	1 258.1%	99.7%
Change to 2015 Budget estimate											23 035.1			

Table 9.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	194.8	203.4	192.9	231.4	231.2	208.4	252.2	252.1	227.9	263.8	264.6	244.6	92.7%	91.9%
Current payments	194.8	203.4	192.9	231.4	231.2	208.4	252.2	252.1	227.9	263.8	264.6	244.6	92.7%	91.9%
Compensation of employees	103.2	109.2	102.7	127.8	129.0	124.9	146.4	147.1	141.2	152.3	153.1	153.1	98.5%	97.0%
Goods and services	91.6	94.2	90.2	103.6	102.2	83.6	105.9	105.0	86.7	111.5	111.5	91.5	85.3%	85.2%
<i>of which:</i>														
Communication	2.9	3.6	3.7	3.4	3.4	3.7	3.6	3.6	3.6	4.6	4.8	4.8	108.5%	102.7%
Computer services	3.1	2.5	3.1	3.1	3.1	4.1	4.0	4.0	4.0	4.9	8.1	7.1	121.6%	103.2%
Consultants: Business and advisory services	26.8	33.4	23.0	32.2	30.0	12.9	37.5	35.5	26.4	38.1	34.8	18.8	60.2%	60.7%
Legal services	4.9	1.7	0.4	3.0	2.0	1.9	3.2	-	3.1	3.3	3.1	3.1	58.8%	125.3%
Property payments	7.7	7.7	9.1	8.1	8.1	7.5	8.5	-	8.5	8.9	9.0	9.0	102.9%	137.4%
Travel and subsistence	21.5	19.7	23.4	25.8	26.2	22.9	24.8	2.5	15.6	25.9	22.3	19.3	82.8%	114.7%
Transfers and subsidies	0.1	118.5	118.6	0.1	57.4	57.6	0.1	63.4	63.8	0.1	34.4	34.4	67 770.9%	100.3%
Public corporations and private enterprises	-	118.3	118.3	-	57.3	57.3	-	63.1	63.1	-	33.1	33.1	-	100.0%
Households	0.1	0.2	0.3	0.1	0.2	0.4	0.1	0.3	0.7	0.1	1.3	1.3	656.8%	143.8%
Payments for capital assets	1.5	2.1	2.7	2.3	2.5	3.2	4.1	4.1	4.3	3.6	3.6	3.6	121.7%	113.5%
Machinery and equipment	1.5	2.1	2.6	2.3	2.3	2.8	4.1	4.1	4.2	3.5	3.5	3.5	116.5%	110.0%
Software and other intangible assets	-	0.0	0.1	-	0.2	0.5	-	-	0.1	0.1	0.1	0.1	694.1%	279.8%
Payments for financial assets	1 050.0	1 050.0	1 050.0	-	-	0.1	-	-	0.0	-	23 000.0	23 000.0	2 290.5%	100.0%
Total	1 246.3	1 374.0	1 364.3	233.8	291.1	269.4	256.4	319.5	296.1	267.5	23 302.6	23 282.6	1 258.1%	99.7%

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Programme 1	151.9	11.8%	2.2%	158.0	161.4	168.2	3.5%	2.7%	
Programme 2	23.5	-3.6%	0.4%	26.0	26.7	27.9	5.8%	0.4%	
Programme 3	23 107.2	165.2%	97.5%	90.0	91.4	93.9	-84.0%	96.9%	
Total	23 282.6	156.9%	100.0%	274.0	279.5	289.9	-76.8%	100.0%	
Change to 2015 Budget estimate				(0.3)	(10.3)	(16.7)			
Economic classification									
Current payments	244.6	6.3%	3.5%	270.1	275.5	285.7	5.3%	4.5%	
Compensation of employees	153.1	11.9%	2.1%	168.4	168.8	173.5	4.2%	2.8%	
Goods and services	91.5	-1.0%	1.4%	101.8	106.7	112.2	7.0%	1.7%	
<i>of which:</i>									
Communication	4.8	9.4%	0.1%	4.0	4.1	4.3	-3.2%	0.1%	
Computer services	7.1	41.1%	0.1%	6.4	5.5	5.9	-6.2%	0.1%	
Consultants: Business and advisory services	18.8	-17.4%	0.3%	29.7	34.4	35.7	23.8%	0.5%	
Legal services	3.1	22.4%	0.0%	3.2	3.4	3.6	6.1%	0.1%	
Property payments	9.0	5.3%	0.1%	9.6	9.9	10.5	5.1%	0.2%	
Travel and subsistence	19.3	-0.8%	0.3%	22.5	23.8	25.2	9.3%	0.4%	
Transfers and subsidies	34.4	-33.8%	1.1%	0.1	0.1	0.1	-84.7%	0.1%	
Public corporations and private enterprises	33.1	-34.6%	1.1%	-	-	-	-100.0%	0.1%	
Households	1.3	93.1%	0.0%	0.1	0.1	0.1	-53.9%	0.0%	
Payments for capital assets	3.6	19.7%	0.1%	3.7	3.9	4.1	4.8%	0.1%	
Machinery and equipment	3.5	19.7%	0.1%	3.6	3.8	4.0	4.3%	0.1%	
Software and other intangible assets	0.1	17.6%	0.0%	0.1	0.1	0.1	29.1%	0.0%	
Payments for financial assets	23 000.0	179.8%	95.4%	-	-	-	-100.0%	95.3%	
Total	23 282.6	156.9%	100.0%	274.0	279.5	289.9	-76.8%	100.0%	

Personnel information

Table 9.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number			
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2015/16 - 2018/19						
		2014/15		2015/16		2016/17		2017/18		2018/19										
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost							
Public Enterprises																				
Salary level	284			259	141.2	0.5	226	153.1	0.7	226	168.4	0.7	226	184.2	0.8	226	199.0	0.9		
1 – 6	45			43	3.6	0.1	16	3.8	0.2	16	4.0	0.2	16	4.4	0.3	16	4.7	0.3		7.1%
7 – 10	89			84	25.4	0.3	79	27.2	0.3	79	29.4	0.4	79	32.3	0.4	79	35.0	0.4		35.0%
11 – 12	48			44	25.2	0.6	44	29.1	0.7	44	31.5	0.7	44	35.0	0.8	44	38.1	0.9		19.5%
13 – 16	100			86	81.8	1.0	87	93.1	1.1	87	103.4	1.2	87	112.5	1.3	87	121.2	1.4		38.5%
Other	2			2	5.2	2.6														
Programme	284			259	141.2	0.5	226	153.1	0.7	226	168.4	0.7	226	184.2	0.8	226	199.0	0.9		100.0%
Programme 1	171			161	73.8	0.5	127	77.2	0.6	127	82.2	0.6	127	93.1	0.7	127	100.6	0.8		56.2%
Programme 2	22			20	16.8	0.8	20	18.5	0.9	20	20.3	1.0	20	21.4	1.1	20	23.4	1.2		8.8%
Programme 3	91			78	50.6	0.6	79	57.5	0.7	79	66.0	0.8	79	69.7	0.9	79	74.9	0.9		35.0%
Reduction																				
Total	284			259	141.2	0.5	226	153.1	0.7	226	168.4	0.7		168.8			173.5			

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

2. The department's compensation of employees budget has been reduced by R40.9 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 9.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	537	373	203	1 161	1 161	29.3%	100.0%	109	112	116	-53.6%	100.0%
Sales of goods and services produced by department	58	57	68	366	366	84.8%	24.1%	54	54	56	-46.5%	35.4%
Sales by market establishments			41	234	234		12.1%				-100.0%	15.6%
of which:												
Sales by market establishments			41	234	234		12.1%				-100.0%	15.6%
Administrative fees				1	1						-100.0%	0.1%
of which:												
Licence agency fees				1	1						-100.0%	0.1%
Other sales	58	57	27	131	131	31.2%	12.0%	54	54	56	-24.7%	19.7%
of which:												
Garage rent	37	35		116	116	46.4%	8.3%	38	38	39	-30.5%	15.4%
Commission insurance	21	13	25	15	15	-10.6%	3.3%	16	16	17	4.3%	4.3%
Replacement of security cards		9	2				0.5%					
Sales of scrap, waste, arms and other used current goods		3					0.1%	5	6	6		1.1%
of which:												
Sales of scrap paper		3					0.1%	5	6	6		1.1%
Transfers received				244	244		10.7%				-100.0%	16.3%
Interest, dividends and rent on land	12	31	3	11	11	-2.9%	2.5%	21	22	23	27.9%	5.1%
Interest	12	31	3	11	11	-2.9%	2.5%	21	22	23	27.9%	5.1%
Sales of capital assets			130	300	300		18.9%				-100.0%	20.0%
Transactions in financial assets and liabilities	467	282	2	240	240	-19.9%	43.6%	29	30	31	-49.5%	22.0%
Total	537	373	203	1 161	1 161	29.3%	100.0%	109	112	116	-53.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 9.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19		
R million											
Ministry	30.0	31.3	28.4	32.3	2.4%	22.0%	34.5	34.6	35.8	3.5%	21.1%
Management	4.2	9.3	15.2	22.7	76.0%	9.2%	12.9	14.4	15.0	-13.0%	10.0%
Corporate Services	28.3	27.1	28.1	30.3	2.3%	20.5%	31.5	33.4	34.9	4.8%	20.0%
Chief Financial Officer	10.1	11.3	12.6	12.1	6.4%	8.3%	13.4	13.2	13.7	4.2%	8.1%
Human Resources	12.7	17.6	23.4	25.6	26.3%	14.3%	23.9	23.1	23.8	-2.4%	14.8%
Communications	12.8	14.2	16.1	12.6	-0.7%	10.0%	13.9	12.7	13.3	1.8%	8.1%
Strategic Planning, Monitoring and Evaluation	3.4	4.8	4.4	4.9	13.1%	3.1%	6.6	7.1	7.5	15.3%	4.0%
Intergovernmental Relations	1.8	6.7	5.8	8.1	65.8%	4.0%	7.0	7.8	8.2	0.6%	4.8%
Internal Audit	3.3	3.7	3.6	4.8	13.4%	2.8%	5.4	5.7	6.2	9.1%	3.4%
Office Accommodation	8.8	7.2	8.1	8.5	-1.0%	5.9%	9.0	9.4	10.0	5.4%	5.7%
Total	115.4	133.3	145.6	161.9	12.0%	100.0%	158.0	161.4	168.2	1.3%	100.0%
Change to 2015 Budget estimate				3.3			2.5	(2.7)	(5.4)		
Economic classification											
Current payments	112.4	129.6	141.0	157.6	11.9%	97.2%	154.2	157.4	164.0	1.3%	97.5%
Compensation of employees	56.7	66.7	73.8	77.2	10.8%	49.3%	82.2	85.4	87.9	4.4%	51.2%
Goods and services	55.7	63.0	67.2	80.4	13.0%	47.9%	72.0	72.0	76.1	-1.8%	46.3%
of which:											
Audit costs: External	1.9	2.1	2.8	3.1	17.5%	1.8%	2.8	2.8	3.0	-1.1%	1.8%
Communication	3.3	3.2	4.1	4.0	6.1%	2.6%	3.2	3.2	3.4	-5.4%	2.1%
Computer services	3.1	4.1	4.6	5.6	22.0%	3.1%	6.4	5.5	5.9	1.6%	3.6%
Consultants: Business and advisory services	2.3	7.9	16.2	17.1	94.3%	7.8%	11.5	10.8	11.4	-12.6%	7.8%
Property payments	9.1	7.5	8.4	9.0	-0.4%	6.1%	9.6	9.9	10.5	5.1%	6.0%
Travel and subsistence	14.8	15.0	11.7	15.8	2.2%	10.3%	15.1	17.2	18.2	4.7%	10.2%
Transfers and subsidies	0.2	0.3	0.3	0.7	46.9%	0.3%	0.1	0.1	0.1	-44.4%	0.2%
Households	0.2	0.3	0.3	0.7	46.9%	0.3%	0.1	0.1	0.1	-44.4%	0.2%
Payments for capital assets	2.7	3.2	4.3	3.6	9.4%	2.5%	3.7	3.9	4.1	4.8%	2.4%
Machinery and equipment	2.6	2.8	4.2	3.5	10.1%	2.4%	3.6	3.8	4.0	4.3%	2.3%
Software and other intangible assets	0.1	0.5	0.1	0.1	-17.6%	0.1%	0.1	0.1	0.1	29.1%	0.1%
Payments for financial assets	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Total	115.4	133.3	145.6	161.9	12.0%	100.0%	158.0	161.4	168.2	1.3%	100.0%
Proportion of total programme expenditure to vote expenditure	8.5%	49.5%	49.2%	0.7%	-	-	57.7%	57.7%	58.0%	-	-

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.

Objectives

- 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 the office of the deputy director general, which provides strategic leadership and management of the programme personnel.
- *Legal* provides internal 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 9.7 Legal and Governance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million												
Management	2.3	3.0	2.9	2.6	4.8%	11.9%	3.2	3.5	3.8	13.5%	12.5%	
Legal	13.4	12.7	11.7	12.2	-2.9%	55.3%	14.2	14.6	15.1	7.2%	53.9%	
Governance	7.9	7.4	5.7	8.7	3.4%	32.8%	8.6	8.7	9.0	1.2%	33.6%	
Total	23.5	23.2	20.3	23.5	-	100.0%	26.0	26.7	27.9	5.8%	100.0%	
Change to 2015				(0.3)			(0.2)	(0.9)	(1.3)			
Budget estimate												
Economic classification												
Current payments	23.5	23.1	20.3	23.5	0.1%	100.0%	26.0	26.7	27.9	5.8%	100.0%	
Compensation of employees	14.1	15.2	16.8	18.5	9.4%	71.4%	20.3	19.6	20.3	3.3%	75.6%	
Goods and services	9.3	8.0	3.5	5.1	-18.5%	28.6%	5.7	7.1	7.5	14.2%	24.4%	
<i>of which:</i>												
<i>Catering: Departmental activities</i>	0.1	0.0	0.0	0.0	-52.4%	0.1%	0.0	0.0	0.0	58.7%	0.1%	
<i>Communication</i>	0.1	0.1	0.1	0.2	10.9%	0.6%	0.2	0.2	0.2	3.8%	0.7%	
<i>Consultants: Business and advisory services</i>	4.3	2.5	0.4	1.7	-26.8%	9.8%	1.9	3.1	3.2	24.2%	9.5%	
<i>Legal services</i>	0.4	1.9	1.4	2.1	68.5%	6.4%	2.2	2.3	2.5	6.2%	8.7%	
<i>Travel and subsistence</i>	2.8	1.7	1.4	1.0	-27.5%	7.6%	1.4	1.4	1.5	11.5%	5.0%	
<i>Venues and facilities</i>	0.2	0.2	0.1	0.1	-31.5%	0.7%	0.1	0.1	0.1	18.4%	0.4%	
Total	23.5	23.2	20.3	23.5	-	100.0%	26.0	26.7	27.9	5.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	1.7%	8.6%	6.9%	0.1%	-	-	9.5%	9.6%	9.6%	-	-	

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 the enhancement of 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

- Strengthen the department's oversight role by ensuring the alignment of strategic intent in relation to the role of state owned companies in achieving government objectives in the energy sector on an ongoing basis.
- 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.
- Provide strategic financial and transactional analysis of Eskom businesses as well as the monitoring of its capital investment programme on a quarterly basis.
- Provide oversight of the implementation of the Pebble Bed Modular Reactor Company care and maintenance programme to preserve intellectual property and assets on an ongoing basis.
- 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.

Eskom SOC Limited

- Support the security of electricity supply by:
 - examining Eskom's maintenance plans, operational practices, electricity generation and distribution efficiency, and reserve margin on an ongoing basis
 - ensuring that Eskom supplies electricity by monitoring, evaluating and engaging with the company on system security matters and the new build programme to alleviate constraints 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.
- Collaborate with other state owned companies to contribute towards achieving national economic development objectives on an ongoing basis.

Denel SOC Limited

- 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 strategic partnerships in order to manage the development costs of strategic projects on an ongoing basis.

Alexkor SOC Limited

- Ensure increased production and promote the financial stability of the joint venture by monitoring the implementation of Alexkor's strategy to promote financial sustainability, and monitoring the pooling and sharing joint venture turnaround strategy, on a quarterly basis.
- Ensure collaboration and alignment of the two state owned mining companies to provide a clear indication to the market by developing a collaborative model with the African Exploration Mining and Finance Corporation over the medium term.
- Contribute to developing sustainable economic activities linked to the agricultural sector by continuously supporting and coordinating the joint efforts of the Department of Public Enterprises with the Department of Mineral Resources and the Department of Rural Development and Land Reform to stabilise the Richtersveld region and make use of revenues.

South African Forestry Company SOC Limited

- Oversee the implementation of the land restitution strategy for claims over the Komatiland Forests land claims settlement model to ensure meaningful benefit to 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 Departments of Rural Development and Land Reform, Agriculture, Forestry and Fisheries, and Trade and Industry to ensure the warehousing of the shares held by the South African Forestry Company shares in the 4 privatised forestry companies.
- Reduce reliance on the sawlog market by supporting the development of the new business strategy over the medium term.

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
- implementing the national corridor performance management system, which will identify inefficiencies in the logistics system in South Africa; contributing to increased competitiveness; and ensuring an appropriate modal split between road, rail and pipeline services, over the medium term
- ensuring the effective utilisation of existing logistics infrastructure, and identifying those areas that legitimately qualify for investment and upgrade, on an ongoing basis
- contributing to and facilitating the national transport policy formulation, as and when required, to achieve improvements in passenger and cargo movements.

Transnet SOC Limited

- 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.
- Ensuring that Transnet operates an efficient, competitive and responsive transport and logistics system by:
 - reviewing logistics costs in the economy and finalising the methodology to measure Transnet's contribution to transport costs as a percentage of GDP by March 2016
 - monitoring the implementation of the competitive supplier development programme to leverage off Transnet's locomotive fleet procurement for the development of local railway supplier industries by evaluating progress towards achieving localisation targets in Transnet's quarterly and annual reports.
- Increase Transnet's capacity to meet market demand by overseeing Transnet's implementation of the market demand strategy on an ongoing basis.
- Optimise the impact of infrastructure investment on the economy by monitoring the rollout of Transnet's capital expenditure programme on a quarterly basis.

South African Express Airways SOC Limited

- Monitor and assist with the implementation of South African Express Airways' 20/20 Vision on an ongoing basis.
- Facilitate strategic interventions with National Treasury regarding the resolution of the network feeder model, the holding structure of the state owned airlines and the review of commercial arrangements with South African Airways to ensure the long term financial and commercial sustainability of South African Express Airways over the medium term.
- Provide strategic guidance as and when required to strengthen the financial position of the company to ensure its long term sustainability.
- Ensure the alignment of strategies between state owned airlines, on an ongoing basis, by:
 - assessing the airline's fleet renewal programme and ensuring compliance with the national industrial participation programme
 - reviewing the airline's funding plan and ensuring that the airline considers alternative sources of funding in addition to financial support from government.

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 alignment with national industrial policy, macroeconomic policy and the role of state owned companies, as well as monitor implementation, for the 2016/17 financial year.
- 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 alignment with and 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 (B-BBEE) and corporate social investments targeted at designated groups on an ongoing basis.

Strategic partnerships

- Oversee catalytic project implementation from the pre-feasibility stage to completion, including the design of relevant compacts, on an ongoing basis.
- Implement innovative funding structures and the design of 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 the 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 9.8 Portfolio Management and Strategic Partnerships expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16		2016/17	2017/18	2018/19		
R million												
Energy Enterprises	11.2	12.9	13.1	23 017.1	1171.8%	93.8%	18.0	18.0	18.4	-90.7%	98.6%	
Manufacturing Enterprises	1 178.3	68.1	77.5	52.7	-64.5%	5.6%	20.7	21.1	21.7	-25.6%	0.5%	
Transport Enterprises	20.0	15.0	20.6	23.1	4.9%	0.3%	25.0	24.4	25.1	2.7%	0.4%	
Economic Impact and Policy Alignment	10.0	9.7	10.7	14.3	12.7%	0.2%	13.6	14.9	15.3	2.2%	0.2%	
Strategic Partnerships	6.0	7.3	8.3	10.0	18.8%	0.1%	12.7	13.1	13.5	10.6%	0.2%	
Total	1 225.5	112.9	130.2	23 117.2	166.2%	100.0%	90.0	91.4	93.9	-84.0%	100.0%	
Change to 2015 Budget estimate				23 032.1			(2.6)	(6.8)	(10.0)			
Economic classification												
Current payments	57.1	55.7	66.7	83.6	13.6%	1.1%	90.0	91.4	93.9	4.0%	1.5%	
Compensation of employees	31.9	43.0	50.6	57.5	21.7%	0.7%	66.0	63.8	65.2	4.3%	1.1%	
Goods and services	25.2	12.6	16.1	26.1	1.2%	0.3%	24.0	27.6	28.6	3.2%	0.5%	
of which:												
Catering: Departmental activities	0.1	0.3	0.0	0.2	11.6%	-	0.2	0.1	0.1	-9.2%	-	
Communication	0.3	0.4	0.4	0.6	25.0%	-	0.6	0.7	0.8	8.1%	-	
Consultants: Business and advisory services	16.3	2.6	8.4	16.1	-0.5%	0.2%	16.3	20.5	21.1	9.5%	0.3%	
Entertainment	-	-	-	0.1	-	-	0.0	0.1	0.1	9.7%	-	
Travel and subsistence	5.8	6.2	4.6	5.4	-2.2%	0.1%	6.1	5.3	5.6	1.0%	0.1%	
Venues and facilities	1.3	0.9	0.4	1.0	-7.1%	-	0.8	0.9	1.0	-0.9%	-	
Transfers and subsidies	118.4	57.3	63.5	33.7	-34.2%	1.1%	-	-	-	-100.0%	0.1%	
Public corporations and private enterprises	118.3	57.3	63.1	33.1	-34.6%	1.1%	-	-	-	-100.0%	0.1%	
Households	0.1	0.0	0.4	0.5	97.6%	-	-	-	-	-100.0%	-	
Payments for financial assets	1 050.0	-	-	23 000.0	179.8%	97.8%	-	-	-	-100.0%	98.3%	
Total	1 225.5	112.9	130.2	23 117.2	166.2%	100.0%	90.0	91.4	93.9	-84.0%	100.0%	
Proportion of total programme expenditure to vote expenditure	89.8%	41.9%	44.0%	99.2%	-	-	32.8%	32.7%	32.4%	-	-	

Table 9.8 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 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	118.3	57.3	63.1	33.1	-34.6%	1.1%	-	-	-	-100.0%	0.1%
Denel	118.3	57.3	63.1	33.1	-34.6%	1.1%	-	-	-	-100.0%	0.1%

Entities

Alexkor SOC limited

Alexkor was established in terms of the Alexkor Limited Act (1992) to mine marine and land diamonds in Alexander Bay. In line with outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium term strategic framework, the company is exploring opportunities in energy through coal and limestone mining opportunities, which will require the organisation to expand its operations beyond Northern Cape. Alexkor has further commissioned and started a study into non-mining activities in Northern Cape that the Richtersveld community could pursue from the proceeds of the pooling and sharing joint venture.

The land mining rights and 49 per cent of the mining operations were ceded to the Richtersveld community following the conclusion of the land restitution agreement with government in 2007. Alexkor remains the owner of the sea mining rights and 51 per cent of the mining operations. The mining operations with the land and sea mining rights have been pooled into an unincorporated entity called the Alexkor Pooling and Sharing Joint Venture. The mining operations employ 250 people.

The settlement agreement included, among other things, the restoration of land and mineral rights, the formation of the pooling and sharing joint venture, environmental rehabilitation, and the establishment and development of the town at Alexander Bay. As a result, since November 2013, the town has been made official and now forms part of the Richtersveld municipality. Progress to date includes the upgrade of residential properties' electrical and water reticulation systems, and the transfer of the mine operations restored with the land mining rights to the Richtersveld Mining Company. The implementation of the plan to rehabilitate mining areas has also begun.

Alexkor made a total comprehensive income of R71 million in 2014/15 compared to R49 million in 2013/14. The company has also undertaken an initial study to explore alternative revenue streams to improve its financial position. Alexkor will continue to work towards improved sustainability over the medium term.

Denel SOC limited

Denel was incorporated as a private company in 1992 in terms of South African Companies Act (1973). Its sole shareholder is the South African government. Denel is classified in the 2014 Defence Review as a strategic national asset, and is the largest manufacturer of defence equipment in South Africa. It operates in the military aerospace and landward defence environment, and provides strategic defence equipment. 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.

Denel is the largest and most diversified company in the local defence and aerospace industrial complex, which has an important role to play in the reindustrialisation of the South African economy, as envisaged in the industrial policy action plan. The defence and aerospace sector has strong upstream and downstream linkages with industries that supply products such as aluminium, steel, composite material, tooling, machinery, automotive parts. Innovation and advanced technologies are likely to drive manufacturing competitiveness in the coming years, contributing to increased industrial capacity within South Africa.

Denel has made progress in ensuring its sustainability. The company has posted positive results despite tough market conditions, including cuts in defence spending due to the global economic downturn. Revenue reached

R5.8 billion in 2014/15, and exports represent 50 per cent of revenue, which has resulted in improved profitability. Investment in technological innovation and research and development are critical for global competitiveness. The advanced manufacturing sector is resilient, and has the potential to withstand economic shocks.

Denel's growing order book presents a significant opportunity to grow and transform the local defence and aerospace industry, and to generate high end engineering skills and export earnings over the medium term.

South African Forestry Company SOC limited

The South African Forestry Company was established in 1992 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 contribution to socioeconomic development is aligned with outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium term strategic framework. The company also contributes to education and health care infrastructure through maintaining its commitment to support the growth and transformation of the communities in which it operates and promoting socioeconomic development.

Over the medium term, the company will focus on investing in major capital programmes, either to upgrade current plant or start new product lines. Examples of these are the planned upgrading of the Timbadola sawmill in Limpopo's Vhembe district, and the establishment of a new sawmill in Sabie, Mpumalanga.

The company's operating performance over the past 3 financial years has been declining, reflecting losses of R32 million in 2012/13, R49 million in 2013/14 and R4 million in 2014/15. This is a result of slow recovery in its primary market and the residential construction sector. Revenue has also been under pressure, due to marginal growth in sales volumes, and cash generation from operations has been under strain due to increasing logistical and labour costs, and an inflexible pricing environment. This has made it difficult for the business to invest in downstream operations that are critical to sustaining forestry operations and reducing dependence on sawlog customers. Despite these challenges, the company's financial position reflects a competitive equity position that is valued at R3.7 billion.

Eskom SOC limited

Governed by the Eskom Conversion Act (2001), Eskom's mandate is 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. However, the company's reserve margin has been steadily declining since 1999. This is due to both 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. In recent years, Eskom deferred the maintenance of power stations to meet demand and address the constrained power system to avoid load shedding. The consequence of this has been an increase in maintenance backlogs and a decline in the performance of power stations.

In September 2014, Cabinet approved a support package to ensure that Eskom remains financially sustainable, shows operational improvement, and delivers on the capital build programme. Cabinet established an Eskom War Room in December 2014 to implement a 5-point plan to address power system constraints and assist in finding solutions to electricity challenges. The turnaround of Eskom focuses on 4 key areas: financial sustainability, operational sustainability, revenue and customer sustainability, and sustainable asset creation.

Eskom's revenue increased by 7 per cent from R138 billion in 2013/14 to R147 billion in 2014/15 reflecting the impact of the 8 per cent tariff increase as well as lost sales, although net profit declined from R7.1 billion to R3.6 billion over the same period. The decline was driven mainly by the 19 per cent increase in the primary cost of energy, as well as a decline in sales. The company's liquidity position declined from R27 billion in 2013/14 to R12.8 billion in 2014/15. To stabilise the business, Eskom is working to improve productivity and reduce costs. To stabilise the company's liquidity, Cabinet approved a R23 billion equity injection to Eskom in 2015 which was enabled through the Eskom Special Appropriation Act (2015), and converted a R60 billion subordinated loan into equity to strengthen the company's balance sheet. This will enable Eskom to borrow in

financial markets to fund its infrastructure build programme. The first R10 billion tranche of funding was transferred to Eskom in July 2015 and a further R5 billion was transferred in December 2015. Although government has already raised the funds required to make the transfer, as a result of Eskom having failed to meet some of the conditions attached to the equity allocation, the Minister of Finance decided to only approve the transfer of R5 billion of the second R10 billion tranche scheduled for December 2015. The remaining allocation will be transferred in March 2016 on condition that Eskom complies with outstanding equity conditions.

Since 2004, Eskom has undertaken a capacity expansion programme to ensure a secure and reliable supply of electricity. In 2014/15, the Eskom capital expenditure programme added 100 megawatts (MW) of additional capacity to the national grid, built 319 km of transmission lines, and installed 2 090 megavolt amperes of transformation capacity to improve the performance of substations. The entity connected 144 558 homes to electricity in 2012/13/14 and 201 788 in 2013/14.

In support of its commitment to introduce independent power producers, at the end of March 2015 Eskom had contracted capacity of 5 701 MW from independent power producers. It plans to deliver an additional 11 126 MW of capacity into the system, which will go a long way towards addressing the current constraints. Medupi unit 6 achieved a full load of 800 MW following its first synchronisation in March 2015, and became commercially operational in August 2015. The synchronisation of the first 2 units of the Ingula pumped storage scheme is anticipated to take place in 2016, as this is the key delivery milestone for the build programme in 2016/17. Once completed, Medupi and Kusile will contribute 9 564 MW of base load power to the grid, and Ingula will provide 1 332 MW of peaking capacity.

South African Express Airways SOC limited

South African Express Airways was established in 1994 as a regional carrier operating domestic and regional flights, serving secondary routes in South Africa and the continent, including 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.

South African Express Airways 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, the company was issued with a qualified audit opinion on its 2014/15 annual financial statements as it was unable to provide sufficient appropriate audit evidence because of its inability to maintain adequate accounting records. This represented the fourth consecutive year it had been issued with such an opinion.

The airline has, however, made significant progress in addressing the reasons for receiving qualified audit reports, and the appointment of a chief financial officer and the strengthening the capacity of its finance department have helped to address some of the challenges pertaining to internal controls and financial statements.

South African Express Airways has acknowledged the need to address its poor performance and reliance on government for financial support. In 2013, it developed a long term strategy called 20:20 Vision, to assess, review and define a new business model to improve the sustainability of the organisation going into the next 20 years. The vision is aligned with South African Airways' long term turnaround strategy, and aims to derive maximum shareholder value through collaboration, cooperation and coordination between the state owned airlines. However, the airline did not implement the strategy as envisaged, which required the imposition of short term austerity measures in September 2014. Some of these initiatives included renegotiating contracts and agreements, optimising the network schedule, and reducing labour costs in an attempt to make the airline sustainable again. The austerity measures are expected to lead to a saving of R579 million over a period of 3 years, until 2016/17. By the end of March 2015, the airline had already managed to save R97 million. These savings are projected to lead the airline towards profitability, thus improving its sustainability and reducing its reliance on government for financial support.

The Department of Public Enterprises continues to assist the airline in addressing some of its challenges through collaboration, cooperation and coordination between the state owned airlines. Through its shareholder compact, the department ensures that there is alignment between the targets set for South African Airways and South

African Airways Express, that the initiatives outlined in 20:20 Vision are in agreement, and that performance towards these targets is monitored.

The organisation's focus over the medium term will be on stabilising the airline to ensure that it achieves its profit targets. This will ensure that the airline strengthens its balance sheet through generating profit and cash flows.

Transnet SOC limited

Transnet's mandate is to contribute to lowering the cost of doing business in South Africa, enable economic growth, and ensure security of supply through providing appropriate port, rail and pipeline infrastructure in a cost effective and efficient manner. This is in line with outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium term strategic framework.

In the context of the continued economic downturn and deteriorating market conditions, especially in the mining sector, Transnet remains a strong entity. Revenue grew by 8 per cent from R56.6 billion in 2013/14 to R61.2 billion in 2014/15, and profit grew from R5.2 billion to R5.3 billion over the same period. Transnet transported a total of 228 million tonnes in 2014/15, but it appears unlikely that it will reach the target of 330 million tonnes per year by 2018/19 in the current economic climate. A process is under way to discuss the envisaged rail volume targets with the relevant stakeholders.

Also aligned with outcome 6 is Transnet's expected increase in ports productivity and container handling efficiency from the current average gross crane moves per hour of 28 to 35 by 2018/19. The Department of Public Enterprises continues to work closely with Transnet to ensure that this deliverable is prioritised, and initiatives to improve ports productivity are identified and monitored.

Considering the economic climate, the company is reviewing its investment programme to ensure that it is optimised and remains affordable, which may necessitate an extension in planned capital programme expenditure from 7 to 10 years, due to a decrease in export demand for commodities. Notwithstanding these challenges, over the medium term and beyond, Transnet will continue with a number of key infrastructure and equipment projects. These include the rollout of the manganese expansion project, the berth deepening and reconstruction of Durban Container Terminal Pier 2, the doubling in size of the Overvaal Tunnel, the delivery of the 1 064 locomotives, and delivery on Operation Phakisa initiatives, which relate to the oceans economy.

Vote 10

Public Service and Administration

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	215.7	213.3	0.7	1.6	225.9	238.5
Policy Development, Research and Analysis	32.1	31.9	–	0.2	34.4	36.7
Labour Relations and Human Resource Management	81.4	80.9	–	0.4	74.5	67.2
Government Chief Information Officer	20.9	20.7	–	0.2	22.2	23.6
Service Delivery Support	138.1	49.4	88.4	0.3	244.1	262.5
Governance of Public Administration	282.3	47.6	234.5	0.3	299.8	320.3
Total expenditure estimates	770.4	443.8	323.6	3.0	900.9	948.7

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 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 that the public service should adhere to, and the Public Service Act (1994).

The department's mandate is to:

- transform and modernise the public service
- oversee changes to the structure of the public service
- improve the effectiveness and efficiency of the public service and its service delivery to the public
- establish norms and standards for human resource management and development, conditions of service, labour relations, IT and service delivery
- issue directives and regulations for the public service
- formulate the national anti-corruption strategy.

Selected performance indicators

Table 10.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of selected departments in which the implementation of the productivity management framework is monitored per year 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	Policy Development, Research and Analysis	Outcome 12: An efficient, effective and development oriented public service	–1	–1	1	2	2	–2	–2
	Labour Relations and Human Resource Management		–1	–1	–1	2	2	2	2

Table 10.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of human resource 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	Outcome 12: An efficient, effective and development oriented public service	9	9	0 ³	9	10	10	10
Develop the e-enablement security guidelines for the public service	Government Chief Information Officer		- ¹	- ¹	- ¹	Develop e-enablement security guidelines	Issue guidelines	- ²	- ²
Number of service delivery improvement plans received per year from provincial and national departments with quality assessments rated as good	Service Delivery Report		- ¹	- ¹	- ¹	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 and Public Administration		- ¹	- ¹	- ¹	4	4	4	- ²

1. No historical data is available as these are new indicators.

2. These indicators will be discontinued from the respective years.

3. No achievement was reported in this year.

Expenditure analysis

The Department of Public Service and Administration is required to coordinate and implement interventions that will result in efficient, effective and development oriented public service. Such a public service is an essential element of the capable and developmental state envisioned in chapters 13 and 14 of the national development plan. The plan emphasises the need for well run, coordinated state institutions staffed by skilled public servants. These public servants are contractually bound to provide consistent quality services that prioritise government's developmental objectives, and they are contractually bound to combat corruption. In line with these objectives, the department will focus over the medium term on specific departmental outputs linked to outcome 12 (an efficient, effective and development oriented public service) of the 2014-2019 medium term strategic framework. These outputs include: making the public service a career of choice, including concluding the work of the Presidential Remuneration Review Commission and establishing and capacitating the Government Employees Housing Scheme; making government services more accessible to the public; and combating corruption and promoting ethics.

While one of the major cost drivers in the department is compensation of employees, due to the labour intensive nature of its work, a significant number of vacant funded positions over the years has resulted in underspending. As a consequence, the department's compensation of employees budget has been reduced by R28.7 million for 2016/17, R36.5 million for 2017/18 and R43.1 million for 2018/19. However, the department received increased funding of R13.2 million in 2018/19 to cover the costs of the 2015 public sector wage agreement (R4.8 million for the department, R4.6 million for the Public Service Commission and R3.8 million for the National School of Government).

Making the public service a career of choice

The national development plan prioritises making the public service a career of choice and ensuring that it attracts highly skilled people. Over the medium term, the department will assist national and provincial departments with appointing youth into learnerships, internships and artisan programmes in the public service, thus strengthening government's role in the production of technical skills and specialist professionals. The 2014-2019 medium term strategic framework envisages the appointment of 20 000 youths per year into these skills programmes across government departments. The department's assistance will take the form of annual human resource development forums in each province and at the national level. In addition, the department will establish a formal graduate recruitment scheme for the public service. A feasibility study is planned for 2016/17. These activities are budgeted for in the *Labour Relations and Human Resource Management* programme.

Further, the national development plan highlights the need to make adequate experience a prerequisite for senior posts. 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 the position. The national development plan also attributes much of the use of consultant services across government to these premature promotions. In addition, most of these consultants are former public service employees, performing, at a higher cost, the work that public service officials should have the skills for. 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. Over the medium term, the department will support the implementation of the directive and monitor compliance. These activities are funded in the *Leadership Management* subprogramme in the *Governance of Public Administration* programme.

The department will continue to make transfers to the National School of Government and oversee its operations. R381.1 million over the medium term is transferred from the *Service Delivery Support* programme.

The Remuneration Review Commission was established in 2013 to review the current public service remuneration policy framework to promote uniformity and consistency in pay and benefits for public servants. The department will use findings from the commission to draft a remuneration policy framework for stakeholder consultation by March 2018. Cabinet approved funding increases of R15 million in 2016/17 and R10 million in 2017/18, allocated to the *Remuneration and Job Grading* subprogramme in the *Labour Relations and Human Resource Management* programme, for the work of the commission, which includes research on public service remuneration internationally and public hearings with different sectors of government. This explains the increase from R23 million in 2015/16 to R28.7 million in 2016/17 in the subprogramme. Spending is expected to decrease to R21.6 million in 2017/18 and to R12.4 million in 2018/19 as the commission's work is concluded. For the same reason, the number of filled positions in the *Labour Relations and Human Resource* programme will increase from 80 in 2015/16 to 82 in 2016/17 to appropriately staff the commission. After that, the number of filled posts in the programme will decrease to 76 in 2018/19.

Over the medium term, the department will introduce the Government Employees Housing Scheme in compliance with the 2015 public sector wage agreement. The scheme will assist employees in the public service to secure appropriate, affordable finance towards purchasing or upgrading their own property. These activities are budgeted for in the *Employee Benefits* subprogramme in the *Labour Relations and Human Resource Management* programme. Expenditure in the subprogramme is expected to grow at an average annual rate of 11.6 per cent, largely due to the establishment of the housing scheme, from R11.3 million in 2015/16 to R15.7 million in 2018/19. The department has reprioritised a total of R12.6 million to this project over the medium term from the legal services unit in the *Administration* programme.

Making government services more accessible to the public

The national development plan focuses extensively on improving service delivery across government. Some of the challenges include the lack of adequate management and operations systems, and weaknesses in service delivery improvement plans. One of the department's interventions over the medium term will be to assess the service delivery improvement plans that national and provincial departments submit, and make recommendations on improving them, including through face to face meetings. The department has annual targets for the number of plans it expects to rate as good.

Over the medium term, the department will continue to lead the task team to resolve challenges with the Thusong service centres in terms of how they serve their purpose and how well they are managed. Thusong service centres are intended to be one stop shops for various essential government services, such as the registration of social grants beneficiaries, the issuing of identity documents, birth certificates and affidavits, and the certification of documents. The task team consists of officials from the department, National Treasury, the Government Communication and Information System, and the Department of Public Works. Funding is included in the R67.6 million budget of the *Service Delivery Improvement Initiatives* subprogramme in the *Service Delivery Support* programme.

Combating corruption and promoting ethics

Over the medium term, the department will provide technical support to departments on the implementation of the 2013 public service integrity management framework, which is aimed at strengthening standards and measures for managing integrity and promoting ethical conduct in the public service. The framework provides

for managing the unethical conduct that can arise as a result of financial interests, gifts, hospitality and other benefits related to public service work and after employment in the public service, and remunerative work outside the public service while still in its employ. The technical support the department will provide includes hosting the inaugural learning network for ethics (personnel tasked with implementing the framework), engaging one on one with government departments, and developing toolkits and other support materials. These activities are budgeted for in the *Ethics and Integrity Management* subprogramme in the *Governance of Public Administration* programme.

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, a function that was introduced into the department in 2015/16. This explains the spending increase at an average annual rate of 4.9 per cent, from R13 million in 2015/16 to R15 million in 2018/19, in the *Ethics and Integrity Management* subprogramme. This is despite the Cabinet approved budget reduction of R3.4 million over the medium term as part of the decision to lower the national aggregate expenditure ceiling. The increase is largely in goods and services, as the department plans to use consultants to assist it to build its capacity to manage government wide disciplinary matters.

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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	186.7	192.2	182.6	202.4	197.7	212.6	217.8	222.6	200.3	219.7	221.4	217.5	98.4%	97.5%
Programme 2	36.8	30.8	27.1	33.4	30.7	25.4	28.2	33.2	31.7	37.5	38.6	31.2	85.1%	86.6%
Programme 3	43.9	50.6	50.9	52.1	78.2	54.8	76.1	82.8	62.8	68.6	73.6	70.2	99.1%	83.6%
Programme 4	25.8	21.8	13.8	26.4	23.3	21.1	25.3	25.3	17.2	21.5	21.5	18.9	71.8%	77.3%
Programme 5	198.7	191.0	193.9	216.0	215.4	219.0	221.6	217.1	209.8	220.7	219.6	224.1	98.8%	100.4%
Programme 6	214.3	215.2	210.1	262.9	261.1	252.8	281.4	269.4	266.0	269.0	272.9	268.4	97.1%	97.9%
Total	706.2	701.6	678.4	793.1	806.4	785.8	850.4	850.4	787.8	837.0	847.6	830.3	96.7%	96.1%
Change to 2015											10.6			
Budget estimate														
Economic classification														
Current payments	420.1	410.6	364.5	456.0	467.4	421.4	478.6	475.3	412.8	443.2	444.1	425.3	90.3%	90.3%
Compensation of employees	234.1	226.7	194.2	259.3	267.2	230.7	265.8	259.2	240.7	277.8	276.0	240.7	87.4%	88.1%
Goods and services	185.8	183.6	170.2	196.3	200.3	190.7	212.7	216.1	172.1	165.4	168.1	184.6	94.4%	93.4%
of which:														
Computer services	38.0	24.9	25.9	32.9	32.9	19.4	36.1	34.7	28.4	25.2	20.1	19.8	70.8%	83.1%
Consultants: Business and advisory services	17.1	20.2	14.0	18.3	21.7	12.6	18.1	22.9	6.9	11.9	18.2	20.4	82.4%	64.9%
Operating leases	29.2	29.5	19.4	38.7	27.7	23.2	43.5	33.7	27.6	46.0	45.7	26.7	61.5%	70.9%
Property payments	0.0	0.0	0.0	5.2	4.2	0.0	0.7	0.7	7.8	6.7	6.7	6.7	115.3%	125.6%
Travel and subsistence	4.9	4.9	2.8	46.2	51.6	3.3	4.8	4.8	40.2	32.4	34.1	37.2	94.6%	87.6%
Venues and facilities	-	-	2.0	9.7	15.2	1.1	0.6	0.3	5.0	5.5	5.2	5.9	88.8%	67.3%
Interest and rent on land	0.3	0.3	0.2	0.4	-	-	-	-	-	-	-	-	24.5%	51.5%
Transfers and subsidies	279.3	284.2	308.9	334.1	334.6	356.5	365.5	367.2	367.1	391.5	400.2	400.2	104.5%	103.3%
Departmental agencies and accounts	278.7	282.9	307.1	333.2	333.2	354.6	364.6	364.6	364.0	390.7	395.9	395.9	104.0%	103.3%
Foreign governments and international organisations	0.6	0.6	0.8	0.9	0.9	1.0	0.8	0.8	0.6	0.8	2.1	2.1	145.8%	102.3%
Households	-	0.7	1.0	-	0.6	0.8	-	1.7	2.4	-	2.2	2.2	-	123.0%

Table 10.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	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													2012/13 - 2015/16	
Payments for capital assets	6.7	6.7	5.0	3.0	4.3	7.7	6.3	7.9	7.6	2.3	3.3	4.8	136.4%	113.5%
Buildings and other fixed structures	-	-	-	0.4	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	6.5	6.5	5.0	2.6	4.3	7.3	5.9	7.4	7.5	2.1	3.1	4.6	142.8%	115.1%
Software and other intangible assets	0.2	0.2	-	-	-	0.5	0.5	0.5	0.0	0.2	0.2	0.2	76.1%	76.1%
Payments for financial assets	-	-	0.1	-	0.1	0.2	-	0.0	0.4	-	0.0	0.0	-	725.6%
Total	706.2	701.6	678.4	793.1	806.4	785.8	850.4	850.4	787.8	837.0	847.6	830.3	96.7%	96.1%

Expenditure estimates

Table 10.3 Vote expenditure estimates by programme and economic classification

Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Programme 1	217.5	4.2%	26.4%	215.7	225.9	238.5	3.1%	26.0%
Programme 2	31.2	0.5%	3.7%	32.1	34.4	36.7	5.5%	3.9%
Programme 3	70.2	11.5%	7.7%	81.4	74.5	67.2	-1.4%	8.5%
Programme 4	18.9	-4.6%	2.3%	20.9	22.2	23.6	7.6%	2.5%
Programme 5	224.1	5.5%	27.5%	138.1	244.1	262.5	5.4%	25.2%
Programme 6	268.4	7.6%	32.4%	282.3	299.8	320.3	6.1%	33.9%
Total	830.3	5.8%	100.0%	770.4	900.9	948.7	4.5%	100.0%
Change to 2015 Budget estimate				(109.2)	(35.6)	(42.1)		
Economic classification								
Current payments	425.3	1.2%	52.7%	443.8	456.2	471.6	3.5%	52.1%
Compensation of employees	240.7	2.0%	29.4%	272.8	278.8	291.9	6.6%	31.4%
Goods and services	184.6	0.2%	23.3%	171.0	177.4	179.7	-0.9%	20.7%
<i>of which:</i>								
Computer services	19.8	-7.4%	3.0%	23.6	23.2	25.0	8.2%	2.7%
Consultants: Business and advisory services	20.4	0.3%	1.7%	9.0	9.2	9.3	-22.9%	1.4%
Operating leases	26.7	-3.3%	3.1%	50.1	52.3	50.9	24.0%	5.2%
Property payments	6.7	774.7%	0.5%	7.0	7.5	11.0	18.0%	0.9%
Travel and subsistence	37.2	96.1%	2.7%	30.7	30.7	28.9	-8.1%	3.7%
Venues and facilities	5.9	-	0.5%	6.2	6.4	7.2	6.6%	0.7%
Transfers and subsidies	400.2	12.1%	46.5%	323.6	441.7	473.9	5.8%	47.5%
Departmental agencies and accounts	395.9	11.9%	46.1%	321.6	439.5	471.8	6.0%	47.2%
Foreign governments and international organisations	2.1	51.4%	0.1%	2.1	2.1	2.2	1.5%	0.2%
Households	2.2	46.9%	0.2%	-	-	-	-100.0%	0.1%
Payments for capital assets	4.8	-10.5%	0.8%	3.0	3.0	3.2	-12.8%	0.4%
Machinery and equipment	4.6	-10.7%	0.8%	3.0	3.0	3.2	-11.6%	0.4%
Software and other intangible assets	0.2	-5.8%	0.0%	-	-	-	-100.0%	0.0%
Total	830.3	5.8%	100.0%	770.4	900.9	948.7	4.5%	100.0%

Personnel information

Table 10.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number			
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)		
Number of funded posts	Number of posts additional to the establishment	Actual 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						2015/16 - 2018/19						
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19								
Public Service and Administration		504	43	431	229.1	0.5	453	258.0	0.6	456	272.8	0.6	468	296.8	0.6	469	325.0	0.7	1.2%	100.0%
Salary level		504	43	431	229.1	0.5	453	258.0	0.6	456	272.8	0.6	468	296.8	0.6	469	325.0	0.7	1.2%	100.0%
1 – 6		155	21	137	27.2	0.2	136	29.7	0.2	136	31.0	0.2	137	33.4	0.2	136	36.1	0.3	–	29.5%
7 – 10		120	6	113	38.3	0.3	119	44.1	0.4	119	51.0	0.4	121	55.8	0.5	121	59.2	0.5	0.6%	26.0%
11 – 12		109	8	91	64.8	0.7	97	64.7	0.7	97	72.1	0.7	100	77.6	0.8	100	84.9	0.8	1.0%	21.3%
13 – 16		118	8	88	94.8	1.1	99	115.4	1.2	102	114.3	1.1	108	125.4	1.2	110	139.9	1.3	3.6%	22.7%
Other		2	–	2	4.1	2.0	2	4.2	2.1	2	4.4	2.2	2	4.7	2.3	2	4.9	2.5	–	0.4%
Programme		504	43	431	229.1	0.5	453	258.0	0.6	456	272.8	0.6	468	296.8	0.6	469	325.0	0.7	1.2%	100.0%
Programme 1		261	17	223	94.6	0.4	237	103.9	0.4	237	115.6	0.5	238	124.7	0.5	243	135.8	0.6	0.8%	51.7%
Programme 2		39	–	29	21.9	0.8	30	24.6	0.8	30	23.4	0.8	32	25.9	0.8	33	29.0	0.9	3.2%	6.8%
Programme 3		83	20	71	45.3	0.6	80	53.2	0.7	82	56.9	0.7	83	56.6	0.7	76	62.9	0.8	-1.7%	17.4%
Programme 4		24	3	21	13.0	0.6	20	14.8	0.7	20	15.4	0.8	21	17.6	0.8	21	18.7	0.9	1.6%	4.4%
Programme 5		50	3	44	22.8	0.7	44	28.8	0.7	45	29.0	0.6	48	33.4	0.7	49	36.3	0.7	3.7%	10.1%
Programme 6		47	–	43	31.4	0.5	42	32.6	0.8	42	32.6	0.8	46	38.7	0.8	47	42.3	0.9	3.8%	9.6%
Reduction		–	–	–	–	–	–	–	–	–	–	–	–	(18.1)	–	–	(33.1)	–	–	–
Total		504	43	431	229.1	0.5	453	258.0	0.6	456	272.8	0.6	–	278.8	–	–	291.9	–	–	–

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

2. The department's compensation of employees budget has been reduced by R51.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 10.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	471	1 293	979	1 460	1 460	45.8%	100.0%	825	908	963	-13.0%	100.0%
Sales of goods and services produced by department	241	261	489	447	447	22.9%	34.2%	253	263	273	-15.2%	29.7%
Sales by market establishments	176	188	206	162	162	-2.7%	17.4%	180	190	200	7.3%	17.6%
of which:												
Parking	176	188	206	162	162	-2.7%	17.4%	180	190	200	7.3%	17.6%
Administrative fees	65	73	78	72	72	3.5%	6.9%	73	73	73	0.5%	7.0%
of which:												
Commission	64	71	78	70	70	3.0%	6.7%	71	71	71	0.5%	6.8%
Replacement of access cards	1	2	–	2	2	26.0%	0.1%	2	2	2	–	0.2%
Other sales	–	–	205	213	213	–	9.9%	–	–	–	-100.0%	5.1%
of which:												
Sale of capital assets	–	–	205	213	213	–	9.9%	–	–	–	-100.0%	5.1%
Transfers received	–	675	–	–	–	–	16.1%	–	–	–	–	–
Interest, dividends and rent on land	6	2	11	4	4	-12.6%	0.5%	5	5	5	7.7%	0.5%
Interest	6	2	11	4	4	-12.6%	0.5%	5	5	5	7.7%	0.5%
Transactions in financial assets and liabilities	224	355	479	1 009	1 009	65.2%	49.2%	567	640	685	-12.1%	69.8%
Total	471	1 293	979	1 460	1 460	45.8%	100.0%	825	908	963	-13.0%	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 10.6 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 (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19
R million											
Ministry	60.0	76.9	47.4	42.9	-10.6%	27.8%	41.2	42.1	46.2	2.5%	19.1%
Departmental Management	2.7	2.3	2.8	2.9	2.4%	1.3%	3.2	3.4	3.5	7.2%	1.4%
Corporate Services	60.0	67.0	77.1	74.6	7.5%	34.1%	76.4	80.2	82.4	3.4%	34.8%
Finance Administration	20.4	20.6	23.5	23.9	5.5%	10.8%	23.1	24.6	26.2	3.1%	10.8%
Internal Audit	4.2	5.1	4.0	5.7	10.3%	2.3%	5.1	5.5	5.8	0.9%	2.5%
Legal Services	4.7	4.7	5.2	11.2	33.5%	3.1%	5.0	5.3	5.7	-20.1%	3.0%
International Relations	11.0	11.7	9.0	11.4	1.1%	5.3%	10.1	10.8	11.5	0.4%	4.9%
Office Accommodation	19.6	24.3	31.2	49.0	35.6%	15.2%	51.5	54.0	57.2	5.3%	23.5%
Total	182.6	212.6	200.3	221.4	6.6%	100.0%	215.7	225.9	238.5	2.5%	100.0%
Change to 2015 Budget estimate				1.7			(14.8)	(19.8)	(21.4)		
Economic classification											
Current payments	177.2	204.5	193.3	216.3	6.9%	96.9%	213.3	223.5	235.8	2.9%	98.6%
Compensation of employees	84.3	103.4	94.6	116.4	11.4%	48.8%	112.2	115.2	120.9	1.3%	51.5%
Goods and services	92.7	101.1	98.7	99.9	2.5%	48.0%	101.1	108.3	115.0	4.8%	47.1%
of which:											
Communication	5.5	3.4	3.1	2.8	-20.8%	1.8%	3.0	3.1	3.2	5.1%	1.3%
Computer services	12.8	11.0	12.6	9.4	-9.8%	5.6%	11.0	11.2	11.6	7.2%	4.8%
Operating leases	15.7	19.8	25.9	43.7	40.7%	12.9%	46.0	48.9	48.7	3.7%	20.8%
Property payments	5.1	6.5	7.0	6.0	5.7%	3.0%	6.2	6.6	10.0	18.6%	3.2%
Travel and subsistence	22.3	30.4	19.3	17.4	-7.9%	10.9%	12.1	13.2	13.5	-8.2%	6.2%
Operating payments	3.1	3.5	4.0	2.4	-7.8%	1.6%	2.7	2.8	3.1	8.6%	1.2%
Interest and rent on land	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies	1.5	0.9	2.0	2.6	21.4%	0.9%	0.7	0.8	0.8	-31.6%	0.6%
Departmental agencies and accounts	-	-	-	0.0	-	-	0.1	0.2	0.2	55.9%	0.1%
Foreign governments and international organisations	0.6	0.6	0.4	0.6	-2.2%	0.3%	0.6	0.6	0.7	6.0%	0.3%
Households	0.9	0.4	1.7	2.0	32.6%	0.6%	-	-	-	-100.0%	0.2%
Payments for capital assets	4.0	7.1	4.7	2.5	-14.3%	2.3%	1.6	1.6	1.8	-10.4%	0.8%
Machinery and equipment	4.0	6.6	4.7	2.3	-16.7%	2.2%	1.6	1.6	1.8	-7.8%	0.8%
Software and other intangible assets	-	0.5	-	0.2	-	0.1%	-	-	-	-100.0%	-
Payments for financial assets	0.0	0.0	0.2	-	-100.0%	-	-	-	-	-	-
Total	182.6	212.6	200.3	221.4	6.6%	100.0%	215.7	225.9	238.5	2.5%	100.0%
Proportion of total programme expenditure to vote expenditure	26.9%	27.1%	25.4%	26.1%	-	-	28.0%	25.1%	25.1%	-	-

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 both 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
 - 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 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 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 10.7 Policy Development, Research and Analysis expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Management: Policy Development, Research and Analysis	2.9	3.2	4.5	5.9	27.0%	13.4%	2.6	2.8	3.0	-20.3%	10.2%
Policy Oversight, Development and Knowledge Management	2.9	3.1	4.5	6.7	32.2%	14.0%	4.4	4.7	5.1	-9.0%	14.8%
Macro Policy Modelling and Costing	–	–	–	1.8	–	1.5%	1.4	1.5	1.6	-5.0%	4.4%
Integrated Public Sector Reform	6.7	6.8	4.9	4.2	-14.5%	18.4%	4.8	5.1	5.4	8.8%	13.7%
Transformation Policies and Programmes	4.7	5.6	5.0	6.0	8.2%	17.3%	4.6	4.9	5.2	-4.2%	14.6%
Research and Analysis	1.6	1.8	1.8	3.9	32.9%	7.4%	4.0	4.3	4.6	5.9%	11.8%
Productivity and Efficiency Studies	1.6	1.9	5.7	5.5	49.8%	12.0%	5.8	6.3	6.7	6.9%	17.2%
Public Service Access Norms and Mechanisms	6.6	3.1	5.4	4.6	-11.2%	16.0%	4.5	4.8	5.1	3.7%	13.4%
Total	27.1	25.4	31.7	38.6	12.6%	100.0%	32.1	34.4	36.7	-1.7%	100.0%
Change to 2015 Budget estimate				1.1			(8.7)	(8.7)	(8.9)		

Table 10.7 Policy Development, Research and Analysis expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Current payments	26.7	25.4	31.3	38.4	12.8%	99.2%	31.9	34.2	36.5	-1.7%	99.4%
Compensation of employees	16.8	19.0	21.9	28.3	19.0%	70.0%	22.5	24.3	26.1	-2.7%	71.3%
Goods and services	10.0	6.4	9.4	10.1	0.5%	29.2%	9.4	9.8	10.4	1.0%	28.0%
<i>of which:</i>											
Communication	0.2	0.3	0.3	0.4	39.0%	1.0%	0.5	0.5	0.5	7.2%	1.4%
Computer services	0.9	0.5	1.9	0.1	-53.5%	2.7%	0.7	0.7	0.7	97.0%	1.5%
Consultants: Business and advisory services	2.9	0.2	2.7	3.1	1.7%	7.1%	2.4	2.7	3.5	4.4%	8.2%
Travel and subsistence	2.0	2.6	2.4	2.3	4.2%	7.6%	2.9	2.8	2.9	7.8%	7.6%
Operating payments	0.1	0.1	0.7	1.8	138.1%	2.2%	0.5	0.5	0.5	-33.0%	2.4%
Venues and facilities	0.7	0.8	0.2	0.8	4.2%	2.0%	1.1	1.1	0.9	0.6%	2.7%
Transfers and subsidies	0.0	0.0	0.1	0.1	205.5%	0.2%	-	-	-	-100.0%	-
Households	0.0	0.0	0.1	0.1	205.5%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	0.3	0.0	0.3	0.1	-23.0%	0.6%	0.2	0.2	0.2	14.4%	0.6%
Machinery and equipment	0.3	0.0	0.3	0.1	-23.0%	0.6%	0.2	0.2	0.2	14.4%	0.6%
Total	27.1	25.4	31.7	38.6	12.6%	100.0%	32.1	34.4	36.7	-1.7%	100.0%
Proportion of total programme expenditure to vote expenditure	4.0%	3.2%	4.0%	4.6%	-	-	4.2%	3.8%	3.9%	-	-

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 service employees 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 positions 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 service employees 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 competence levels of public service employees, 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 in the public service.

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 Sectoral 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 time, leave, foreign service dispensation and remunerative allowances.
- *Human Resource Planning, Employment Practices and Performance Management* manages and supports the implementation of human resource planning and employment policies, frameworks, systems and practices.

Expenditure trends and estimates

Table 10.8 Labour Relations and Human Resource Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
R million											
Management: Labour Relations and Human Resource Management	2.9	3.0	3.1	3.4	4.9%	5.1%	3.9	4.0	4.3	7.9%	5.2%
Labour Relations, Negotiations and Discipline Management	7.0	10.7	8.0	10.2	13.3%	14.8%	9.6	10.1	10.4	0.5%	13.6%
Workplace Environment Management	7.3	6.5	5.5	7.4	0.5%	11.0%	5.5	6.0	6.2	-5.6%	8.4%
Human Resource Development	6.0	7.3	6.0	7.3	7.2%	11.0%	4.8	5.2	4.6	-14.6%	7.4%
Remuneration and Job Grading	9.4	10.3	18.6	23.0	34.7%	25.3%	28.7	21.6	12.4	-18.7%	28.9%
Employee Benefits	9.4	8.0	11.3	11.3	6.3%	16.5%	16.8	14.5	15.7	11.6%	19.6%
Human Resource Planning, Employment Practices and Performance Management	8.9	9.2	10.2	11.0	7.5%	16.2%	12.2	13.1	13.7	7.7%	16.8%
Total	50.9	54.8	62.8	73.6	13.1%	100.0%	81.4	74.5	67.2	-3.0%	100.0%
Change to 2015 Budget estimate				5.0			12.8	5.2	(6.2)		
Economic classification											
Current payments	50.6	54.4	61.4	73.3	13.1%	99.0%	80.9	74.1	66.8	-3.1%	99.5%
Compensation of employees	32.4	38.8	45.3	51.0	16.3%	69.2%	58.1	54.1	54.3	2.1%	73.3%
Goods and services	18.3	15.6	16.0	22.3	7.0%	29.8%	22.8	20.0	12.5	-17.6%	26.2%
of which:											
Computer services	0.1	0.2	1.7	3.8	256.6%	2.4%	2.1	2.2	2.4	-14.5%	3.5%
Consultants: Business and advisory services	7.9	1.8	2.0	9.6	6.6%	8.8%	2.6	2.2	0.9	-54.2%	5.2%
Operating leases	-	-	-	-	-	-	2.3	1.0	-	-	1.1%
Travel and subsistence	4.6	5.5	5.9	4.2	-3.5%	8.4%	7.6	6.1	4.1	-0.6%	7.4%
Operating payments	0.2	0.4	0.5	0.4	20.8%	0.6%	2.7	2.7	0.6	11.1%	2.1%
Venues and facilities	1.3	1.5	1.4	1.5	5.4%	2.4%	1.1	1.3	1.4	-1.7%	1.8%
Transfers and subsidies	0.0	0.3	0.5	0.0	-24.9%	0.3%	-	-	-	-100.0%	-
Households	0.0	0.3	0.5	0.0	-24.9%	0.3%	-	-	-	-100.0%	-
Payments for capital assets	0.2	0.1	0.9	0.3	15.1%	0.6%	0.4	0.5	0.4	16.4%	0.5%
Machinery and equipment	0.2	0.1	0.9	0.3	15.1%	0.6%	0.4	0.5	0.4	16.4%	0.5%
Total	50.9	54.8	62.8	73.6	13.1%	100.0%	81.4	74.5	67.2	-3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	7.5%	7.0%	8.0%	8.7%	-	-	10.6%	8.3%	7.1%	-	-

Programme 4: Government Chief Information Officer

Programme purpose

Create an environment for the deployment of information technology (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, to be issued in 2016/17
 - 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 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 corporate governance of ICT in the public service based on identified risks in the rapid 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 10.9 Government Chief Information Officer expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Management: Government Chief Information Officer	1.3	2.7	3.1	3.1	35.0%	13.9%	2.9	3.1	3.2	1.0%	14.0%
Public Service ICT E-enablement	2.2	4.4	4.0	5.3	33.1%	21.6%	5.8	6.1	6.5	7.1%	26.9%
Public Service ICT Stakeholder Management	6.3	9.0	5.6	7.1	4.2%	38.0%	6.4	6.9	7.4	1.5%	31.5%
Public Service ICT Risk Management	2.6	3.3	3.4	4.8	22.5%	19.2%	4.5	4.8	5.0	1.5%	21.6%
Public Service ICT Service Management	1.5	1.6	1.1	1.2	-6.1%	7.3%	1.3	1.4	1.4	6.0%	6.0%
Total	13.8	21.1	17.2	21.5	15.8%	100.0%	20.9	22.2	23.6	3.1%	100.0%
Change to 2015 Budget estimate				-			(3.0)	(2.9)	(3.0)		

Table 10.9 Government Chief Information Officer expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Current payments	13.8	21.0	16.5	21.3	15.6%	98.5%	20.7	22.0	23.4	3.2%	99.2%
Compensation of employees	8.2	11.4	13.0	15.8	24.6%	65.7%	14.8	15.9	16.9	2.2%	72.0%
Goods and services	5.6	9.6	3.5	5.5	-0.7%	32.9%	5.9	6.1	6.5	5.8%	27.2%
of which:											
Minor assets	0.0	0.0	0.0	0.0	4.3%	0.1%	0.3	0.5	0.2	130.1%	1.1%
Communication	0.1	0.2	0.2	0.3	26.0%	1.1%	0.3	0.3	0.4	9.3%	1.4%
Computer services	0.7	0.4	0.8	0.6	-0.6%	3.4%	1.5	1.2	1.6	36.3%	5.6%
Travel and subsistence	1.5	2.4	1.4	1.8	5.1%	9.7%	1.9	1.8	1.9	2.2%	8.3%
Training and development	0.3	0.3	0.4	0.2	-9.6%	1.7%	0.3	0.4	0.4	24.2%	1.5%
Venues and facilities	0.7	1.6	0.1	0.5	-9.6%	4.1%	0.6	0.6	0.6	3.2%	2.7%
Transfers and subsidies	0.0	0.1	0.0	0.1	88.8%	0.3%	-	-	-	-100.0%	0.1%
Households	0.0	0.1	0.0	0.1	88.8%	0.3%	-	-	-	-100.0%	0.1%
Payments for capital assets	0.1	0.0	0.5	0.1	19.5%	1.0%	0.2	0.2	0.2	23.8%	0.7%
Machinery and equipment	0.1	0.0	0.5	0.1	19.5%	1.0%	0.2	0.2	0.2	23.8%	0.7%
Payments for financial assets	-	0.0	0.1	-	-	0.2%	-	-	-	-	-
Total	13.8	21.1	17.2	21.5	15.8%	100.0%	20.9	22.2	23.6	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	2.0%	2.7%	2.2%	2.5%	-	-	2.7%	2.5%	2.5%	-	-

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 to at least 3 priority departments per year over the medium term in the mapping of business processes and the development of standard operating procedures
 - 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 to improve the quality of 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 the 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 which 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 to design service delivery charters with citizens and communities, and also promotes the professionalisation of public servants through change management programmes that institutionalise the 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 impact 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 10.10 Service Delivery 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million											
Management: Service Delivery Support	3.2	3.2	4.5	3.2	0.2%	1.7%	4.0	4.3	4.5	12.0%	1.9%
Service Delivery Planning and Operations Management	3.1	3.8	3.0	3.1	-0.2%	1.5%	3.3	3.5	3.8	7.2%	1.6%
Service Delivery Improvement Initiatives	17.9	14.5	17.3	16.6	-2.4%	7.9%	15.5	17.1	18.3	3.4%	7.8%
Community Development and Citizen Relations	4.5	5.5	5.1	7.9	21.0%	2.7%	7.4	7.9	8.5	2.4%	3.7%
Public Participation and Social Dialogue	9.2	20.3	8.2	10.2	3.6%	5.7%	9.7	9.4	10.0	-0.7%	4.6%
Batho Pele Support Initiatives	11.1	18.3	10.7	9.2	-6.0%	5.8%	10.9	10.7	11.5	7.6%	4.9%
Centre for Public Service Innovation	20.6	21.6	22.6	29.0	12.1%	11.1%	32.1	34.4	36.4	7.9%	15.3%
National School of Government	124.4	131.9	138.5	140.4	4.1%	63.5%	55.1	156.6	169.5	6.5%	60.4%
Total	193.9	219.0	209.8	219.6	4.2%	100.0%	138.1	244.1	262.5	6.1%	100.0%
Change to 2015 Budget estimate				(95.0)			(192.5)	(106.6)	(108.5)		
Economic classification											
Current payments	48.5	65.1	48.2	48.8	0.2%	25.0%	49.4	51.5	55.0	4.1%	23.7%
Compensation of employees	18.6	22.5	22.8	29.8	17.0%	11.1%	30.0	31.4	33.5	3.9%	14.4%
Goods and services	29.8	42.6	25.4	18.9	-14.1%	13.9%	19.3	20.1	21.6	4.4%	9.2%
of which:											
Advertising	1.4	6.8	2.0	1.6	5.5%	1.4%	1.8	1.9	1.5	-2.2%	0.8%
Computer services	9.2	7.2	0.3	2.6	-34.3%	2.3%	5.2	4.5	5.0	24.6%	2.0%
Contractors	0.3	2.7	1.7	0.3	3.8%	0.6%	1.3	1.4	1.6	69.6%	0.5%
Operating leases	3.7	3.3	1.6	2.0	-18.5%	1.3%	1.8	2.4	2.2	2.8%	1.0%
Travel and subsistence	6.5	9.1	7.1	5.0	-8.2%	3.3%	2.9	3.1	2.7	-18.6%	1.6%
Venues and facilities	2.2	3.1	1.3	1.0	-24.3%	0.9%	1.7	1.6	2.4	36.6%	0.8%
Transfers and subsidies	145.1	153.5	161.1	170.7	5.6%	74.8%	88.4	192.2	207.1	6.7%	76.2%
Departmental agencies and accounts	145.0	153.5	161.1	169.5	5.3%	74.7%	87.2	191.0	205.9	6.7%	75.6%
Foreign governments and international organisations	-	-	-	1.3	-	0.2%	1.2	1.2	1.2	-0.7%	0.6%
Households	0.1	0.0	0.1	0.0	-38.6%	-	-	-	-	-100.0%	-
Payments for capital assets	0.3	0.4	0.4	0.1	-27.3%	0.1%	0.3	0.3	0.3	37.7%	0.1%
Machinery and equipment	0.3	0.4	0.4	0.1	-27.3%	0.1%	0.3	0.3	0.3	37.7%	0.1%
Payments for financial assets	0.0	0.1	0.0	0.0	-34.1%	-	-	-	-	-100.0%	-
Total	193.9	219.0	209.8	219.6	4.2%	100.0%	138.1	244.1	262.5	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	28.6%	27.9%	26.6%	25.9%	-	-	17.9%	27.1%	27.7%	-	-

Table 10.10 Service Delivery Support expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	145.0	153.5	161.1	169.5	5.3%	74.7%	87.2	191.0	205.9	6.7%	75.6%
National School of Government	124.4	131.9	138.5	140.4	4.1%	63.5%	55.1	156.6	169.5	6.5%	60.4%
Centre for Public Service Innovation	20.6	21.6	22.6	29.0	12.1%	11.1%	32.1	34.4	36.4	7.9%	15.3%
Foreign governments and international organisations											
Current	-	-	-	1.3	-	0.2%	1.2	1.2	1.2	-0.7%	0.6%
Open Government Partnership	-	-	-	1.3	-	0.2%	1.2	1.2	1.2	-0.7%	0.6%

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) throughout the public service by:
 - coordinating quarterly reporting to the governance and administration cluster and the Cabinet monitor
 - evaluating compliance with legislation and determinations pertaining to public service administration through the establishment of an office of standards and compliance to 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 resource 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 10.11 Governance of Public Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million												
Management: Governance of Public Administration	3.3	4.1	3.7	3.7	3.3%	1.5%	3.8	4.1	4.5	6.6%	1.4%	
Ethics and Integrity Management	12.7	10.7	9.1	13.0	0.7%	4.5%	12.4	13.5	15.0	4.9%	4.6%	
Organisational Design and Macro Organisation of the Public Service	11.7	12.0	7.4	8.0	-12.2%	3.9%	7.5	8.1	8.7	2.9%	2.7%	
Office of Standards, Compliance and Monitoring	8.6	12.6	6.9	6.1	-11.2%	3.4%	6.2	6.5	6.9	4.3%	2.2%	
Intergovernmental Relations and Government Interventions	3.8	4.0	3.5	4.5	5.9%	1.6%	5.6	5.8	6.1	10.5%	1.9%	
Leadership Management	4.3	4.6	4.8	5.6	8.6%	1.9%	6.4	6.7	6.5	5.2%	2.1%	
Human Resource Management Information Systems	3.5	3.7	5.0	5.7	18.0%	1.8%	6.2	6.7	7.1	7.4%	2.2%	
Public Service Commission	162.1	201.1	225.5	226.5	11.8%	81.4%	234.2	248.4	265.7	5.5%	82.9%	
Total	210.1	252.8	266.0	272.9	9.1%	100.0%	282.3	299.8	320.3	5.5%	100.0%	
Change to 2015 Budget estimate				3.8			(1.8)	(6.6)	(3.8)			
Economic classification												
Current payments	47.7	51.1	39.9	46.0	-1.2%	18.4%	47.6	50.9	54.0	5.5%	16.9%	
Compensation of employees	33.9	35.6	31.4	34.6	0.7%	13.5%	35.2	37.8	40.3	5.2%	12.6%	
Goods and services	13.8	15.5	8.5	11.4	-6.3%	4.9%	12.4	13.0	13.8	6.6%	4.3%	
of which:												
Communication	0.5	0.7	0.4	0.7	12.7%	0.2%	0.6	0.6	0.6	-3.0%	0.2%	
Computer services	2.3	0.1	0.7	3.6	15.9%	0.7%	3.1	3.4	3.8	1.2%	1.2%	
Consultants: Business and advisory services	0.1	4.2	-	0.8	127.0%	0.5%	1.6	1.8	1.9	32.1%	0.5%	
Consumables: Stationery, printing and office supplies	0.3	0.5	0.2	0.4	13.8%	0.1%	0.7	0.7	0.8	19.2%	0.2%	
Travel and subsistence	7.1	7.0	4.1	3.5	-21.3%	2.2%	3.4	3.6	3.9	3.5%	1.2%	
Venues and facilities	1.6	0.8	1.3	0.9	-17.2%	0.5%	0.8	0.8	0.7	-7.4%	0.3%	
Transfers and subsidies	162.3	201.6	225.8	226.7	11.8%	81.5%	234.5	248.6	266.0	5.5%	83.0%	
Departmental agencies and accounts	162.1	201.1	225.5	226.5	11.8%	81.4%	234.2	248.4	265.7	5.5%	82.9%	
Foreign governments and international organisations	0.2	0.4	0.2	0.2	12.4%	0.1%	0.2	0.2	0.3	1.6%	0.1%	
Payments for capital assets	0.1	0.1	0.2	0.2	8.5%	0.1%	0.3	0.3	0.3	16.2%	0.1%	
Machinery and equipment	0.1	0.1	0.2	0.2	8.5%	0.1%	0.3	0.3	0.3	16.2%	0.1%	
Total	210.1	252.8	266.0	272.9	9.1%	100.0%	282.3	299.8	320.3	5.5%	100.0%	
Proportion of total programme expenditure to vote expenditure	31.0%	32.2%	33.8%	32.2%	-	-	36.6%	33.3%	33.8%	-	-	

Table 10.11 Governance of Public Administration expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	162.1	201.1	225.5	226.5	11.8%	81.4%	234.2	248.4	265.7	5.5%	82.9%	
Public Service Commission	162.1	201.1	225.5	226.5	11.8%	81.4%	234.2	248.4	265.7	5.5%	82.9%	

Other departments within the vote

Public Service Commission

Table 10.12 Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	105.8	105.8	–	–	113.9	121.0
Leadership and Management Practices	40.4	40.4	–	–	42.4	45.6
Monitoring and Evaluation	38.7	38.7	–	–	40.7	43.7
Integrity and Anti-Corruption	49.3	49.3	–	–	51.5	55.3
Total expenditure estimates	234.2	234.2	–	–	248.4	265.7

Executive authority: Minister of Public Service and Administration
 Accounting officer: Director General of 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 service delivery, where appropriate.

Department purpose

Promote constitutional values and the 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 section 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; promote measures throughout the public service, and in Parliament and provincial legislatures 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 10.13 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of grievances received, investigated and concluded per year	Leadership and Management Practices	Outcome 12: An efficient, effective and development oriented public service	52% (377)	63% (498)	90% (711)	68% (537)	70% (553)	75% (593)	80% (600)
Number of research reports on labour relations produced per year	Leadership and Management Practices		1	1	1	1	2	2	2
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 in strategic human resources and leadership produced per year	Leadership and Management Practices		1	1	4	4	5	5	5
Number of participative evaluation reports on key service delivery issues produced per year	Monitoring and Evaluation		17	7	6	7	7	9	9

Table 10.13 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of public administration reports successfully concluded per year:	Integrity and Anti-Corruption	Outcome 12: An efficient, effective and development oriented public service							
Investigations			10	50	107	30	35	35	35
Early resolution cases finalised			23	64	45	40	50	50	50
D Early resolution cases closed			182	151	160	30	35	35	30
Number of national anti-corruption hotline cases per year referred to the relevant departments within 21 days of receipt of case report	Integrity and Anti-Corruption		1 963	2 600	1 612	1 620	1 620	1 620	1 620
Percentage of financial disclosure forms received and scrutinised per year	Integrity and Anti-Corruption		100% (8 342)	73% (9 433)	100% (8 699)	100% (10 100)	100% (10 100)	100% (10 100)	100% (10 100)
Number of advisory workshops provided per year on professional and ethical conduct in the public service	Integrity and Anti-Corruption		- ¹	- ¹	17	15	15	15	15
Number of investigations finalised through early resolution per year	Integrity and Anti-Corruption		- ¹	- ¹	224	100	100	100	100

1. No historical data is available as these are new indicators introduced in 2014/15.

Objectives

- Enhance labour relations and practices in the public service through the timeous investigation of 80 per cent of all properly referred grievances and the provision of best practices annually.
- Identify and promote sound human resources and leadership practices in public administration through the achievement of 80 per cent of set annual targets over the medium term.
- Improve public administration practices by investigating and finalising an average of 60 per cent of complaints lodged by public servants per year.
- Promote ethical conduct among public servants by:
 - scrutinising 100 per cent of financial disclosure forms submitted to the Public Service Commission per year over the medium term
 - referring 90 per cent of national anti-corruption hotline cases to the relevant national departments annually
 - providing advice on professional and ethical conduct to employees in the public service through hosting 15 workshops per year over the medium term.

Programmes

- *Administration* provides overall management of the commission and centralised support services.
- *Leadership and Management Practices* promotes sound public service leadership, human resource management, labour relations and labour practices.
- *Monitoring and Evaluation* enables the department to establish a high standard of service delivery, monitoring and good governance in the public service.
- *Integrity and Anti-Corruption* undertakes public administration investigations, analyses and refers cases of alleged corruption to respective departments for investigation, and scrutinises the financial disclosure forms of senior managers to ensure integrity driven public service and administration.

Expenditure analysis

Chapters 13 and 14 of the national development plan emphasise the need for building a capable and developmental state and for an anti-corruption system that makes public servants accountable. Outcome 12 (an efficient, effective and development-oriented public service) of the 2014-2019 medium term strategic framework supports these goals. Over the medium term, the Public Service Commission will focus on strengthening human resource practices and management in the public service across government, monitoring the implementation of the financial disclosure framework, and strengthening the financial disclosure system to combat corruption.

Strengthening human resource practices and management in the public service across government

The public service sector is people driven, and the management of human resources, especially in the recruitment and selection processes, needs to be strengthened, along with performance management and

personnel development. There is also a need to create transparency and accountability in the public service. Over the medium term, the commission will focus on capacitating labour relations practitioners and all stakeholders in the grievance procedure, and establishing a reference source for investigative reports. The intention is to publish a regular grievance newsletter, which will contain examples of good investigative reports with applicable prescripts and case law. In addition, the newsletter will provide labour relations practitioners with news about grievances or other labour related matters within the public service, including court decisions. The commission will also evaluate the impact of recruitment and selection practices on the performance of the public service, and analyse management practices related to important events on the career trajectories of heads of departments and senior managers. The commission produces a wide range of reports on its work, and convenes advocacy sessions to discuss findings and recommendations. These activities are funded in the *Leadership and Human Resource Reviews* subprogramme in the *Leadership and Management Practices* programme. The key cost driver of this and other labour intensive work undertaken in this programme is compensation of employees, which accounts for 96.5 per cent or R162 million of the department's total medium term budget. 59 of the commission's total of 312 personnel are involved in the programme's work.

The 2014-2019 medium term strategic framework notes that many of the state's best performing institutions are characterised by stable leadership and policy. It notes that this stability is undermined when there is a high turnover of heads of departments. Numerous central government institutions, including the Presidency, the Department of Public Service and Administration, offices of provincial premiers and the Public Service Commission, have been tasked to work together on greater stability in administrative leadership and more effective management of the political administrative interface. For the commission's part, from 2015/16 the commission and the Presidency have been monitoring the shortlisting process for the appointment of the heads of departments. This work, along with the commission's ongoing work on managing the grievances of public service employees, is funded from the R75.4 million budget in the *Labour Relations Improvements* subprogramme.

Strengthening the financial disclosure system to combat corruption

As government's 2014-2019 medium term strategic framework notes, corruption delays service delivery and development, and undermines public confidence in the state. Limiting the scope for conflicts of interest is an important element of combating corruption, including taking steps to prevent public servants from doing business with the state. The financial disclosure framework aims to prevent conflicts of interest by requiring members of the senior management services to disclose their financial interests. The commission will strengthen the financial disclosure system by extending financial disclosure requirements beyond the senior management services level. The 2001 Public Service Regulations have been gazetted and distributed for public comment. The electronic system of financial disclosure (e-disclosure) will also be made compulsory for all public service employees on approval of the amended regulations by the Minister of Public Service Administration. This work is funded in the *Integrity and Anti-Corruption* programme, in the *Professional Ethics* subprogramme, which accounts for 53.5 per cent or R110.4 million of the programme's total budget over the medium term.

Expenditure trends

Table 10.14 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	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	81.1	83.6	85.2	92.1	97.0	102.8	102.3	108.4	107.1	100.2	98.7	98.8	104.8%	101.6%
Programme 2	25.6	25.1	24.8	32.7	32.1	29.4	38.7	35.4	35.7	38.6	39.6	40.9	96.5%	99.0%
Programme 3	24.4	24.2	22.2	32.4	31.1	29.2	37.0	35.9	37.3	37.0	37.7	36.4	95.6%	97.1%
Programme 4	27.3	29.3	29.9	44.0	40.9	39.5	48.0	46.2	45.7	46.3	50.5	49.8	99.6%	98.8%
Total	158.5	162.1	162.1	201.1	201.1	200.9	226.0	226.0	225.8	222.1	226.5	226.0	100.9%	99.9%
Change to 2015 Budget estimate											4.4			

Table 10.14 Departmental expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			Outcome/Annual budget: Average (%)	Outcome/Adjusted appropriation: Average (%)
	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	157.6	160.3	159.1	198.6	198.9	195.1	224.9	221.4	218.8	221.2	224.8	224.3	99.4%	99.0%
Compensation of employees	118.4	115.8	111.9	155.5	142.9	128.4	171.6	165.7	155.4	181.3	180.7	175.6	91.1%	94.4%
Goods and services	39.2	44.5	47.2	43.0	55.9	66.6	53.2	55.7	63.4	39.8	44.1	48.7	128.8%	112.8%
<i>of which:</i>														
<i>Audit costs: External</i>	1.9	2.7	3.0	0.9	2.4	3.4	3.8	3.8	3.9	0.7	2.1	2.1	168.2%	112.0%
<i>Computer services</i>	4.2	3.0	3.5	2.6	2.6	4.6	3.6	3.8	5.7	0.9	0.9	0.9	130.5%	143.8%
<i>Consultants: Business and advisory services</i>	3.9	7.0	4.6	5.9	7.2	12.4	4.5	5.9	7.2	0.5	3.6	4.3	194.4%	120.5%
<i>Operating leases</i>	11.2	10.8	8.2	7.7	9.1	9.6	13.2	13.2	11.1	23.6	18.6	18.6	85.3%	92.1%
<i>Property payments</i>	0.9	2.0	4.6	4.0	4.0	2.8	1.8	1.8	2.4	0.6	1.1	1.1	150.6%	122.5%
<i>Travel and subsistence</i>	6.5	7.0	10.7	8.7	10.6	11.0	8.2	9.7	15.2	3.3	6.8	7.0	163.5%	129.1%
Transfers and subsidies	0.0	0.6	1.4	1.4	0.8	1.0	1.2	0.2	1.2	0.0	0.7	0.7	161.9%	187.4%
Foreign governments and international organisations	0.0	0.0	0.0	0.1	0.1	0.1	0.1	-	0.1	0.0	0.0	0.0	95.5%	150.0%
Non-profit institutions	-	-	-	-	-	-	-	-	0.5	-	-	-	-	-
Households	-	0.6	1.4	1.4	0.7	1.0	1.1	0.2	0.6	-	0.7	0.7	146.3%	166.2%
Payments for capital assets	0.8	1.2	1.6	1.2	1.5	4.9	-	4.4	5.7	0.9	0.9	0.9	449.6%	163.3%
Machinery and equipment	0.8	1.2	1.5	1.2	1.5	3.2	-	3.2	4.4	0.9	0.9	0.9	344.5%	147.6%
Software and other intangible assets	-	-	0.1	-	-	1.7	-	1.2	1.3	-	-	-	-	250.8%
Payments for financial assets	-	-	-	-	-	0.0	-	-	0.2	-	-	-	-	-
Total	158.5	162.1	162.1	201.1	201.1	200.9	226.0	226.0	225.8	222.1	226.5	226.0	100.9%	99.9%

Expenditure estimates**Table 10.15 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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2016/17	2017/18	2018/19		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	98.8	5.7%	48.3%	105.8	113.9	121.0	7.0%	45.1%
Programme 2	40.9	17.7%	16.1%	40.4	42.4	45.6	3.7%	17.4%
Programme 3	36.4	14.6%	15.4%	38.7	40.7	43.7	6.3%	16.4%
Programme 4	49.8	19.4%	20.2%	49.3	51.5	55.3	3.6%	21.1%
Total	226.0	11.7%	100.0%	234.2	248.4	265.7	5.6%	100.0%
Change to 2015 Budget estimate				-	(5.0)	(2.4)		
Economic classification								
Current payments	224.3	11.8%	97.8%	234.2	248.3	265.6	5.8%	99.8%
Compensation of employees	175.6	14.9%	70.1%	190.8	195.3	209.6	6.1%	79.2%
Goods and services	48.7	3.0%	27.7%	43.4	53.0	56.0	4.8%	20.6%
<i>of which:</i>								
<i>Audit costs: External</i>	2.1	-8.4%	1.5%	3.2	3.4	3.6	20.5%	1.3%
<i>Computer services</i>	0.9	-33.1%	1.8%	4.4	4.7	4.9	76.5%	1.5%
<i>Consultants: Business and advisory services</i>	4.3	-15.0%	3.5%	5.2	5.5	5.8	10.5%	2.1%
<i>Operating leases</i>	18.6	19.9%	5.8%	23.5	25.0	26.4	12.3%	9.6%
<i>Property payments</i>	1.1	-17.9%	1.3%	3.8	4.0	4.3	56.3%	1.4%
<i>Travel and subsistence</i>	7.0	0.3%	5.4%	-	3.0	3.1	-23.8%	1.3%
Transfers and subsidies	0.7	4.7%	0.5%	-	-	-	-100.0%	0.1%
Households	0.7	6.7%	0.4%	-	-	-	-100.0%	0.1%
Payments for capital assets	0.9	-6.7%	1.6%	-	0.1	0.1	-50.9%	0.1%
Machinery and equipment	0.9	-6.7%	1.2%	-	0.1	0.1	-50.9%	0.1%
Total	226.0	11.7%	100.0%	234.2	248.4	265.7	5.6%	100.0%

Personnel information

Table 10.16 Departmental personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)				
		2014/15		Unit	2015/16		Unit	2016/17		2017/18		2018/19				2015/16 - 2018/19			
Public Service Commission		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	312	25	301	155.4	0.5	312	186.4	0.6	312	190.8	0.6	312	200.3	0.6	312	216.6	0.7	-	100.0%
1 – 6	67	-	66	11.5	0.2	67	14.6	0.2	67	15.1	0.2	67	15.9	0.2	67	17.6	0.3	-	21.5%
7 – 10	97	-	94	32.4	0.3	97	39.1	0.4	97	39.9	0.4	97	42.1	0.4	97	45.2	0.5	-	31.1%
11 – 12	85	1	83	52.6	0.6	85	61.7	0.7	85	62.7	0.7	85	65.4	0.8	85	71.3	0.8	-	27.2%
13 – 16	63	1	58	57.2	1.0	63	69.1	1.1	63	71.3	1.1	63	75.0	1.2	63	80.4	1.3	-	20.2%
Other	-	23	-	1.7	-	-	1.8	-	-	1.8	-	-	1.9	-	-	2.0	-	-	-
Programme	312	25	301	155.4	0.5	312	186.4	0.6	312	190.8	0.6	312	200.3	0.6	312	216.6	0.7	-	100.0%
Programme 1	123	18	115	57.2	0.5	123	65.0	0.5	123	67.5	0.5	123	70.8	0.6	123	76.3	0.6	-	39.4%
Programme 2	59	3	57	31.5	0.6	59	38.7	0.7	59	39.9	0.7	59	41.9	0.7	59	45.4	0.8	-	18.9%
Programme 3	59	2	58	29.0	0.5	59	37.1	0.6	59	37.8	0.6	59	39.7	0.7	59	43.1	0.7	-	18.9%
Programme 4	71	2	71	37.7	0.5	71	45.6	0.6	71	45.6	0.6	71	47.9	0.7	71	51.9	0.7	-	22.8%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(5.0)	-	-	(7.0)	-	-	-
Total	312	25	301	155.4	0.5	312	186.4	0.6	312	190.8	0.6	312	200.3	0.6	312	216.6	0.7	-	-

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

2. The department's compensation of employees budget has been reduced by R12 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

National School of Government

Table 10.17 Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	55.1	55.1	-	-	96.0	105.4
Public Sector Organisational and Staff Development	-	-	-	-	60.5	64.0
Total expenditure estimates	55.1	55.1	-	-	156.6	169.5

Executive authority: Minister of Public Service and Administration
 Accounting officer: Principal of the National School of Government
 Website address: www.thensg.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.

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, a separate public entity. 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).

Objectives

- Implement effective research, knowledge management and diagnostic strategies to inform learning and development needs and opportunities in the public service on an ongoing basis.
- Implement an effective monitoring and evaluation framework to monitor the quality of learning and development interventions, and evaluate the effectiveness of interventions on performance, based on set norms and standards, over the medium term.
- Respond to the needs of the public service, individual career pathing and lifelong learning by designing and quality assuring accredited and non-accredited curriculums by 2017/18.
- Manage an integrated and collaborative network of local and international learning and development institutions and practitioners to provide learning and development opportunities on an ongoing basis.
- Provide reliable and accurate learning and development information through the integration of core records management systems on an ongoing basis.

Programmes

- *Administration* facilitates the overall management of the school and provides support services for its organisational functions.
- *Public Sector Organisational and Staff Development* facilitates transfer payments to the training trading account for management development and training public sector employees.

Expenditure analysis

The focus of the National School of Government over the medium term will continue to be on transforming itself to replace the Public Administration Leadership and Management Academy. The school is gearing itself to meet the education, training and development needs of the public service as set out in the national development plan and the ministerial service delivery agreement, and contributing to outcome 12 (an efficient, effective and development-oriented public service) of the 2014-2019 medium term strategic framework.

The school is currently planning for and recruiting appropriate personnel and other resources. An appropriate funding model for the school will be developed by conducting research on how similar institutions are funded internationally. The school will make use of outsourced research services, which are expected to increase expenditure in agency and support/outsources services at an average annual rate of 14.7 per cent over the medium term, from R10.4 million in 2015/16 to R15.6 million in 2018/19. These activities are all funded in the *Administration* programme. The programme's budget is also used to provide management and support services, such as financial management, and human resource management services, to the school's training trading account, which delivers the school's core activities.

Expenditure trends

Table 10.18 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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	72.3	72.3	68.6	77.3	77.3	85.6	82.9	82.9	78.3	84.3	84.6	84.6	100.1%	100.0%
Programme 2	52.1	52.1	52.1	54.7	54.7	49.0	55.6	55.6	55.6	55.2	55.8	55.8	97.6%	97.4%
Total	124.4	124.4	120.7	131.9	131.9	134.6	138.5	138.5	133.9	139.5	140.4	140.4	99.1%	99.0%
Change to 2015 Budget estimate											0.9			

Table 10.18 Departmental expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Current payments	70.2	70.2	66.8	75.0	75.0	84.2	80.6	80.6	73.6	81.9	82.3	82.3	99.8%	99.6%
Compensation of employees	39.1	39.1	31.4	41.1	41.1	36.2	45.7	45.7	37.0	47.8	48.1	48.1	87.9%	87.8%
Goods and services	31.0	31.0	35.3	33.9	33.9	48.0	34.9	34.9	36.6	34.1	34.1	34.1	115.1%	115.1%
<i>of which:</i>														
<i>Audit costs: External</i>	1.6	1.6	4.1	3.4	3.4	3.6	3.3	3.3	3.8	3.3	3.3	3.3	126.0%	126.0%
<i>Communication</i>	1.5	1.5	0.9	0.5	0.5	1.1	1.4	1.4	0.9	1.4	1.4	1.4	89.3%	89.3%
<i>Computer services</i>	2.1	2.1	3.4	1.2	1.2	4.0	1.9	1.9	3.8	1.5	1.5	1.5	192.1%	192.1%
<i>Agency and support/outourced services</i>	5.6	5.6	11.2	8.4	8.4	11.4	10.7	10.7	9.8	10.4	10.4	10.4	121.9%	121.9%
<i>Operating leases</i>	2.4	2.4	4.0	5.0	5.0	5.6	4.9	4.9	6.0	4.6	4.6	4.6	119.1%	119.1%
<i>Travel and subsistence</i>	3.4	3.4	2.5	2.7	2.7	2.9	2.9	2.9	1.6	2.9	2.9	2.9	83.4%	83.4%
Transfers and subsidies	52.1	52.1	52.1	54.7	54.7	49.0	55.6	55.6	55.8	55.2	55.8	55.8	97.7%	97.5%
Departmental agencies and accounts	52.1	52.1	52.1	54.7	54.7	49.0	55.6	55.6	55.6	55.2	55.8	55.8	97.6%	97.4%
Households	-	-	-	-	-	0.0	-	-	0.2	-	-	-	-	-
Payments for capital assets	2.1	2.1	1.8	2.2	2.2	1.4	2.4	2.4	4.2	2.4	2.4	2.4	106.9%	106.9%
Machinery and equipment	2.1	2.1	1.8	2.2	2.2	1.4	2.4	2.4	4.1	2.4	2.4	2.4	105.9%	105.9%
Software and other intangible assets	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Payments for financial assets	-	-	0.0	-	-	-	-	-	0.3	-	-	-	-	-
Total	124.4	124.4	120.7	131.9	131.9	134.6	138.5	138.5	133.9	139.5	140.4	140.4	99.1%	99.0%

Expenditure estimates**Table 10.19 Departmental expenditure estimates by programme and economic classification**

Programmes									
1. Administration									
2. Public Sector Organisational and Staff Development									
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million									
Programme 1	84.6	5.4%	59.9%	55.1	96.0	105.4	7.6%	65.4%	
Programme 2	55.8	2.3%	40.1%	-	60.5	64.0	4.7%	34.6%	
Total	140.4	4.1%	100.0%	55.1	156.6	169.5	6.5%	100.0%	
Change to 2015				(91.3)	-	3.8			
Budget estimate									
Economic classification									
Current payments	82.3	5.5%	57.9%	55.1	93.6	102.8	7.7%	64.0%	
Compensation of employees	48.1	7.2%	28.8%	50.0	52.5	59.3	7.2%	40.3%	
Goods and services	34.1	3.2%	29.1%	5.1	41.1	43.5	8.4%	23.7%	
<i>of which:</i>									
<i>Audit costs: External</i>	3.3	26.3%	2.8%	-	3.5	3.7	3.6%	2.0%	
<i>Communication</i>	1.4	-0.4%	0.8%	1.9	2.0	1.6	3.1%	1.3%	
<i>Computer services</i>	1.5	-10.5%	2.4%	-	2.7	2.8	24.1%	1.3%	
<i>Agency and support/outourced services</i>	10.4	22.5%	8.1%	-	14.3	15.6	14.7%	7.7%	
<i>Operating leases</i>	4.6	23.1%	3.8%	-	6.4	6.8	14.4%	3.4%	
<i>Travel and subsistence</i>	2.9	-6.0%	1.9%	2.6	2.9	3.1	2.5%	2.2%	
Transfers and subsidies	55.8	2.3%	40.2%	-	60.5	64.0	4.7%	34.6%	
Departmental agencies and accounts	55.8	2.3%	40.1%	-	60.5	64.0	4.7%	34.6%	
Payments for capital assets	2.4	3.4%	1.8%	-	2.5	2.6	3.4%	1.4%	
Machinery and equipment	2.4	3.4%	1.8%	-	2.5	2.6	3.4%	1.4%	
Total	140.4	4.1%	100.0%	55.1	156.6	169.5	6.5%	100.0%	

Personnel information

Table 10.20 Departmental personnel numbers and cost by salary level and programme¹ and aggregate baseline total

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
National School of Government		90	37.0	0.4	90	48.1	0.5	90	50.0	0.6	90	52.5	0.6	90	59.3	0.7	-	100.0%	
Salary level		90	37.0	0.4	90	48.1	0.5	90	50.0	0.6	90	52.5	0.6	90	59.3	0.7	-	100.0%	
1 – 6	26	-	26	4.7	0.2	26	6.1	0.2	26	6.3	0.2	26	6.6	0.3	26	7.5	0.3	-	28.9%
7 – 10	30	-	30	10.9	0.4	30	14.2	0.5	30	14.8	0.5	30	15.5	0.5	30	17.5	0.6	-	33.3%
11 – 12	15	-	15	7.0	0.5	15	9.1	0.6	15	9.4	0.6	15	9.9	0.7	15	11.3	0.8	-	16.7%
13 – 16	19	-	19	14.4	0.8	19	18.7	1.0	19	19.5	1.0	19	20.4	1.1	19	23.0	1.2	-	21.1%
Programme	90	-	90	37.0	0.4	90	48.1	0.5	90	50.0	0.6	90	52.5	0.6	90	59.3	0.7	-	100.0%
Programme 1	90	-	90	37.0	0.4	90	48.1	0.5	90	50.0	0.6	90	52.5	0.6	90	59.3	0.7	-	100.0%
Total	90	-	90	37.0	0.4	90	48.1	0.5	90	50.0	0.6	-	52.5	-	-	59.3	-	-	-

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

2. Rand million.

Centre for Public Service Innovation

Table 10.21 Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	16.5	16.4	0.0	0.1	17.8	19.1
Public Sector Innovation	15.6	15.6	-	-	16.6	17.4
Total expenditure estimates	32.1	32.0	0.0	0.1	34.4	36.4

Executive authority: Minister of Public Service and Administration
 Accounting officer: Director General of Public Service and Administration
 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 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 10.22 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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	-1	3	3	4	2
Number of case studies developed for dissemination through the centre's knowledge platforms and products per year	Public Sector Innovation		10	5	2	5	5	5	5

Table 10.22 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of visits to the functional multimedia innovation centre by public sector officials and other partners per year	Public Sector Innovation		226	309	432	300	50	300	300
Number of innovative projects facilitated for replication per year	Public Sector Innovation	Outcome 12: An efficient, effective and development oriented public service	2	1	1	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		1 312	1 570	1 403	1 200	1 200	1 200	1 200

1. No historical data is available as this indicator was introduced in 2015/16.

Objectives

- 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.

Programmes

- *Administration* provides the strategic leadership, management and support services to the department.
- *Public Sector Innovation* drives service delivery innovation in the public sector in line with government priorities.

Expenditure analysis

The Centre for Public Service Innovation is tasked by the Minister for 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 national development plan'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 centre's primary focus will be on promoting innovation in the public service.

Through the annual public sector innovation awards, which is a competition for innovators, the centre seeks solutions for identified service delivery challenges. The awards are budgeted for at a projected R1.2 million per year over the medium term in the *Public Sector Innovation* programme. Service delivery solutions are also developed through partnerships with other government departments, non-government organisations, the private sector, academia and international entities. Over the medium term, the centre expects to test and pilot at least 2 new service delivery solutions per year and facilitate 2 training sessions per year for public sector officials on public sector innovation management. It will also host visits to the functional multimedia innovation centre for 300 public sector officials and other innovation partners per year. The functional multimedia innovation centre is open to all public entities and public servants to engage with innovative practices and explore personal and team creativity. These activities are funded in the *Public Sector Innovation* programme, which accounts for 50.4 per cent of the centre's total budget over the medium term. 43.3 per cent of the centre's staff is based in this programme.

The Centre for Public Service Innovation was established as a separate entity from the Department of Public Service and Administration from 1 April 2015. While the centre shared corporate services with the department, additional funding of R23 million was provided to the centre in the 2015 Budget to gradually capacitate its own corporate services unit. This is expected to increase the number of posts in the centre from 27 in 2015/16 to 31 by 2018/19, with compensation of employees spending increasing at an average annual rate of 9.5 per cent from R15 million in 2015/16 to R19.6 million in 2018/19, and goods and services spending at an average annual rate of 18.4 per cent.

Expenditure trends

Table 10.23 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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	6.7	6.7	6.7	7.6	7.6	7.6	11.6	11.6	10.3	14.0	14.0	10.1	86.9%	86.9%
Programme 2	13.9	13.9	13.9	13.9	13.9	13.9	13.7	13.7	12.2	15.0	15.0	15.0	97.5%	97.5%
Total	20.6	20.6	20.6	21.6	21.6	21.6	25.3	25.3	22.6	29.0	29.0	25.1	93.1%	93.1%
Change to 2015 Budget estimate												-		
Economic classification														
Current payments	20.5	20.5	20.5	20.8	20.8	20.8	24.5	24.5	22.1	28.9	28.9	25.0	93.4%	93.4%
Compensation of employees	9.2	9.2	9.2	10.8	10.8	10.8	12.8	12.8	11.6	15.0	15.0	15.0	97.5%	97.5%
Goods and services	11.3	11.3	11.3	10.1	10.1	10.1	11.7	11.7	10.5	14.0	14.0	10.1	89.2%	89.2%
<i>of which:</i>														
Computer services	0.2	0.2	0.2	0.2	0.2	0.2	1.0	1.0	0.7	1.0	1.0	1.0	86.8%	86.8%
Contractors	0.6	0.6	0.6	0.9	0.9	0.9	1.0	1.0	1.1	0.9	0.9	(1.3)	39.1%	39.1%
Operating leases	1.7	1.7	1.7	1.6	1.6	1.6	2.5	2.5	2.4	3.9	3.9	3.9	98.6%	98.6%
Travel and subsistence	4.0	4.0	4.0	2.9	2.9	2.9	2.7	2.7	2.3	2.9	2.9	2.8	95.7%	95.7%
Operating payments	0.6	0.6	0.6	0.5	0.5	0.5	0.8	0.8	0.3	0.8	0.8	0.8	81.1%	81.1%
Venues and facilities	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.3	1.1	1.1	1.5	115.6%	115.6%
Payments for capital assets	0.1	0.1	0.1	0.7	0.7	0.7	0.8	0.8	0.4	0.1	0.1	0.1	78.4%	78.4%
Machinery and equipment	0.1	0.1	0.1	0.7	0.7	0.7	0.8	0.8	0.4	0.1	0.1	0.1	78.4%	78.4%
Total	20.6	20.6	20.6	21.6	21.6	21.6	25.3	25.3	22.6	29.0	29.0	25.1	93.1%	93.1%

Expenditure estimates

Table 10.24 Departmental estimates by programme and economic classification

Programmes								
1. Administration								
2. Public Sector Innovation								
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	10.1	14.9%	38.7%	16.5	17.8	19.1	23.5%	49.6%
Programme 2	15.0	2.5%	61.3%	15.6	16.6	17.4	5.0%	50.4%
Total	25.1	6.8%	100.0%	32.1	34.4	36.4	13.2%	100.0%
Change to 2015 Budget estimate				-	-	-		
Economic classification								
Current payments	25.0	6.9%	98.5%	32.0	34.3	36.3	13.2%	99.7%
Compensation of employees	15.0	17.7%	51.8%	17.2	18.6	19.6	9.5%	55.0%
Goods and services	10.1	-3.8%	46.7%	14.8	15.8	16.7	18.4%	44.7%
<i>of which:</i>								
Computer services	1.0	80.7%	2.3%	1.2	1.3	1.4	12.2%	3.8%
Contractors	(1.3)	-230.6%	1.5%	0.8	0.8	0.8	-185.2%	0.8%
Operating leases	3.9	32.5%	10.6%	4.3	4.6	4.9	8.0%	13.8%
Travel and subsistence	2.8	-11.3%	13.3%	3.1	3.4	3.6	8.6%	10.1%
Operating payments	0.8	13.6%	2.4%	0.7	0.7	0.7	-4.7%	2.2%
Venues and facilities	1.5	15.0%	5.6%	1.4	1.4	1.5	0.0%	4.6%
Payments for capital assets	0.1	-11.9%	1.4%	0.1	0.1	0.1	1.9%	0.2%
Machinery and equipment	0.1	-11.9%	1.4%	0.1	0.1	0.1	1.9%	0.2%
Total	25.1	6.8%	100.0%	32.1	34.4	36.4	13.2%	100.0%

Personnel information

Table 10.25 Departmental personnel numbers and cost by salary level and programme¹ and aggregate baseline total

Programmes		Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)			
				2014/15			2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Centre for Public Service Innovation		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				
Salary level	27	4	22	11.6	0.5	27	15.0	0.6	31	17.2	0.6	31	18.6	0.6	31	19.6	0.6	4.7%	100.0%	
1 – 6	11	1	10	2.3	0.2	11	2.6	0.2	13	3.3	0.3	13	3.6	0.3	13	3.6	0.3	5.7%	41.7%	
7 – 10	3	3	1	0.4	0.4	3	0.9	0.3	3	1.4	0.5	3	1.4	0.5	3	1.6	0.5	–	10.0%	
11 – 12	6	–	5	2.6	0.5	6	3.6	0.6	9	5.2	0.6	9	5.8	0.6	9	6.2	0.7	14.5%	27.5%	
13 – 16	7	–	6	6.3	1.1	7	7.9	1.1	6	7.4	1.2	6	7.7	1.3	6	8.3	1.4	-5.0%	20.8%	
Programme	27	4	22	11.6	0.5	27	15.0	0.6	31	17.2	0.6	31	18.6	0.6	31	19.6	0.6	4.7%	100.0%	
Programme 1	14	4	11	5.3	0.5	14	6.3	0.4	18	8.1	0.5	18	8.8	0.5	18	9.2	0.5	8.7%	56.7%	
Programme 2	13	–	11	6.3	0.6	13	8.7	0.7	13	9.1	0.7	13	9.8	0.8	13	10.4	0.8	–	43.3%	
Total	27	4	22	11.6	0.5	27	15.0	0.6	31	17.2	0.6	–	18.6	–	–	19.6	–	–	–	

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

2. Rand million.

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 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 2016/17 is R153.4 million.

Vote 11

Public Works

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	516.6	484.7	9.6	22.3	544.3	582.7
Intergovernmental Coordination	31.4	28.1	0.3	3.0	33.9	35.7
Expanded Public Works Programme	2 319.5	290.9	2 026.1	2.5	2 475.9	2 627.9
Property and Construction Industry	3 565.1	38.4	3 526.6	0.1	4 064.2	4 307.2
Policy and Research						
Prestige Policy	96.1	75.7	9.8	10.6	102.9	108.3
Total expenditure estimates	6 528.8	917.9	5 572.3	38.5	7 221.2	7 661.8
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 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 national government's immovable assets. Following the operationalisation of the Property Management Trading Entity in 2015/16, the department's role will now be policy formulation, coordination, regulation and oversight relating to the provision of accommodation and expert built environment services to client departments at the national government level; as well as, 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 both 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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 economic growth	941 593	1 012 664	1 103 983	1 127 186	1 343 154	1 406 736	1 455 840
Number of work opportunities per year created in rural municipalities through the expanded public works programme aligned with the phase 3 business plan	Expanded Public Works Programme		707 973	763 567	780 033	700 000	730 000	750 000	800 000
Number of municipalities, reporting on expanded public works programme targets, provided with technical support per year ¹	Expanded Public Works Programme		247	271	274	278	250 ²	250	250

Table 11.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of intergovernmental relations forums convened for the oversight of the public works sector per year	Intergovernmental Coordination		12	12	12	12	12	12	12
Number of cooperation and protocol agreements for joint service delivery signed with provinces and municipalities per year	Intergovernmental Coordination		-3	-3	-3	2	10	15	20
Public Works Bill developed	Property and Construction Industry Policy and Research	Outcome 12: An efficient, effective and development oriented public service	-3	-3	First draft of a Public Works Bill	First draft of a Public Works Bill	Public Works Bill gazetted for public comments	Public works Bill submitted to Cabinet for approval	Public Works Bill submitted to Parliament
Norms and standards developed for the prestige accommodation portfolio	Prestige Policy		-3	-3	Norms and Standards for the provision of accommodation for the President, Deputy President and members of the Executive Council	1 Policy developed on the allocation and occupation of state owned houses. 1 Policy developed on the implementation of security measures	8 Prestige policies approved (new and reviewed)	8 Prestige policies approved (new and reviewed)	Prestige policies approved (new and reviewed)

1. This indicator is included based on a joint decision by National Treasury and the Department of Public Works as the department leads and directs the implementation of the expanded public works programme. Providing technical support to municipalities is one of the department's key roles.

2. The number of municipalities was reduced in line with the redetermination of municipalities by the Municipal Demarcation Board.

3. No historical data is available as these are new indicators.

Expenditure analysis

Following the operationalisation of the Property Management Trading Entity in 2015/16, the mandated role of the Department of Public Works is policy formulation, coordination, regulation and oversight. The Property Management Trading Entity's role is planning, acquiring, managing and disposing of immovable assets in the department's custody. The department is also mandated to coordinate and provide strategic leadership in job creation initiatives through the implementation of the expanded public works programme.

The sharp decline from 5 379 personnel in 2014/15 to 881 at the end of October 2015, as well as the sharp decline in compensation of employees expenditure from R1.6 billion in 2014/15 to R465 million in 2015/16, are because the property and infrastructure functions moved to the Property Management Trading Entity.

Over the medium term, the Department of Public Works will continue to focus on creating jobs, combating fraud and corruption, and strengthening oversight of the public works sector. These priorities support several outcomes of government's 2014-2019 medium term strategic framework: outcome 4 (decent employment through inclusive economic growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network), and outcome 12 (an efficient and development orientated public service). The department will also be enhancing its capacity to respond to its newly defined mandate.

Creating jobs

As articulated in government's 2014-2019 medium term strategic framework and the national development plan, slow economic growth and the associated unemployment are expected to characterise South Africa's economic performance over the medium term. Against this background, the Department of Public Works will contribute to providing labour intensive work opportunities and income support to low skilled or unskilled unemployed people by coordinating the expanded public works programme. The department enables participating government and non-government bodies to identify and bring into the programme labour intensive projects with a significant capacity to absorb low skilled work seekers. Since 2012/13, the expanded public works programme has created 4 185 426 work opportunities, and targets creating an additional 4 205 730 work opportunities by the end of 2018/19. As the coordinator of the programme, the Department of Public Works will monitor the quality of the programme's delivery of infrastructure and services to the poor (including training), and it will encourage greater participation in the programme and community ownership of it.

Spending on transfers and subsidies for the expanded public works programme is set to increase from R1.7 billion in 2015/16 to R2.3 billion in 2018/19, at an average annual rate of 11 per cent. For coordinating the programme, the department projects spending R1 billion over the medium term, specifically on compensation of employees and goods and services; including R622 million for personnel providing support at the provincial

level for administering the programme grants. Under agency and support, the department has budgeted R310 million for additional specialised skills to provide much needed technical support to 250 municipalities.

Combating fraud and corruption

The department's governance, risk and compliance branch drives the department's 2012 7-year turnaround strategy, which aims to improve the way that the department does business, and combat fraud and corruption. Over the medium term, the branch will implement its own anti-fraud and anti-corruption strategy, aligned to the 2002 public service anti-corruption strategy, including putting in place minimum anti-corruption capacity requirements. The branch's work is funded in the *Administration* programme, which has an allocation of R1.6 billion over the medium term: R797.2 million for compensation of employees, R74.2 million for audit costs and R80.5 million for legal services.

Strengthening oversight of the public works sector

To ensure that all spheres of government are working to achieve common service delivery objectives, the department has expanded its intergovernmental relations function. R101 million over the medium term is budgeted in the *Intergovernmental Coordination* programme for overseeing national policy and service delivery implementation, which is also integral to ensuring that concurrent functions are coordinated and aligned.

Over the medium term, the department aims to host 36 intergovernmental relations forums for overseeing the public works sector. The department also aims to improve its intergovernmental relations by signing 20 cooperation and protocol agreements with provinces and municipalities for joint service delivery.

The department will evaluate its 1997 and 1999 white papers and undertake broad consultation in the public works sector to inform the Public Works Bill, which the department plans to introduce in Parliament in 2018/19. The department is working to develop the legislation and policy that will provide for a common national framework for consultation, programme alignment and coordinated implementation between the national and provincial levels. The Public Works Act that will develop out of the bill will allow the department to further improve its oversight of provincial departments' delivery capabilities. Addressing the department's own concurrent functions across the national and provincial spheres is a large part of its current policy review work. These activities are budgeted for in the *Construction Policy Development* subprogramme of the *Property and Construction Industry Policy and Research* programme. Over the medium term, spending is expected to be R82.9 million, mainly on compensation of employees.

Enhancing the department's capacity

The department is currently reviewing its human resource requirements to enable it to respond to its newly defined mandate. A change management strategy has been developed, which details a comprehensive human resource plan for addressing the current and future capacity requirements of the department, including a clear recruitment and training plan. The department's mandated role is oversight of service delivery, specifically infrastructural development, across all spheres of government, as well as providing support for the provincial departments of public works. Enhancing the department's human resource capacity includes the continuous training of personnel and awarding bursaries. Spending is expected to increase from R275 million in 2016/17 to R298 million in 2018/19, budgeted for in the *Corporate Services* subprogramme of the *Administration* programme.

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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	894.0	1 047.8	462.4	1 148.2	1 158.2	626.7	1 175.3	1 190.6	615.9	476.0	477.3	471.3	58.9%	56.2%
Programme 2	-	-	18.5	-	-	18.9	-	-	26.7	47.2	45.7	45.7	232.6%	240.2%
Programme 3	1 659.0	1 728.8	1 704.1	1 948.0	1 948.0	1 931.7	1 951.3	1 951.3	1 925.6	1 992.2	1 953.4	1 953.4	99.5%	99.1%
Programme 4	5 357.5	5 031.3	4 940.0	3 021.6	3 016.8	3 323.7	2 954.5	2 939.3	3 268.3	3 803.0	3 743.0	3 693.0	100.6%	103.4%
Programme 5	83.3	83.3	79.0	52.3	52.3	121.7	40.1	40.1	185.5	92.7	92.8	88.8	177.0%	176.9%
Total	7 993.8	7 891.2	7 203.9	6 170.0	6 175.3	6 022.7	6 121.3	6 121.3	6 022.0	6 411.1	6 312.2	6 252.2	95.5%	96.2%
Change to 2015 Budget estimate											(98.9)			
Economic classification														
Current payments	2 325.8	2 582.3	2 351.6	2 849.4	2 853.0	2 787.3	2 962.0	3 027.8	3 020.1	882.8	883.8	873.8	100.1%	96.6%
Compensation of employees	1 260.2	1 330.0	1 374.6	1 468.2	1 473.5	1 471.5	1 659.9	1 667.8	1 591.8	475.0	475.0	465.0	100.8%	99.1%
Goods and services	1 055.9	1 242.6	977.0	1 371.5	1 379.6	1 315.8	1 302.1	1 360.0	1 428.3	407.8	408.8	408.8	99.8%	94.1%
of which:														
Computer services	46.5	46.5	43.0	47.3	47.3	24.8	53.8	53.8	35.9	29.2	29.2	29.2	75.1%	75.1%
Legal services	-	-	-	-	-	-	-	-	22.5	9.2	9.2	9.2	344.9%	344.9%
Contractors	19.2	19.2	47.2	31.7	31.7	100.7	72.4	72.4	118.6	35.1	35.1	35.1	190.4%	190.4%
Agency and support/outsourced services	140.3	312.7	137.3	391.9	391.9	199.2	284.5	279.9	254.7	78.4	78.4	78.4	74.8%	63.0%
Property payments	243.1	243.1	257.6	278.9	278.9	254.3	273.9	336.8	419.3	11.1	11.1	11.1	116.8%	108.3%
Travel and subsistence	73.0	76.2	86.4	89.8	89.8	95.0	87.0	87.0	85.9	48.9	48.9	48.9	105.9%	104.7%
Interest and rent on land	9.8	9.8	0.0	9.6	-	-	-	-	0.0	-	-	-	0.2%	0.3%
Transfers and subsidies	4 085.8	4 201.0	4 092.4	2 542.3	2 543.9	2 596.6	2 563.4	2 563.9	2 577.8	5 500.2	5 400.4	5 350.4	99.5%	99.4%
Provinces and municipalities	3 028.1	3 091.0	2 970.0	1 224.2	1 225.8	1 221.4	1 201.5	1 201.5	1 200.3	1 178.9	1 140.0	1 140.0	98.5%	98.1%
Departmental agencies and accounts	751.5	753.0	751.6	803.7	803.7	802.4	802.8	802.5	802.5	3 703.1	3 641.8	3 591.8	98.1%	99.1%
Foreign governments and international organisations	19.4	18.9	15.4	20.5	20.5	17.6	21.7	22.5	22.5	23.3	23.3	23.3	92.8%	92.4%
Public corporations and private enterprises	-	50.8	50.8	50.0	50.0	100.0	50.0	50.0	50.0	50.0	50.0	50.0	167.2%	124.9%
Non-profit institutions	282.7	282.7	292.6	438.3	438.3	448.7	477.5	477.5	488.5	534.8	535.1	535.1	101.8%	101.8%
Households	4.0	4.6	11.9	5.6	5.6	6.5	9.9	9.9	14.0	10.2	10.2	10.2	143.4%	140.7%
Payments for capital assets	1 582.2	1 108.0	756.8	778.4	778.4	631.1	595.9	529.6	420.7	28.1	28.1	28.1	61.5%	75.1%
Buildings and other fixed structures	1 484.7	999.3	713.0	676.2	676.2	567.4	510.4	416.1	315.9	-	-	-	59.8%	76.3%
Machinery and equipment	91.8	83.0	43.3	91.2	90.9	47.5	79.2	107.2	103.6	28.1	28.1	28.1	76.6%	71.9%
Software and other intangible assets	5.7	25.7	0.5	11.0	11.2	16.2	6.3	6.3	1.2	-	-	-	77.9%	41.4%
Payments for financial assets	-	-	3.2	-	-	7.8	-	-	3.4	-	-	-	-	-
Total	7 993.8	7 891.2	7 203.9	6 170.0	6 175.3	6 022.7	6 121.3	6 121.3	6 022.0	6 411.1	6 312.2	6 252.2	95.5%	96.2%

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19			
Programme 1	471.3	-23.4%	8.5%	516.6	544.3	582.7	7.3%	7.6%		
Programme 2	45.7	-	0.4%	31.4	33.9	35.7	-7.9%	0.5%		
Programme 3	1 953.4	4.2%	29.5%	2 319.5	2 475.9	2 627.9	10.4%	33.9%		
Programme 4	3 693.0	-9.8%	59.7%	3 565.1	4 064.2	4 307.2	5.3%	56.5%		
Programme 5	88.8	2.2%	1.9%	96.1	102.9	108.3	6.8%	1.4%		
Total	6 252.2	-7.5%	100.0%	6 528.8	7 221.2	7 661.8	7.0%	100.0%		
Change to 2015 Budget estimate				(406.4)	(146.5)	(133.2)				
Economic classification										
Current payments	873.8	-30.3%	35.4%	917.9	974.9	1 046.1	6.2%	13.8%		
Compensation of employees	465.0	-29.6%	19.2%	470.8	488.4	520.6	3.8%	7.0%		
Goods and services	408.8	-31.0%	16.2%	447.1	486.5	525.6	8.7%	6.8%		
of which:										
Computer services	29.2	-14.4%	0.5%	39.6	42.1	42.5	13.4%	0.6%		
Legal services	9.2	-	0.1%	25.5	26.8	28.2	45.3%	0.3%		
Contractors	35.1	22.2%	1.2%	34.2	44.8	47.3	10.4%	0.6%		
Agency and support/outourced services	78.4	-37.0%	2.6%	117.0	127.0	146.7	23.3%	1.7%		
Property payments	11.1	-64.3%	3.7%	36.0	39.4	46.5	61.2%	0.5%		
Travel and subsistence	48.9	-13.7%	1.2%	49.2	50.5	49.4	0.4%	0.7%		
Transfers and subsidies	5 350.4	8.4%	57.3%	5 572.3	6 200.0	6 566.5	7.1%	85.6%		
Provinces and municipalities	1 140.0	-28.3%	25.6%	1 425.7	1 525.8	1 614.3	12.3%	20.6%		
Departmental agencies and accounts	3 591.8	68.3%	23.3%	3 511.0	4 006.8	4 246.2	5.7%	55.5%		
Foreign governments and international organisations	23.3	7.1%	0.3%	24.8	26.0	27.5	5.8%	0.4%		
Public corporations and private enterprises	50.0	-0.5%	1.0%	-	-	-	-100.0%	0.2%		
Non-profit institutions	535.1	23.7%	6.9%	600.4	630.4	666.8	7.6%	8.8%		
Households	10.2	30.4%	0.2%	10.5	11.0	11.6	4.6%	0.2%		
Payments for capital assets	28.1	-70.6%	7.2%	38.5	46.3	49.1	20.5%	0.6%		
Machinery and equipment	28.1	-30.3%	0.9%	38.5	46.3	49.1	20.5%	0.6%		
Total	6 252.2	-7.5%	100.0%	6 528.8	7 221.2	7 661.8	7.0%	100.0%		

Personnel information

Table 11.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																				
1. Administration																				
2. Intergovernmental Coordination																				
3. Expanded Public Works Programme																				
4. Property and Construction Industry Policy and Research																				
5. Prestige Policy																				
Public Works	Salary level	Number of funded posts	Number of posts additional to the establishment	Number and cost ³ of personnel posts filled / planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)			
				2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19		
Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
	998	-	-	5 379	1 591.8	0.3	881	465.0	0.5	859	470.8	0.5	874	518.1	0.6	902	569.9	0.6	0.8%	100.0%
1 - 6	246	-	-	2 879	418.6	0.1	198	39.8	0.2	201	43.1	0.2	202	46.5	0.2	211	51.9	0.2	2.1%	23.1%
7 - 10	370	-	-	1 850	656.7	0.4	327	128.5	0.4	339	140.3	0.4	346	154.1	0.4	359	170.7	0.5	3.2%	39.0%
11 - 12	245	-	-	495	355.9	0.7	232	167.7	0.7	206	159.5	0.8	209	174.6	0.8	215	193.9	0.9	-2.5%	24.5%
13 - 16	137	-	-	155	160.6	1.0	124	128.9	1.0	113	127.9	1.1	117	142.9	1.2	117	153.4	1.3	-1.9%	13.4%

Expenditure trends and estimates

Table 11.6 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 (%)		Expenditure/ Total: Average (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19		
R million													
Ministry	22.3	19.5	23.4	34.4	15.6%	4.6%	31.2	34.1	36.7	2.1%	6.4%		
Management	74.4	88.8	103.8	109.0	13.6%	17.2%	89.5	95.5	105.9	-0.9%	18.9%		
Corporate Services	263.8	248.4	281.6	247.4	-2.1%	47.7%	274.9	283.6	297.8	6.4%	52.0%		
Finance and Supply Chain Management	101.9	270.0	207.1	86.5	-5.3%	30.5%	71.7	76.7	82.5	-1.6%	15.0%		
Office Accommodation	-	-	-	-	-	-	49.4	54.3	59.8	-	7.7%		
Total	462.4	626.7	615.9	477.3	1.1%	100.0%	516.6	544.3	582.7	6.9%	100.0%		
Change to 2015 Budget estimate				1.4			14.5	24.5	32.7				
Economic classification													
Current payments	439.2	596.0	546.0	456.8	1.3%	93.4%	484.7	506.6	542.6	5.9%	93.9%		
Compensation of employees	203.7	217.7	204.3	263.1	8.9%	40.7%	251.4	262.1	283.7	2.5%	50.0%		
Goods and services	235.4	378.3	341.7	193.7	-6.3%	52.7%	233.3	244.5	258.9	10.2%	43.9%		
of which:													
Audit costs: External	19.1	20.1	58.9	22.3	5.3%	5.5%	23.5	24.7	26.1	5.4%	4.6%		
Computer services	42.3	23.9	35.3	28.6	-12.3%	6.0%	39.1	41.6	42.0	13.7%	7.1%		
Legal services	13.8	18.3	22.5	9.2	-12.8%	2.9%	25.5	26.8	28.2	45.3%	4.2%		
Operating leases	3.1	30.7	2.9	8.3	39.0%	2.1%	20.5	22.5	24.6	43.6%	3.6%		
Property payments	3.3	2.4	3.1	11.1	50.2%	0.9%	35.6	39.0	46.1	60.7%	6.2%		
Travel and subsistence	25.3	16.6	18.1	19.5	-8.3%	3.6%	27.4	27.2	26.1	10.1%	4.7%		
Transfers and subsidies	6.0	0.9	5.2	9.4	16.0%	1.0%	9.6	10.1	10.7	4.6%	1.9%		
Households	6.0	0.9	5.2	9.4	16.0%	1.0%	9.6	10.1	10.7	4.6%	1.9%		
Payments for capital assets	17.2	22.0	64.7	11.2	-13.3%	5.3%	22.3	27.5	29.3	37.7%	4.3%		
Machinery and equipment	17.1	6.0	63.5	11.2	-13.0%	4.5%	22.3	27.5	29.3	37.7%	4.3%		
Software and other intangible assets	0.2	16.1	1.2	-	-100.0%	0.8%	-	-	-	-	-		
Payments for financial assets	-	7.8	0.1	-	-	0.4%	-	-	-	-	-		
Total	462.4	626.7	615.9	477.3	1.1%	100.0%	516.6	544.3	582.7	6.9%	100.0%		
Proportion of total programme expenditure to vote expenditure	6.4%	10.4%	10.2%	7.6%	-	-	7.9%	7.5%	7.6%	-	-		
Details of selected transfers and subsidies													
Households													
Other transfers to households													
Current	-	-	4.6	5.0	-	0.4%	5.0	5.0	5.0	-	0.9%		
Bursaries for non-employees	-	-	4.6	5.0	-	0.4%	5.0	5.0	5.0	-	0.9%		
Social benefits													
Current	6.0	0.9	0.6	4.4	-10.1%	0.5%	4.6	5.1	5.7	9.5%	0.9%		
Employee social benefits	6.0	0.9	0.6	4.4	-10.1%	0.5%	4.6	5.1	5.7	9.5%	0.9%		

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 integrated reporting on the identified priorities of public works over the medium term by:
 - signing 20 cooperation and protocol agreements for joint service delivery with provinces and municipalities
 - coordinating 12 intergovernmental forums per year between provinces and the department.
- Ensure a sector wide approach to the planning and implementation of services through the coordination of 12 intergovernmental forums per year over the medium term.

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 11.7 Intergovernmental 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
Monitoring, Evaluation and Reporting	11.3	11.3	17.9	31.4	40.5%	65.5%	16.8	18.0	18.5	-16.2%	57.7%
Intergovernmental Relations and Coordination	7.2	7.6	8.8	14.3	26.0%	34.5%	14.6	15.9	17.2	6.3%	42.3%
Total	18.5	18.9	26.7	45.7	35.2%	100.0%	31.4	33.9	35.7	-7.9%	100.0%
Change to 2015 Budget estimate				(1.5)			(18.7)	(18.9)	(20.2)		
Economic classification											
Current payments	18.5	18.8	26.3	43.9	33.5%	97.8%	28.1	30.6	32.2	-9.8%	91.9%
Compensation of employees	15.2	14.8	21.7	31.5	27.4%	75.8%	22.1	24.2	25.6	-6.7%	70.5%
Goods and services	3.2	4.0	4.6	12.4	56.9%	22.0%	6.1	6.4	6.6	-19.0%	21.4%
of which:											
Communication	0.2	0.2	0.2	0.5	26.9%	1.0%	0.5	0.5	0.5	5.9%	1.4%
Consultants: Business and advisory services	-	0.1	0.6	0.6	-	1.2%	0.4	0.5	0.5	-3.3%	1.3%
Agency and support/outsourced services	-	-	-	1.9	-	1.7%	1.1	1.1	1.1	-16.4%	3.5%
Travel and subsistence	0.9	1.1	1.4	3.0	48.0%	5.8%	1.2	1.5	1.5	-21.7%	4.9%
Operating payments	0.7	1.2	0.8	0.7	2.0%	3.1%	0.8	0.8	0.8	2.8%	2.1%
Venues and facilities	0.4	0.7	0.2	0.6	11.9%	1.7%	0.5	0.4	0.4	-8.1%	1.3%
Transfers and subsidies	-	-	0.0	0.3	-	0.3%	0.3	0.3	0.3	2.0%	0.8%
Households	-	-	0.0	0.3	-	0.3%	0.3	0.3	0.3	2.0%	0.8%
Payments for capital assets	0.0	0.1	0.4	1.5	221.8%	1.9%	3.0	3.0	3.2	28.4%	7.3%
Machinery and equipment	0.0	0.1	0.4	1.5	221.8%	1.9%	3.0	3.0	3.2	28.4%	7.3%
Total	18.5	18.9	26.7	45.7	35.2%	100.0%	31.4	33.9	35.7	-7.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.4%	0.7%	-	-	0.5%	0.5%	0.5%	-	-

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 the expanded public works programme through the expanded public works programme reporting system to ensure the creation of 4 205 730 work opportunities by public bodies over the medium term.
- Improve the number of work opportunities created by providing technical support to 250 public bodies implementing the expanded public works programme 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 11.8 Expanded Public Works Programme expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Expanded Public Works Programme: Monitoring and Evaluation	21.5	63.8	66.6	53.7	35.8%	2.7%	55.4	57.7	60.6	4.1%	2.4%
Expanded Public Works Programme: Infrastructure	1 028.0	1 039.4	1 035.0	988.3	-1.3%	54.4%	1 143.1	1 220.7	1 291.0	9.3%	49.5%
Expanded Public Works Programme: Operations	529.2	727.7	781.1	795.7	14.6%	37.7%	996.0	1 069.8	1 143.5	12.8%	42.7%
Expanded Public Works Programme: Partnership Support	125.4	100.8	42.9	108.5	-4.7%	5.0%	117.7	120.2	125.0	4.8%	5.0%
Expanded Public Works Programme: Public Employment Coordinating Commission	–	–	–	7.0	–	0.1%	7.3	7.5	7.8	3.6%	0.3%
Total	1 704.1	1 931.7	1 925.6	1 953.4	4.7%	100.0%	2 319.5	2 475.9	2 627.9	10.4%	100.0%
Change to 2015 Budget estimate				(38.9)			(5.3)	5.8	14.6		
Economic classification											
Current payments	244.4	270.3	245.8	276.0	4.1%	13.8%	290.9	317.0	343.8	7.6%	13.1%
Compensation of employees	100.9	108.3	112.4	144.1	12.6%	6.2%	154.7	158.1	165.1	4.6%	6.6%
Goods and services	143.5	161.9	133.4	132.0	-2.7%	7.6%	136.2	158.9	178.8	10.6%	6.5%
of which:											
Advertising	4.2	7.1	4.5	4.0	-2.2%	0.3%	4.8	5.0	5.3	10.4%	0.2%
Consultants: Business and advisory services	28.2	75.7	7.8	60.3	28.8%	2.3%	12.1	12.7	13.5	-39.3%	1.1%
Infrastructure and planning services	7.6	9.4	16.0	8.9	5.3%	0.6%	9.4	9.9	10.5	5.6%	0.4%
Agency and support/outsourced services	64.3	33.0	77.0	31.2	-21.4%	2.7%	83.8	104.1	122.0	57.6%	3.6%
Consumables: Stationery, printing and office supplies	3.3	1.3	1.6	1.2	-29.1%	0.1%	1.9	2.0	2.2	22.6%	0.1%
Travel and subsistence	21.9	24.9	13.6	18.8	-4.9%	1.1%	17.0	17.6	17.3	-2.8%	0.8%
Transfers and subsidies	1 454.6	1 659.9	1 677.9	1 675.0	4.8%	86.1%	2 026.1	2 156.3	2 281.3	10.8%	86.8%
Provinces and municipalities	1 171.8	1 221.4	1 200.3	1 140.0	-0.9%	63.0%	1 425.7	1 525.8	1 614.3	12.3%	60.9%
Non-profit institutions	282.7	438.3	477.5	534.8	23.7%	23.1%	600.3	630.3	666.8	7.6%	25.9%
Households	0.1	0.2	0.2	0.2	22.3%	–	0.2	0.2	0.2	5.4%	–
Payments for capital assets	1.9	1.5	1.8	2.4	7.3%	0.1%	2.5	2.6	2.8	5.4%	0.1%
Machinery and equipment	1.9	1.5	1.8	2.4	7.3%	0.1%	2.5	2.6	2.8	5.4%	0.1%
Payments for financial assets	3.2	–	0.1	–	-100.0%	–	–	–	–	–	–
Total	1 704.1	1 931.7	1 925.6	1 953.4	4.7%	100.0%	2 319.5	2 475.9	2 627.9	10.4%	100.0%
Proportion of total programme expenditure to vote expenditure	23.7%	32.1%	32.0%	30.9%	–	–	35.5%	34.3%	34.3%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	661.5	611.3	594.6	587.7	-3.9%	32.7%	664.0	716.4	758.0	8.9%	29.1%
Expanded public works programme integrated grant for municipalities	661.5	611.3	594.6	587.7	-3.9%	32.7%	664.0	716.4	758.0	8.9%	29.1%
Households											
Social benefits											
Current	0.1	0.2	0.2	0.2	22.3%	–	0.2	0.2	0.2	5.4%	–
Employee social benefits	0.1	0.2	0.2	0.2	22.3%	–	0.2	0.2	0.2	5.4%	–

Table 11.8 Expanded Public Works Programme expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
		2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million												
Non-profit institutions												
Current												
	282.7	438.3	477.5	534.8	23.7%	23.1%	600.3	630.3	666.8	7.6%	25.9%	
Various institutions: Non-state sector programme	282.7	416.4	452.6	509.4	21.7%	22.1%	573.5	602.2	637.1	7.7%	24.8%	
Various institutions: Non-state sector programme	–	21.9	24.9	25.4	–	1.0%	26.8	28.1	29.7	5.4%	1.2%	
Provinces and municipalities												
Provinces												
Provincial Revenue Funds												
Current												
	510.2	610.2	605.7	552.3	2.7%	30.3%	761.7	809.4	856.3	15.7%	31.8%	
Expanded public works programme integrated grant for provinces	292.8	354.2	347.7	326.2	3.7%	17.6%	402.0	423.8	448.4	11.2%	17.1%	
Social sector expanded public works programme incentive grant for provinces	217.4	256.0	258.0	226.1	1.3%	12.7%	359.7	385.6	407.9	21.7%	14.7%	

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

- Ensure growth, diversity and skills development in the construction sector by developing legislative prescripts, such as the Public Works Act, by March 2016.

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, the setting of best practice standards for compiling and maintaining immovable asset registers, and the 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 11.9 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Construction Policy Development Programme	18.0	19.1	18.7	25.6	12.5%	0.5%	26.2	27.5	29.2	4.5%	0.7%
Property Policy Development Programme	8.9	13.7	12.6	11.4	8.4%	0.3%	12.7	14.0	14.9	9.4%	0.3%
Construction Industry Development Board	67.6	72.4	77.2	65.6	-1.0%	1.9%	52.1	75.0	75.2	4.6%	1.7%
Council for the Built Environment	28.1	38.0	41.6	42.0	14.3%	1.0%	43.4	48.6	51.4	7.0%	1.2%
Independent Development Trust	50.8	100.0	50.0	50.0	-0.5%	1.6%	-	-	-	-100.0%	0.3%
Construction Education and Training Authority	1.3	1.5	1.6	0.5	-27.8%	-	0.5	0.5	0.5	4.8%	-
Property Management Trading Entity	4 749.9	3 061.6	3 044.0	3 524.7	-9.5%	94.1%	3 405.4	3 872.6	4 108.5	5.2%	95.1%
Assistance to Organisations for the Preservation of National Memorials	15.4	17.6	22.5	23.3	14.7%	0.5%	24.8	26.0	27.5	5.8%	0.6%
Total	4 940.0	3 323.7	3 268.3	3 743.0	-8.8%	100.0%	3 565.1	4 064.2	4 307.2	4.8%	100.0%
Change to 2015				(60.0)			(395.6)	(156.0)	(157.8)		
Budget estimate											
Economic classification											
Current payments	1 580.5	1 798.4	2 049.0	36.3	-71.6%	35.8%	38.4	41.0	43.7	6.4%	1.0%
Compensation of employees	1 031.6	1 109.9	1 230.2	14.2	-76.0%	22.2%	16.3	17.4	18.6	9.3%	0.4%
Goods and services	548.9	688.5	818.9	22.1	-65.8%	13.6%	22.1	23.6	25.1	4.4%	0.6%
<i>of which:</i>											
Advertising	2.7	2.5	5.3	0.5	-45.0%	0.1%	0.4	0.4	0.4	-4.3%	-
Consultants: Business and advisory services	14.5	47.0	15.7	3.3	-38.9%	0.5%	4.6	5.0	5.5	18.4%	0.1%
Infrastructure and planning services	3.4	8.8	6.9	0.2	-63.3%	0.1%	3.6	4.3	4.6	200.6%	0.1%
Agency and support/outourced services	-	-	34.3	12.6	-	0.3%	12.4	12.8	13.5	2.5%	0.3%
Travel and subsistence	37.5	51.3	49.3	2.2	-61.4%	0.9%	0.4	0.5	0.5	-39.6%	-
Venues and facilities	0.3	2.2	0.4	1.3	57.9%	-	0.5	0.3	0.3	-41.0%	-
Interest and rent on land	-	-	0.0	-	-	-	-	-	-	-	-
Transfers and subsidies	2 624.0	927.6	885.9	3 706.6	12.2%	53.3%	3 526.6	4 023.1	4 263.3	4.8%	99.0%
Provinces and municipalities	1 798.2	0.0	0.0	-	-100.0%	11.8%	-	-	-	-	-
Departmental agencies and accounts	743.9	794.2	793.8	3 632.7	69.7%	39.0%	3 501.4	3 996.7	4 235.6	5.3%	98.0%
Foreign governments and international organisations	15.4	17.6	22.5	23.3	14.7%	0.5%	24.8	26.0	27.5	5.8%	0.6%
Public corporations and private enterprises	50.8	100.0	50.0	50.0	-0.5%	1.6%	-	-	-	-100.0%	0.3%
Non-profit institutions	9.9	10.4	11.0	0.3	-67.8%	0.2%	0.2	0.1	-	-100.0%	-
Households	5.8	5.4	8.6	0.2	-67.5%	0.1%	0.2	0.2	0.2	3.5%	-
Payments for capital assets	735.5	597.8	330.1	0.1	-94.7%	10.9%	0.1	0.1	0.1	5.4%	-
Buildings and other fixed structures	713.0	567.4	315.9	-	-100.0%	10.5%	-	-	-	-	-
Machinery and equipment	22.2	30.3	14.2	0.1	-82.8%	0.4%	0.1	0.1	0.1	5.4%	-
Software and other intangible assets	0.3	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	-	-	3.2	-	-	-	-	-	-	-	-
Total	4 940.0	3 323.7	3 268.3	3 743.0	-8.8%	100.0%	3 565.1	4 064.2	4 307.2	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	68.6%	55.2%	54.3%	59.3%	-	-	54.6%	56.3%	56.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	743.9	794.2	793.8	3 632.7	69.7%	39.0%	3 501.4	3 996.7	4 235.6	5.3%	98.0%
Construction Industry Development Board	67.6	72.4	77.2	65.6	-1.0%	1.9%	52.1	75.0	75.2	4.6%	1.7%
Council for the Built Environment	28.1	38.0	41.6	42.0	14.3%	1.0%	43.4	48.6	51.4	7.0%	1.2%
Construction Education and Training Authority	1.3	1.5	1.6	0.5	-27.8%	-	0.5	0.5	0.5	4.8%	-
Property Management Trading Entity	646.8	682.4	673.4	3 524.7	76.0%	36.2%	3 405.4	3 872.6	4 108.5	5.2%	95.1%
Households											
Social benefits											
Current	5.8	5.4	8.6	0.2	-67.4%	0.1%	0.2	0.2	0.2	3.5%	-
Employee social benefits	5.8	5.4	8.6	0.2	-67.4%	0.1%	0.2	0.2	0.2	3.5%	-
Non-profit institutions											
Current	9.9	10.4	11.0	0.3	-67.8%	0.2%	0.2	0.1	-	-100.0%	-
Agreement Board	9.9	10.4	11.0	-	-100.0%	0.2%	-	-	-	-	-
South African Council for the Landscape Architectural Profession	-	-	-	0.3	-	-	0.2	0.1	-	-100.0%	-

Table 11.9 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19		
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current	50.8	100.0	50.0	50.0	-0.5%	1.6%	-	-	-	-100.0%	0.3%	
Independent Development Trust	50.8	100.0	50.0	50.0	-0.5%	1.6%	-	-	-	-100.0%	0.3%	
Provinces and municipalities												
Provinces												
Provincial Revenue Funds												
Current	1 798.2	-	-	-	-100.0%	11.8%	-	-	-	-	-	
Devolution of property rates funds grant	1 798.2	-	-	-	-100.0%	11.8%	-	-	-	-	-	
Foreign governments and international organisations												
Current	15.4	17.6	22.5	23.3	14.7%	0.5%	24.8	26.0	27.5	5.8%	0.6%	
Commonwealth War Graves Commission	15.4	17.6	22.5	23.3	14.7%	0.5%	24.8	26.0	27.5	5.8%	0.6%	

Programme 5: Prestige Policy

Programme purpose

Provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities for state functions.

Objectives

- Develop and review policies, such as the policy on the allocation of housing to members of the executive council, guidelines on security measures for members of the executive council, and the policy for the utilisation of movable structures, for prestige clients in line with the ministerial handbook so as to ensure the effective and efficient management of the prestige portfolio over the medium term.
- Ensure the effective and efficient management of the prestige portfolio by setting monitoring and review policies, as well as norms and standards for the provision of prestige accommodation, over the medium term.
- Meet the protocol responsibilities of the state by providing logistical services for 45 state functions 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 11.10 Prestige Policy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
Prestige Accommodation and State Functions	71.2	113.5	176.8	83.7	5.5%	93.0%	86.5	92.8	97.7	5.3%	90.2%
Parliamentary Villages Management Board	7.8	8.2	8.7	9.1	5.4%	7.0%	9.6	10.1	10.6	5.4%	9.8%
Total	79.0	121.7	185.5	92.8	5.5%	100.0%	96.1	102.9	108.3	5.3%	100.0%
Change to 2015 Budget estimate				0.2			(1.4)	(1.9)	(2.5)		

Table 11.10 Prestige Policy expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Current payments	69.1	103.8	153.0	70.7	0.8%	82.8%	75.7	79.6	83.7	5.8%	77.4%
Compensation of employees	23.1	20.8	23.2	22.1	-1.5%	18.6%	26.3	26.6	27.6	7.7%	25.6%
Goods and services	46.0	83.0	129.8	48.7	1.9%	64.2%	49.5	53.1	56.2	4.9%	51.8%
of which:											
Minor Assets	0.6	1.2	9.9	3.5	85.0%	3.2%	11.1	13.5	14.4	60.1%	10.6%
Contractors	42.9	79.3	111.9	28.5	-12.8%	54.8%	30.0	31.5	33.3	5.4%	30.8%
Consumable supplies	-	0.0	1.6	-	-	0.3%	1.7	0.5	0.6	-	0.7%
Travel and subsistence	0.7	1.1	3.5	5.3	96.0%	2.2%	3.2	3.9	4.1	-8.3%	4.1%
Operating payments	0.8	0.5	0.7	0.7	-5.6%	0.5%	0.7	0.7	0.8	5.9%	0.7%
Venues and facilities	-	-	0.5	0.1	-	0.1%	0.6	0.6	0.6	85.1%	0.5%
Transfers and subsidies	7.8	8.3	8.7	9.2	5.9%	7.1%	9.8	10.3	10.8	5.4%	10.0%
Departmental agencies and accounts	7.8	8.2	8.7	9.1	5.4%	7.0%	9.6	10.1	10.6	5.4%	9.8%
Households	0.0	0.1	0.0	0.2	146.6%	0.1%	0.2	0.2	0.2	10.1%	0.2%
Payments for capital assets	2.1	9.6	23.8	12.9	82.9%	10.1%	10.6	13.0	13.8	2.3%	12.5%
Machinery and equipment	2.1	9.6	23.8	12.9	82.9%	10.1%	10.6	13.0	13.8	2.3%	12.5%
Total	79.0	121.7	185.5	92.8	5.5%	100.0%	96.1	102.9	108.3	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.1%	2.0%	3.1%	1.5%	-	-	1.5%	1.4%	1.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7.8	8.2	8.7	9.1	5.4%	7.0%	9.6	10.1	10.6	5.4%	9.8%
Parliamentary Villages Management Board	7.8	8.2	8.7	9.1	5.4%	7.0%	9.6	10.1	10.6	5.4%	9.8%
Households											
Social benefits											
Current	0.0	0.1	0.0	0.2	146.6%	0.1%	0.2	0.2	0.2	10.1%	0.2%
Employee social benefits	0.0	0.1	0.0	0.2	146.6%	0.1%	0.2	0.2	0.2	10.1%	0.2%

Entities

Property Management Trading Entity

Mandate

The Property Management Trading Entity was established following the decision in 2006 that accommodation related costs be devolved from the Department of Public Works to client departments. The Property Management Trading 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 11.11 Property Management Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current 2015/16	Projections		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Number of sites established for development per year	Real estate investment services	Outcome 12: An efficient, effective and development oriented public service	1	1	1	1	3	3	3
Percentage of valuations completed within scheduled timeframes per year	Real estate investment services		-1	-1	-1	-1	70%	80%	85%
Percentage of requests received and approved for immovable asset disposal for socioeconomic purposes per year	Real estate investment services		-1	-1	-1	80%	50%	60%	80%

Table 11.11 Property Management Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of property performance reports completed against scheduled areas per year	Real estate investment services	Outcome 12: An efficient, effective and development oriented public service	- ¹	- ¹	- ¹	300	402	600	800
Percentage of infrastructure projects completed within the approved budget per year	Construction management services	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- ¹	- ¹	- ¹	75% (103)	90% (44)	90% (113)	90% (117)
Percentage of infrastructure projects completed within agreed construction period per year	Construction management services		- ¹	- ¹	- ¹	64% (103)	90% (44)	90% (113)	90% (117)
Number of approved infrastructure designs ready for tender per year	Construction management services		- ¹	7	20	36	113	117	53
Number of work opportunities created per year	Construction management services		- ¹	5 309	1 482	15 000	16 500	18 150	19 965
Percentage of accommodation procured that adheres to prescribed criteria per year	Real estate management services	Outcome 12: An efficient, effective and development oriented public service	- ¹	- ¹	40%	50%	55%	60%	70%
Percentage of approved immovable assets let out for economic and social development per year	Real estate management services		- ¹	- ¹	- ¹	- ¹	80%	80%	100%
Percentage of correct property payments made per year	Real estate management services		- ¹	- ¹	- ¹	- ¹	100%	100%	100%
Percentage of contracts renewed or terminated within the prescribed timeframes per year	Real estate management services		- ¹	- ¹	27% (86)	75% (1 068)	80% ²	90% ²	95% ²
Percentage of immovable assets verified in compliance with generally recognised accounting practice per year	Real estate registry services	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	- ¹	- ¹	- ¹	- ¹	20%	20%	20%
Number of provincial immovable asset registers analysed for completeness/compliance per year	Real estate registry services		- ¹	- ¹	- ¹	- ¹	10	10	10
Number of sites with integrated waste management facilities per year	Facilities management services	Outcome 10: Protect and enhance our environmental assets and natural resources	- ¹	- ¹	- ¹	91	110	120	150
Percentage of maintenance contracts in place for priority buildings per year	Facilities management services		- ¹	- ¹	- ¹	- ¹	50%	60%	80%
Percentage of breakage/repair reported incidents resolved within prescribed timeframes per year	Facilities management services		- ¹	56% (26 800)	60% (29 845)	65% (34 995)	75% ³	85% ³	90% ³

1. Due to the entity having undergone organisational restructuring, it has aligned its performance with its 2015/16 annual performance plan as well as its strategic plan, which became effective on 1 April 2015. The entire asset management function was moved from the Department of Public Works to the entity, hence the new indicators that will clearly reflect the entity's functions.

2. Absolute values cannot be provided as the entity cannot pre-empt the number of contracts that will be brought forward in a given year.

3. Absolute values cannot be provided as the entity cannot pre-empt the number of breakages/repairs that will be reported in a given year.

Expenditure analysis

The Property Management Trading Entity will over the medium term continue to focus on the implementation of key priorities in the areas of infrastructure development; the integrated rural economy; the fight against corruption; and an efficient, effective and development oriented public service. The entity will be better equipped to do this once it has completed its organisational restructuring, which is expected to be completed by April 2016, and will positively influence its role in contributing towards outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium term strategic framework. The entity's focus areas are also aligned with the national development plan, which aims to develop the skills and infrastructure the economy will require by 2030.

As part of the turnaround strategy of the Department of Public Works, the entity is responsible for implementing the department's accommodation and infrastructure mandate, which includes planning, acquiring, managing and disposing of immovable assets under the custody of the department. As the entity is now solely responsible for implementing these imperatives, it is anticipated that it is well placed to achieve value for money for government's infrastructure programme, as well as to deliver on expected outputs with greater effectiveness and efficiency. To implement the strategy effectively, R47.2 million over the medium term is allocated to goods and services, particularly consultants and outsourced services.

The entity will continue to focus on enhancing its technical and professional capacity to support greater efficiency in national infrastructure investment; reducing costs in managing the state's assets; and promoting self-sustainability through implementing accommodation charges and management fees for municipal services and infrastructure projects. In line with its turnaround strategy, the entity is developing plans through which specialist contractors will be appointed to work with internal staff on identified projects to enhance performance. These specialists are expected to transfer critical financial management and built environment skills to the entity's personnel. The turnaround strategy also includes activities such as appointing a panel of service providers to provide forensic investigation services and conduct high profile and complex investigations as they arise over the medium term.

The entity will also integrate the planning of infrastructure and urban efficiencies by aligning and consolidating government services to reduce the costs associated with accessing public services, particularly for those who live in remote areas. This will ensure that property development is designed to support economic growth and investment within a framework that benefits the poor and underprivileged. Government's urban and rural renewal programme will further guide the location, development and rehabilitation of government buildings to ensure easy access to government services and improved working conditions for state departments. In addition, the department will release well located land and properties to the Department of Human Settlements for development purposes. R37.6 million over the MTEF period is allocated to the entity to oversee this programme. R165.1 million over the medium term is allocated specifically for infrastructure development at Salvokop, Pretoria, which will entail the appointment of consultants and the provision of civil and electrical bulk services.

The entity expects to deliver 393 client capital infrastructure projects and 436 repair and refurbishment projects over the MTEF period. Key capital infrastructure projects include refurbishment or rehabilitation work at: the Bryntirion heritage site in Pretoria; the Sanae IV research base in Antarctica; the naval base on Salisbury Island in the Durban harbour; the South African Air Force's College in Pretoria; the Eben Donges building in Port Elizabeth; the upgrading of the labour centres Ndabeni and Epping in Cape Town; the Old Magistrate's Court in Pretoria; the Masimanyane Police Complex in George; and the Graaff-Reinet Police College.

The real estate management services programme procures accommodation, manages and administers contractual accommodation obligations, and generates revenue through the rental of state owned property. Major goods and services items linked to this programme include operating leases and expenditure on municipal services. The programme accounts for 57.1 per cent of the entity's total spending. Repairs and maintenance are the main cost drivers of spending on goods and services over the medium term, accounting for 27 per cent (R6.5 billion) of total goods and services expenditure, and operating leases, which account for 58 per cent. Expenditure on goods and services is expected to increase from R7.5 billion in 2015/16 to R8.5 billion in 2018/19, at an average annual rate of 4.5 per cent. 73.9 per cent of total expenditure over the medium term is expected to be on goods and services.

The Department of Public Service and Administration's approval of the entity's new organisational structure will enable 238 vacant posts to be filled over the MTEF period. This will assist the organisation in becoming a fully functioning trading entity, and facilitate the transfer of skills from specialist contractors to the entity's personnel, who will be given the necessary capabilities to carry out key functions. Accordingly, with the filling of some of the vacancies, compensation of employees is expected to increase from R1.3 billion in 2015/16 to R1.7 billion in 2018/19 at an average annual rate of 9.1 per cent. This growth is in line with the inflation adjustment agreed upon between government and labour unions.

The entity generates revenue mainly through management fees earned through administrative services provided to client departments, as well as through transfers from the Department of Public Works. Revenue over the medium term is expected to increase from R14.1 billion in 2015/16 to R17.1 billion in 2018/19, at an average annual rate of 6.6 per cent, with accommodation and lease charges accounting for most of the revenue collected. Administrative services provided include the payment of municipal charges on behalf of client departments, and the collection of rental income from both government and privately owned buildings rented by government departments and other state institutions.

Programmes/objectives/activities

Table 11.12 Property Management Trading Entity expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	4.4	1 016.7	1 702.6	847.3	479.4%	9.7%	901.1	859.7	811.7	-1.4%	7.8%
Real Estate Investment Services	-	-	-	105.9	-	0.3%	115.0	127.2	132.5	7.8%	1.1%
Construction Management Services	2 405.4	-	-	477.4	-41.7%	7.3%	529.8	572.8	514.7	2.5%	4.8%
Real Estate Management Services	4 128.3	4 431.4	5 047.9	5 568.0	10.5%	51.2%	5 986.7	6 488.2	7 022.8	8.0%	57.1%
Real Estate Registry Services	-	56.3	82.5	207.7	-	0.9%	332.9	331.3	273.9	9.6%	2.6%
Facilities Management Services	3 287.2	2 780.4	2 709.9	2 677.0	-6.6%	30.6%	2 856.6	3 062.3	3 023.9	4.1%	26.5%
Total	9 825.2	8 284.9	9 542.9	9 883.3	0.2%	100.0%	10 722.0	11 441.5	11 779.5	6.0%	100.0%

Statements of historical financial performance and position

Table 11.13 Property Management 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	Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	4 389.8	9 131.7	6 582.3	8 984.1	11 209.7	9 724.4	11 129.0	10 576.5	115.3%
Sale of goods and services other than capital assets	4 384.8	9 079.7	6 563.6	8 199.3	11 187.4	7 666.6	11 079.2	10 529.4	106.8%
<i>of which:</i>									
Sales by market establishment	3 295.4	5 661.7	3 548.8	3 568.3	7 180.8	4 047.9	7 139.0	6 644.1	94.1%
Other sales	1 089.4	3 418.0	3 014.8	4 631.0	4 006.6	3 618.7	3 940.2	3 885.3	129.1%
Other non-tax revenue	5.0	52.0	18.7	784.8	22.3	2 057.8	49.8	47.0	3 068.3%
Transfers received	646.8	646.8	682.4	682.4	673.4	673.4	706.6	3 524.7	204.0%
Total revenue	5 036.7	9 778.5	7 264.8	9 666.5	11 883.1	10 397.7	11 835.7	14 101.1	122.0%
Expenses									
Current expenses	4 219.8	9 330.9	6 476.2	6 791.6	6 375.2	7 393.7	10 712.4	8 902.1	116.7%
Compensation of employees	-	17.9	-	-	-	-	1 288.8	1 288.8	101.4%
Goods and services	4 200.7	9 298.9	6 456.3	6 733.8	6 358.6	7 310.6	7 786.7	7 474.5	124.3%
Depreciation	-	-	-	56.3	-	82.5	1 620.0	120.0	16.0%
Interest, dividends and rent on land	19.1	14.1	19.9	1.5	16.6	0.6	16.9	18.8	48.2%
Transfers and subsidies	-	494.3	788.6	1 493.3	975.0	2 149.2	1 056.2	981.2	181.5%
Total expenses	4 936.7	9 825.2	7 264.8	8 284.9	7 350.2	9 542.9	11 768.6	9 883.3	119.8%
Surplus/(Deficit)	100.0	(47.0)	-	1 382.0	4 533.0	855.0	67.0	4 218.0	-
Statement of financial position									
Carrying value of assets	-	-	-	74 956.5	6 050.0	78 424.1	87 658.2	87 674.2	257.2%
Acquisition of assets	-	-	(4 218.5)	(2 600.8)	(4 532.9)	(3 447.2)	(4 932.9)	(4 507.7)	77.1%
Investments	-	820.6	-	928.2	1 096.2	973.0	864.0	1 214.0	200.8%
Receivables and prepayments	1 200.0	2 791.8	-	1 806.5	1 978.6	2 344.1	1 500.0	2 700.0	206.1%
Cash and cash equivalents	350.1	0.8	-	0.4	1.0	6.2	984.6	7.0	1.1%
Total assets	1 550.1	3 613.2	-	77 691.6	9 125.8	81 747.4	91 006.8	91 595.2	250.4%
Accumulated surplus/(deficit)	(204.7)	(1 920.6)	-	72 660.3	5 788.2	73 597.5	87 427.8	83 256.2	244.7%
Borrowings	1 254.8	1 402.3	-	433.1	1 000.0	667.6	-	650.0	139.8%
Finance lease	-	822.4	-	-	936.2	3.9	864.0	4.0	46.1%
Trade and other payables	500.0	1 285.5	-	3 370.4	1 000.0	6 110.1	400.0	6 000.0	882.4%
Provisions	-	1 743.4	-	37.6	23.6	23.8	2 000.0	150.0	96.6%
Derivatives financial instruments	-	280.3	-	1 190.1	377.8	1 344.5	315.0	1 535.0	627.9%
Total equity and liabilities	1 550.1	3 613.2	-	77 691.6	9 125.8	81 747.4	91 006.8	91 595.2	250.4%

Statements of estimates of financial performance and position

Table 11.14 Property Management Trading Entity statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
					2015/16	2012/13 - 2015/16	2016/17		
R million									
Revenue									
Non-tax revenue		10 576.5	5.0%	88.7%	11 341.6	12 118.3	12 983.8	7.1%	75.3%
Sale of goods and services other than capital assets		10 529.4	5.1%	81.5%	11 297.5	12 072.2	12 935.4	7.1%	75.0%
of which:									
Sales by market establishment		6 644.1	5.5%	45.2%	7 147.2	7 663.9	8 219.0	7.3%	47.5%
Other sales		3 885.3	4.4%	36.3%	4 150.3	4 408.2	4 716.5	6.7%	27.5%
Other non-tax revenue		47.0	-3.3%	7.2%	44.0	46.1	48.4	1.0%	0.3%
Transfers received		3 524.7	76.0%	11.3%	3 731.4	3 948.6	4 184.5	5.9%	24.7%
Total revenue		14 101.1	13.0%	100.0%	15 073.0	16 066.9	17 168.3	6.8%	100.0%
Expenses									
Current expenses		8 902.1	-1.6%	86.1%	9 560.3	10 163.5	10 373.8	5.2%	135.7%
Compensation of employees		1 288.8	316.3%	3.3%	1 392.9	1 499.4	1 586.4	7.2%	13.2%
Goods and services		7 474.5	-7.0%	82.0%	7 907.1	8 402.3	8 523.9	4.5%	73.8%
Depreciation		120.0	-	0.7%	240.0	240.0	240.0	26.0%	1.9%
Interest, dividends and rent on land		18.8	10.0%	0.1%	20.2	21.8	23.5	7.8%	0.2%
Transfers and subsidies		981.2	25.7%	13.9%	1 161.8	1 278.0	1 405.8	12.7%	11.0%
Total expenses		9 883.3	0.2%	100.0%	10 722.0	11 441.5	11 779.5	6.0%	100.0%
Surplus/(Deficit)		4 218.0	(5)	-	4 351.0	4 625.0	5 389.0	8.5%	-
Statement of financial position									
Carrying value of assets		87 674.2	-	72.0%	95 016.0	95 016.0	95 016.0	2.7%	96.0%
of which:									
Acquisition of assets		(4 507.7)	-	-3.1%	(4 750.2)	(5 034.0)	(5 807.1)	8.8%	-5.2%
Investments		1 214.0	13.9%	6.6%	1 214.5	1 215.0	1 215.0	0.0%	1.3%
Receivables and prepayments		2 700.0	-1.1%	21.4%	2 700.0	2 700.0	2 700.0	-	2.8%
Cash and cash equivalents		7.0	103.6%	0.0%	7.0	7.0	7.0	-	0.0%
Total assets		91 595.2	193.8%	100.0%	98 937.5	98 938.0	98 938.0	2.6%	100.0%
Accumulated surplus/(deficit)		83 256.2	-451.3%	55.3%	90 598.5	90 599.0	90 599.0	2.9%	91.4%
Borrowings		650.0	-22.6%	10.2%	650.0	650.0	650.0	-	0.7%
Finance lease		4.0	-83.1%	5.7%	4.0	4.0	4.0	-	0.0%
Trade and other payables		6 000.0	67.1%	13.5%	6 000.0	6 000.0	6 000.0	-	6.2%
Provisions		150.0	-55.9%	12.1%	150.0	150.0	150.0	-	0.2%
Derivatives financial instruments		1 535.0	76.3%	3.2%	1 535.0	1 535.0	1 535.0	-	1.6%
Total equity and liabilities		91 595.2	193.8%	100.0%	98 937.5	98 938.0	98 938.0	2.9%	100.0%

Personnel information

Table 11.15 Property Management Trading Entity personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
Number of funded posts	Number of posts on approved establishment	2014/15		2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Property Management Trading Entity	4 027	4 027	4 066	-	-	3 971	1 288.8	0.3	4 265	1 469.8	0.3	4 265	1 580.9	0.4	4 265	1 672.7	0.4	9.1%	100.0%
Salary level	4 027	4 027	4 066	-	-	3 971	1 288.8	0.3	4 265	1 469.8	0.3	4 265	1 580.9	0.4	4 265	1 672.7	0.4	9.1%	100.0%
1 - 6	1 767	1 767	1 814	-	-	1 742	304.5	0.2	1 796	329.0	0.2	1 796	350.4	0.2	1 796	367.4	0.2	6.5%	42.5%
7 - 10	1 792	1 792	1 794	-	-	1 767	620.9	0.4	1 995	740.2	0.4	1 995	795.3	0.4	1 995	841.3	0.4	10.7%	46.2%
11 - 12	400	400	390	-	-	394	293.9	0.7	406	324.7	0.8	406	352.8	0.9	406	376.1	0.9	8.6%	9.6%
13 - 16	69	69	68	-	-	68	69.5	1.0	69	75.8	1.1	69	82.4	1.2	69	87.9	1.3	8.1%	1.6%

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.

- 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 2016/17 is R126 million.
- The **Council for the Built Environment** oversees and regulates the 6 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 2016/17 is R45 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 2016/17 is R534.2 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	
				2012/13	2013/14	2014/15		2016/17	2017/18
R million									
Departmental infrastructure									
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)									
Inner city regeneration: Agriwaal building (Pretoria)	Rehabilitation	Construction	615.7	69.4	-	-	-	-	-
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	228.1	250.0	139.8	-	-	-
Dolomite: Various centres	Management of dolomite risk areas (30 projects)	Various	1 038.3	32.4	24.7	85.0	-	-	-
Accessibility: Various centres	Upgrading of disabled facilities (157 projects)	Various	113.1	5.0	7.1	10.2	-	-	-
Border control operational coordination committee: Various centres	Redevelopment of border post centres (81 projects)	Various	2 136.3	233.9	191.7	137.2	-	-	-
Prestige: Various centres	Upgrading and construction of prestige accommodation sites (56 projects)	Various	1 663.1	118.8	57.6	46.5	-	-	-
Inner city regeneration: Various centres	Development of national government precincts (7 projects)	Various	457.3	25.4	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
Total			8 996.5	713.0	567.4	422.4	-	702.4	748.2
									804.6

Vote 12

Statistics South Africa

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	709.2	506.7	11.1	191.3	709.5	731.1
Economic Statistics	224.7	223.5	0.0	1.2	229.2	237.3
Population and Social Statistics	127.0	125.2	0.2	1.6	128.3	132.3
Methodology, Standards and Research	69.6	68.8	0.4	0.4	67.0	67.5
Statistical Support and Informatics	255.4	239.1	–	16.3	258.4	267.2
Statistical Collection and Outreach	569.9	555.9	0.2	13.9	584.3	607.2
Survey Operations	533.3	522.2	4.7	6.5	191.5	157.7
Total expenditure estimates	2 489.1	2 241.3	16.6	231.1	2 168.3	2 200.4

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 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of quarterly and annual releases on GDP estimates per year ¹	Economic Statistics	Outcome 4: Decent employment through inclusive economic growth	5	4	4	4	4	4	4
Number of releases on industry and trade statistics per year	Economic Statistics		142	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 ²	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	2	7	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
Number of releases on the population dynamics at the national, provincial and municipal levels ³	Population and Social Statistics	Outcome 8: Sustainable human settlements and improved quality of household life	– ³	– ³	– ³	– ³	4 ³	– ³	– ³

1. In 2012/13, 4 quarterly releases and 1 annual release were completed. From 2013/14 onwards, 3 quarterly releases are completed followed by a fourth release for the year.

2. The indicators for the consumer price index and the producer price index have been combined and 2 new monthly releases have been introduced.

3. No historical data is applicable, and no data is available, for 2017/18 as this indicator will only be measured in 2016/17 based on the results of the community survey, which is held every 10 years between censuses.

Expenditure analysis

The national development plan and government's 2014-2019 medium term strategic framework are informed by statistical information provided by Statistics South Africa, which publishes more than 200 statistical releases annually. This statistical research measures the development and transformation of the economy and society in a range of contexts, and enhances policy responsiveness and effectiveness. Changing economic and social realities have expanded the demand for statistical information. In addition, statistics in the public domain must be of high quality, whether they are produced by organs of state as official statistics or by private entities. Responding to the increased demand for high quality statistics requires a national effort, and collaboration and partnerships between the producers and the users of statistics. Further, global and continental policy agendas, namely the United Nations' 2015 sustainable development goals and Agenda 2063, are increasing the demand for statistical information. For example, environmental statistics is an emerging area of measurement at a global and national level, an acknowledgement that the environment is impacting on the economy and society.

Over the medium term, Statistics South Africa will continue to lead a transformative agenda for official statistics, delivering on the department's vision, The South Africa I Know, the Home I Understand. To be responsive to policy agendas for sustainable development, the department will focus on increasing the supply of statistical data; implementing statistical reform, particularly statistical coordination; and building a capable organisation and work environment.

Increasing the supply of statistical data

In 2016/17, Statistics South Africa will release the official statistics at municipal level of the community survey. The community survey is comprehensive and covers areas such as population estimates, service delivery, health, and education, to name a few. This information enhances planning, monitoring and evaluation at all three levels of government. The community survey is funded by a Cabinet approved budget increase of R509.3 million for the duration of the survey from 2015/16 to 2017/18, allocated in the *Census and Community Survey Operations* subprogramme in the *Survey Operations* programme. In 2015/16, the allocation of R89.4 million was for preparations for the survey. The 2016/17 allocation of R381.4 million, reflected in growth of 126 per cent in the spending of the *Survey Operations* programme in that year, will be used mainly to pay for field workers, fleet services, and communication services for data collection. R38.5 million is allocated in 2017/18 for disseminating the data to all levels of society.

The department expects to employ over 10 450 field workers for the community survey, which will result in a 15.7 per cent increase in compensation of employees in 2016/17. Due to the labour intensive nature of the department's work in general, spending on compensation of employees accounts for 61.4 per cent of the department's total budget over the medium term.

Over the medium term, the department will fund initiatives that expand the economic and social statistical information base, such as: the social accounting matrix, which represents the link between economic and social statistics and will form the underlying framework for a planned environment; the growth accounting framework, which provides a measurement tool for joint employment and economic growth in aid of socioeconomic planning and monitoring; and a comprehensive cross-cutting quarterly statistical release, which will provide integrated national statistical information. In addition to publishing GDP from the income and production side, Statistics South Africa will also start publishing GDP from the expenditure side. These activities will be supported by funding of R54 million over the medium term on compensation of employees, R25.4 million on consultants and R3.2 million on travel and subsistence in the *Economic Statistics* programme.

Statistical reform

The department's key focus over the medium term continues to be the revision of the statistics legislation to drive statistical reform, particularly statistical coordination. Coordination between statistical agencies is essential for consistency and efficiency in the statistical system. The provisions for statistical coordination between organs of state in the Statistics Act (1999) need to be strengthened to support the regulatory framework for a responsive national statistics system. The national statistics system is a tool to transform the current production of statistics, which is characterised by gaps in information, quality and capacity. Through the system, the department will be able to drive statistical planning, establish statistical production systems in other organs of state, establish governance structures, and promote the use of statistical information for planning and decision

making and for implementing consequences for non-compliance. Statistics South Africa will be responsible for developing statistical policy for the production of official statistics and developing standardised, shared frameworks for all producers. Stakeholder consultations began in 2015/16 and will continue in 2016/17. Other statistical coordination and reform activities will include: setting up a statistical clearing house, a governance structure that advises the Statistician General on statistical matters; addressing statistical geography, namely spatial statistical information; establishing a state wide statistical service; as well as setting up a professional body for statisticians. Funding for these activities amounts to R90.5 million over the medium term, budgeted for in the *National Statistics System* subprogramme in the *Administration* programme. 59.8 per cent goes to compensation of employees and 12.3 per cent to travel and subsistence.

Building a capable organisation and work environment

The department will continue to invest in business modernisation over the medium term, in particular digitisation. Using funds for the community survey, the department began to test and pilot digital data collection in 2015/16, and digital data collection will be used in the community survey in 2016/17. Spending amounts to R89.4 million over the medium term, allocated in the *Census and Community Survey Operations* subprogramme in the *Survey Operations* programme. Digital data collection will be rolled out over the medium term across the department in both business and household surveys. Among the benefits will be increased accuracy and faster turnaround times for releasing statistics to the public.

The construction of the department's new head office building began in 2014/15 and is expected to be completed in June 2016. From April to December 2015, R203 million in the *Office Accommodation* subprogramme in the *Administration* programme was spent on construction. In 2016/17, R181.4 million is allocated to buildings and other fixed structures for the unitary payment (gross monthly instalments to the private party in the public private partnership for maintenance and lifecycle costs) for the new building. The unitary payment is expected to increase to R242.2 million in 2018/19.

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	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	444.5	452.0	461.4	487.1	530.8	554.2	934.7	914.4	840.8	791.3	853.8	795.2	99.8%	96.4%
Programme 2	213.9	193.7	182.2	199.2	196.7	187.2	210.5	202.8	197.5	214.4	215.9	217.2	93.6%	96.9%
Programme 3	122.0	111.7	102.3	111.8	109.6	102.1	117.9	150.0	154.7	133.7	144.9	154.0	105.7%	99.4%
Programme 4	80.2	52.9	48.5	68.7	62.9	51.2	65.5	60.2	56.5	66.3	64.6	57.8	76.2%	88.9%
Programme 5	200.3	211.2	202.9	223.8	218.7	210.7	245.1	235.6	218.6	250.0	246.1	231.8	94.0%	94.8%
Programme 6	454.6	465.1	466.6	471.3	474.9	473.5	524.5	524.7	530.2	553.6	556.8	561.6	101.4%	100.5%
Programme 7	206.0	275.0	297.9	175.9	148.0	149.6	144.3	154.9	158.2	236.0	241.2	242.4	111.3%	103.5%
Total	1 721.6	1 761.7	1 761.7	1 737.7	1 741.6	1 728.4	2 242.5	2 242.5	2 156.4	2 245.2	2 323.3	2 260.1	99.5%	98.0%
Change to 2015 Budget estimate											78.0			
Economic classification														
Current payments	1 677.5	1 707.6	1 632.9	1 697.1	1 692.0	1 676.1	1 767.7	1 763.8	1 772.1	1 960.4	1 946.1	1 948.7	99.0%	98.9%
Compensation of employees	1 201.2	1 107.1	1 074.9	1 159.5	1 103.3	1 080.1	1 231.7	1 216.8	1 184.6	1 286.6	1 288.8	1 270.8	94.5%	97.8%
Goods and services	475.9	598.9	558.0	536.1	588.7	596.0	536.1	547.0	587.5	673.8	657.3	677.8	108.9%	101.1%
of which:														
Communication	25.7	36.2	32.8	31.3	32.8	35.0	38.4	37.4	34.3	41.0	33.8	30.4	97.2%	94.4%
Computer services	81.0	80.6	62.3	86.4	84.5	86.7	90.9	86.7	69.2	86.1	81.9	79.9	86.5%	89.3%
Fleet services (including government motor transport)	-	39.7	21.9	27.7	31.0	20.7	16.0	17.3	28.4	30.0	27.0	31.2	138.6%	88.8%
Operating leases	69.2	108.9	113.5	98.5	156.7	246.5	136.3	155.6	204.8	180.1	173.7	203.5	158.7%	129.2%
Property payments	31.9	59.5	71.4	37.6	61.1	70.7	31.3	31.8	66.4	39.7	39.9	41.9	178.3%	130.2%
Travel and subsistence	111.3	108.9	128.3	128.4	85.2	53.3	85.0	92.4	78.9	99.4	111.1	107.3	86.7%	92.5%
Interest and rent on land	0.4	1.5	-	1.5	-	-	-	-	0.0	-	-	-	1.5%	1.8%

Table 12.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	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														
Transfers and subsidies	7.3	15.3	21.6	14.7	17.7	8.2	15.1	17.3	14.5	15.5	15.9	13.9	110.8%	87.9%
Departmental agencies and accounts	-	-	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.9%	32.9%
Higher education institutions	1.0	8.3	8.0	8.8	8.8	1.5	8.8	8.8	7.5	8.2	8.3	8.3	94.1%	73.7%
Foreign governments and international organisations	-	0.7	0.7	-	-	-	-	-	-	-	-	-	-	100.0%
Public corporations and private enterprises	-	-	-	-	-	-	-	2.2	2.2	-	-	-	-	100.0%
Non-profit institutions	1.1	1.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	54.0%	48.8%
Households	5.2	5.1	12.8	5.5	8.6	6.5	6.0	6.0	4.5	7.0	7.2	5.2	122.8%	108.0%
Payments for capital assets	36.8	38.8	74.9	25.9	32.0	41.9	459.7	461.4	366.5	269.3	361.2	297.5	98.6%	87.4%
Buildings and other fixed structures	-	-	-	-	-	-	421.2	421.2	318.0	234.9	304.3	241.1	85.2%	77.1%
Machinery and equipment	28.8	19.6	57.3	24.4	28.5	41.9	33.9	35.6	47.4	34.3	49.8	49.2	161.3%	146.8%
Software and other intangible assets	8.1	19.2	17.6	1.5	3.5	0.0	4.6	4.6	1.1	0.1	7.2	7.2	181.6%	75.0%
Payments for financial assets	-	-	32.3	-	-	2.2	-	-	3.3	-	-	-	-	-
Total	1 721.6	1 761.7	1 761.7	1 737.7	1 741.6	1 728.4	2 242.5	2 242.5	2 156.4	2 245.2	2 323.3	2 260.1	99.5%	98.0%

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Programme 1	795.2	20.7%	33.5%	709.2	709.5	731.1	-2.8%	32.3%
Programme 2	217.2	3.9%	9.9%	224.7	229.2	237.3	3.0%	10.0%
Programme 3	154.0	11.3%	6.5%	127.0	128.3	132.3	-4.9%	5.9%
Programme 4	57.8	3.0%	2.7%	69.6	67.0	67.5	5.3%	2.9%
Programme 5	231.8	3.2%	10.9%	255.4	258.4	267.2	4.8%	11.1%
Programme 6	561.6	6.5%	25.7%	569.9	584.3	607.2	2.6%	25.5%
Programme 7	242.4	-4.1%	10.7%	533.3	191.5	157.7	-13.3%	12.3%
Total	2 260.1	8.7%	100.0%	2 489.1	2 168.3	2 200.4	-0.9%	100.0%
Change to 2015 Budget estimate				(9.8)	(109.7)	(169.0)		
Economic classification								
Current payments	1 948.7	4.5%	88.9%	2 241.3	1 877.2	1 893.2	-1.0%	87.3%
Compensation of employees	1 270.8	4.7%	58.3%	1 470.7	1 367.3	1 373.9	2.6%	60.1%
Goods and services	677.8	4.2%	30.6%	770.7	510.0	519.3	-8.5%	27.2%
of which:								
Communication	30.4	-5.7%	1.7%	33.6	32.9	33.5	3.3%	1.4%
Computer services	79.9	-0.3%	3.8%	83.7	90.6	92.2	4.9%	3.8%
Fleet services (including government motor transport)	31.2	-7.7%	1.3%	64.3	18.2	19.0	-15.3%	1.5%
Operating leases	203.5	23.2%	9.7%	149.3	119.3	131.1	-13.6%	6.6%
Property payments	41.9	-11.0%	3.2%	48.2	52.8	53.7	8.6%	2.2%
Travel and subsistence	107.3	-0.5%	4.7%	240.6	73.5	69.6	-13.4%	5.4%
Transfers and subsidies	13.9	-3.1%	0.7%	16.6	12.8	13.5	-1.1%	0.6%
Higher education institutions	8.3	-0.2%	0.3%	8.2	8.7	9.2	3.3%	0.4%
Non-profit institutions	0.4	-28.2%	0.0%	0.3	0.3	0.3	-8.4%	0.0%
Households	5.2	0.4%	0.4%	8.1	3.7	4.0	-8.5%	0.2%
Payments for capital assets	297.5	97.2%	9.9%	231.1	278.3	293.8	-0.4%	12.1%
Buildings and other fixed structures	241.1	-	7.1%	181.4	229.6	242.2	0.2%	9.8%
Machinery and equipment	49.2	36.0%	2.5%	47.1	45.9	48.6	-0.5%	2.1%
Software and other intangible assets	7.2	-28.0%	0.3%	2.7	2.8	3.0	-25.2%	0.2%
Total	2 260.1	8.7%	100.0%	2 489.1	2 168.3	2 200.4	-0.9%	100.0%

Personnel information

Table 12.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective

from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment												Number							
Number of posts estimated for 31 March 2016		Actual						Revised estimate						2015/16 - 2018/19							
Number of funded posts	Number of posts additional to the establishment	2014/15			2015/16			2016/17			2017/18			2018/19			Average growth rate (%)	Salary level/Total: Average (%)			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Statistics South Africa		3 572			3 189	1 184.6	0.4	4 136	1 270.8	0.3	14 586	1 470.7	0.1	3 792	1 474.8	0.4	3 572	1 538.0	0.4	-4.8%	100.0%
Salary level																					
1 – 6	1 531		1 414	276.4	0.2	1 532	296.1	0.2	1 531	305.6	0.2	1 531	324.6	0.2	1 531	343.8	0.2		-0.0%	23.5%	
7 – 10	1 297		1 151	401.5	0.3	1 295	426.4	0.3	1 297	466.7	0.4	1 297	495.3	0.4	1 297	523.7	0.4		0.1%	19.9%	
11 – 12	479		393	280.2	0.7	480	298.1	0.6	479	324.8	0.7	479	344.8	0.7	479	364.8	0.8		-0.1%	7.3%	
13 – 16	265		231	226.5	1.0	265	242.6	0.9	265	272.2	1.0	265	288.9	1.1	265	305.7	1.2		-	4.1%	
Other						564	7.7	0.0	11 014	101.3	0.0	220	21.1	0.1					(100.0%)	45.2%	
Programme	3 572		3 189	1 184.6	0.4	4 136	1 270.8	0.3	14 586	1 470.7	0.1	3 792	1 474.8	0.4	3 572	1 538.0	0.4		-4.8%	100.0%	
Programme 1	686		559	211.6	0.4	686	229.5	0.3	686	266.0	0.4	686	280.9	0.4	686	295.1	0.4		-	10.5%	
Programme 2	588		537	177.4	0.3	588	192.7	0.3	588	199.6	0.3	588	212.2	0.4	588	224.5	0.4		-	9.0%	
Programme 3	212		192	106.3	0.6	212	109.8	0.5	212	103.4	0.5	212	109.9	0.5	212	116.3	0.5		-	3.3%	
Programme 4	124		104	51.3	0.5	124	54.1	0.4	124	65.4	0.5	124	69.5	0.6	124	73.5	0.6		-	1.9%	
Programme 5	256		208	102.4	0.5	256	115.5	0.5	256	136.5	0.5	256	145.1	0.6	256	153.5	0.6		-	3.9%	
Programme 6	1 350		1 254	403.8	0.3	1 350	433.7	0.3	1 350	466.1	0.3	1 350	495.4	0.4	1 350	524.1	0.4		-	20.7%	
Programme 7	356		335	131.7	0.4	356	135.6	0.1	11 370	233.7	0.0	576	161.9	0.3	356	150.9	0.4		-27.1%	50.7%	
Reduction																					
Total	3 572		3 189	1 184.6	0.4	4 136	1 270.8	0.3	14 586	1 470.7	0.1		- 1 367.3			- 1 373.9					

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

2. The department's compensation of employees budget has been reduced by R271.7 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 12.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
Departmental receipts	2 683	1 414	5 003	2 924	3 317	7.3%	100.0%	1 428	1 417	1 462	-23.9%	100.0%
Sales of goods and services produced by department	1 012	907	916	948	962	-1.7%	30.6%	769	814	854	-3.9%	44.6%
Sales by market establishments	444	276	275	275	275	-14.8%	10.2%	48	48	48	-44.1%	5.5%
of which:												
Parking	444	276	275	275	275	-14.8%	10.2%	48	48	48	-44.1%	5.5%
Other sales	568	631	641	673	687	6.5%	20.4%	721	766	806	5.5%	39.1%
of which:												
Replacement of security cards	7	8	7	8	7	-	0.2%	1	1	1	-47.7%	0.1%
Commission on insurance	464	525	576	580	610	9.5%	17.5%	650	690	730	6.2%	35.2%
Departmental publications	97	98	58	85	70	-10.3%	2.6%	70	75	75	2.3%	3.8%
Sales of scrap, waste, arms and other used current goods	31	56	20	85	85	40.0%	1.5%	85	25	25	-33.5%	2.9%
of which:												
Sale of waste paper	31	56	20	85	85	40.0%	1.5%	85	25	25	-33.5%	2.9%

Table 12.5 Departmental receipts by economic classification

Departmental receipts	Adjusted	Revised	Average	Receipt item/	Medium-term receipts estimate	Average	Receipt item/
-----------------------	----------	---------	---------	---------------	-------------------------------	---------	---------------

R thousand	Audited outcome			estimate	estimate	growth rate (%)	Total: Average (%)				growth rate (%)	Total: Average (%)
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Interest, dividends and rent on land	408	76	94	80	70	-44.4%	5.2%	74	78	83	5.8%	4.0%
Interest	408	76	94	80	70	-44.4%	5.2%	74	78	83	5.8%	4.0%
Sales of capital assets	-	-	10	-	-	-	0.1%	-	-	-	-	-
Transactions in financial assets and liabilities	1 232	375	3 963	1 811	2 200	21.3%	62.6%	500	500	500	-39.0%	48.5%
Total	2 683	1 414	5 003	2 924	3 317	7.3%	100.0%	1 428	1 417	1 462	-23.9%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department, and capacity building. Drive statistical coordination among organs of state.

Objectives

- 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.
- Provide direction and leadership through driving strategic and operational planning and monitoring processes, as well as reporting monthly, quarterly and annually on organisational performance.
- Provide corporate support services on an ongoing basis by:
 - improving human resource and financial management systems and processes
 - creating a conducive working environment
 - enhancing qualifications, skills and capabilities
 - promoting good governance.

Subprogrammes

- *Departmental Management* provides strategic direction and leadership to the organisation.
- *Corporate Services* provides human resources, facilities 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 12.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Departmental Management	26.7	27.2	28.1	40.2	14.6%	4.5%	36.2	37.4	36.6	-3.1%	5.0%
Corporate Services	201.4	176.0	172.2	199.0	-0.4%	27.6%	200.4	189.3	188.6	-1.8%	25.9%
Financial Administration	61.1	62.0	66.6	85.1	11.7%	10.1%	83.1	79.7	80.7	-1.7%	10.9%
Internal Audit	8.8	9.7	9.6	11.9	10.6%	1.5%	13.2	12.6	12.6	1.9%	1.7%
National Statistics System	18.6	21.6	22.2	28.2	14.9%	3.3%	32.3	29.5	28.7	0.6%	4.0%
Office Accommodation	144.8	257.8	542.2	489.4	50.1%	52.9%	344.0	360.9	383.9	-7.8%	52.5%
Total	461.4	554.2	840.8	853.8	22.8%	100.0%	709.2	709.5	731.1	-5.0%	100.0%
Change to 2015 Budget estimate				62.6			3.9	(34.6)	(56.1)		

Table 12.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome	Adjusted appropriation	Average growth	Expenditure/	Medium-term expenditure estimate	Average growth	Expenditure/
-------------------------	-----------------	------------------------	----------------	--------------	----------------------------------	----------------	--------------

R million					rate	Total:					rate	Total:
	2012/13	2013/14	2014/15	2015/16	(%)	Average (%)	2016/17	2017/18	2018/19	(%)	Average (%)	
Current payments	437.3	543.3	505.3	525.7	6.3%	74.2%	506.7	457.6	465.3	-4.0%	65.1%	
Compensation of employees	196.6	197.8	211.6	239.4	6.8%	31.2%	266.0	241.0	234.2	-0.7%	32.6%	
Goods and services	240.7	345.6	293.7	286.3	6.0%	43.0%	240.7	216.7	231.1	-6.9%	32.5%	
of which:												
Audit costs: External	6.5	6.3	5.9	7.9	7.0%	1.0%	6.6	7.0	7.4	-2.5%	1.0%	
Consultants: Business and advisory services	5.4	10.6	1.4	12.2	31.3%	1.1%	11.1	11.7	12.4	0.4%	1.6%	
Operating leases	113.4	203.3	158.1	140.8	7.5%	22.7%	115.2	83.2	92.9	-12.9%	14.4%	
Property payments	46.7	70.3	66.3	39.7	-5.3%	8.2%	48.1	52.7	53.6	10.5%	6.5%	
Travel and subsistence	26.7	20.8	22.9	30.1	4.1%	3.7%	18.5	22.3	22.8	-8.9%	3.1%	
Training and development	6.8	4.1	6.6	5.3	-8.1%	0.8%	5.4	5.7	6.0	4.2%	0.7%	
Transfers and subsidies	13.8	4.5	10.5	14.7	2.1%	1.6%	11.1	11.8	12.4	-5.5%	1.7%	
Higher education institutions	8.0	1.5	7.5	8.2	0.9%	0.9%	8.2	8.7	9.2	3.8%	1.1%	
Non-profit institutions	0.1	0.1	0.1	0.2	35.8%	-	0.1	0.1	0.1	-16.8%	-	
Households	5.7	2.9	2.9	6.3	2.9%	0.7%	2.8	2.9	3.1	-20.8%	0.5%	
Payments for capital assets	9.6	6.3	325.0	313.4	219.6%	24.1%	191.3	240.1	253.4	-6.8%	33.2%	
Buildings and other fixed structures	-	-	318.0	304.3	-	23.0%	181.4	229.6	242.2	-7.3%	31.9%	
Machinery and equipment	9.5	6.3	7.0	9.2	-1.2%	1.2%	10.0	10.5	11.2	6.9%	1.4%	
Software and other intangible assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-	
Payments for financial assets	0.7	-	-	-	-100.0%	-	-	-	-	-	-	
Total	461.4	554.2	840.8	853.8	22.8%	100.0%	709.2	709.5	731.1	-5.0%	100.0%	
Proportion of total programme expenditure to vote expenditure	26.2%	32.1%	39.0%	36.8%	-	-	28.5%	32.7%	33.2%	-	-	
Details of selected transfers and subsidies												
Households												
Other transfers to households												
Current	5.6	2.6	2.5	6.2	3.3%	0.6%	2.8	2.9	3.1	-20.6%	0.5%	
Employee social benefits	0.4	0.5	-	-	-100.0%	-	-	-	-	-	-	
Bursaries for non-employees	5.3	2.1	2.5	6.2	5.7%	0.6%	2.8	2.9	3.1	-20.6%	0.5%	
Higher education institutions												
Current	8.0	1.5	7.5	8.2	0.9%	0.9%	8.2	8.7	9.2	3.8%	1.1%	
University of KwaZulu-Natal	0.5	0.5	-	-	-100.0%	-	-	-	-	-	-	
Stellenbosch University	6.0	-	6.0	6.7	3.8%	0.7%	6.7	7.2	7.6	4.2%	0.9%	
University of the Witwatersrand	0.5	-	0.5	0.5	-	0.1%	0.5	0.5	0.5	1.9%	0.1%	
University of Cape Town	1.0	1.0	1.0	1.0	-	0.1%	1.0	1.0	1.1	1.9%	0.1%	

Programme 2: Economic Statistics

Programme purpose

Produce economic statistics to inform evidence-based economic development and transformation in line with internationally recognised practices.

Objectives

- 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 indices
 - publishing quarterly and annual GDP estimates providing information on 10 industries of the economy
 - 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 12.7 Economic Statistics expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme Management for Economic Statistics	2.6	2.6	2.8	5.5	28.5%	1.7%	5.9	6.3	6.7	6.7%	2.7%
Short Term Indicators	26.8	25.7	26.4	30.1	3.9%	13.9%	32.5	32.3	33.3	3.4%	14.1%
Structural Industry Statistics	32.5	34.3	33.1	39.8	6.9%	17.8%	41.2	42.2	43.7	3.2%	18.4%
Price Statistics	61.0	62.3	62.7	67.9	3.6%	32.4%	69.8	71.5	73.9	2.9%	31.2%
Private Sector Finance Statistics	24.7	24.7	27.7	28.5	4.9%	13.5%	30.1	31.1	32.3	4.3%	13.5%
Government Finance Statistics	13.0	15.8	15.9	16.7	8.6%	7.8%	17.0	17.3	18.0	2.6%	7.6%
National Accounts	8.8	9.7	10.2	12.0	10.9%	5.2%	20.3	20.5	21.2	20.9%	8.1%
Economic Analysis	12.8	12.1	18.7	15.5	6.5%	7.6%	7.8	8.0	8.3	-18.8%	4.4%
Total	182.2	187.2	197.5	215.9	5.8%	100.0%	224.7	229.2	237.3	3.2%	100.0%
Change to 2015				1.4			(1.8)	(10.9)	(16.7)		
Budget estimate											
Economic classification											
Current payments	180.8	186.1	196.1	214.4	5.9%	99.3%	223.5	227.9	236.0	3.2%	99.4%
Compensation of employees	161.0	166.8	177.4	188.4	5.4%	88.6%	199.6	201.7	208.4	3.4%	88.0%
Goods and services	19.8	19.3	18.7	26.1	9.6%	10.7%	24.0	26.3	27.5	1.8%	11.4%
of which:											
Bursaries: Employees	–	–	–	0.8	–	0.1%	1.9	2.0	2.1	37.5%	0.7%
Communication	4.2	4.1	3.2	4.3	0.7%	2.0%	4.3	4.6	4.8	4.1%	2.0%
Consultants: Business and advisory services	7.1	6.6	8.3	6.9	-0.8%	3.7%	8.1	8.5	9.0	9.3%	3.6%
Consumables: Stationery, printing and office supplies	1.6	1.8	1.5	2.4	13.9%	0.9%	1.7	1.8	1.9	-8.0%	0.8%
Travel and subsistence	5.7	4.9	4.8	8.7	14.7%	3.1%	6.2	7.5	7.7	-3.9%	3.3%
Operating payments	0.7	1.2	0.4	0.9	10.4%	0.4%	0.7	0.7	0.8	-4.8%	0.3%
Transfers and subsidies	0.2	0.2	0.2	0.0	-45.0%	0.1%	0.0	0.0	0.0	-8.6%	–
Households	0.2	0.2	0.2	0.0	-45.5%	0.1%	0.0	0.0	0.0	-8.9%	–
Payments for capital assets	1.2	0.9	1.2	1.4	4.8%	0.6%	1.2	1.3	1.3	-1.7%	0.6%
Machinery and equipment	1.2	0.9	1.2	1.4	4.8%	0.6%	1.2	1.3	1.3	-1.7%	0.6%
Total	182.2	187.2	197.5	215.9	5.8%	100.0%	224.7	229.2	237.3	3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	10.3%	10.8%	9.2%	9.3%	–	–	9.0%	10.6%	10.8%	–	–

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.

Objectives

- 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 by means of 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, as well as 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 as well as income and expenditure trends in South Africa.

Expenditure trends and estimates

Table 12.8 Population and Social Statistics expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Programme Management for Population and Social Statistics	4.5	5.6	4.0	5.6	7.2%	3.9%	5.2	5.5	5.8	1.6%	4.2%
Population Statistics	10.8	8.9	6.1	8.1	-9.2%	6.7%	8.5	8.3	8.4	1.2%	6.2%
Health and Vital Statistics	11.6	9.2	10.8	11.7	0.3%	8.6%	12.1	13.0	13.6	4.9%	9.5%
Social Statistics	12.4	12.9	10.5	16.5	10.1%	10.4%	15.0	15.9	16.3	-0.4%	12.0%
Demographic Analysis	4.1	6.0	11.6	15.0	54.2%	7.3%	16.0	16.5	17.3	4.9%	12.2%
Labour Statistics	30.6	33.3	35.9	37.3	6.8%	27.2%	42.1	42.5	44.1	5.7%	31.2%
Poverty and Inequality Statistics	28.2	26.2	75.8	50.7	21.6%	35.9%	28.1	26.6	26.8	-19.1%	24.8%
Total	102.3	102.1	154.7	144.9	12.3%	100.0%	127.0	128.3	132.3	-3.0%	100.0%
Change to 2015 Budget estimate				11.2			(3.6)	(9.9)	(13.8)		
Economic classification											
Current payments	93.9	99.4	153.3	143.4	15.1%	97.2%	125.2	126.4	130.3	-3.1%	98.7%
Compensation of employees	66.8	76.9	106.3	106.8	17.0%	70.8%	103.4	103.3	106.2	-0.2%	78.8%
Goods and services	27.2	22.5	47.0	36.6	10.4%	26.4%	21.8	23.1	24.1	-12.9%	19.8%
of which:											
Consultants: Business and advisory services	2.6	2.8	1.8	3.5	10.8%	2.1%	2.7	2.8	3.0	-5.5%	2.3%
Consumables: Stationery, printing and office supplies	1.1	0.9	1.6	1.5	10.5%	1.0%	1.2	1.2	1.3	-5.5%	1.0%
Travel and subsistence	14.5	2.7	24.1	17.0	5.4%	11.6%	6.8	8.3	8.5	-20.7%	7.6%
Training and development	0.1	0.1	0.6	0.5	57.6%	0.3%	1.2	1.2	1.3	38.3%	0.8%
Operating payments	3.9	7.7	6.3	5.2	10.1%	4.6%	4.8	5.0	5.3	0.6%	3.8%
Venues and facilities	1.1	0.3	4.6	1.3	4.5%	1.4%	2.2	1.4	1.4	4.0%	1.2%
Transfers and subsidies	0.3	0.2	0.2	0.2	-13.5%	0.2%	0.2	0.2	0.2	-0.3%	0.2%
Non-profit institutions	-	0.1	0.2	0.2	-	0.1%	0.2	0.2	0.2	-	0.2%
Households	0.3	0.1	0.0	0.0	-81.4%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.9	0.7	1.2	1.3	12.0%	0.8%	1.6	1.7	1.8	11.3%	1.2%
Machinery and equipment	0.9	0.7	1.2	1.2	9.1%	0.8%	1.5	1.6	1.7	11.8%	1.1%
Software and other intangible assets	-	-	-	0.1	-	-	0.1	0.1	0.1	4.6%	0.1%
Payments for financial assets	7.1	1.9	-	-	-100.0%	1.8%	-	-	-	-	-
Total	102.3	102.1	154.7	144.9	12.3%	100.0%	127.0	128.3	132.3	-3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	5.8%	5.9%	7.2%	6.2%	-	-	5.1%	5.9%	6.0%	-	-

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 accurate and reliable statistical information for users by the regular use of a sound business sampling frame to draw annual samples for all 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 12.9 Methodology, Standards and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Programme Management for Methodology, Standards and Research	4.4	3.1	1.0	4.2	-1.2%	5.7%	4.3	4.2	4.2	-	6.3%
Policy Research and Analysis	3.5	4.6	5.1	5.7	18.0%	8.5%	5.8	6.4	6.8	5.7%	9.2%
Methodology and Evaluation	11.9	12.0	12.5	16.2	10.7%	23.9%	18.4	16.9	16.7	1.0%	25.4%
Survey Standards	2.1	2.8	4.7	6.7	47.6%	7.4%	7.5	6.2	5.7	-5.2%	9.7%
Business Register	26.6	28.7	33.2	31.8	6.1%	54.5%	33.6	33.3	34.2	2.5%	49.4%
Total	48.5	51.2	56.5	64.6	10.0%	100.0%	69.6	67.0	67.5	1.5%	100.0%
Change to 2015				(1.7)			(0.3)	(7.2)	(11.0)		
Budget estimate											
Current payments	47.7	50.9	52.7	63.8	10.2%	97.4%	68.8	66.5	67.0	1.7%	99.0%
Compensation of employees	45.8	49.1	51.3	59.7	9.3%	93.3%	65.4	62.5	62.9	1.7%	93.2%
Goods and services	1.9	1.8	1.3	4.1	28.7%	4.1%	3.4	4.0	4.2	0.7%	5.8%
of which:											
Bursaries: Employees	-	-	-	0.2	-	0.1%	0.2	0.2	0.2	5.7%	0.3%
Communication	0.1	0.7	0.5	0.7	67.3%	0.9%	0.8	0.9	0.9	11.5%	1.3%
Consultants: Business and advisory services	0.2	0.3	-	0.3	13.0%	0.4%	0.4	0.5	0.5	12.9%	0.7%
Consumables: Stationery, printing and office supplies	0.3	0.3	0.3	0.6	22.0%	0.7%	0.4	0.4	0.4	-10.2%	0.6%
Travel and subsistence	0.5	0.5	0.5	1.5	41.6%	1.3%	1.0	1.4	1.5	-	2.0%
Training and development	-	-	0.0	0.3	-	0.1%	0.3	0.3	0.3	5.8%	0.5%
Transfers and subsidies	0.1	0.1	0.1	-	-100.0%	0.1%	0.4	0.1	0.1	-	0.2%
Households	0.1	0.1	0.1	-	-100.0%	0.1%	0.4	0.1	0.1	-	0.2%
Payments for capital assets	0.7	0.2	0.4	0.8	3.8%	1.0%	0.4	0.4	0.5	-17.0%	0.8%
Machinery and equipment	0.7	0.2	0.4	0.8	3.8%	1.0%	0.4	0.4	0.5	-17.0%	0.8%
Payments for financial assets	-	-	3.3	-	-	1.5%	-	-	-	-	-
Total	48.5	51.2	56.5	64.6	10.0%	100.0%	69.6	67.0	67.5	1.5%	100.0%
Proportion of total programme expenditure to vote expenditure	2.8%	3.0%	2.6%	2.8%	-	-	2.8%	3.1%	3.1%	-	-

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

- Collaborate with partners to build and maintain a reliable sampling frame for household surveys by updating the spatial information frame annually.
- Modernise business processes by applying emerging technologies in the data collection, processing and dissemination of statistics.
- Support the department's production of official statistics by upgrading and maintaining ICT infrastructure, and ensuring 90 per cent of network availability for users at all times over the medium term.

Subprogrammes

- *Programme Management for Statistical Support and Informatics* provides strategic direction and leadership to the programme.
- *Geography Services* provides a mapping and information service to the department and other users.
- *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, and develops systems applications.

Expenditure trends and estimates

Table 12.10 Statistical Support and Informatics expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average (%)
R million											
Programme Management for Statistical Support and Informatics	2.5	2.6	2.8	3.8	15.2%	1.3%	4.2	4.4	4.7	7.3%	1.7%
Geography Services	32.9	24.6	31.5	24.3	-9.7%	12.9%	25.4	23.8	23.7	-0.8%	9.5%
Geography Frames	21.6	16.1	15.0	23.3	2.7%	8.7%	26.0	22.7	21.7	-2.4%	9.1%
Publication Services	20.1	20.7	24.8	28.0	11.7%	10.7%	26.0	25.9	26.7	-1.6%	10.4%
Data Management and Technology	99.5	117.5	107.1	119.7	6.4%	50.5%	124.1	130.8	137.3	4.7%	49.8%
Business Modernisation	26.3	29.1	37.4	47.0	21.3%	15.9%	49.6	50.8	53.1	4.1%	19.5%
Total	202.9	210.7	218.6	246.1	6.7%	100.0%	255.4	258.4	267.2	2.8%	100.0%
Change to 2015 Budget estimate				(3.9)			(6.2)	(17.6)	(24.9)		

Table 12.10 Statistical Support and Informatics expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	161.2	200.0	199.0	226.1	11.9%	89.5%	239.1	241.2	248.9	3.3%	93.0%
Compensation of employees	93.8	104.4	102.4	124.3	9.8%	48.4%	136.5	132.1	133.7	2.5%	51.3%
Goods and services	67.3	95.6	96.6	101.8	14.8%	41.1%	102.6	109.1	115.3	4.2%	41.7%
of which:											
Communication	4.1	5.0	6.4	5.4	9.9%	2.4%	6.8	7.2	7.6	12.0%	2.6%
Computer services	50.1	83.9	66.1	71.7	12.7%	30.9%	79.3	83.9	88.8	7.4%	31.5%
Infrastructure and planning services	0.3	-	17.0	0.5	20.6%	2.0%	1.1	1.2	1.2	35.1%	0.4%
Contractors	0.6	0.9	3.1	9.4	155.2%	1.6%	5.9	6.3	6.6	-10.9%	2.8%
Travel and subsistence	5.5	1.1	1.0	4.3	-7.7%	1.4%	4.0	4.8	4.9	4.5%	1.7%
Operating payments	2.5	3.2	1.4	4.2	18.7%	1.3%	1.5	1.6	1.7	-26.8%	0.9%
Transfers and subsidies	0.1	0.8	2.3	0.2	30.3%	0.4%	-	-	-	-100.0%	-
Higher education institutions	-	-	-	0.1	-	-	-	-	-	-100.0%	-
Public corporations and private enterprises	-	-	2.2	-	-	0.2%	-	-	-	-	-
Households	0.1	0.8	0.1	0.1	-3.6%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	26.5	9.5	17.3	19.9	-9.2%	8.3%	16.3	17.2	18.2	-2.8%	7.0%
Machinery and equipment	9.0	9.4	16.2	19.7	29.7%	6.2%	13.7	14.5	15.4	-8.0%	6.2%
Software and other intangible assets	17.5	0.0	1.1	0.1	-79.8%	2.1%	2.6	2.7	2.9	172.1%	0.8%
Payments for financial assets	15.1	0.4	0.0	-	-100.0%	1.8%	-	-	-	-	-
Total	202.9	210.7	218.6	246.1	6.7%	100.0%	255.4	258.4	267.2	2.8%	100.0%
Proportion of total programme expenditure to vote expenditure	11.5%	12.2%	10.1%	10.6%	-	-	10.3%	11.9%	12.1%	-	-
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	2.2	-	-	0.2%	-	-	-	-	-
Motion Boikanyo	-	-	2.2	-	-	0.2%	-	-	-	-	-

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 enquiries
 - 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 data collection 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.
- *Corporate Communications* manages external and internal communications in the department.

Expenditure trends and estimates

Table 12.11 Statistical Collection and Outreach expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Programme Management for Statistical Collection and Outreach	6.8	5.7	6.1	8.9	9.4%	1.4%	8.0	8.7	9.1	0.9%	1.5%
International Statistical Development and Cooperation	11.0	7.8	8.1	10.5	-1.7%	1.9%	11.2	11.2	11.4	2.8%	1.9%
Provincial and District Offices	423.6	433.6	485.4	502.0	5.8%	91.0%	514.0	528.3	549.9	3.1%	90.3%
Stakeholder Relations and Marketing	16.5	16.9	17.1	19.0	4.7%	3.4%	20.0	20.4	21.2	3.8%	3.5%
Corporate Communications	8.7	9.5	13.4	16.5	24.0%	2.4%	16.7	15.7	15.6	-1.8%	2.8%
Total	466.6	473.5	530.2	556.8	6.1%	100.0%	569.9	584.3	607.2	2.9%	100.0%
Change to 2015 Budget estimate				3.3			(1.4)	(21.2)	(33.5)		
Economic classification											
Current payments	427.5	450.0	509.7	542.0	8.2%	95.2%	555.9	569.5	591.5	3.0%	97.4%
Compensation of employees	329.7	355.7	403.8	434.9	9.7%	75.2%	466.1	473.4	490.6	4.1%	80.4%
Goods and services	97.8	94.3	105.9	107.1	3.1%	20.0%	89.8	96.1	101.0	-1.9%	17.0%
of which:											
Communication	12.0	14.5	16.7	10.7	-3.9%	2.7%	10.8	11.4	12.1	4.3%	1.9%
Fleet services (including government motor transport)	17.4	18.0	19.8	16.9	-0.9%	3.6%	14.9	14.6	15.5	-3.0%	2.7%
Operating leases	0.0	36.9	46.7	32.9	942.6%	5.7%	34.1	36.0	38.1	5.1%	6.1%
Travel and subsistence	32.3	15.8	13.9	23.4	-10.2%	4.2%	15.0	18.2	18.6	-7.3%	3.2%
Training and development	0.2	-	0.1	3.2	158.4%	0.2%	3.4	3.5	3.8	5.5%	0.6%
Operating payments	1.7	2.0	1.8	3.8	31.8%	0.5%	2.3	2.4	2.6	-12.5%	0.5%
Transfers and subsidies	1.9	1.0	0.5	0.1	-62.9%	0.2%	0.2	0.2	0.2	23.3%	-
Foreign governments and international organisations	0.7	-	-	-	-100.0%	-	-	-	-	-	-
Households	1.2	1.0	0.5	0.1	-57.2%	0.1%	0.2	0.2	0.2	23.3%	-
Payments for capital assets	27.9	22.6	20.0	14.7	-19.2%	4.2%	13.9	14.7	15.5	1.9%	2.5%
Machinery and equipment	27.9	22.6	20.0	14.7	-19.2%	4.2%	13.9	14.7	15.5	1.9%	2.5%
Payments for financial assets	9.3	-	-	-	-100.0%	0.5%	-	-	-	-	-
Total	466.6	473.5	530.2	556.8	6.1%	100.0%	569.9	584.3	607.2	2.9%	100.0%
Proportion of total programme expenditure to vote expenditure	26.5%	27.4%	24.6%	24.0%	-	-	22.9%	26.9%	27.6%	-	-
Details of transfers and subsidies											
Foreign governments and international organisations											
Current	0.7	-	-	-	-100.0%	-	-	-	-	-	-
Institut National de la Statistique	0.7	-	-	-	-100.0%	-	-	-	-	-	-

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, as well as 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 data collection rate of 85 per cent, on an annual basis.
- Improve the quality and timeliness of the editing and processing of statistical data by standardising the use of ICT within the department on an ongoing basis.

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 12.12 Survey Operations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13	2015/16	2016/17	2017/18	2018/19	2015/16	2018/19
R million											
Programme Management for Survey Operations	0.0	5.5	9.4	15.1	670.1%	3.6%	14.5	12.7	12.3	-6.7%	4.9%
Census and Community Survey Operations	196.6	50.0	21.6	114.2	-16.6%	45.2%	407.9	65.0	27.4	-37.8%	54.7%
Household Survey Operations	34.3	24.7	41.8	26.7	-8.0%	15.1%	22.8	24.7	25.5	-1.6%	8.9%
Corporate Data Processing	51.6	54.2	69.2	66.8	9.0%	28.5%	69.6	70.3	72.9	3.0%	24.9%
Survey Coordination, Monitoring and Evaluation	15.4	15.1	16.2	18.4	6.1%	7.7%	18.5	18.8	19.6	2.0%	6.7%
Total	297.9	149.6	158.2	241.2	-6.8%	100.0%	533.3	191.5	157.7	-13.2%	100.0%
Change to 2015 Budget estimate				5.2			(0.4)	(8.4)	(13.0)		
Economic classification											
Current payments	284.5	146.4	156.0	230.7	-6.7%	96.6%	522.2	188.1	154.1	-12.6%	97.5%
Compensation of employees	181.3	129.4	131.7	135.3	-9.3%	68.2%	233.7	153.4	137.9	0.6%	58.8%
Goods and services	103.2	17.0	24.3	95.4	-2.6%	28.3%	288.5	34.8	16.2	-44.6%	38.7%
of which:											
Communication	6.3	4.6	3.4	2.9	-22.5%	2.0%	5.7	3.4	2.3	-7.4%	1.3%
Fleet services (including government motor transport)	-	0.1	1.3	4.4	-	0.7%	46.3	0.4	0.1	-76.5%	4.5%
Consumables: Stationery, printing and office supplies	2.2	0.5	0.7	5.6	37.7%	1.1%	5.8	3.2	1.6	-34.0%	1.5%
Travel and subsistence	43.1	7.6	11.7	26.2	-15.3%	10.5%	189.1	11.0	5.7	-39.7%	20.6%
Operating payments	5.1	1.4	5.2	5.4	1.6%	2.0%	18.2	1.7	1.6	-33.7%	2.4%
Venues and facilities	1.5	1.2	0.3	2.0	10.8%	0.6%	6.9	0.9	0.7	-31.7%	0.9%
Transfers and subsidies	5.2	1.5	0.7	0.7	-48.1%	1.0%	4.7	0.6	0.6	-6.8%	0.6%
Households	5.2	1.5	0.7	0.7	-48.1%	1.0%	4.7	0.6	0.6	-6.8%	0.6%
Payments for capital assets	8.0	1.7	1.4	9.7	6.6%	2.5%	6.5	2.9	3.0	-32.3%	2.0%
Machinery and equipment	8.0	1.7	1.4	2.8	-29.6%	1.6%	6.5	2.9	3.0	2.6%	1.3%
Software and other intangible assets	-	-	-	6.9	-	0.8%	-	-	-	-100.0%	0.6%
Payments for financial assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	297.9	149.6	158.2	241.2	-6.8%	100.0%	533.3	191.5	157.7	-13.2%	100.0%
Proportion of total programme expenditure to vote expenditure	16.9%	8.7%	7.3%	10.4%	-	-	21.4%	8.8%	7.2%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	4.8	1.5	0.7	0.7	-46.6%	0.9%	4.7	0.6	0.6	-6.8%	0.6%
Employee social benefits	4.8	1.5	0.7	0.7	-46.6%	0.9%	4.7	0.6	0.6	-6.8%	0.6%

Vote 13

Women

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	89.4	86.7	0.0	2.6	87.4	90.5
Social Transformation and Economic Empowerment	84.4	14.1	69.9	0.4	98.9	104.4
Policy, Stakeholder Coordination and Knowledge Management	23.1	22.5	–	0.7	21.2	21.9
Total expenditure estimates	196.9	123.3	69.9	3.7	207.4	216.9

Executive authority: Minister of Women
 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 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, in terms of which the department is mandated 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Women's financial inclusion position paper developed for approval by Parliament	Social Transformation and Economic Empowerment	Outcome 14: Nation building and social cohesion	– ¹	– ¹	– ¹	Literature survey of women's financial inclusion conducted	Draft discussion paper on women's financial inclusion developed	Consultation on discussion paper on women's financial inclusion	Position paper on women's financial inclusion developed and submitted to Parliament for approval
Gender responsive planning and Budgeting framework developed by 2018/19	Social Transformation and Economic Empowerment		– ¹	– ¹	– ¹	Round table consultation on gender responsive planning and budgeting	Draft gender responsive planning and budgeting framework developed	Consultation on the draft gender responsive planning and budgeting framework	Gender responsive planning and budgeting framework developed
Prevention strategy for integrated programme of action on violence against women and children developed	Social Transformation and Economic Empowerment		– ¹	– ¹	– ¹	Consultation with Department of Social Development on integrated programme of action on violence against women and children	Draft discussion paper on the prevention strategy on integrated programme of action on violence against women and children developed	Consultation draft discussion paper on the prevention strategy integrated programme of action on violence against women and children	Prevention strategy on integrated programme of action on violence against women and children developed
Number of reports on international treaties and conventions produced per year ²	Policy Stakeholder Coordination and Knowledge Management		2	1	– ²	4	1	1	2

Table 13.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of outreach initiatives on women empowerment and gender equality conducted per year	Policy Stakeholder Coordination and Knowledge Management	Outcome 14: Nation building and social cohesion	-1	-1	-1	4	4	4	4
Number of reports produced on the socioeconomic empowerment of women per year	Policy, Stakeholder Coordination and Knowledge Management		-1	-2	1	1	1	1	1

1. No historical data is available as these are new indicators.

2. Annual targets are informed by agreements with international bodies.

Expenditure analysis

The national development plan supports an inclusive and equitable growth path that puts women, children and other vulnerable groups at the centre of government's medium term and long term goals. The plan proposes a range of measures to advance economic participation, education and skills development for these groups. The Department of Women aligns its work to outcome 13 (an inclusive and responsive social protection system) and outcome 14 (nation building and social cohesion) of the 2014-2019 medium term strategic framework. The department's focus over the medium term will be on analysing and monitoring policy, and providing knowledge; mainstreaming women's socioeconomic empowerment; and awareness raising and outreach.

Analysing and monitoring policy, and providing knowledge

The department will analyse existing policies on the socioeconomic empowerment of women and progress in their implementation. It will identify implementation gaps and determine the need for interventions. This work is budgeted for in the *Research and Policy Analysis* subprogramme, which accounts for 20.6 per cent or R18.5 million of the medium term budget of the *Policy, Stakeholder Coordination and Knowledge Management* programme.

In addition, the department will monitor and evaluate progress on the socioeconomic empowerment of women in relation to national laws, and regional, continental and international treaties. This work is budgeted for in the *Monitoring and Evaluation* subprogramme, and accounts for 21.8 per cent or R19.5 million of the medium term budget of the *Policy, Stakeholder Coordination and Knowledge Management* programme.

The department plans to serve as a depository of knowledge on the socioeconomic empowerment of women, and over the medium term will intensify its efforts by conducting audits of existing information and establishing an information knowledge management system comprised of a range of databases. This work is budgeted for in the *Information and Knowledge Management* subprogramme, which constitutes 6.7 per cent or R6 million of the *Policy, Stakeholder Coordination and Knowledge* programme's medium term budget. The subprogramme was established in 2015/16, and spending in it is expected to increase at an average annual rate of 34.8 per cent over the medium term.

Because of the labour intensive nature of knowledge work, compensation of employees is the main cost driver in the *Policy, Stakeholder Coordination and Knowledge* programme, accounting for 67.4 percent or R60.3 million of spending in the programme over the medium term.

Mainstreaming women's socioeconomic empowerment

Through integrated work with specific government clusters and their departments, the Department of Women engages with and assesses the impact of the services that these clusters and departments deliver in terms of the socioeconomic empowerment of women and gender equality. The department uses its findings to make recommendations to the clusters and their departments on how to improve service delivery models to be more gender sensitive.

In August 2015, the department produced and released *The Status of Women in the South African Economy* report, which covers five broad themes in detail: education; labour markets; access to credit, land, and property; poverty and inequality; and unpaid work. The report reveals trends, identifying where South African society has successfully enabled women's full participation in the economy and where there is a need for refocused efforts. Over the medium term, the department will monitor the implementation of the report's recommendations in the

relevant departments, including by: developing a set of guidelines for recording women's ownership of land and property; fostering initiatives that will encourage young women and girls into male dominated fields of study; increasing support to women and girls who drop out of education because of family commitments and pregnancy; and facilitating dialogues on measures to reduce the number of hours that women give to unpaid care work. These activities are budgeted for in the *Economic Empowerment and Participation* subprogramme, which accounts for 4.1 per cent or R15.3 million of the *Social Transformation and Economic Empowerment* programme's budget over the medium term.

The department will also develop mechanisms to address identified gaps in the implementation of existing policies on women's socioeconomic empowerment. The mechanisms to be developed include: interventions for skilling women in the economy, a gender responsive planning and budgeting framework, and the prevention strategy for the integrated programme of action on violence against women and children, among others. The gender responsive planning and budgeting framework will guide government on how it may need to adjust its priorities and reallocate its resources to meet its commitments to women, including those stipulated in the Convention on the Elimination of All Forms of Discrimination against Women and the Beijing Platform for Action. Gendered budgets can be critical to transforming rhetoric about women's empowerment into concrete reality. These activities are budgeted for in the *Social Transformation and Economic Empowerment* programme, which accounts for 46.2 per cent of the department's total budget over the medium term.

Awareness raising and outreach

The department's awareness raising and outreach initiatives include quarterly, annual and once off national and community dialogues and campaigns on women's economic empowerment, gender based violence, women's health, and harmful cultural, religious and traditional beliefs. These activities are budgeted for in the *Stakeholder Coordination and Outreach* subprogramme of the *Policy, Stakeholder Coordination and Knowledge Management* programme. The main cost drivers are compensation of employees (R12.7 million or 52.6 per cent of the subprogramme's total medium term budget) and goods and services (R10.8 million or 44.6 per cent of the budget). Goods and services spending is mainly on advertising, catering, and travel and subsistence.

Commission for Gender Equality

The department transfers funds to the Commission for Gender Equality for its operations. R69.9 million, R78.3 million and R82.8 million will be transferred to the commission over the medium term.

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			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)									
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	54.8	70.3	61.5	78.3	75.3	67.1	78.6	78.6	73.6	80.5	78.9	78.9	96.2%	92.7%
Programme 2	73.8	74.3	72.3	76.6	75.4	76.0	83.8	83.8	85.3	87.2	86.9	86.9	99.7%	100.0%
Programme 3	7.9	12.1	16.9	12.3	17.3	18.6	18.4	18.4	18.7	19.3	23.3	23.3	133.7%	108.8%
Total	136.4	156.8	150.7	167.2	168.1	161.6	180.8	180.8	177.5	187.0	189.1	189.1	101.1%	97.7%
Change to 2015 Budget estimate											2.1			

Table 13.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Current payments	75.1	94.9	89.6	101.2	101.6	95.9	108.1	108.1	104.9	115.8	117.9	117.9	102.0%	96.6%
Compensation of employees	33.1	49.7	44.7	60.8	59.6	48.9	61.0	61.0	57.7	66.5	65.1	65.1	97.7%	91.9%
Goods and services	42.0	45.2	44.9	40.4	42.0	47.0	47.1	47.1	47.3	49.3	52.8	52.8	107.3%	102.6%
<i>of which:</i>														
<i>Audit costs: External</i>	1.7	1.7	3.1	3.0	3.2	2.2	3.9	3.9	3.6	4.1	4.1	4.1	102.2%	100.5%
<i>Catering: Departmental activities</i>	1.7	1.5	1.7	1.9	3.7	1.2	1.7	1.7	1.9	1.8	1.8	1.8	93.1%	75.6%
<i>Communication</i>	1.7	1.5	3.7	1.5	1.6	2.5	1.5	1.5	2.3	2.0	2.0	2.0	155.4%	157.9%
<i>Consultants: Business and advisory services</i>	0.6	0.6	0.8	0.5	2.5	1.1	1.7	1.6	1.5	2.0	2.0	2.0	112.4%	80.6%
<i>Property payments</i>	0.0	0.0	-	0.0	-	9.1	-	14.0	9.2	14.7	14.7	14.7	223.4%	114.7%
<i>Travel and subsistence</i>	0.3	0.3	0.1	0.2	1.6	21.2	0.9	12.9	11.2	13.9	17.3	17.3	324.7%	155.2%
Transfers and subsidies	58.5	59.1	59.1	63.1	63.5	63.6	69.5	69.5	70.0	67.7	67.8	67.7	100.7%	100.3%
Departmental agencies and accounts	58.5	59.1	59.1	63.1	63.1	63.1	67.2	67.2	67.4	67.7	67.7	67.7	100.3%	100.1%
Households	-	0.1	0.1	-	0.4	0.5	2.2	2.2	2.7	-	0.1	0.1	147.4%	118.6%
Payments for capital assets	2.8	2.8	2.0	3.0	3.0	2.2	3.2	3.2	2.6	3.5	3.5	3.5	82.6%	82.6%
Machinery and equipment	2.8	2.8	2.0	3.0	3.0	2.2	3.2	3.2	2.6	3.5	3.5	3.5	82.6%	82.6%
Total	136.4	156.8	150.7	167.2	168.1	161.6	180.8	180.8	177.5	187.0	189.1	189.1	101.1%	97.7%

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 (%)		Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)		Expenditure/Total: Average (%)
		2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
R million										
Programme 1	78.9	3.9%	41.4%	89.4	87.4	90.5	4.7%	42.7%		
Programme 2	86.9	5.4%	47.2%	84.4	98.9	104.4	6.3%	46.2%		
Programme 3	23.3	24.3%	11.4%	23.1	21.2	21.9	-2.0%	11.1%		
Total	189.1	6.5%	100.0%	196.9	207.4	216.9	4.7%	100.0%		
Change to 2015				0.6	(4.5)	(7.3)				
Budget estimate										
Economic classification										
Current payments	117.9	7.5%	60.1%	123.3	125.3	130.0	3.3%	61.3%		
Compensation of employees	65.1	9.4%	31.9%	72.6	72.8	74.8	4.7%	35.2%		
Goods and services	52.8	5.3%	28.3%	50.7	52.5	55.2	1.5%	26.1%		
<i>of which:</i>										
<i>Audit costs: External</i>	4.1	32.8%	1.9%	4.3	4.0	4.1	0.3%	2.0%		
<i>Catering: Departmental activities</i>	1.8	4.7%	1.0%	2.6	1.5	1.6	-2.4%	0.9%		
<i>Communication</i>	2.0	8.8%	1.5%	2.1	2.6	2.8	11.6%	1.2%		
<i>Consultants: Business and advisory services</i>	2.0	50.2%	0.8%	2.2	2.2	2.3	4.2%	1.1%		
<i>Property payments</i>	14.7	801.6%	4.8%	15.3	16.2	17.1	5.4%	7.8%		
<i>Travel and subsistence</i>	17.3	304.1%	7.3%	11.1	15.0	15.6	-3.4%	7.3%		
Transfers and subsidies	67.7	4.6%	38.4%	69.9	78.3	82.8	6.9%	36.9%		
Departmental agencies and accounts	67.7	4.6%	37.9%	69.9	78.3	82.8	6.9%	36.9%		
Households	0.1	-11.7%	0.5%	0.0	0.0	0.0	-73.0%	0.0%		
Payments for capital assets	3.5	8.2%	1.5%	3.7	3.9	4.1	5.3%	1.9%		
Buildings and other fixed structures	-	-	-	0.1	-	-	-	0.0%		
Machinery and equipment	3.5	8.2%	1.5%	3.6	3.9	4.1	5.3%	1.9%		
Total	189.1	6.5%	100.0%	196.9	207.4	216.9	4.7%	100.0%		

Personnel information

Table 13.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)		
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				
Women		120	2	109	57.7	0.5	115	65.1	0.6	119	72.6	0.6	123	79.5	0.6	124	85.8	0.7	2.5%	100.0%
Salary level	120	2	109	57.7	0.5	115	65.1	0.6	119	72.6	0.6	123	79.5	0.6	124	85.8	0.7	2.5%	100.0%	
1 – 6	28	–	31	5.6	0.2	27	4.8	0.2	28	5.5	0.2	29	6.1	0.2	29	6.5	0.2	2.4%	23.5%	
7 – 10	39	–	35	10.9	0.3	38	12.6	0.3	39	13.5	0.3	39	14.5	0.4	39	15.5	0.4	0.9%	32.2%	
11 – 12	16	–	16	8.9	0.6	13	8.0	0.6	13	8.9	0.7	17	12.2	0.7	17	12.9	0.8	9.4%	12.5%	
13 – 16	37	2	27	32.3	1.2	37	39.6	1.1	39	44.7	1.1	38	46.7	1.2	39	51.0	1.3	1.8%	31.8%	
Programme	120	2	109	57.7	0.5	115	65.1	0.6	119	72.6	0.6	123	79.5	0.6	124	85.8	0.7	2.5%	100.0%	
Programme 1	81	2	80	38.0	0.5	81	44.4	0.5	85	51.4	0.6	82	51.5	0.6	83	55.9	0.7	0.8%	68.8%	
Programme 2	17	–	11	5.9	0.5	12	7.0	0.6	13	7.3	0.6	17	11.1	0.7	17	11.8	0.7	12.3%	12.3%	
Programme 3	22	–	18	13.8	0.8	22	13.6	0.6	21	14.0	0.7	24	16.9	0.7	24	18.1	0.8	2.9%	18.9%	
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(6.7)	–	–	(11.0)	–	–	–	
Total	120	2	109	57.7	0.5	115	65.1	0.6	119	72.6	0.6	–	72.8	–	–	74.8	–	–	–	

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

2. The department's compensation of employees budget has been reduced by R17.7 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 13.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	12	17	24	32	32	38.7%	100.0%	34	36	38	5.9%	100.0%
Sales of goods and services produced by department	12	17	18	32	32	38.7%	92.9%	34	36	38	5.9%	100.0%
Sales by market establishments	12	17	18	32	32	38.7%	92.9%	34	36	38	5.9%	100.0%
of which:												
Sales market establishments	12	17	18	32	32	38.7%	92.9%	34	36	38	5.9%	100.0%
Transactions in financial assets and liabilities	–	–	6	–	–	–	7.1%	–	–	–	–	–
Total	12	17	24	32	32	38.7%	100.0%	34	36	38	5.9%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 13.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Ministry	26.4	25.0	23.8	24.5	-2.4%	35.5%	19.7	20.8	23.3	-1.7%	25.5%
Departmental Management	5.1	4.9	7.8	7.0	11.0%	8.9%	20.2	17.2	16.8	33.7%	17.7%
Corporate Services	13.7	16.9	19.0	19.3	12.0%	24.5%	20.2	20.7	20.3	1.7%	23.3%
Financial Management	7.8	11.4	13.9	13.4	19.6%	16.5%	14.0	12.3	13.0	-1.1%	15.2%
Office Accommodation	8.4	9.0	9.1	14.7	20.5%	14.6%	15.3	16.2	17.1	5.4%	18.3%
Total	61.5	67.1	73.6	78.9	8.7%	100.0%	89.4	87.4	90.5	4.7%	100.0%
Change to 2015				(1.6)			3.1	(3.8)	(5.9)		
Budget estimate											
Economic classification											
Current payments	59.5	64.7	68.9	76.3	8.7%	95.9%	86.7	84.6	87.6	4.7%	96.9%
Compensation of employees	29.1	33.0	38.0	44.1	14.9%	51.3%	51.4	50.2	51.6	5.3%	57.0%
Goods and services	30.4	31.7	30.9	32.2	1.9%	44.6%	35.4	34.4	36.1	3.9%	39.9%
of which:											
Audit costs: External	3.1	2.2	3.6	4.1	10.0%	4.6%	4.3	4.0	4.1	0.3%	4.8%
Communication	2.9	1.8	1.7	1.2	-25.9%	2.7%	1.3	1.4	1.4	6.0%	1.5%
Computer services	0.5	0.7	1.5	1.4	39.3%	1.5%	1.5	1.4	1.3	-1.4%	1.6%
Consumables: Stationery, printing and office supplies	0.4	0.4	0.4	0.8	27.4%	0.7%	1.0	1.1	1.1	12.6%	1.2%
Property payments	8.4	9.1	9.2	14.7	20.2%	14.7%	15.3	16.2	17.1	5.4%	18.3%
Travel and subsistence	11.7	11.1	6.7	5.5	-21.9%	12.5%	6.2	6.6	7.2	9.0%	7.4%
Transfers and subsidies	0.1	0.5	2.7	0.1	-11.7%	1.2%	0.0	0.0	0.0	-66.0%	-
Departmental agencies and accounts	-	-	0.1	-	-	-	-	-	-	-	-
Households	0.1	0.5	2.6	0.1	-10.9%	1.1%	0.0	0.0	0.0	-73.0%	-
Payments for capital assets	1.9	1.9	2.0	2.5	9.6%	2.9%	2.6	2.8	2.9	5.2%	3.1%
Machinery and equipment	1.9	1.9	2.0	2.5	9.6%	2.9%	2.6	2.8	2.9	5.2%	3.1%
Total	61.5	67.1	73.6	78.9	8.7%	100.0%	89.4	87.4	90.5	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	40.8%	41.5%	41.4%	41.7%	-	-	45.4%	42.1%	41.7%	-	-

Programme 2: Social Transformation and Economic Empowerment

Programme purpose

Facilitate and promote the attainment of women's socioeconomic empowerment and gender equality.

Objectives

- Promote women's social and economic empowerment by:
 - identifying gaps in the implementation of existing policies or frameworks that promote women's empowerment by engaging with government clusters and individual departments on an ongoing basis
 - developing intervention mechanisms to address the existing gaps identified in the implementation of frameworks that promote women's empowerment on an ongoing basis
 - developing sector specific intervention mechanisms for gender mainstreaming over the medium term.

Subprogrammes

- Management: Social Transformation and Economic Empowerment* provides overall strategic leadership and management to the programme.
- Social Empowerment and Transformation* develops intervention mechanisms that address the gaps that exist in the social empowerment and transformation of women.
- Governance Transformation, Justice and Security* provides guidance for enhancing existing systems and procedures and addresses gaps that create barriers to the equal participation of women in the private and public sectors. This subprogramme also contributes to the elimination of gender based violence.

- *Economic Empowerment and Participation* develops intervention mechanisms that will position 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 13.7 Social Transformation and Economic Empowerment expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16 - 2016/17	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19 - 2019/20
R million											
Management: Social Transformation and Economic Empowerment	9.5	8.9	10.2	3.1	-31.1%	9.9%	3.5	4.8	5.1	17.9%	4.4%
Social Empowerment and Transformation	3.8	4.0	7.8	7.5	25.9%	7.2%	3.2	5.3	5.6	-9.3%	5.8%
Governance Transformation, Justice and Security	-	-	-	5.6	-	1.7%	4.2	6.2	6.6	5.8%	6.0%
Economic Empowerment and Participation	-	-	-	3.0	-	0.9%	3.6	4.3	4.3	12.5%	4.1%
Commission for Gender Equality	59.1	63.1	67.2	67.7	4.6%	80.2%	69.9	78.3	82.8	6.9%	79.7%
Total	72.3	76.0	85.3	86.9	6.3%	100.0%	84.4	98.9	104.4	6.3%	100.0%
Change to 2015 Budget estimate				(0.3)			(5.3)	(0.3)	(0.5)		
Economic classification											
Current payments	13.2	12.6	17.9	18.9	12.7%	19.6%	14.1	20.2	21.2	3.9%	19.9%
Compensation of employees	3.6	3.9	5.9	6.2	19.6%	6.1%	7.3	7.0	7.2	5.0%	7.4%
Goods and services	9.6	8.8	12.1	12.7	9.9%	13.4%	6.8	13.2	14.0	3.4%	12.5%
of which:											
Catering: Departmental activities	1.7	1.1	1.8	1.2	-10.3%	1.8%	0.7	1.1	1.3	0.9%	1.2%
Communication	0.2	0.3	0.3	0.6	32.7%	0.4%	0.4	1.0	1.1	24.4%	0.8%
Consultants: Business and advisory services	0.2	0.3	0.0	0.4	35.1%	0.3%	0.6	0.9	0.9	27.3%	0.8%
Travel and subsistence	4.3	4.7	3.2	6.4	14.3%	5.8%	2.2	6.2	6.2	-1.1%	5.6%
Operating payments	-	0.1	0.4	0.5	-	0.3%	0.8	0.5	0.6	11.1%	0.7%
Venues and facilities	0.8	1.1	0.1	1.4	20.8%	1.1%	0.9	1.3	1.5	1.4%	1.4%
Transfers and subsidies	59.1	63.1	67.2	67.7	4.6%	80.2%	69.9	78.3	82.8	6.9%	79.7%
Departmental agencies and accounts	59.1	63.1	67.2	67.7	4.6%	80.2%	69.9	78.3	82.8	6.9%	79.7%
Payments for capital assets	0.1	0.3	0.1	0.3	69.2%	0.2%	0.4	0.4	0.4	5.4%	0.4%
Buildings and other fixed structures	-	-	-	-	-	-	0.1	-	-	-	-
Machinery and equipment	0.1	0.3	0.1	0.3	69.2%	0.2%	0.3	0.4	0.4	5.4%	0.4%
Total	72.3	76.0	85.3	86.9	6.3%	100.0%	84.4	98.9	104.4	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	48.0%	47.0%	48.0%	46.0%	-	-	42.9%	47.7%	48.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	59.1	63.1	67.2	67.7	4.6%	80.2%	69.9	78.3	82.8	6.9%	79.7%
Commission for Gender Equality	59.1	63.1	67.2	67.7	4.6%	80.2%	69.9	78.3	82.8	6.9%	79.7%

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

- Influence government policies and programmes on women's empowerment by:
 - conducting gender sensitive research on women's socioeconomic empowerment on an ongoing basis
 - coordinating and conducting policy reviews and analyses to inform measures to be put in place to ensure women's economic empowerment on an ongoing basis.
- Position the department as a knowledge hub on women's socioeconomic and gender equality by ensuring that data it collects on women's socioeconomic matters are accessible to the public on an ongoing basis.

- Ensure compliance with international treaties and obligations by facilitating and coordinating inputs from the relevant stakeholders (domestic, regional and international) to report on international treaties and obligations for women's socioeconomic empowerment and gender equality, as and when the reports are required.

Subprogrammes

- *Management: Policy, Stakeholder Coordination and Knowledge Management* provides overall strategic leadership and management to the programme.
- *Research and Policy Analysis* manages the research agenda and conducts policy analysis to intervene and influence the socioeconomic empowerment of women and the promotion of gender equality.
- *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* coordinates stakeholder participation in women's empowerment and the promotion of women's rights initiatives at the national, regional and international levels. This subprogramme also ensures compliance with international treaty obligations, and conducts outreach initiatives which promote women's socioeconomic empowerment and gender equality.
- *Monitoring and Evaluation* monitors and evaluates progress on the empowerment of women in line with national laws, regional, continental and international treaties and commitments.

Expenditure trends and estimates

Table 13.8 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Management: Policy Coordination and Knowledge Management	–	–	–	1.2	–	1.6%	4.1	2.9	3.0	33.6%	12.5%
Research and Policy Analysis	3.9	3.8	7.7	5.1	9.7%	26.4%	4.5	4.4	4.4	-4.4%	20.6%
Information and Knowledge Management	–	–	–	0.6	–	0.8%	2.2	1.6	1.5	34.8%	6.7%
Stakeholder Coordination and Outreach	7.8	6.3	7.3	10.2	9.5%	40.9%	8.1	7.8	8.3	-6.8%	38.5%
Monitoring and Evaluation	5.2	8.5	3.7	6.1	5.3%	30.4%	4.2	4.4	4.7	-8.2%	21.8%
Total	16.9	18.6	18.7	23.3	11.3%	100.0%	23.1	21.2	21.9	-2.0%	100.0%
Change to 2015 Budget estimate				4.0			2.8	(0.4)	(1.0)		
Economic classification											
Current payments	16.9	18.5	18.1	22.7	10.3%	98.3%	22.5	20.5	21.2	-2.2%	96.9%
Compensation of employees	12.2	12.0	13.8	14.7	6.4%	68.2%	14.0	15.6	16.0	2.9%	67.4%
Goods and services	4.7	6.5	4.3	7.9	19.4%	30.2%	8.5	4.9	5.2	-13.4%	29.5%
of which:											
Advertising	–	0.3	2.0	0.1	–	3.1%	1.1	0.1	0.1	3.3%	1.6%
Catering: Departmental activities	0.0	0.0	0.0	0.1	101.4%	0.2%	1.8	0.2	0.2	2.7%	2.5%
Consultants: Business and advisory services	0.0	0.1	–	0.6	209.0%	0.9%	0.8	0.6	0.6	-0.3%	2.8%
Consumables: Stationery, printing and office supplies	0.5	0.1	0.1	0.3	-14.0%	1.2%	0.4	0.4	0.4	8.8%	1.7%
Travel and subsistence	2.8	5.3	1.3	5.4	23.4%	19.2%	2.7	2.1	2.2	-25.6%	13.7%
Venues and facilities	0.6	0.1	0.2	0.5	-7.3%	1.8%	0.5	0.5	0.6	5.7%	2.3%
Transfers and subsidies	–	–	0.1	–	–	0.1%	–	–	–	–	–
Households	–	–	0.1	–	–	0.1%	–	–	–	–	–
Payments for capital assets	0.0	0.0	0.5	0.6	277.0%	1.6%	0.7	0.7	0.8	5.5%	3.1%
Machinery and equipment	0.0	0.0	0.5	0.6	277.0%	1.6%	0.7	0.7	0.8	5.5%	3.1%
Total	16.9	18.6	18.7	23.3	11.3%	100.0%	23.1	21.2	21.9	-2.0%	100.0%
Proportion of total programme expenditure to vote expenditure	11.2%	11.5%	10.5%	12.3%	–	–	11.7%	10.2%	10.1%	–	–

Entities

Comprehensive coverage of the following public entities 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 2016/17 is R69.9 million.

Vote 14

Basic Education

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	377.9	366.9	0.2	10.8	396.6	418.6
Curriculum Policy, Support and Monitoring	1 936.1	1 572.7	362.6	0.9	1 909.6	2 019.0
Teachers, Education Human Resources and Institutional Development	1 163.7	105.7	1 057.5	0.5	1 219.3	1 290.6
Planning, Information and Assessment	12 500.2	448.8	9 807.8	2 243.6	13 334.2	14 106.8
Educational Enrichment Services	6 291.7	54.4	6 236.9	0.3	6 611.3	6 994.7
Total expenditure estimates	22 269.6	2 548.5	17 465.0	2 256.1	23 471.0	24 829.6
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 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, as well as 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of learners accessing the Kha Ri Gude campaign per year	Curriculum Policy, Support and Monitoring	Outcome 1: Quality basic education	635 453	673 743	421 440	430 441	561 722	-1	-1
Average hours spent by teachers on professional development activities per year	Teachers, Education Human Resources and Institutional Development		-2	-2	52	55	58	62	66
Number of learners obtaining a national senior certificate through the Second Chance programme per year	Teachers, Education Human Resources and Institutional Development		-2	-2	-2	-2	10 000	20 000	30 000
Number of Funza Lushaka bursaries awarded to students enrolled for initial teacher education per year	Teachers, Education Human Resources and Institutional Development		9 500	8 000	13 000	13 500	14 000	12 500	12 500

Table 14.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of new schools built and completed through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment	Outcome 1: Quality basic education	17	32	57	171	136	- ¹	- ¹
Number of schools provided with sanitation facilities through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment		453	226	371	410	265	- ¹	- ¹
Number of schools provided with water through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment		928	232	381	571	459	- ¹	- ¹
Number of schools provided with electricity through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment		692	150	292	294	620	- ¹	- ¹
Number of schools provided with nutritious meals on each school day per year	Educational Enrichment Services		19 800	19 800	19 800	19 800	19 800	19 800	19 998

1. These activities will be phased out from 2016/17.

2. No historical data is available as these are new indicators.

Expenditure analysis

Over the MTEF period, the Department of Basic Education will focus on: improving school infrastructure; improving curriculum delivery; reducing illiteracy and increasing the number of learners completing grade 12 (matric); ensuring the adequate supply of quality teachers; and assessing the quality of teaching and learning. It will also continue to offer the national school nutrition programme.

The department's compensation of employees budget has been reduced by R30.7 million for 2017/18 and R48.6 million for 2018/19 as part of Cabinet's decision to lower the national aggregate expenditure ceiling. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

Improving school infrastructure

Sub-outcome 2 (improve the quality of teaching and learning through the provision of infrastructure and learning materials) of outcome 1 (quality basic education) of the 2014-2019 medium term strategic framework commits government to invest in school infrastructure and school maintenance, and to ensure that every school meets the required infrastructure norms and standards for effective learning and teaching. Infrastructure activities account for the bulk of the department's spending over the medium term, particularly in the *Planning, Information and Assessment* programme.

Through the school infrastructure backlogs grant, the department expects to have replaced 510 inappropriate and unsafe schools, and provided water to 1 120 schools, sanitation to 741 schools and electricity to 916 schools across South Africa by 2018/19. R2.4 billion is allocated for this purpose in 2016/17 in the *School Infrastructure* subprogramme. The school infrastructure backlogs grant will shift to the education infrastructure grant from 2017/18. This grant is transferred to provinces and explains the decrease in the department's budget for buildings and other fixed structures over the medium term. R35.9 billion over the medium term is allocated to provinces through the education infrastructure grant. A funding window will be provided in the education infrastructure grant for the completion of school infrastructure backlogs projects contracted by the national department prior to the shifting of the funds. Projects include building new schools, upgrading and maintaining existing infrastructure, and providing school furniture. The balance of the funds will be used for specific purposes like school maintenance or to replace unsafe structures at schools.

The department has issued minimum norms and standards for school infrastructure, which all schools are expected to meet by March 2017. The education infrastructure grant to provinces provides funding for meeting these norms and standards, and the provinces make co-contributions.

Improving curriculum delivery

Ensuring access to high quality learning and teaching support materials is key to improving curriculum delivery. The department plans to print and distribute approximately 180 million workbooks to schools over the MTEF period at a projected cost of R3.2 billion, funded in the *Curriculum and Quality Enhancement Programmes* subprogramme in the *Curriculum Policy, Support and Monitoring* programme. The workbooks

provide activities that ensure that learners work to the required standard, and assist teachers to pace their work so that all elements of the curriculum can be completed on time. The department has appointed 8 officials on annual renewable contracts at deputy and assistant director levels to assist provinces with project coordination and monitoring and to ensure that the correct workbook deliveries are made to districts. These officials, stationed in the provinces, will also investigate and report on any challenges to the correct delivery of workbooks.

The department will also provide infrastructure, equipment and teacher training to improve participation and success rates in mathematics, science and technology, including structured training programmes in technical maths and science for subject advisors and teachers. This is projected to cost R1.2 billion over the MTEF period, and is funded from the maths, science and technology grant in the *Curriculum Implementation and Monitoring* subprogramme.

Reducing illiteracy and increasing the number of learners completing Grade 12 (matric)

The Kha Ri Gude mass literacy programme is aimed at reducing adult illiteracy through teaching learners aged 15 and older basic literacy and numeracy skills in the 11 official languages. Kha Ri Gude reached 3.9 million illiterate adults at a cost of R2.97 billion between the programme's inception in 2008/09 and 2014/15. The department expects to reach the remainder of the targeted 4.7 million by 2016/17, after which the programme will be phased out and funds redirected to the Second Chance matric programme. This explains the decrease over the medium term in the budget of the *Kha Ri Gude Literacy Project* subprogramme and the increase of 129.4 per cent in the *Curriculum Implementation and Monitoring* subprogramme of the *Curriculum Policy, Support and Monitoring* programme, where the Second Chance programme is located.

A new focus for the department over the medium term will be the Second Chance matric programme, which gives learners an opportunity to rewrite the national senior certificate examination. The department plans to enrol between 10 000 and 30 000 learners in the Second Chance programme by 2018/19. Implementation will cover four areas: direct tuition, technology and electronic media, learner and teacher support materials, and self-study. The pilot will start in 2016/17, offering direct tuition in 2 districts per province at 2 schools per district. The districts selected will be those with a high number of learners qualifying for supplementary examinations. Teachers from the best performing schools in these districts will provide the tuition. About 10 000 of the approximately 120 000 learners who qualify to write the supplementary examinations every year will be involved in the pilot, which will focus on 7 subjects that have a high failure rate. The pilot will reach additional learners through the programme's technology and electronic media activities. The pilot will cost R50 million in 2016/17. These funds will be used for advocacy, to launch and advertise the programme, to reimburse teachers for direct tuition, and to provide learner and teacher support materials.

Ensuring the adequate supply of quality teachers

The department aims to increase the number of qualified teachers aged 30 and below entering the public service from 8 000 in 2014/15 to 10 800 in 2018/19. The department expects to award 39 000 Funza Lushaka bursaries over the medium term at a cost of R3.3 billion to prospective teachers in priority subject areas like mathematics, science and technology. The allocation for the bursaries increases by inflation, but the president has proclaimed a zero increase in university fees in 2016. Hence the allocation can support 500 more bursaries (14 000) than the initial target of 13 500 for 2016/17. These bursaries are provided through the National Student Financial Aid Scheme, funded by transfers from the department through the *Education Human Resources Development* subprogramme in the *Teachers, Education Human Resources and Institutional Development* programme.

Assessing the quality of teaching and learning

One of the education sector's goals is to assess the quality of teaching and learning below grade 12, with the aim of identifying schools that need support and the type of support they need. This is in line with sub-outcome 3 (conducting regular annual national assessments to track performance across the system) of the 2014-2019 medium term strategic framework. Over the medium term, the department's annual national assessments process will track the progress of approximately 9 million learners. The department will set, print and moderate question papers for the national senior certificate examinations and the annual national assessments, which accounts for the high proportion of expenditure on travel and subsistence (for examiners and moderators) and stationery and printing in the *National Assessments and Public Examinations* subprogramme in the *Planning,*

Information and Assessment programme over the medium term. This allocation has been reduced by R300 million over the MTEF period as part of the Cabinet decision to lower the national aggregate expenditure ceiling. The department will use the R376.3 million that has been set aside over the period for the annual national assessments to administer the assessments. A new model for this process is under discussion.

National school nutrition programme

The department's national school nutrition programme will continue to contribute to the national development plan's priority of eliminating poverty and supporting food security by providing meals to 19 800 schools each year. This is projected to cost R19 billion over the MTEF period through the national school nutrition programme grant in 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	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 -	2015/16
Programme 1	309.6	311.3	307.7	326.5	334.1	353.7	347.4	351.4	380.8	357.7	360.3	360.3	104.6%	103.3%
Programme 2	1 437.6	1 736.0	1 701.6	1 849.7	1 865.0	1 775.9	1 954.9	1 895.9	1 685.2	1 877.8	1 844.9	1 826.9	98.2%	95.2%
Programme 3	755.6	872.8	828.0	996.6	991.7	1 025.8	1 268.2	1 281.2	1 314.5	1 171.5	1 163.4	1 163.4	103.3%	100.5%
Programme 4	8 370.2	8 127.1	6 897.9	8 989.0	8 994.1	8 435.6	10 379.4	10 420.4	10 428.9	12 129.7	11 974.0	11 794.0	94.2%	95.0%
Programme 5	5 470.6	5 156.7	5 150.7	5 430.0	5 434.4	5 420.2	5 730.2	5 740.9	5 719.5	5 974.5	5 943.8	5 943.8	98.4%	99.8%
Total	16 343.6	16 204.0	14 885.9	17 591.9	17 619.3	17 011.1	19 680.1	19 689.9	19 528.9	21 511.1	21 286.4	21 088.4	96.5%	96.9%
Change to 2015 Budget estimate											(224.7)			
Economic classification														
Current payments	2 041.3	2 149.3	2 067.2	2 269.7	2 277.8	2 272.1	2 480.2	2 440.3	2 410.7	2 431.9	2 528.7	2 510.7	100.4%	98.6%
Compensation of employees	349.6	356.7	325.2	389.4	388.4	371.7	414.7	414.4	412.7	440.9	439.9	439.9	97.2%	96.9%
Goods and services	1 641.6	1 742.6	1 690.6	1 819.7	1 828.7	1 850.1	2 016.5	1 976.9	1 949.0	1 943.4	2 041.2	2 023.2	101.2%	99.0%
of which:														
Computer services	52.8	44.5	45.6	51.6	55.5	59.6	74.4	64.9	66.0	55.2	42.1	42.1	91.2%	103.1%
Inventory: Learner and teacher support material	0.3	-	654.1	-	0.1	604.5	-	656.4	849.7	643.0	717.2	717.2	439.2%	205.7%
Consumables: Stationery, printing and office supplies	56.9	90.4	87.6	132.5	120.1	45.0	205.4	160.0	44.8	205.4	89.0	89.0	44.4%	58.0%
Property payments	77.2	77.2	73.9	71.2	71.3	84.9	90.7	90.7	93.1	100.0	99.8	99.8	103.7%	103.7%
Travel and subsistence	65.5	96.1	109.9	88.5	96.0	140.9	90.6	116.2	122.8	101.1	99.8	99.8	136.9%	116.0%
Operating payments	1 277.6	1 281.6	563.9	1 343.7	1 318.9	772.3	1 415.1	730.8	442.2	732.4	659.5	641.5	50.7%	60.6%
Interest and rent on land	50.1	50.1	51.5	60.7	60.7	50.3	49.0	49.0	49.0	47.5	47.5	47.5	95.6%	95.6%
Transfers and subsidies	11 972.0	11 974.1	11 940.9	13 372.1	13 390.3	13 350.3	14 267.4	14 714.1	14 686.7	17 033.9	16 810.1	16 810.1	100.3%	99.8%
Provinces and municipalities	11 246.6	11 246.6	11 205.9	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	100.2%	99.8%
Departmental agencies and accounts	713.9	714.4	714.4	991.7	991.7	991.7	1 055.0	1 055.0	1 055.5	1 104.0	1 104.0	1 104.0	100.0%	100.0%
Foreign governments and international organisations	11.4	11.4	12.0	12.0	12.0	15.1	12.8	12.8	16.7	13.3	13.3	13.3	115.2%	115.2%
Non-profit institutions	0.1	0.1	6.1	25.1	15.1	15.1	30.1	69.1	63.1	60.1	60.1	60.1	125.2%	100.0%
Households	-	1.7	2.6	-	0.9	2.2	-	0.3	1.7	-	1.0	1.0	-	190.7%

Table 14.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Payments for capital assets	2 330.3	2 080.5	877.8	1 950.1	1 951.1	1 388.5	2 932.5	2 535.4	2 426.5	2 045.4	1 947.6	1 767.6	69.8%	75.9%
Buildings and other fixed structures	2 322.4	2 072.4	872.5	1 943.7	1 943.7	1 381.6	2 924.1	2 526.4	2 413.7	2 038.5	1 940.5	1 760.5	69.7%	75.8%
Machinery and equipment	7.8	8.0	5.2	6.4	7.4	6.8	8.4	9.0	12.7	6.7	7.0	7.0	107.6%	101.0%
Software and other intangible assets	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	122.3%	113.1%
Payments for financial assets	-	-	-	-	-	0.1	-	-	5.0	-	-	-	-	-
Total	16 343.6	16 204.0	14 885.9	17 591.9	17 619.3	17 011.1	19 680.1	19 689.9	19 528.9	21 511.1	21 286.4	21 088.4	96.5%	96.9%

Expenditure estimates

Table 14.3 Vote expenditure estimates by programme and economic classification

Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
				2015/16	2012/13 - 2015/16				
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million									
Programme 1	360.3	5.0%	1.9%	377.9	396.6	418.6	5.1%	1.7%	
Programme 2	1 826.9	1.7%	9.6%	1 936.1	1 909.6	2 019.0	3.4%	8.4%	
Programme 3	1 163.4	10.1%	6.0%	1 163.7	1 219.3	1 290.6	3.5%	5.3%	
Programme 4	11 794.0	13.2%	51.8%	12 500.2	13 334.2	14 106.8	6.2%	56.4%	
Programme 5	5 943.8	4.8%	30.7%	6 291.7	6 611.3	6 994.7	5.6%	28.2%	
Total	21 088.4	9.2%	100.0%	22 269.6	23 471.0	24 829.6	5.6%	100.0%	
Change to 2015 Budget estimate				(259.0)	(389.3)	(414.7)			
Economic classification									
Current payments	2 510.7	5.3%	12.8%	2 548.5	2 406.0	2 547.9	0.5%	10.9%	
Compensation of employees	439.9	7.2%	2.1%	472.1	482.0	506.0	4.8%	2.1%	
Goods and services	2 023.2	5.1%	10.4%	2 030.0	1 875.4	1 990.4	-0.5%	8.6%	
<i>of which:</i>									
Computer services	42.1	-1.8%	0.3%	59.6	60.5	63.9	14.9%	0.2%	
Inventories: Learner and teacher support material	717.2	-	3.9%	1 037.9	1 089.3	698.2	-0.9%	3.9%	
Consumables: Stationery, printing and office supplies	89.0	-0.5%	0.4%	114.4	127.7	112.8	8.2%	0.5%	
Property payments	99.8	8.9%	0.5%	119.2	125.2	132.5	9.9%	0.5%	
Travel and subsistence	99.8	1.3%	0.7%	116.6	108.9	114.1	4.5%	0.5%	
Operating payments	641.5	-20.6%	3.3%	349.9	245.1	782.1	6.8%	2.2%	
Interest and rent on land	47.5	-1.8%	0.3%	46.3	48.6	51.5	2.7%	0.2%	
Transfers and subsidies	16 810.1	12.0%	78.3%	17 465.0	21 050.4	22 266.5	9.8%	84.7%	
Provinces and municipalities	15 631.8	11.6%	72.7%	16 213.0	19 717.2	20 850.7	10.1%	79.0%	
Departmental agencies and accounts	1 104.0	15.6%	5.3%	1 162.5	1 220.6	1 291.4	5.4%	5.2%	
Foreign governments and international organisations	13.3	5.4%	0.1%	17.3	18.3	18.9	12.3%	0.1%	
Non-profit institutions	60.1	963.0%	0.2%	72.2	94.3	105.6	20.7%	0.4%	
Households	1.0	-15.8%	0.0%	-	-	-	-100.0%	0.0%	
Payments for capital assets	1 767.6	-5.3%	8.9%	2 256.1	14.6	15.2	-79.5%	4.4%	
Buildings and other fixed structures	1 760.5	-5.3%	8.9%	2 249.4	7.6	8.0	-83.4%	4.4%	
Machinery and equipment	7.0	-4.5%	0.0%	6.6	6.9	7.1	0.5%	0.0%	
Software and other intangible assets	0.1	-2.0%	0.0%	0.1	0.1	0.2	5.6%	0.0%	
Total	21 088.4	9.2%	100.0%	22 269.6	23 471.0	24 829.6	5.6%	100.0%	

Personnel information

Table 14.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number			
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2015/16 - 2018/19						
		2014/15			2015/16			2016/17		2017/18		2018/19								
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				
Basic Education		799	4	753	412.7	0.5	758	439.9	0.6	766	472.1	0.6	773	512.7	0.7	789	554.5	0.7	1.3%	100.0%
Salary level	799	4	753	412.7	0.5	758	439.9	0.6	766	472.1	0.6	773	512.7	0.7	789	554.5	0.7	1.3%	100.0%	
1 – 6	201	2	198	41.4	0.2	196	42.5	0.2	195	45.5	0.2	195	49.0	0.3	196	52.1	0.3	–	25.3%	
7 – 10	294	–	265	102.9	0.4	271	111.2	0.4	268	121.3	0.5	269	131.4	0.5	278	145.4	0.5	0.9%	35.2%	
11 – 12	207	–	205	147.3	0.7	201	152.3	0.8	212	158.0	0.7	217	174.0	0.8	219	184.1	0.8	2.9%	27.5%	
13 – 16	95	2	83	81.1	1.0	88	87.0	1.0	89	97.0	1.1	90	104.6	1.2	94	115.7	1.2	2.2%	11.7%	
Other	2	–	2	40.1	20.0	2	46.9	23.5	2	50.3	25.1	2	53.7	26.9	2	57.1	28.6	–	0.3%	
Programme	799	4	753	412.7	0.5	758	439.9	0.6	766	472.1	0.6	773	512.7	0.7	789	554.5	0.7	1.3%	100.0%	
Programme 1	301	4	287	125.1	0.4	294	129.2	0.4	294	135.3	0.5	294	145.2	0.5	299	157.9	0.5	0.6%	38.3%	
Programme 2	96	–	96	73.2	0.8	96	83.2	0.9	104	85.1	0.8	105	91.6	0.9	107	98.0	0.9	3.7%	13.4%	
Programme 3	152	–	138	62.1	0.4	136	69.1	0.5	134	82.4	0.6	138	90.6	0.7	144	99.4	0.7	1.9%	17.9%	
Programme 4	182	–	174	120.4	0.7	176	123.4	0.7	176	129.2	0.7	176	141.0	0.8	177	151.2	0.9	0.2%	22.8%	
Programme 5	68	–	58	32.0	0.6	56	35.0	0.6	58	40.2	0.7	60	44.2	0.7	62	48.0	0.8	3.5%	7.6%	
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total	799	4	753	412.7	0.5	758	439.9	0.6	766	472.1	0.6	–	–	–	–	–	–	–	–	

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

2. The department's compensation of employees budget has been reduced by R79.2 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 14.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	8 029	27 227	57 572	12 067	10 067	7.8%	100.0%	7 081	2 132	2 234	-39.5%	100.0%
Sales of goods and services produced by department	5 929	2 710	4 629	2 037	2 037	-30.0%	14.9%	2 081	2 132	2 234	3.1%	39.4%
Sales by market establishments	118	110	105	125	125	1.9%	0.4%	129	130	132	1.8%	2.4%
of which:												
Market establishment:	118	110	105	125	125	1.9%	0.4%	129	130	132	1.8%	2.4%
Rental parking:												
Covered and open												
Administrative fees	5 727	–	4 423	1 800	1 800	-32.0%	11.6%	1 850	1 900	2 000	3.6%	35.1%
of which:												
Services rendered:	1 306	–	1 874	1 300	1 300	-0.2%	4.4%	1 350	1 400	1 500	4.9%	25.8%
Exam certificates												
Academic services:	3 707	–	1 782	–	–	-100.0%	5.3%	–	–	–	–	–
Course material												
Sales: Tender documents	550	–	767	500	500	-3.1%	1.8%	500	500	500	–	9.3%
Sales: Entrance fees	164	–	–	–	–	-100.0%	0.2%	–	–	–	–	–

Table 14.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2012/13 - 2015/16	2016/17		
Other sales	84	2 600	101	112	112	10.1%	2.8%	102	102	102	-3.1%	1.9%
<i>of which:</i>												
Services rendered:	81	2 600	99	110	110	10.7%	2.8%	100	100	100	-3.1%	1.9%
Commission on insurance and garnishees												
Replacement of security cards	3	-	2	2	2	-12.6%	-	2	2	2	-	-
Sales of scrap, waste, arms and other used current goods	-	-	43	-	-	-	-	-	-	-	-	-
<i>of which:</i>												
Waste paper	-	-	43	-	-	-	-	-	-	-	-	-
Transfers received	501	346	-	-	-	-100.0%	0.8%	-	-	-	-	-
Interest, dividends and rent on land	446	20 050	13 355	10 000	8 000	161.8%	40.7%	5 000	-	-	-100.0%	60.4%
Interest	446	20 050	13 355	10 000	8 000	161.8%	40.7%	5 000	-	-	-100.0%	60.4%
Sales of capital assets	-	1	301	-	-	-	0.3%	-	-	-	-	-
Transactions in financial assets and liabilities	1 153	4 120	39 244	30	30	-70.4%	43.3%	-	-	-	-100.0%	0.1%
Total	8 029	27 227	57 572	12 067	10 067	7.8%	100.0%	7 081	2 132	2 234	-39.5%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 14.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million												
Ministry	22.9	29.7	27.4	25.6	3.9%	7.5%	27.2	28.8	29.5	4.8%	7.2%	
Department Management	60.4	71.9	81.2	65.5	2.7%	19.9%	63.8	68.9	71.6	3.0%	17.4%	
Corporate Services	44.8	50.0	54.1	50.2	3.9%	14.2%	54.2	54.6	57.9	4.9%	14.0%	
Office of the Chief Financial Officer	36.3	47.7	55.8	47.5	9.4%	13.4%	51.9	54.4	58.6	7.2%	13.7%	
Internal Audit	4.3	5.4	5.6	5.4	7.5%	1.5%	5.9	6.2	6.6	7.1%	1.6%	
Office Accommodation	139.0	148.9	156.7	166.1	6.1%	43.5%	174.9	183.7	194.3	5.4%	46.3%	
Total	307.7	353.7	380.8	360.3	5.4%	100.0%	377.9	396.6	418.6	5.1%	100.0%	
Change to 2015 Budget estimate				2.6			1.4	0.3	(0.8)			

Table 14.6 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 (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19		
R million											
Current payments	291.0	336.5	363.8	341.7	5.5%	95.1%	366.9	385.1	406.4	5.9%	96.6%
Compensation of employees	97.5	116.3	125.1	129.2	9.9%	33.4%	135.3	145.2	153.1	5.8%	36.2%
Goods and services	142.1	169.9	189.8	164.9	5.1%	47.5%	185.3	191.2	201.8	7.0%	47.9%
<i>of which:</i>											
<i>Audit costs: External</i>	8.5	13.6	16.8	9.9	5.1%	3.5%	13.3	13.4	13.7	11.4%	3.2%
<i>Communication</i>	2.4	2.7	2.4	2.3	-1.8%	0.7%	2.3	2.3	2.4	1.6%	0.6%
<i>Computer services</i>	15.6	18.4	22.1	16.2	1.1%	5.1%	18.0	17.1	18.1	3.9%	4.5%
<i>Consumables: Stationery, printing and office supplies</i>	8.1	3.7	2.7	4.8	-15.9%	1.4%	3.2	3.3	3.6	-9.3%	1.0%
<i>Travel and subsistence</i>	17.2	23.8	16.4	17.9	1.4%	5.4%	15.1	16.8	17.8	-0.2%	4.4%
<i>Interest and rent on land</i>	51.5	50.3	49.0	47.5	-2.6%	14.1%	46.3	48.6	51.5	2.7%	12.5%
Transfers and subsidies	0.3	0.4	0.6	0.4	12.9%	0.1%	0.2	0.2	0.2	-19.8%	0.1%
Departmental agencies and accounts	0.2	0.2	0.2	0.2	0.2%	0.1%	0.2	0.2	0.2	5.5%	0.1%
Households	0.1	0.3	0.5	0.2	29.6%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	16.4	16.7	16.3	18.2	3.5%	4.8%	10.8	11.3	12.0	-13.0%	3.4%
Buildings and other fixed structures	12.9	11.5	13.5	14.2	3.4%	3.7%	7.2	7.6	8.0	-17.4%	2.4%
Machinery and equipment	3.5	5.1	2.9	3.9	3.5%	1.1%	3.4	3.6	3.8	-0.4%	0.9%
Software and other intangible assets	0.1	0.2	-	0.1	15.4%	-	0.1	0.1	0.1	12.4%	-
Total	307.7	353.7	380.8	360.3	5.4%	100.0%	377.9	396.6	418.6	5.1%	100.0%
Proportion of total programme expenditure to vote expenditure	2.1%	2.1%	1.9%	1.7%	-	-	1.7%	1.7%	1.7%	-	-

Programme 2: Curriculum Policy, Support and Monitoring

Programme purpose

Develop curriculum and assessment policies, and monitor and support their implementation.

Objectives

- Reduce the number of illiterate adults in South Africa by 4.7 million through the Kha Ri Gude mass literacy campaign by 2016/17.
- Contribute to job creation by recruiting and training 36 986 volunteer educators for the Kha Ri Gude mass literacy campaign in 2016/17.
- Increase the number of learners completing grade 12 examinations by providing a second chance opportunity for learners who failed to meet the national senior certificate requirements annually.
- Improve the learning and teaching of critical foundational skills by developing and printing workbooks in literacy/languages, numeracy/mathematics, and English first additional language from grades 1 to 9 and distributing these to all provinces each year over the medium term.
- Improve overall educational performance in the long term by improving access to grade R and providing quality grade R learning materials each year over the medium term.
- Increase learner participation and success rates in mathematics, science and technology by providing ICT equipment, machinery and subject specific resources and teacher development to schools each year over the medium term by:
 - supplying 1 000 schools with ICT resources
 - providing 200 workshops with equipment, machinery and tools
 - providing 1 000 laboratories and workshops with equipment, apparatus and consumables
 - registering 90 000 learners for participation in mathematics, science and technology Olympiads/fairs/expos and other competitions
 - supporting 3 000 teachers and subject advisers in teaching methodologies and subject content training in mathematics, science and technology subjects.

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 and 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 14.7 Curriculum Policy, Support and Monitoring expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Programme Management: Curriculum Policy, Support and Monitoring	2.7	2.6	3.0	2.6	-1.7%	0.2%	3.2	3.4	3.6	11.1%	0.2%
Curriculum Implementation and Monitoring	29.9	35.0	72.6	38.3	8.6%	2.5%	91.4	145.2	462.1	129.4%	9.6%
Kha Ri Gude Literacy Project	572.5	598.8	387.0	504.7	-4.1%	29.4%	450.5	299.5	8.6	-74.3%	16.4%
Curriculum and Quality Enhancement Programmes	1 096.6	1 139.5	1 222.7	1 299.4	5.8%	67.9%	1 391.0	1 461.5	1 544.8	5.9%	73.9%
Total	1 701.6	1 775.9	1 685.2	1 844.9	2.7%	100.0%	1 936.1	1 909.6	2 019.0	3.1%	100.0%
Change to 2015				(32.8)			(8.1)	(17.0)	(19.4)		
Budget estimate											
Economic classification											
Current payments	1 406.4	1 469.0	1 348.2	1 526.7	2.8%	82.1%	1 572.7	1 523.5	1 610.6	1.8%	80.9%
Compensation of employees	65.8	75.5	73.2	83.2	8.2%	4.2%	85.1	81.9	85.3	0.8%	4.4%
Goods and services	1 340.7	1 393.5	1 275.1	1 443.5	2.5%	77.8%	1 487.6	1 441.6	1 525.3	1.9%	76.5%
of which:											
Catering: Departmental activities	3.0	3.3	8.1	6.0	26.0%	0.3%	7.9	9.4	5.9	-0.9%	0.4%
Consultants: Business and advisory services	2.7	0.4	22.2	1.9	-11.2%	0.4%	22.7	24.2	0.5	-34.1%	0.6%
Inventory: Learner and teacher support material	654.1	576.1	849.2	716.8	3.1%	39.9%	1 037.9	1 089.3	698.2	-0.9%	45.9%
Consumables: Stationery, printing and office supplies	64.7	35.4	33.9	21.7	-30.6%	2.2%	33.9	35.8	9.0	-25.5%	1.3%
Travel and subsistence	9.7	8.9	23.0	10.5	2.8%	0.7%	22.4	23.9	22.0	27.8%	1.0%
Operating payments	557.9	721.9	316.4	634.3	4.4%	31.8%	342.2	237.9	774.5	6.9%	25.8%
Transfers and subsidies	294.8	306.6	336.4	317.2	2.5%	17.9%	362.6	385.3	407.6	8.7%	19.1%
Provinces and municipalities	294.3	306.2	336.2	316.9	2.5%	17.9%	362.4	385.1	407.5	8.7%	19.1%
Foreign governments and international organisations	0.1	0.1	0.1	0.1	8.3%	-	0.1	0.1	0.1	5.4%	-
Households	0.4	0.3	0.1	0.1	-34.6%	-	-	-	-	-100.0%	-
Payments for capital assets	0.4	0.3	0.6	1.1	37.6%	-	0.9	0.9	0.7	-11.2%	-
Machinery and equipment	0.4	0.3	0.6	1.0	37.7%	-	0.9	0.9	0.7	-10.8%	-
Total	1 701.6	1 775.9	1 685.2	1 844.9	2.7%	100.0%	1 936.1	1 909.6	2 019.0	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	11.4%	10.4%	8.6%	8.7%	-	-	8.7%	8.1%	8.1%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Capital	294.3	306.2	336.2	316.9	2.5%	17.9%	362.4	385.1	407.5	8.7%	19.1%
Maths, science and technology grant	294.3	306.2	336.2	316.9	2.5%	17.9%	362.4	385.1	407.5	8.7%	19.1%

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

- Improve the recruitment and placement of educators into the education system by ensuring 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 by awarding 14 000 Funza Lushaka bursaries to prospective teachers in 2016/17.
- Improve the capacity of 20 000 mathematics and 20 000 English first additional language teachers through self-diagnostic testing and the implementation of teacher development courses to improve content and pedagogical knowledge each year over the medium term.
- Enhance accountability by monitoring and supporting the implementation of educator performance management systems and school evaluations in 2016/17.

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; 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 in South Africa into a wide range of teacher development materials and collaborative professional development activities, strengthens the teacher recruitment campaign, and improves district support to schools for more effective teaching and learning.
- *Curriculum and Professional Development Unit* manages and develops an innovative and effective teacher development and curriculum implementation system. This entails curriculum research, teacher development research, and teacher development implementation.

Expenditure trends and estimates

Table 14.8 Teachers, Education Human Resources and Institutional 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million											
Programme Management: Teachers, Education Human Resources and Institutional Development	2.5	0.7	1.5	2.0	-7.8%	0.2%	2.1	2.2	2.4	6.7%	0.2%
Education Human Resources Management	62.0	66.0	285.5	134.5	29.5%	12.7%	78.7	78.5	83.6	-14.7%	7.8%
Education Human Resources Development	759.8	954.5	1 004.0	1 014.2	10.1%	86.2%	1 068.5	1 122.6	1 189.5	5.5%	90.9%
Curriculum and Professional Development Unit	3.7	4.7	23.5	12.7	50.1%	1.0%	14.4	15.9	15.1	6.0%	1.2%
Total	828.0	1 025.8	1 314.5	1 163.4	12.0%	100.0%	1 163.7	1 219.3	1 290.6	3.5%	100.0%
Change to 2015				(8.1)			(0.2)	(4.0)	(3.6)		
Budget estimate											

Table 14.8 Teachers, Education Human Resources and Institutional Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	136.1	115.6	139.0	92.3	-12.1%	11.2%	105.7	108.3	115.2	7.6%	8.7%
Compensation of employees	48.8	54.0	62.1	69.1	12.2%	5.4%	82.4	83.2	89.3	9.0%	6.7%
Goods and services	87.3	61.6	77.0	23.3	-35.6%	5.8%	23.3	25.1	25.9	3.6%	2.0%
<i>of which:</i>											
Administrative fees	–	0.0	0.8	0.2	–	–	0.8	0.9	0.9	62.8%	0.1%
Catering: Departmental activities	1.3	0.5	6.3	0.9	-11.6%	0.2%	3.0	2.6	2.2	33.8%	0.2%
Consumables: Stationery, printing and office supplies	8.4	1.7	3.2	1.3	-46.0%	0.3%	2.7	2.8	3.0	31.2%	0.2%
Travel and subsistence	26.7	23.4	32.2	14.4	-18.5%	2.2%	12.8	14.7	15.3	2.0%	1.2%
Training and development	19.0	0.0	7.8	0.7	-67.0%	0.6%	0.7	0.8	0.8	6.4%	0.1%
Venues and facilities	4.0	1.3	5.2	0.8	-41.6%	0.3%	1.0	1.1	1.2	12.9%	0.1%
Transfers and subsidies	691.6	910.0	1 175.0	1 070.7	15.7%	88.8%	1 057.5	1 110.4	1 174.8	3.1%	91.2%
Provinces and municipalities	–	–	213.0	66.3	–	6.4%	–	–	–	-100.0%	1.4%
Departmental agencies and accounts	671.9	893.9	947.5	991.1	13.8%	80.9%	1 043.6	1 095.8	1 159.3	5.4%	88.7%
Foreign governments and international organisations	11.9	15.0	13.9	13.2	3.6%	1.2%	13.9	14.6	15.5	5.4%	1.2%
Non-profit institutions	6.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Households	1.8	1.1	0.6	0.1	-58.8%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	0.3	0.2	0.4	0.3	5.6%	–	0.5	0.5	0.6	21.7%	–
Machinery and equipment	0.3	0.2	0.4	0.3	5.6%	–	0.5	0.5	0.6	21.7%	–
Total	828.0	1 025.8	1 314.5	1 163.4	12.0%	100.0%	1 163.7	1 219.3	1 290.6	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	5.6%	6.0%	6.7%	5.5%	–	–	5.2%	5.2%	5.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	671.9	893.9	947.5	991.1	13.8%	80.9%	1 043.6	1 095.8	1 159.3	5.4%	88.7%
National Student Financial Aid Scheme	671.9	893.9	947.5	991.1	13.8%	80.9%	1 043.6	1 095.8	1 159.3	5.4%	88.7%
Foreign governments and international organisations											
Current	11.9	15.0	13.9	13.2	3.6%	1.2%	13.9	14.6	15.5	5.4%	1.2%
United Nations Educational, Scientific and Cultural Organisation	11.9	14.9	13.8	13.2	3.6%	1.2%	13.9	14.6	15.4	5.4%	1.2%
Association for the Development of Education in Africa	0.0	0.0	0.1	0.0	14.5%	–	0.0	0.0	0.0	4.8%	–
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	–	–	213.0	66.3	–	6.4%	–	–	–	-100.0%	1.4%
Occupational specific dispensation for education sector therapists grant	–	–	213.0	66.3	–	6.4%	–	–	–	-100.0%	1.4%
Non-profit institutions											
Current	6.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
International Mathematics Olympiad	6.0	–	–	–	-100.0%	0.1%	–	–	–	–	–

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 2016/17 by:

- building 510 schools to replace all unsafe structures
 - providing electricity to 916 schools
 - providing water to 1 120 schools
 - providing sanitation to 741 schools.
- Improve literacy and numeracy by administering literacy and numeracy tests for all learners from grades 1 to 9 each year and providing a detailed report on learner performance in the annual national assessments in these grades.
 - Strengthen the capacity of district offices to support schools through quarterly provincial visits in order to 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 unit record information. This is done in order to monitor and report on the implementation of the education information policy in the basic education sector. This subprogramme also focuses on cross-cutting aspects such as resource planning, financial support, development and monitoring of the 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. This includes replacing school buildings constructed from inappropriate material, such as mud. The education infrastructure grant provides co-funding for the ongoing infrastructure programme in provinces to allow for the provision of current infrastructure requirements, which includes the maintenance of existing stock and new infrastructure where required, and to progressively meet the norms and standards for school building.
- *National Assessments and Public Examinations* administers a credible national assessment in grade 1 to 6 and grade 9, and public examinations in grade 12, which will provide reliable and valid 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 monitors and supports 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. The unit also oversees the partnership established with business and social partners through the National Education Collaboration Trust to improve learning outcomes by piloting interventions in selected districts.

Expenditure trends and estimates

Table 14.9 Planning, Information and Assessment expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Programme Management: Planning, Information and Assessment	2.3	2.6	2.9	2.6	5.1%	-	3.1	3.3	3.5	9.7%	-
Financial Planning, Information and Management Systems	35.0	31.9	47.1	40.5	5.0%	0.4%	43.9	47.5	50.0	7.3%	0.4%
School Infrastructure	6 668.9	8 042.4	9 878.1	11 409.0	19.6%	95.4%	11 997.3	12 789.0	13 521.1	5.8%	95.8%
National Assessments and Public Examinations	159.8	296.1	378.3	416.2	37.6%	3.3%	339.0	363.5	393.4	-1.9%	2.9%
National Education Evaluation and Development Unit	17.1	21.1	26.3	22.3	9.4%	0.2%	22.3	15.5	15.6	-11.2%	0.1%
Planning and Delivery Oversight Unit	14.9	41.6	96.2	83.3	77.7%	0.6%	94.5	115.4	123.1	13.9%	0.8%
Total	6 897.9	8 435.6	10 428.9	11 974.0	20.2%	100.0%	12 500.2	13 334.2	14 106.8	5.6%	100.0%
Change to 2015 Budget estimate				(155.7)			(254.1)	(372.4)	(394.8)		
Economic classification											
Current payments	192.5	308.3	514.8	518.6	39.2%	4.1%	448.8	329.8	353.0	-12.0%	3.2%
Compensation of employees	86.4	94.6	120.4	123.4	12.6%	1.1%	129.2	127.5	131.5	2.1%	1.0%
Goods and services	106.0	213.8	394.3	395.1	55.0%	2.9%	319.6	202.3	221.4	-17.6%	2.2%
<i>of which:</i>											
Computer services	29.4	41.1	43.6	24.3	-6.1%	0.4%	41.3	43.1	45.5	23.2%	0.3%
Consultants: Business and advisory services	0.9	2.5	73.6	74.3	339.7%	0.4%	114.2	4.9	5.4	-58.3%	0.4%
Agency and support/outsourced services	15.6	6.8	37.6	119.6	97.4%	0.5%	4.4	4.3	3.8	-68.4%	0.3%
Consumables: Stationery, printing and office supplies	2.2	3.0	3.0	59.8	201.5%	0.2%	72.5	83.4	94.7	16.6%	0.6%
Travel and subsistence	50.1	78.1	45.1	49.8	-0.2%	0.6%	59.2	46.1	51.0	0.8%	0.4%
Venues and facilities	0.3	1.9	4.9	2.9	105.9%	-	5.5	3.8	4.0	11.6%	-
Transfers and subsidies	5 844.9	6 756.3	7 500.4	9 527.6	17.7%	78.5%	9 807.8	13 002.8	13 752.2	13.0%	88.8%
Provinces and municipalities	5 802.4	6 643.3	7 326.6	9 354.4	17.3%	77.2%	9 613.7	12 780.4	13 511.6	13.0%	87.2%
Departmental agencies and accounts	42.3	97.7	107.9	112.7	38.6%	1.0%	118.7	124.6	131.8	5.4%	0.9%
Foreign governments and international organisations	-	-	2.6	-	-	-	3.3	3.6	3.3	-	-
Non-profit institutions	-	15.0	63.0	60.0	-	0.4%	72.1	94.2	105.5	20.7%	0.6%
Households	0.2	0.4	0.4	0.5	34.3%	-	-	-	-	-100.0%	-
Payments for capital assets	860.5	1 371.0	2 408.7	1 927.8	30.9%	17.4%	2 243.6	1.6	1.6	-90.6%	8.0%
Buildings and other fixed structures	859.6	1 370.1	2 407.9	1 926.3	30.9%	17.4%	2 242.1	-	-	-100.0%	8.0%
Machinery and equipment	0.9	0.8	0.8	1.5	21.0%	-	1.5	1.6	1.6	1.3%	-
Payments for financial assets	-	-	5.0	-	-	-	-	-	-	-	-
Total	6 897.9	8 435.6	10 428.9	11 974.0	20.2%	100.0%	12 500.2	13 334.2	14 106.8	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	46.3%	49.6%	53.4%	56.3%	-	-	56.1%	56.8%	56.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	42.3	97.7	107.9	112.7	38.6%	1.0%	118.7	124.6	131.8	5.4%	0.9%
Umalusi Council for Quality Assurance in General and Further Education and Training	42.3	97.7	107.4	112.7	38.6%	1.0%	118.7	124.6	131.8	5.4%	0.9%
Human Sciences Research Council	-	-	0.5	-	-	-	-	-	-	-	-
Foreign governments and international organisations											
Current	-	-	2.6	-	-	-	3.3	3.6	3.3	-	-
Southern and Eastern Africa Consortium for Monitoring Educational Quality	-	-	2.6	-	-	-	3.3	3.6	3.3	-	-
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Capital	5 802.4	6 643.3	7 326.6	9 354.4	17.3%	77.2%	9 613.7	12 780.4	13 511.6	13.0%	87.2%
Education infrastructure grant	5 802.4	6 643.3	7 326.6	9 354.4	17.3%	77.2%	9 613.7	12 780.4	13 511.6	13.0%	87.2%
Non-profit institutions											
Current	-	15.0	63.0	60.0	-	0.4%	72.1	94.2	105.5	20.7%	0.6%
National Education Collaboration Trust	-	15.0	63.0	60.0	-	0.4%	72.1	94.2	105.5	20.7%	0.6%

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 the integrated school health programme, and the provision of nutritious meals to all learners in primary, secondary and identified special schools in quintiles 1 to 3 schools, including targeted learners in quintiles 4 and 5 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 the creation of a safe and cohesive learning environment. This is in order to promote holistic learner developments through facilitating sports and enrichment programmes in schools as well as programmes to promote gender equity, non-racism, non-sexism, democratic and constitutional values in education; and an understanding of human rights and the promotion of 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 14.10 Educational Enrichment Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
R million											
Programme Management: Educational Enrichment Services	3.0	3.2	2.4	2.8	-2.3%	0.1%	3.0	3.9	4.2	13.9%	0.1%
Partnerships in Education	17.6	18.2	20.5	23.0	9.4%	0.4%	24.9	27.2	28.7	7.6%	0.4%
Care and Support in Schools	5 130.1	5 398.8	5 696.6	5 918.0	4.9%	99.6%	6 263.8	6 580.2	6 961.9	5.6%	99.5%
Total	5 150.7	5 420.2	5 719.5	5 943.8	4.9%	100.0%	6 291.7	6 611.3	6 994.7	5.6%	100.0%
Change to 2015 Budget estimate				(30.6)			2.0	3.7	3.9		
Economic classification											
Current payments	41.2	42.6	44.9	49.4	6.2%	0.8%	54.4	59.3	62.7	8.3%	0.9%
Compensation of employees	26.7	31.3	32.0	35.0	9.5%	0.6%	40.2	44.2	46.7	10.1%	0.6%
Goods and services	14.6	11.3	12.9	14.4	-0.3%	0.2%	14.3	15.1	16.0	3.5%	0.2%
of which:											
Administrative fees	0.0	0.0	0.4	0.3	296.2%	-	0.5	0.5	0.5	18.0%	-
Catering: Departmental activities	0.3	0.3	0.7	0.6	28.2%	-	0.8	0.9	0.9	14.6%	-
Consumables: Stationery, printing and office supplies	4.2	1.1	2.0	1.4	-30.7%	-	2.2	2.3	2.5	21.0%	-
Travel and subsistence	6.3	6.6	6.2	7.1	4.1%	0.1%	7.1	7.5	8.0	3.7%	0.1%
Operating payments	0.1	0.3	1.0	0.2	15.1%	-	1.1	1.0	1.0	75.6%	-
Venues and facilities	0.1	0.2	0.6	1.5	163.1%	-	1.2	1.4	1.6	2.3%	-

Table 14.10 Educational Enrichment Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Transfers and subsidies	5 109.3	5 377.1	5 674.3	5 894.2	4.9%	99.2%	6 236.9	6 551.7	6 931.7	5.6%	99.1%
Provinces and municipalities	5 109.1	5 376.9	5 674.1	5 894.1	4.9%	99.2%	6 236.9	6 551.6	6 931.6	5.6%	99.1%
Non-profit institutions	0.1	0.1	0.1	0.1	3.2%	–	0.1	0.1	0.1	5.7%	–
Households	0.1	0.1	0.2	0.1	-18.3%	–	–	–	–	-100.0%	–
Payments for capital assets	0.2	0.4	0.4	0.2	6.5%	–	0.3	0.3	0.3	18.4%	–
Machinery and equipment	0.2	0.4	0.3	0.2	6.5%	–	0.3	0.3	0.3	18.4%	–
Software and other intangible assets	–	–	0.1	–	–	–	–	–	–	–	–
Payments for financial assets	–	0.1	–	–	–	–	–	–	–	–	–
Total	5 150.7	5 420.2	5 719.5	5 943.8	4.9%	100.0%	6 291.7	6 611.3	6 994.7	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	34.6%	31.9%	29.3%	27.9%	–	–	28.3%	28.2%	28.2%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	5 109.1	5 376.9	5 674.1	5 894.1	4.9%	99.2%	6 236.9	6 551.6	6 931.6	5.6%	99.1%
National school nutrition programme grant	4 906.5	5 173.1	5 461.9	5 685.4	5.0%	95.5%	6 006.0	6 306.3	6 672.1	5.5%	95.5%
HIV and AIDS (life skills education) grant	202.7	203.8	212.1	208.7	1.0%	3.7%	230.8	245.3	259.5	7.5%	3.7%

Entities

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

- The **South African Council for Educators** aims to enhance the status of the teaching profession through appropriate registration, managing professional development and inculcating a code of ethics for all educators. The council's total budget for 2016/17 is R68.2 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 2016/17 is R139.6 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	
				2012/13	2013/14		2016/17	2017/18
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	859.6	1 370.1	2 024.3	2 242.1	-
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	5 802.4	6 643.3	9 354.4	9 613.7	12 780.4
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	198.7	306.2	316.9	362.4	407.5
Total			149 007.1	6 860.7	8 319.6	11 695.7	12 218.3	13 919.0

Vote 15

Higher Education and Training

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	373.7	368.4	0.3	4.9	399.3	427.2
Planning, Policy and Strategy	71.5	68.0	3.3	0.2	76.4	81.8
University Education	39 531.6	67.8	39 463.5	0.3	41 944.1	44 319.9
Technical and Vocational Education and Training	6 917.2	5 639.2	1 277.4	0.6	7 414.2	7 865.7
Skills Development	224.5	102.2	122.0	0.3	244.7	260.6
Community Education and Training	2 069.7	1 969.5	99.0	1.3	2 237.3	2 379.6
Subtotal	49 188.3	8 215.2	40 965.4	7.7	52 316.1	55 334.8
Direct charge against the National Revenue Fund						
Sector education and training authorities	14 112.5	–	14 112.5	–	15 749.7	17 646.0
National Skills Fund	3 527.1	–	3 527.1	–	3 937.4	4 411.5
Total expenditure estimates	66 827.9	8 215.2	58 605.0	7.7	72 003.2	77 392.3
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 service delivery, where appropriate.

Vote purpose

Develop and support a quality higher and vocational education sector. Promote access to higher and 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 and the funding of public technical and vocational education and training 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

Indicators	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of students enrolled in higher education institutions per year	University Education		938 201	953 373	983 698	1 001 000	1 020 000	1 035 000	1 053 000
Proportion of higher education enrolments in science, engineering and technology; business; and the humanities	University Education		29:30:41	29:30:41	29:29:42	29:28:43	30:28:42	30:28:42	30:28:42
Number of doctoral graduates per year	University Education		1 576	1 879	2 051	2 060	2 200	2 300	2 500
Number of postgraduate graduates per year	University Education		43 067	45 598	50 773	48 300	51 100	53 900	56 600
Number of monitoring and evaluation reports on higher education produced and submitted for approval per year	University Education		- ¹	- ¹	- ¹	12	12	12	12
Number of headcount enrolments in technical and vocational education and training colleges per year	Technical and Vocational Education and Training		657 690	670 455	709 535	900 000	950 000	1 000 000	1 050 000
Number of full time equivalents enrolled in technical and vocational education and training institutions per year	Technical and Vocational Education and Training		263 721	305 915	314 166	401 088	421 100	446 787	449 112
Number of teaching and learning support plans for technical and vocational education and training developed and approved per year	Technical and Vocational Education and Training	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- ¹	- ¹	- ¹	2	1	1	1
Turnaround time for certificates issued to qualifying students after examinations ²	Technical and Vocational Education and Training		- ¹	- ¹	12 months	12 months	3 months	3 months	3 months
Number of new artisans registered for training per year	Skills Development		21 849	27 670	28 301	29 750	30 750	31 750	32 750
Number of artisan learners competent per year	Skills Development		15 277	18 110	14 389	20 110	21 110	22 110	23 110
Number of work based learning opportunities created per year	Skills Development		- ¹	49 678	110 164	110 000	120 000	130 000	140 000
Number of technical and vocational education and training colleges that entered into partnership agreements with sector education and training authorities per year	Skills Development		- ¹	35	42	40	50	51	52
Number of headcount enrolments in community education and training colleges per year	Community Education and Training		- ¹	- ¹	- ¹	300 000	310 000	320 000	330 000
Certification rate in the general education and training certificate	Community Education and Training		- ¹	- ¹	- ¹	- ¹	35%	38%	40%

1. No historical data is available as these are new indicators.

2. This was adopted to meet the specific, measurable, achievable, relevant and time bound (SMART) criteria from government's 2014-2019 medium term strategic framework indicator: 'Certificates issued to qualifying students within 3 months after examinations'.

Expenditure analysis

Government's national development plan and its 2014-2019 medium term strategic framework envisage that by 2030 South Africans should have access to education and training of the highest quality, leading to significant improvements in what learners know and can do on completion of their education or training. Over the medium term, the department will continue to focus on: expanding access to universities, expanding access to technical and vocational education and training colleges and improving their performance, boosting the development of artisans, and re-establishing and improving the governance of community education and training colleges.

Expanding access to universities

Planning for the expansion of the higher education system to produce mid-level to high-level skills in line with government priorities is ongoing. Transfers to universities are the department's largest spending item, projected to reach R33.5 billion in 2018/19. The transfers are made in the *University Education* programme. The number of students enrolled in universities is projected to increase from 1 020 000 to 1 053 000 over the medium term.

The department's contribution to the National Student Financial Aid Scheme over the medium term will grow at an average annual rate of 17.9 per cent, from R6.4 billion in 2015/16 to R10.6 billion in 2018/19, to support more university students, as well as provide students with debt relief. The department's transfer payments to the scheme account for 17 per cent of the department's total transfers and subsidies budget. To increase the number of academically deserving poor students accessing higher education, the National Student Financial Aid Scheme receives increased funding of R4.6 billion in 2016/17. R2.5 billion is for short term debt relief for 71 753 unfunded or inadequately funded students who were at universities in the 2013, 2014 and 2015 academic years, and R2 billion is for unfunded new and continuing students in the 2016 academic year.

Specifically allocated funding of R4 billion over the medium term is for operational costs and capital expenditure at the newly established University of Mpumalanga and the Sol Plaatje University in Northern Cape. New facilities, including lecture rooms, laboratories, and student accommodation, at both institutions will make possible a joint increased intake of 776 students in 2016/17, bringing the joint total to 2 010 students.

Expanding access to technical and vocational education and training colleges and improving their performance

The national development plan mandates the department to expand access to skills programmes that address the labour market's need for intermediate skills and include a practical component. Over the medium term, the department will continue to increase the public provision of technical and vocational education and training by expanding skills training, work opportunities and work placements for artisans. Enrolments in technical and vocational education and training colleges are anticipated to reach 1.1 million in 2018/19 from 900 000 in 2015/16, an increase of 150 000 over the medium term. Transfer payments to these colleges grow at an average annual rate of 5 per cent over the period, in the *Technical and Vocational Education and Training* programme, from R1.3 billion in 2015/16 to R1.4 billion in 2018/19.

The expansion and improved performance of technical and vocational education and training colleges will also be supported by partnerships with the sector education and training authorities and funding from the National Skills Fund. This support will contribute to the projected increase in the number of new artisans registering for training each year from 29 750 in 2015/16 to 32 750 in 2018/19, an increase of 3 000 over the medium term. The department aims to improve learner throughput rates by developing 5 teaching and learning support plans for technical and vocational education and training colleges over the medium term. These plans aim to improve the skills of lecturers and the performance of students.

The department assumed full responsibility for the technical and vocational education and training college function from provincial authorities on 1 April 2015. Additional administrative capacity was brought in to manage and oversee the 50 public technical and vocational education and training colleges and their 264 campuses across the provinces. Average annual growth of 5.9 per cent in the *Administration* programme over the medium term is driven largely by growth in the compensation of employees budget required for the additional administrative capacity. There are also related large increases in the *Technical and Vocational Education and Training* programme.

The function shift has also led to the migration of over 18 000 technical and vocational education and training college lecturers from provincial education departments onto the national department's payment system, which explains the 7.4 per cent average annual growth in the department's compensation of employees budget over the medium term, from R7.2 billion 2015/16 to R9 billion in 2018/19. The compensation of employees budget grows despite the Cabinet approved reductions of R35.3 million in 2017/18 and R55 million in 2018/19, as part of the decision to lower the national aggregate expenditure ceiling. The *Technical and Vocational Education and Training* programme will work towards reducing the ratio of it administration to core function staff over the medium term to accommodate the reductions, as well as find a more efficient personnel and delivery structure for the programme. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a departmental plan to manage its personnel expenditure within its reduced personnel budget. Efficiency and cost containment measures will be effected over the medium term to accommodate the Cabinet approved reductions to the department's goods and services budget of R72.3 million over the medium term.

Boosting the development of artisans

Over the medium term, the department aims to improve the public skills development system by managing the performance of service level agreements more effectively and by funding 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 key to increasing the number of competent artisans and creating more work based learning opportunities for higher education students. The number of competent artisans is projected to increase from 20 110 in 2015/16 to 23 110 in 2018/19, and work based learning opportunities from 110 000 to 140 000. The department has budgeted for strengthening the monitoring and evaluation of service level agreements with sector education and training authorities and other relevant institutions by reprioritising funds to the *Skills Development* programme. Spending in this programme is expected to increase from R206.5 million in 2015/16 to R260.6 million in 2018/19, reflecting average annual growth of 8.1 per cent. This is due largely to budget increases in the compensation of employees' budget to cater for the 2015 public sector wage agreement, but also to the reprioritisation.

Income from the skills development levy plays a critical role in key performance areas of the public skills development system including artisan development. The income is transferred directly to sector education and training authorities and the National Skills Fund, and is projected to increase at an average annual rate of 11.8 per cent, from R15.8 billion in 2015/16 to R22 billion in 2018/19. Sector education and training authorities roll out skills programmes, learnerships, internships and apprenticeships. They also establish partnerships with technical and vocational education and training colleges, universities, and the labour market to provide opportunities for workplace experience. The number of technical and vocational education and training colleges that enter into partnership agreements with sector education and training authorities per year is expected to increase from 40 in 2015/16 to 52 in 2018/19.

Re-establishing and improving the governance of 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 that will primarily target youth and adults who did not complete school or never attended school. Community education and training colleges are thus an additional higher education institutional form alongside universities and technical and vocational education and training colleges. 9 community education and training colleges were established in April 2015, 1 in each province, with fully operational college councils. It is projected that enrolments at community education and training colleges will increase gradually from 300 000 learners in 2015/16 to 330 000 learners in 2018/19.

Expenditure in the *Community Education and Training* programme is expected to grow at an average annual rate of 8.6 per cent over the medium term, reaching R2.4 billion in 2018/19 from R1.9 billion in 2015/16. Compensation of employees expenditure constitutes the largest portion of the programme's budget, and is expected to grow at an average annual rate of 8.8 per cent over the medium term. Half of the department's personnel are in this programme. These 18 881 personnel are mainly community education and training educators in the 3 150 former community learning centres now merged into the 9 community education and training colleges.

The national development plan sets out expanded targets for the community education and training sector. The department will be introducing new legislation to regulate and improve the governance of the community education and training system, as disparate practices were inherited from provincial education departments after the function shift.

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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	175.5	221.7	229.2	200.6	463.8	267.4	217.1	285.7	234.1	318.3	359.5	366.1	120.3%	82.4%
Programme 2	40.7	48.0	46.5	48.1	51.6	47.7	48.8	91.7	45.7	54.8	58.3	58.3	103.0%	79.4%
Programme 3	25 939.5	26 232.7	26 249.7	28 303.7	28 090.9	28 303.3	30 448.0	30 443.7	30 484.2	32 844.3	32 890.3	32 892.0	100.3%	100.2%
Programme 4	5 488.3	5 226.6	5 228.3	5 925.8	5 883.9	5 879.3	6 311.2	6 208.2	6 304.5	6 604.2	6 642.4	6 843.0	99.7%	101.2%
Programme 5	100.1	100.7	118.6	105.6	105.1	123.0	110.6	106.3	132.0	204.5	206.5	206.5	111.4%	111.9%
Programme 6	1 647.9	1 647.9	1 647.9	1 776.8	1 776.8	1 776.8	1 852.8	1 852.8	1 853.1	1 911.5	1 859.9	1 563.5	95.2%	95.9%
Subtotal	33 391.8	33 477.6	33 520.2	36 360.4	36 372.0	36 397.3	38 988.5	38 988.5	39 053.5	41 937.8	42 016.8	41 929.3	100.1%	100.0%
Direct charge against the National Revenue Fund	9 606.1	11 400.0	11 694.5	12 403.0	12 300.0	12 090.2	13 440.0	13 200.0	13 838.8	14 690.0	15 800.0	15 800.0	106.6%	101.4%
Sector education and training authorities	7 684.9	9 120.0	9 355.6	9 922.4	9 840.6	9 673.8	10 752.6	10 560.6	11 071.0	11 752.7	12 640.7	12 640.7	106.6%	101.4%
National Skills Fund	1 921.2	2 280.0	2 338.9	2 480.6	2 459.4	2 416.4	2 687.4	2 639.4	2 767.8	2 937.3	3 159.3	3 159.3	106.5%	101.4%
Total	42 998.0	44 877.6	45 214.7	48 763.4	48 672.0	48 487.5	52 428.5	52 188.5	52 892.3	56 627.8	57 816.8	57 729.3	101.7%	100.4%
Change to 2015 Budget estimate										1 189.0				
Economic classification														
Current payments	7 178.5	7 164.7	6 185.8	5 062.0	4 972.9	6 899.8	5 363.7	5 272.9	7 408.1	7 801.2	7 696.2	7 605.5	110.6%	111.9%
Compensation of employees	7 007.9	6 899.2	5 927.8	4 883.4	4 680.6	6 605.4	5 179.7	5 033.6	7 139.8	7 308.2	7 317.2	7 236.2	110.4%	112.4%
Goods and services	170.6	265.6	258.0	178.5	292.3	294.3	184.0	239.4	268.3	493.0	379.0	369.4	116.0%	101.2%
<i>of which:</i>														
Computer services	28.5	46.5	23.9	25.6	46.6	25.8	26.6	38.3	38.2	52.6	37.7	61.3	111.9%	88.3%
Consumables: Stationery, printing and office supplies	8.7	18.6	26.3	13.7	56.7	24.4	12.4	24.6	13.9	73.7	40.7	44.8	100.8%	77.9%
Property payments	43.9	54.0	25.9	48.6	33.9	40.5	46.0	44.0	36.9	53.5	53.7	72.7	91.6%	94.8%
Travel and subsistence	31.4	57.7	102.1	43.5	85.1	119.9	48.9	79.5	106.5	147.0	117.3	77.6	150.0%	119.6%
Training and development	1.0	1.1	6.8	1.9	1.6	8.8	2.5	2.6	5.5	26.7	3.2	3.1	75.2%	285.4%
Operating payments	8.6	13.7	7.8	4.6	9.3	8.8	6.2	6.6	5.0	55.7	38.9	26.4	64.0%	70.1%
Transfers and subsidies	35 811.9	37 706.6	39 022.0	43 697.4	43 690.4	41 580.1	47 061.1	46 910.5	45 478.5	48 814.3	50 110.3	50 113.3	100.5%	98.8%
Departmental agencies and accounts	14 906.5	16 701.9	17 021.7	18 285.6	18 182.6	17 995.9	19 699.9	19 459.9	20 124.5	21 363.8	22 505.7	22 505.7	104.6%	101.0%
Higher education institutions	20 902.9	20 902.9	20 923.8	22 388.8	22 388.8	22 392.8	24 155.1	24 155.1	24 195.3	26 243.2	26 286.1	26 286.1	100.1%	100.1%
Foreign governments and international organisations	2.5	2.5	2.6	2.9	2.9	2.9	2.9	2.9	3.0	3.2	3.2	4.0	108.9%	108.9%
Non-profit institutions	-	5.0	978.4	3 020.2	3 020.2	1 091.1	3 203.2	3 193.2	1 155.5	1 204.1	1 315.0	1 315.0	61.1%	60.3%
Households	-	94.3	95.5	-	96.0	97.4	-	99.3	0.2	-	0.4	2.6	-	67.5%
Payments for capital assets	7.6	6.3	6.8	4.0	8.7	7.5	3.7	5.1	5.7	12.3	10.4	10.5	110.6%	100.6%
Machinery and equipment	7.6	6.1	6.8	4.0	8.5	7.5	3.7	5.1	5.7	12.3	10.3	9.6	107.2%	99.0%
Software and other intangible assets	-	0.2	-	-	0.2	0.0	-	-	-	-	-	0.9	-	224.3%
Payments for financial assets	-	-	0.1	-	-	0.1	-	-	0.0	-	-	-	-	-
Total	42 998.0	44 877.6	45 214.7	48 763.4	48 672.0	48 487.5	52 428.5	52 188.5	52 892.3	56 627.8	57 816.8	57 729.3	101.7%	100.4%

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	366.1	18.2%	0.5%	373.7	399.3	427.2	5.3%	0.6%
Programme 2	58.3	6.6%	0.1%	71.5	76.4	81.8	12.0%	0.1%
Programme 3	32 892.0	7.8%	57.7%	39 531.6	41 944.1	44 319.9	10.5%	57.9%
Programme 4	6 843.0	9.4%	11.9%	6 917.2	7 414.2	7 865.7	4.8%	10.6%
Programme 5	206.5	27.0%	0.3%	224.5	244.7	260.6	8.1%	0.3%
Programme 6	1 563.5	-1.7%	3.3%	2 069.7	2 237.3	2 379.6	15.0%	3.0%
Subtotal	41 929.3	7.8%	73.9%	49 188.3	52 316.1	55 334.8	9.7%	72.6%
Direct charge against the National Revenue Fund	15 800.0	11.5%	26.1%	17 639.6	19 687.1	22 057.5	11.8%	27.4%
Sector education and training authorities	12 640.7	11.5%	20.9%	14 112.5	15 749.7	17 646.0	11.8%	22.0%
National Skills Fund	3 159.3	11.5%	5.2%	3 527.1	3 937.4	4 411.5	11.8%	5.5%
Total	57 729.3	8.8%	100.0%	66 827.9	72 003.2	77 392.3	10.3%	100.0%
Change to 2015 Budget estimate				6 593.6	8 286.2	9 266.6		
Economic classification								
Current payments	7 605.5	2.0%	13.8%	8 215.2	8 853.8	9 409.7	7.4%	12.4%
Compensation of employees	7 236.2	1.6%	13.2%	7 839.9	8 429.8	8 961.8	7.4%	11.9%
Goods and services	369.4	11.6%	0.6%	375.3	424.0	447.9	6.6%	0.6%
<i>of which:</i>								
Computer services	61.3	9.6%	0.1%	49.6	51.2	54.5	-3.9%	0.1%
Consumables: Stationery, printing and office supplies	44.8	34.1%	0.1%	40.0	50.5	58.5	9.3%	0.1%
Property payments	72.7	10.4%	0.1%	51.9	53.9	57.6	-7.4%	0.1%
Travel and subsistence	77.6	10.4%	0.2%	101.7	108.7	112.4	13.2%	0.1%
Training and development	3.1	40.8%	0.0%	27.9	50.9	50.0	153.9%	0.0%
Operating payments	26.4	24.4%	0.0%	21.4	21.8	23.5	-3.9%	0.0%
Transfers and subsidies	50 113.3	9.9%	86.2%	58 605.0	63 140.2	67 973.2	10.7%	87.5%
Departmental agencies and accounts	22 505.7	10.5%	38.0%	29 255.7	30 089.3	32 910.1	13.5%	41.9%
Higher education institutions	26 286.1	7.9%	45.9%	27 964.8	31 606.8	33 534.9	8.5%	43.6%
Foreign governments and international organisations	4.0	15.8%	0.0%	3.3	3.5	3.7	-2.2%	0.0%
Non-profit institutions	1 315.0	540.7%	2.2%	1 381.2	1 440.6	1 524.5	5.1%	2.1%
Households	2.6	-69.8%	0.1%	-	-	-	-100.0%	0.0%
Payments for capital assets	10.5	18.7%	0.0%	7.7	9.2	9.5	-3.5%	0.0%
Machinery and equipment	9.6	16.3%	0.0%	7.7	9.2	9.5	-0.6%	0.0%
Software and other intangible assets	0.9	70.7%	0.0%	-	-	-	-100.0%	0.0%
Total	57 729.3	8.8%	100.0%	66 827.9	72 003.2	77 392.3	10.3%	100.0%

Personnel information

Table 15.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19			
Higher Education and Training																			
Salary level	38 026	92	38 002	5 018.0	0.1	38 111	7 236.2	0.2	38 118	7 839.9	0.2	38 118	8 465.2	0.2	38 118	9 016.8	0.2	0.0%	100.0%
1 – 6	28 028	92	513	75.6	0.1	28 238	3 204.6	0.1	28 120	3 632.2	0.1	28 120	3 939.1	0.1	28 120	4 206.2	0.1	-0.1%	73.9%
7 – 10	9 067	–	345	122.7	0.4	8 996	3 202.2	0.4	9 067	3 349.5	0.4	9 067	3 617.0	0.4	9 067	3 846.7	0.4	0.3%	23.7%
11 – 12	742	–	128	73.9	0.6	727	520.5	0.7	742	522.8	0.7	742	553.4	0.7	742	585.6	0.8	0.7%	1.9%
13 – 16	187	–	72	67.9	0.9	148	148.8	1.0	187	200.9	1.1	187	213.2	1.1	187	227.3	1.2	8.1%	0.5%
Other	2	–	36 944	4 677.9	0.1	2	160.1	80.0	2	134.5	67.3	2	142.5	71.3	2	150.9	75.5	–	0.0%
Programme	38 026	92	38 002	5 018.0	0.1	38 111	7 236.2	0.2	38 118	7 839.9	0.2	38 118	8 465.2	0.2	38 118	9 016.8	0.2	0.0%	100.0%
Programme 1	502	71	380	121.9	0.3	573	168.5	0.3	573	203.4	0.4	573	219.5	0.4	573	235.5	0.4	–	1.5%
Programme 2	93	11	84	34.6	0.4	63	44.7	0.7	104	58.3	0.6	104	62.9	0.6	104	67.5	0.6	18.2%	0.2%
Programme 3	103	4	98	39.1	0.4	88	46.1	0.5	107	61.1	0.6	107	65.9	0.6	107	70.8	0.7	6.7%	0.3%
Programme 4	18 187	–	19 179	2 976.0	0.2	18 187	5 455.3	0.3	18 187	5 521.0	0.3	18 187	5 949.1	0.3	18 187	6 336.6	0.3	–	47.7%
Programme 5	260	6	261	71.6	0.3	259	77.8	0.3	266	90.3	0.3	266	98.0	0.4	266	105.1	0.4	0.9%	0.7%
Programme 6	18 881	–	18 000	1 774.7	0.1	18 941	1 443.7	0.1	18 881	1 905.8	0.1	18 881	2 069.8	0.1	18 881	2 201.3	0.1	-0.1%	49.6%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(35.3)	–	–	(55.0)	–	–	–
Total	38 026	92	38 002	5 018.0	0.1	38 111	7 236.2	0.2	38 118	7 839.9	0.2	38 118	8 429.8	–	38 118	8 961.8	–	–	–

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

2. The department's compensation of employees budget has been reduced by R90.4 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 15.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	10 913	11 880	11 594	14 143	14 676	10.4%	100.0%	11 494	12 167	12 774	-4.5%	100.0%
Sales of goods and services produced by department	4 949	6 042	5 634	7 692	8 876	21.5%	52.0%	5 485	5 682	5 965	-12.4%	50.9%
Sales by market establishments	457	383	404	3 152	3 259	92.5%	9.2%	539	566	593	-43.3%	9.7%
of which:												
Academic services:	107	220	223	250	252	33.0%	1.6%	278	292	307	6.8%	2.2%
Temporary accommodation	–	–	–	–	–	–	–	12	13	14	–	0.1%
Sale of assets less than R5 000	–	–	–	–	–	–	–	–	–	–	–	–
Academic term	208	–	–	–	–	-100.0%	0.4%	–	–	–	–	–
Commission	142	163	181	2 902	3 007	176.7%	7.1%	249	261	272	-55.1%	7.4%
Administrative fees	3 915	4 936	4 465	3 720	4 766	6.8%	36.9%	4 060	4 202	4 412	-2.5%	34.1%
of which:												
Exams	874	1 352	1 557	1 280	2 256	37.2%	12.3%	1 212	1 263	1 326	-16.2%	11.9%
Trade fee	2 944	2 878	2 767	2 328	2 346	-7.3%	22.3%	2 537	2 613	2 744	5.4%	20.0%
Universities	39	60	90	112	112	42.1%	0.6%	118	123	129	4.8%	0.9%
Further education and training	58	3	3	–	4	-59.0%	0.1%	193	203	213	276.2%	1.2%
Sports and club facilities/Sale of tender documents	–	643	48	–	48	–	1.5%	–	–	–	-100.0%	0.1%

Table 15.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2015/16	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Receipt item/ Total: Average (%) 2012/13 - 2015/16	Medium-term receipts estimate			Average growth rate (%) 2015/16 - 2018/19	Receipt item/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15					2016/17	2017/18	2018/19		
Other sales	577	723	765	820	851	13.8%	5.9%	886	914	960	4.1%	7.1%
<i>of which:</i>												
Boarding fees	86	118	134	116	149	20.1%	1.0%	137	144	151	0.4%	1.1%
Parking	24	20	21	40	40	18.6%	0.2%	31	32	34	-5.3%	0.3%
Sale of meals and refreshments	157	182	201	224	225	12.7%	1.6%	255	262	275	6.9%	2.0%
Rental	310	403	409	440	437	12.1%	3.2%	463	476	500	4.6%	3.7%
Sales of scrap, waste, arms and other used current goods	16	29	32	32	32	26.0%	0.2%	33	35	37	5.0%	0.3%
<i>of which:</i>												
Waste paper	16	29	32	32	32	26.0%	0.2%	33	35	37	5.0%	0.3%
Transfers received	80	-	-	-	-	-100.0%	0.2%	-	-	-	-	-
Interest, dividends and rent on land	3 458	3 374	3 343	3 859	3 350	-1.1%	27.6%	4 503	5 104	5 359	17.0%	35.8%
Interest	3 458	3 374	3 343	3 859	3 350	-1.1%	27.6%	4 503	5 104	5 359	17.0%	35.8%
Transactions in financial assets and liabilities	2 410	2 435	2 585	2 560	2 418	0.1%	20.1%	1 473	1 346	1 413	-16.4%	13.0%
Total	10 913	11 880	11 594	14 143	14 676	10.4%	100.0%	11 494	12 167	12 774	-4.5%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 15.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Ministry	29.6	29.7	32.4	27.5	-2.4%	10.9%	28.7	31.7	34.1	7.4%	7.8%
Department Management	32.2	37.8	38.4	48.4	14.5%	14.4%	46.7	50.5	54.1	3.8%	12.8%
Corporate Services	88.0	91.0	80.2	139.0	16.5%	36.5%	150.9	160.9	171.9	7.3%	39.9%
Office of the Chief Financial Officer	46.3	61.4	40.5	83.5	21.7%	21.3%	84.8	89.5	95.9	4.7%	22.7%
Internal Audit	8.6	9.0	6.1	8.7	0.5%	3.0%	9.2	10.5	11.1	8.6%	2.5%
Office Accommodation	24.5	38.4	36.5	52.4	28.9%	13.9%	53.4	56.3	60.1	4.6%	14.2%
Total	229.2	267.4	234.1	359.5	16.2%	100.0%	373.7	399.3	427.2	5.9%	100.0%
Change to 2015 Budget estimate				41.2			42.7	51.7	59.5		
Economic classification											
Current payments	223.6	262.4	230.6	350.8	16.2%	97.9%	368.4	393.5	421.0	6.3%	98.3%
Compensation of employees	123.6	147.4	121.9	168.5	10.9%	51.5%	203.4	219.5	235.5	11.8%	53.0%
Goods and services	99.9	115.0	108.7	182.3	22.2%	46.4%	165.0	174.0	185.5	0.6%	45.3%
<i>of which:</i>											
Audit costs: External	9.7	11.3	8.1	13.2	10.6%	3.9%	13.6	14.4	15.4	5.4%	3.6%
Computer services	11.9	13.7	22.4	29.9	36.0%	7.1%	35.6	36.7	38.9	9.1%	9.0%
Consultants: Business and advisory services	0.4	0.6	1.1	6.4	150.2%	0.8%	7.3	8.2	8.7	10.5%	2.0%
Property payments	24.8	39.9	36.1	52.9	28.6%	14.1%	51.0	53.0	56.7	2.4%	13.7%
Travel and subsistence	21.4	22.0	19.0	19.5	-3.0%	7.5%	17.4	19.1	21.0	2.4%	4.9%
Operating payments	3.5	2.0	1.4	11.4	48.3%	1.7%	12.2	12.2	13.3	5.1%	3.2%
Transfers and subsidies	1.2	0.0	0.1	0.3	-35.6%	0.1%	0.3	0.3	0.4	5.0%	0.1%
Departmental agencies and accounts	0.2	-	-	0.3	12.6%	-	0.3	0.3	0.4	5.0%	0.1%
Households	1.0	0.0	0.1	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	4.4	5.0	3.4	8.4	24.0%	1.9%	4.9	5.4	5.8	-11.7%	1.6%
Machinery and equipment	4.4	4.9	3.4	8.4	24.0%	1.9%	4.9	5.4	5.8	-11.7%	1.6%
Total	229.2	267.4	234.1	359.5	16.2%	100.0%	373.7	399.3	427.2	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.7%	0.6%	0.9%	-	-	0.8%	0.8%	0.8%	-	-

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 by developing 3 new post-school education and training policies, including the revision of the National Qualifications Framework Act (2008) and the General and Further Education and Training Quality Assurance Act (2001), and revising 1 piece of legislation, the Higher Education Act (1997), by 31 March 2018.
- Develop a sector monitoring and evaluation framework by December 2016 for the effective oversight of the implementation of the post-school education and training system, and the production of annual monitoring reports thereafter.
- Improve access to quality teaching and learning in the post-school education and training system by developing and implementing 1 of the 3 planned teaching and learning support plans by 31 March 2017.
- Develop management information systems for technical and vocational education and training colleges and sector education and training authorities, as well as private post-school institutions, for effective policy development and planning by 31 March 2018.

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 resources 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 with regard to legal and legislative matters.
- *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 15.7 Planning, Policy and Strategy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Programme Management: Planning, Policy and Strategy	4.0	3.7	2.9	3.0	-9.2%	6.9%	3.3	3.5	4.0	9.9%	4.8%
Human Resource Development, Strategic Planning and Coordination	9.1	11.2	11.6	14.2	16.0%	23.3%	16.9	18.1	19.3	10.7%	23.8%
Planning, Information, Monitoring and Evaluation Coordination	6.5	7.4	6.9	11.4	20.7%	16.3%	17.9	19.1	20.2	20.9%	23.8%
International Relations	10.9	10.3	10.8	11.4	1.5%	21.8%	13.7	14.6	15.6	11.2%	19.2%
Legal and Legislative Services	10.8	11.3	9.4	13.4	7.3%	22.7%	14.5	15.4	16.4	7.0%	20.8%
Social Inclusion in Education	5.2	3.8	4.2	4.8	-2.4%	9.1%	5.2	5.7	6.2	8.8%	7.6%
Total	46.5	47.7	45.7	58.3	7.8%	100.0%	71.5	76.4	81.8	12.0%	100.0%
Change to 2015 Budget estimate				3.4			13.8	15.7	17.6		
Economic classification											
Current payments	43.6	44.2	42.5	54.6	7.8%	93.3%	68.0	72.8	77.9	12.6%	94.9%
Compensation of employees	36.1	38.0	34.6	44.7	7.4%	77.4%	58.3	62.9	67.5	14.7%	81.0%
Goods and services	7.5	6.2	7.8	9.9	9.6%	15.8%	9.8	9.9	10.5	2.1%	13.9%
<i>of which:</i>											
Communication	0.7	0.9	0.8	0.7	-2.8%	1.6%	0.8	0.8	0.8	6.5%	1.1%
Legal services	1.6	1.4	3.2	3.9	34.4%	5.1%	4.2	4.4	4.6	5.3%	5.9%
Consumables: Stationery, printing and office supplies	0.4	0.7	0.2	0.7	20.1%	1.0%	0.8	1.0	1.0	16.8%	1.2%
Travel and subsistence	3.1	2.4	2.1	3.0	-1.2%	5.3%	3.0	2.7	2.8	-1.9%	4.0%
Training and development	-	0.2	0.2	0.1	-	0.2%	0.2	0.2	0.3	27.0%	0.3%
Operating payments	0.4	0.2	0.2	0.3	-6.9%	0.5%	0.4	0.4	0.4	8.8%	0.5%
Transfers and subsidies	2.6	3.1	3.0	3.2	6.1%	6.0%	3.3	3.5	3.7	5.4%	4.7%
Foreign governments and international organisations	2.6	2.9	3.0	3.2	6.1%	5.9%	3.3	3.5	3.7	5.4%	4.7%
Households	-	0.2	0.0	-	-	0.1%	-	-	-	-	-
Payments for capital assets	0.3	0.3	0.2	0.5	13.0%	0.7%	0.2	0.2	0.2	-27.8%	0.4%
Machinery and equipment	0.3	0.3	0.2	0.5	13.0%	0.7%	0.2	0.2	0.2	-27.8%	0.4%
Total	46.5	47.7	45.7	58.3	7.8%	100.0%	71.5	76.4	81.8	12.0%	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	2.6	2.9	3.0	3.2	6.1%	5.9%	3.3	3.5	3.7	5.4%	4.7%
India-Brazil-South Africa Trilateral Commission	0.4	0.5	0.6	0.5	4.2%	1.0%	0.5	0.6	0.6	5.4%	0.8%
Commonwealth of Learning	2.2	2.4	2.4	2.7	6.5%	4.9%	2.8	2.9	3.1	5.4%	4.0%

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 the sound provision of university education by developing 9 new and reviewing 3 existing education policies, regulations and pieces of legislation by 31 March 2018.
- Enable collaboration between university education and other post-school education and training sectors by developing 2 integrated plans by 31 March 2018.
- Enhance the monitoring and evaluation of the higher education sector by producing, over the medium term, 13 annual oversight reports on: the financial health of the sector, governance, teaching and research development, research productivity, the higher education and training HIV and AIDS programme, foundation provisioning, infrastructure development, new universities, the expansion and efficiency of the higher education system, private higher education compliance, the framework on staffing South Africa's universities, and the teaching and learning development capacity improvement plan.
- Improve the teaching and research capacity of universities by developing and implementing a teaching and learning development capacity improvement programme by March 2018, covering the fields of early childhood development educator development, primary teacher education, lecturer education for technical and vocational education and training colleges, lecturer education for community colleges, and education for specialist teachers of learners with special needs.
- Provide support to current and prospective students in higher education institutions through the development and implementation of a concise capacity development strategy and programme, as well as the central applications service, by March 2018.
- Produce and publish an annual report on cohort analyses of first time undergraduate entrants to inform future planning for resources.
- Facilitate a stakeholder network through the establishment of a Brazil-Russia-India-China-South Africa think tank and participative academic forums by March 2016, and reporting progress on these partnerships 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, 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 15.8 University Education expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Programme Management: University Education	1.6	1.8	2.0	2.4	13.9%	–	4.7	5.1	5.4	31.4%	–
University: Academic Planning and Management	5 290.7	5 870.9	6 249.1	6 558.5	7.4%	20.3%	11 507.4	10 273.7	10 717.1	17.8%	24.6%
University: Financial Planning and Information Systems	9.9	8.7	7.6	9.1	-2.9%	–	12.7	13.5	14.4	16.8%	–
University: Policy and Development	16.8	20.2	19.7	22.4	10.1%	0.1%	27.6	29.7	31.7	12.4%	0.1%
Teacher Education	6.9	8.9	10.5	11.9	19.9%	–	14.3	15.3	16.3	11.1%	–
University Subsidies	20 923.8	22 392.8	24 195.3	26 286.1	7.9%	79.5%	27 964.8	31 606.8	33 534.9	8.5%	75.2%
Total	26 249.7	28 303.3	30 484.2	32 890.3	7.8%	100.0%	39 531.6	41 944.1	44 319.9	10.5%	100.0%
Change to 2015 Budget estimate				46.0			4 928.7	5 601.2	5 869.2		
Economic classification											
Current payments	38.9	41.9	44.6	52.1	10.2%	0.2%	67.8	72.4	77.6	14.2%	0.2%
Compensation of employees	30.6	33.1	39.1	46.1	14.7%	0.1%	61.1	65.9	70.8	15.3%	0.2%
Goods and services	8.3	8.8	5.5	5.9	-10.7%	–	6.7	6.4	6.8	4.6%	–
of which:											
Communication	0.4	0.5	0.5	0.5	8.4%	–	0.5	0.4	0.4	-6.4%	–
Computer services	0.3	0.2	0.2	0.6	29.6%	–	0.0	0.7	0.0	-73.9%	–
Consultants: Business and advisory services	1.2	0.5	–	0.2	-42.7%	–	0.9	0.2	0.9	63.2%	–
Consumables: Stationery, printing and office supplies	0.3	0.4	0.2	0.6	28.1%	–	0.6	0.6	0.6	0.2%	–
Operating leases	0.1	0.1	0.1	0.0	-7.3%	–	0.2	0.2	0.2	58.5%	–
Travel and subsistence	4.3	4.4	3.7	3.3	-8.9%	–	4.0	3.7	3.9	6.1%	–
Transfers and subsidies	26 210.5	28 261.0	30 439.2	32 838.0	7.8%	99.8%	39 463.5	41 871.4	44 241.9	10.4%	99.8%
Departmental agencies and accounts	5 281.4	5 860.7	6 236.5	6 544.1	7.4%	20.3%	11 490.5	10 256.0	10 698.0	17.8%	24.6%
Higher education institutions	20 923.8	22 392.8	24 195.3	26 286.1	7.9%	79.5%	27 964.8	31 606.8	33 534.9	8.5%	75.2%
Non-profit institutions	5.0	7.0	7.4	7.8	15.8%	–	8.2	8.6	9.1	5.4%	–
Households	0.3	0.6	–	0.0	-71.8%	–	–	–	–	-100.0%	–
Payments for capital assets	0.3	0.3	0.3	0.2	-9.8%	–	0.3	0.4	0.4	22.0%	–
Machinery and equipment	0.3	0.3	0.3	0.2	-9.8%	–	0.3	0.4	0.4	22.0%	–
Payments for financial assets	–	0.1	–	–	–	–	–	–	–	–	–
Total	26 249.7	28 303.3	30 484.2	32 890.3	7.8%	100.0%	39 531.6	41 944.1	44 319.9	10.5%	100.0%
Proportion of total programme expenditure to vote expenditure	78.3%	77.8%	78.1%	78.3%	–	–	80.4%	80.2%	80.1%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5 281.4	5 860.7	6 236.5	6 544.1	7.4%	20.3%	11 490.5	10 256.0	10 698.0	17.8%	24.6%
National Student Financial Aid Scheme	5 195.7	5 769.4	6 138.8	6 448.6	7.5%	20.0%	11 392.7	10 143.1	10 578.5	17.9%	24.3%
Council on Higher Education	40.0	41.9	42.7	40.8	0.7%	0.1%	40.9	47.9	50.7	7.5%	0.1%
South African Qualifications Authority	45.7	49.4	55.0	54.8	6.2%	0.2%	56.9	64.9	68.7	7.9%	0.2%
Higher education institutions	19 109.4	20 231.7	21 482.3	22 971.3	6.3%	71.1%	24 563.9	28 054.2	29 810.9	9.1%	66.4%
Current	19 047.6	20 081.7	21 323.3	22 805.0	6.2%	70.6%	24 273.4	27 693.5	29 394.4	8.8%	65.6%
University subsidies	19 047.6	20 081.7	21 323.3	22 805.0	6.2%	70.6%	24 273.4	27 693.5	29 394.4	8.8%	65.6%
University of Mpumalanga and Sol Plaatje University	61.8	28.7	159.0	166.3	39.1%	0.4%	290.4	360.7	416.5	35.8%	0.8%
University of Mpumalanga	–	58.2	–	–	–	–	–	–	–	–	–
Sol Plaatje University	–	63.1	–	–	–	0.1%	–	–	–	–	–
Capital	1 814.4	2 161.1	2 713.0	3 314.8	22.2%	8.5%	3 401.0	3 552.6	3 723.9	4.0%	8.8%
University subsidies	1 814.4	2 011.1	2 213.0	2 314.8	8.5%	7.1%	2 426.2	2 585.0	2 735.0	5.7%	6.3%
University of the Witwatersrand: University of Mpumalanga and Sol Plaatje University	–	150.0	500.0	1 000.0	–	1.4%	974.7	967.6	989.0	-0.4%	2.5%
Non-profit institutions	5.0	7.0	7.4	7.8	15.8%	–	8.2	8.6	9.1	5.4%	–
Current	5.0	7.0	7.4	7.8	15.8%	–	8.2	8.6	9.1	5.4%	–
Higher Education South Africa	5.0	7.0	7.4	7.8	15.8%	–	8.2	8.6	9.1	5.4%	–

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

- Steer the technical and vocational education and training sector by developing 1 legislative and guiding framework and revising 3 existing legislative and guiding frameworks by 31 March 2018.
- Ensure that all technical and vocational education and training institutions are functioning optimally within the relevant pieces of legislation, policies and regulations by standardising the level of governance across the 50 public technical and vocational education and training institutions over the medium term, and monitoring and taking appropriate action when deficiencies are detected each year.
- Provide vocational education teaching and learning support through the development and implementation of 1 teaching and learning support plan and the revision of 3 teaching and learning support plans for technical and vocational education and training institutions by 31 March 2018.
- Improve success in programmes offered in technical and vocational education and training institutions by developing and implementing 3 student support plans over the medium term.
- Establish a coordinating structure for stakeholder engagement by 31 March 2017 to conduct research and support the technical and vocational education and training sector, and report progress on these partnerships 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 technical and vocational 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 technical and vocational education and training colleges to enter into partnerships for utilisation of infrastructure and funding resources; and maps out the institutional landscape for the rollout of the technical and vocational education and training 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 the technical and vocational education and training colleges to diversify their programmes, qualifications and curriculum.
- *National Examination and Assessment* administers and manages the conduct of national assessment in the technical and vocational education and training and community education and training colleges.
- *Financial Planning* sets up financial management systems; develops the financial management capacity of technical and vocational education and training colleges; manages and determines fair distribution of funding to technical and vocational 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, quarterly and annual reports.

Expenditure trends and estimates

Table 15.9 Technical and Vocational Education and Training expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Programme Management: Technical and Vocational Education and Training	4.7	8.1	9.1	5.1	2.7%	0.1%	9.7	10.6	11.4	30.6%	0.1%
Technical and Vocational Education and Training System Planning and Institutional Support	4 971.9	5 607.3	6 104.5	6 355.1	8.5%	95.8%	6 614.7	7 093.0	7 524.5	5.8%	95.7%
Programmes and Qualifications	84.9	88.3	10.1	11.3	-49.0%	0.8%	11.8	12.5	13.4	5.9%	0.2%
National Examination and Assessment	164.1	173.2	178.1	267.3	17.7%	3.3%	276.0	292.4	311.2	5.2%	4.0%
Financial Planning	2.7	2.4	2.7	3.6	10.2%	-	5.0	5.7	5.2	12.8%	0.1%
Total	5 228.3	5 879.3	6 304.5	6 642.4	8.3%	100.0%	6 917.2	7 414.2	7 865.7	5.8%	100.0%
Change to 2015 Budget estimate				38.2			(46.6)	100.1	242.0		
Economic classification											
Current payments	4 160.5	4 698.8	5 155.5	5 383.6	9.0%	80.6%	5 639.2	6 071.1	6 444.8	6.2%	81.6%
Compensation of employees	4 098.3	4 625.5	5 097.8	5 268.6	8.7%	79.4%	5 521.0	5 913.8	6 281.5	6.0%	79.7%
Goods and services	62.2	73.2	57.7	115.0	22.8%	1.3%	118.2	157.3	163.2	12.4%	1.9%
of which:											
Computer services	11.6	11.9	15.5	7.1	-15.0%	0.2%	13.9	13.7	15.5	29.7%	0.2%
Consumables: Stationery, printing and office supplies	16.3	15.0	8.4	23.4	12.8%	0.3%	6.4	9.8	11.1	-22.0%	0.2%
Operating leases	0.3	0.2	5.2	2.8	123.7%	-	9.6	10.2	9.1	47.3%	0.1%
Travel and subsistence	19.8	26.5	21.5	57.4	42.6%	0.5%	70.3	75.1	76.4	10.0%	1.0%
Training and development	-	0.2	-	0.0	-	-	-	32.9	35.2	835.8%	0.2%
Operating payments	3.2	5.9	3.1	16.8	73.2%	0.1%	8.6	9.0	9.6	-17.0%	0.2%
Transfers and subsidies	1 067.1	1 180.0	1 148.2	1 258.3	5.6%	19.3%	1 277.4	1 342.5	1 420.7	4.1%	18.4%
Departmental agencies and accounts	-	-	-	43.2	-	0.2%	2.5	14.4	15.2	-29.4%	0.3%
Non-profit institutions	973.4	1 084.1	1 148.1	1 214.7	7.7%	18.4%	1 274.8	1 328.1	1 405.5	5.0%	18.1%
Households	93.7	95.9	0.1	0.4	-83.9%	0.8%	-	-	-	-100.0%	-
Payments for capital assets	0.7	0.5	0.8	0.4	-14.9%	-	0.6	0.7	0.2	-18.1%	-
Machinery and equipment	0.7	0.5	0.8	0.4	-17.1%	-	0.6	0.7	0.2	-16.0%	-
Total	5 228.3	5 879.3	6 304.5	6 642.4	8.3%	100.0%	6 917.2	7 414.2	7 865.7	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	15.6%	16.2%	16.1%	15.8%	-	-	14.1%	14.2%	14.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	-	43.2	-	0.2%	2.5	14.4	15.2	-29.4%	0.3%
Transfer to sector education and training authorities	-	-	-	43.2	-	0.2%	2.5	14.4	15.2	-29.4%	0.3%
Households											
Social benefits											
Current	93.7	95.9	0.1	0.4	-83.9%	0.8%	-	-	-	-100.0%	-
Employee social benefits	93.7	95.9	0.1	0.4	-83.9%	0.8%	-	-	-	-100.0%	-
Non-profit institutions											
Current	973.4	1 084.1	1 148.1	1 214.7	7.7%	18.4%	1 274.8	1 328.1	1 405.5	5.0%	18.1%
Technical and vocational education and training colleges	973.4	1 084.1	1 148.1	1 214.7	7.7%	18.4%	1 274.8	1 328.1	1 405.5	5.0%	18.1%

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

- Steer and support skills development institutions to implement the national skills development strategy through the development of 1 new and the revision of 4 existing policies, including legislation, regulations and guidelines by 31 March 2018.
- Standardise the level of governance across sector education and training authorities by monitoring and compiling quarterly reports and taking appropriate actions where deficiencies are detected.
- Manage artisan development assessment services, including the recognition of prior learning, in order to produce 23 110 qualified artisans per year by 31 March 2019.

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 15.10 Skills 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 (%)		
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)	
R million												
Programme Management: Skills Development	2.0	1.2	1.4	1.9	-1.8%	1.1%	2.1	2.6	2.8	12.6%	1.0%	
SETA Coordination	90.3	92.4	101.1	175.1	24.7%	79.1%	190.8	206.1	219.5	7.8%	84.5%	
National Skills Development Services	5.9	7.7	6.4	7.6	9.1%	4.7%	8.5	9.1	9.8	8.7%	3.7%	
Quality Development and Promotion	20.4	21.7	23.2	21.8	2.4%	15.0%	23.1	26.9	28.5	9.2%	10.7%	
Total	118.6	123.0	132.0	206.5	20.3%	100.0%	224.5	244.7	260.6	8.1%	100.0%	
Change to 2015 Budget estimate				95.8			107.8	118.1	126.6			
Economic classification												
Current payments	71.8	76.3	82.4	90.1	7.8%	55.3%	102.2	113.2	121.4	10.4%	45.6%	
Compensation of employees	61.3	65.0	71.6	77.8	8.3%	47.5%	90.3	98.0	105.1	10.6%	39.7%	
Goods and services	10.6	11.2	10.8	12.3	5.2%	7.7%	11.9	15.2	16.2	9.7%	5.9%	
of which:												
Communication	1.1	1.4	1.2	1.3	5.4%	0.9%	1.4	1.7	1.7	8.4%	0.6%	
Inventory: Food and food supplies	0.5	0.5	0.4	-	-100.0%	0.2%	1.9	3.0	3.5	-	0.9%	
Consumable supplies	0.4	-	0.7	-	-100.0%	0.2%	1.9	2.3	2.9	-	0.8%	
Consumables: Stationery, printing and office supplies	0.6	3.1	0.7	5.4	111.7%	1.7%	1.0	1.6	1.2	-38.5%	1.0%	
Property payments	1.0	0.5	0.8	0.8	-4.0%	0.5%	0.9	0.9	0.9	2.2%	0.4%	
Travel and subsistence	3.2	3.2	2.2	1.9	-15.3%	1.8%	2.5	3.5	3.5	22.0%	1.2%	

Table 15.10 Skills Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16					2015/16 - 2018/19	
Transfers and subsidies	46.2	45.8	49.2	115.7	35.8%	44.3%	122.0	130.7	138.3	6.1%	54.1%
Departmental agencies and accounts	45.6	45.1	49.2	115.7	36.3%	44.1%	122.0	130.7	138.3	6.1%	54.1%
Households	0.5	0.7	–	–	-100.0%	0.2%	–	–	–	–	–
Payments for capital assets	0.5	0.9	0.4	0.7	8.9%	0.5%	0.3	0.8	0.9	10.0%	0.3%
Machinery and equipment	0.5	0.9	0.4	0.7	8.9%	0.5%	0.3	0.8	0.9	10.0%	0.3%
Total	118.6	123.0	132.0	206.5	20.3%	100.0%	224.5	244.7	260.6	8.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.3%	0.3%	0.5%	–	–	0.5%	0.5%	0.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	45.6	45.1	49.2	115.7	36.3%	44.1%	122.0	130.7	138.3	6.1%	54.1%
Education, Training and Development Practices Sector Education and Training Authority	25.3	23.3	26.0	93.8	54.8%	29.0%	98.8	103.8	109.8	5.4%	43.4%
Quality Council for Trades and Occupations	20.4	21.7	23.2	21.8	2.4%	15.0%	23.1	26.9	28.5	9.2%	10.7%

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

- Steer the community education and training sector by developing 5 legislative and guiding frameworks, and revising 1 existing guiding framework by 31 March 2018.
- Develop and implement 1 teaching and learning support plan for the optimal functioning of community education and training institutions by 31 March 2017.
- Ensure the geographic spread and maintenance of 9 community education and training colleges by producing and approving 2 sites/facilities maintenance reports by 31 March 2019.
- Forge links with strategic partners and stakeholders in the community education and training sector by developing and approving a strategy on strategic partnerships with key strategic partners by 31 March 2017.

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 out 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 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 curriculum; and provides leadership for colleges to form partnerships and linkages for programme diversification.

Expenditure trends and estimates

Table 15.11 Community Education and Training expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Programme Management: Community Education and Training	–	–	–	–	–	–	2.9	3.3	3.6	–	0.1%
Community Education and Training Colleges Systems Planning, Institutional Development and Support	1 642.1	1 771.1	1 847.2	1 754.8	2.2%	98.3%	1 883.5	2 045.8	2 175.5	7.4%	92.0%
Financial Planning	–	–	–	95.8	–	1.3%	166.3	170.3	181.3	23.7%	7.2%
Education and Training and Development Support	5.8	5.7	5.9	9.3	17.0%	0.4%	17.0	18.0	19.3	27.7%	0.7%
Total	1 647.9	1 776.8	1 853.1	1 859.9	4.1%	100.0%	2 069.7	2 237.3	2 379.6	8.6%	100.0%
Change to 2015 Budget estimate				(51.7)			47.7	112.2	16.6		
Economic classification											
Current payments	1 647.4	1 776.2	1 852.5	1 765.0	2.3%	98.6%	1 969.5	2 130.8	2 267.0	8.7%	95.2%
Compensation of employees	1 578.0	1 696.3	1 774.7	1 711.4	2.7%	94.7%	1 905.8	2 069.8	2 201.3	8.8%	92.3%
Goods and services	69.4	79.9	77.8	53.6	-8.3%	3.9%	63.7	61.0	65.7	7.0%	2.9%
of which:											
Communication	6.0	6.0	6.3	1.5	-36.9%	0.3%	1.6	2.1	2.7	20.5%	0.1%
Consumable supplies	–	–	–	–	–	–	0.8	1.0	1.6	–	–
Consumables: Stationery, printing and office supplies	4.1	2.0	1.0	3.8	-2.0%	0.2%	25.6	31.7	38.3	115.5%	1.2%
Rental and hiring	–	–	–	0.0	–	–	5.0	5.5	5.6	424.8%	0.2%
Travel and subsistence	50.3	61.3	58.1	32.1	-13.9%	2.8%	4.4	4.6	4.8	-47.0%	0.5%
Training and development	2.0	3.3	4.0	–	-100.0%	0.1%	24.7	14.5	11.0	–	0.6%
Transfers and subsidies	–	–	–	94.8	–	1.3%	99.0	104.7	110.8	5.3%	4.8%
Departmental agencies and accounts	–	–	–	2.4	–	–	0.8	0.8	0.8	-29.2%	0.1%
Non-profit institutions	–	–	–	92.5	–	1.3%	98.2	103.9	109.9	5.9%	4.7%
Payments for capital assets	0.5	0.5	0.6	0.1	-48.3%	–	1.3	1.8	1.9	202.9%	0.1%
Machinery and equipment	0.5	0.5	0.6	0.1	-48.3%	–	1.3	1.8	1.9	202.9%	0.1%
Total	1 647.9	1 776.8	1 853.1	1 859.9	4.1%	100.0%	2 069.7	2 237.3	2 379.6	8.6%	100.0%
Proportion of total programme expenditure to vote expenditure	4.9%	4.9%	4.7%	4.4%	–	–	4.2%	4.3%	4.3%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	–	–	–	92.5	–	1.3%	98.2	103.9	109.9	5.9%	4.7%
Community education and training colleges	–	–	–	92.5	–	1.3%	98.2	103.9	109.9	5.9%	4.7%

Entities

National Skills Fund

Mandate

The National Skills Fund was established in 1999 in terms of the Skills Development Act (1998). The fund focuses on national priority projects identified in the national skills development strategy and projects related to the achievement of the purposes of the act, as determined by the director general of the Department of Higher Education and Training.

Selected performance indicators

Table 15.12 National Skills Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of reserve funds committed towards skills development per year	Grant disbursement	Outcome 5: A skilled and capable workforce to support an inclusive growth path	100% (R7.7bn)	100% (R8.5bn)	100% (R8.3bn)	100%	100%	100%	100%
Number of learners funded for training through National Skills Fund projects per year	Grant disbursement		95 554	70 000	70 000	70 000	70 000	70 000	70 000
Percentage of grants disbursed versus grant income received	Grant disbursement		100% (R2.6bn)	100% (R3.2bn)	100% (R3.1bn)	90%	90%	90%	90%

Expenditure analysis

Over the medium term, the National Skills Fund will invest in skills development, as identified in the national development plan and government's 2014-2019 medium term strategic framework, specifically outcome 5 (a skilled and capable workforce to support an inclusive growth path), to reduce skills gaps and create greater opportunities for youth in need of skills interventions. In doing this, the fund will continue to focus on funding projects that provide more training opportunities to learners to acquire skills in areas of national priority, such as artisan development, and support growth and quality in the post-school education and training system.

The fund is in the process of implementing a new organisational structure to improve its capabilities related to skills planning, skills development initiation, monitoring and evaluation, and the financial management of all projects it funds. The new organisational structure will also enable the fund to operate as a fully fledged schedule 3A public entity that is independent of the Department of Higher Education and Training, while remaining strategically aligned and integrated with the objectives of the broader post-school education and training system. An additional 168 personnel are expected to be employed over the medium term, giving rise to an increase in expenditure on compensation of employees from R57.7 million in 2015/16 to an expected R158.1 million in 2018/19, reflecting average annual growth of 39.9 per cent. The additional personnel will strengthen the monitoring and evaluation of skills development initiatives and funded projects, and the capacity of dedicated support services in financial management, internal audit, and asset management; increase knowledge management capacity in research and analysis; and expand the fund's outreach programme, which assists learners in specific regions or in prioritised skill areas to obtain bursaries. The increase in the number of personnel corresponds with the fund's expected revenue, which has increased significantly from R2 billion in 2009/10 to R4.1 billion in 2015/16 and which will be used for skills development. To develop skills, the fund will also develop an internship programme, which will be grown over the medium term to provide approximately 82 young people per year with workplace training opportunities within the fund, or within institutions in the broader post-school education and training system.

The fund's new organisational structure has resulted in an increase in the proportion of expenditure that goods and services accounts for: an average 2 per cent over the medium term compared to 1.5 per cent in the previous period. This is due to once off investments in items such as computers services and recurring annual costs related to the provision of office facilities, services, and inventories for the additional staff.

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, which accounts for 93 per cent of the fund's expected total revenue over the medium term, is set to increase from R3.2 billion in 2015/16 to R4.1 billion in 2018/19. The bulk of this transfer will continue to support new growth path projects in education, health, rural development and other sectors; provide bursaries for scarce and critical skills; and build capacity for learning programmes in technical and vocational education and training colleges. The fund expects to support 70 000 learners per year over the medium term through these interventions.

The fund also receives revenue from sector education and training authorities, which are required to transfer uncommitted accumulated surplus funds linked to their unspent discretionary grants (an average of 49.5 per cent of their budget) to the fund each year, although there is expected to be a decline in the authorities' surplus funds over the medium term. This is expected to lead to a decline in non-tax revenue for the fund, as one of the implications of the new authorities' grant regulations is improvements in their efficiencies and commitment of their surplus funds, although it is not expected to affect the fund's performance.

The fund received R2.6 billion in uncommitted accumulated discretionary grant surpluses from sector education and training authorities in 2014/15. Of this amount, R1.3 billion will go towards funding the shortfall at public universities for the 2016 academic year as a result of the publicly announced zero per cent increase in university fees. The fund has committed the balance towards the new generation of academics in the university system, and to projects that aim to expand and improve the technical and vocational education and training system. Such projects include providing 3-year apprenticeships and supporting 20 centres of specialisation related to priority artisan trades at public technical and vocational education and training colleges across the country.

Programmes/objectives/activities

Table 15.13 National Skills Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	84.8	95.4	142.7	317.0	55.2%	4.4%	409.6	413.3	428.9	10.6%	6.5%
Grant disbursement	2 575.1	2 978.4	3 108.7	4 392.2	19.5%	95.6%	5 835.7	6 358.9	6 036.8	11.2%	93.5%
Total	2 659.9	3 073.8	3 251.4	4 709.2	21.0%	100.0%	6 245.3	6 772.2	6 465.7	11.1%	100.0%

Statements of historical financial performance

Table 15.14 National Skills Fund statements of historical financial performance

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16	
Revenue									
Non-tax revenue	378.2	444.9	399.0	1 469.1	419.5	3 128.1	262.3	961.4	411.5%
Other non-tax revenue	378.2	444.9	399.0	1 469.1	419.5	3 128.1	262.3	961.4	411.5%
Transfers received	1 959.1	2 254.0	2 480.6	2 514.9	3 247.9	2 750.6	2 937.3	3 159.3	100.5%
Total revenue	2 337.3	2 698.9	2 879.6	3 984.0	3 667.4	5 878.7	3 199.6	4 120.7	138.1%
Expenses									
Current expenses	198.4	36.2	207.6	46.6	110.5	94.1	143.3	170.3	52.6%
Compensation of employees	40.3	17.7	47.0	24.5	53.2	29.2	57.1	57.7	65.4%
Goods and services	158.1	18.4	160.6	21.9	57.3	62.1	86.1	112.5	46.5%
Depreciation	-	0.0	-	0.3	-	2.7	-	-	-
Transfers and subsidies	2 764.5	2 623.8	2 508.8	3 027.2	4 487.8	3 157.3	5 205.4	4 538.9	89.2%
Total expenses	2 962.9	2 659.9	2 716.5	3 073.8	4 598.3	3 251.4	5 348.6	4 709.2	87.6%
Surplus/(Deficit)	(626.0)	39.0	163.0	910.0	(931.0)	2 627.0	(2 149.0)	(589.0)	-

Statements of estimates of financial performance and position

Table 15.15 National Skills Fund statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2015/16	2012/13 - 2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	961.4	29.3%	32.5%	363.1	292.0	228.2	-38.1%	11.1%	
Other non-tax revenue	961.4	29.3%	32.5%	363.1	292.0	228.2	-38.1%	11.1%	
Transfers received	3 159.3	11.9%	67.5%	3 527.1	3 937.4	4 411.5	11.8%	88.9%	
Total revenue	4 120.7	15.1%	100.0%	3 890.2	4 229.4	4 639.7	4.0%	100.0%	
Expenses									
Current expenses	170.3	67.6%	2.3%	254.8	250.7	258.3	14.9%	6.9%	
Compensation of employees	57.7	48.2%	0.9%	143.4	150.5	158.1	39.9%	2.0%	
Goods and services	112.5	82.9%	1.4%	111.4	100.2	100.2	-3.8%	1.8%	
Transfers and subsidies	4 538.9	20.0%	97.7%	5 990.5	6 521.4	6 207.5	11.0%	96.2%	
Total expenses	4 709.2	21.0%	100.0%	6 245.3	6 772.2	6 465.7	11.1%	100.0%	
Surplus/(Deficit)	(589.0)	(3)	-	(2 355.0)	(2 543.0)	(1 826.0)	45.8%	-	

Table 15.15 National Skills Fund statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Investments	10 541.7	12.8%	77.7%	8 185.8	5 618.9	3 755.7	-29.1%	100.0%
Total assets	10 541.7	4.9%	100.0%	8 185.8	5 618.9	3 755.7	-29.1%	100.0%
Accumulated surplus/(deficit)	10 541.7	11.1%	74.3%	8 185.8	5 618.9	3 755.7	-29.1%	100.0%
Total equity and liabilities	10 541.7	4.9%	100.0%	8 185.8	5 618.9	3 755.7	-29.1%	100.0%

Personnel information

Table 15.16 National Skills Fund personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19								
National Skills Fund		Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost			
Salary level	144	145	104	29.2	0.3	107	57.7	0.5	313	143.4	0.5	313	150.5	0.5	313	158.1	0.5	39.9%	100.0%
1 – 6	28	28	26	1.0	0.0	28	2.2	0.1	139	12.5	0.1	139	13.1	0.1	139	13.8	0.1	84.0%	39.8%
7 – 10	87	87	50	8.8	0.2	50	29.4	0.6	82	34.0	0.4	82	35.7	0.4	82	37.5	0.5	8.4%	31.3%
11 – 12	20	21	20	5.2	0.3	20	16.7	0.8	43	37.9	0.9	43	39.8	0.9	43	41.8	1.0	35.7%	15.0%
13 – 16	9	9	8	14.1	1.8	9	9.4	1.0	49	59.0	1.2	49	61.9	1.3	49	65.0	1.3	90.5%	13.8%

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 to eligible students, 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 better utilisation of financial resources, and advising the minister on matters relating to financial aid for students.

Selected performance indicators

Table 15.17 National Student Financial Aid Scheme performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Amount of financial aid raised for qualifying students from new funders per year	Student centred financial aid	Entity mandate	R997m	R374m	R69.5m	R9m	R10m	R11m	R12.2m
Amount of financial aid raised for qualifying students from current funders per year	Student centred financial aid		R1.4bn	R1.3bn	R727m	R105m	5% growth on 2015/16 actual	5% growth on 2016/17 actual	5% growth on 2017/18 actual
Amount of funds recovered from debtors per year	Student centred financial aid	Outcome 5: A skilled and capable workforce to support an inclusive growth path	R423m	R339m	R248m	R373m	25% growth on 2015/16 actual	50% growth on 2016/17 actual	75% growth on 2017/18 actual
Percentage of students migrated to the new student model per year	Administration	Entity mandate	-1	-1	-1	30%	80%	100%	100%
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	194 504	194 923	186 150	225 648	195 458	205 230	215 492
Number of students assisted in technical and vocational education and training colleges per year ²	Student centred financial aid		188 182	220 978	228 642	267 991	240 074	252 078	264 682

Table 15.17 National Student Financial Aid Scheme performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of institutions in the student centred model per year paid tuition and residence fees within 30 days	Student centred financial aid	Outcome 5: A skilled and capable workforce to support an inclusive growth path	-1	-1	-1	90%	98%	98%	99%
Percentage of students in the student centred model per year paid allowances on or before due date	Student centred financial aid		-1	-1	-1	90%	98%	98%	99%
Percentage of claims per year paid to institutions outside of the student centred model on or before due date	Student centred financial aid		-1	-1	-1	100%	100%	100%	100%
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% (R797.3m)	100% (R649m)	100% (R1.1bn)	100%	100%	100%	100%

1. No historical data is available as these are new indicators.

2. This indicator has been reworded to more accurately reflect the number of students assisted per year.

Expenditure analysis

The National Student Financial Aid Scheme aims to support the objectives of the national development plan and the targets of government's 2014-2019 medium term strategic framework, specifically outcome 5 (a skilled and capable workforce to support an inclusive growth path), through the strategic objectives that are aligned with the scheme's mandate. This includes granting loans and bursaries to eligible students, raising funds, recovering loans, and undertaking research for the better utilisation of financial resources, and is directly aligned with the national development plan's objectives of ensuring quality post-school education and training, and access by students who cannot afford to pay for their own studies.

A situational analysis of the need for increased student funding and improved loan recovery has become the scheme's main priority. This is in the context of poor loan recoveries by the scheme, escalating university fees, and student unrest at higher education institutions, which has necessitated adjustments to the scheme's 2015/16-2019/20 strategic plan. In line with its 2016/17 annual performance plan, over the medium term, the scheme will focus on implementing its funding and recovery strategies, as well as the student centred model, a new operating model with an automated financial means test that allows students to apply for funding online directly through the scheme and not via institutions.

Government has allocated R10.6 billion to the scheme over the medium term to provide short term debt relief to 71 753 students who were funded inadequately or were unable to access financial aid between 2013 and 2015 academic years, as well as for currently unfunded new and continuing students receiving support from the scheme in 2016. Since 2012/13, there has been a lack of new funders committing to providing loan and bursary support to the scheme, giving rise to the projection that by 2018/19, R12.2 million for financial aid will be raised from new funders, compared to R69.5 million in 2014/15. However, an increase of 5 per cent in existing funding is expected each year over the medium term, from R105 million in 2015/16.

The number of students in higher education institutions assisted by the scheme is expected to decrease from 225 648 in 2015/16 to 215 492 in 2018/19, and the number of students in technical and vocational education and training colleges assisted by the scheme is also expected to drop from 267 991 in 2015/16 to 264 682 in 2018/19. This decline is in line with the scheme's revised and more accurate forecasts on the number of students likely to be funded for full cost of study (including tuition, accommodation, books and meals) from available funds, also taking into account the rising costs of higher education. Expenditure on loans and bursaries is projected to increase over the medium term from R7.3 billion in 2015/16 to R9.6 billion in 2018/19.

The implementation of cost containment measures is expected to result in major decreases in spending on a number of goods and services items in 2016/17 and 2017/18. But despite reductions in the communications budget from R9.2 million in 2015/16 to R7.7 million in 2016/17, the scheme will maintain its focus on a targeted media campaign to debtors, as well as on improving students' experience and awareness of the scheme, ensuring that financial aid is paid on time, and improving services at contact centres. Another item on which expenditure is being reduced is travel and subsistence, which is set to decrease from R4.3 million in 2015/16 to R2.8 million in 2018/19. This is because most travel is being restricted to day trips, where there is no need for overnight accommodation and a subsistence allowance. Expenditure on training and staff development is set to

decrease by R2 million in 2016/17 and R2 million in 2017/18, as most staff training will be conducted by an in-house training developer and facilitator.

Expenditure on compensation of employees increased considerably between 2012/13 and 2015/16, at an average annual rate of 38 per cent, from R38.9 million to R101.6 million, as vacancies were filled to support the phased implementation of the new student centred operating model. This trend is set to change over the MTEF period, with the compensation of employees budget projected to increase from R101.6 million in 2015/16 to R119.1 million in 2018/19, showing a lower average annual growth rate of 6 per cent due to the total number of posts decreasing from 286 in 2015/16 to 278 in 2016/17. The majority of personnel in the loans and bursaries service unit are employed on fixed term contracts that end in March 2016. The continued rollout of the new student centred operating model and its planned full implementation over the medium term brings uncertainty about precisely how many staff members will be required for the loans and bursaries unit, as the new model is likely to significantly reduce the administrative services that were previously required. All students in universities and technical and vocational education and training colleges are projected to have been migrated on to the new student centred model by 2018/19, and this will enable almost all payments to students and institutions to be made timeously.

Transfers from the Department of Higher Education and Training amounting to R32.1 billion over the medium term account for 73 per cent of the scheme's revenue. Other revenue includes fees received for bursaries administered on behalf of national and provincial departments such as the Department of Basic Education and the Department of Agriculture, Forestry and Fisheries, comprising an estimated 19 per cent (R8.2 billion) of revenue over the medium term); as well as funds from private donors, the national skills fund, higher education institutions, and sector education and training authorities. Total revenue is expected to grow at an average annual rate of 13.5 per cent over the medium term, from R10.1 billion in 2015/16 to R14.8 billion in 2018/19.

Programmes/objectives/activities

Table 15.18 National Student Financial Aid Scheme expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Administration	89.2	126.0	123.0	144.2	17.4%	1.5%	138.4	145.0	153.6	2.1%	1.7%
Student centered financial aid	6 747.0	7 745.0	10 727.3	7 295.4	2.6%	98.5%	8 491.7	9 231.1	9 648.1	9.8%	98.3%
Total	6 836.2	7 871.0	10 850.3	7 439.6	2.9%	100.0%	8 630.1	9 376.1	9 801.7	9.6%	100.0%

Statements of historical financial performance and position

Table 15.19 National Student Financial Aid Scheme 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	Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	655.7	687.0	708.2	670.6	27.6	871.4	28.0	890.7	219.8%
Sale of goods and services other than capital assets	–	17.3	19.7	14.9	27.6	16.2	28.0	16.7	86.4%
<i>of which:</i>									
Administrative fees	–	17.3	19.7	14.9	27.6	16.2	28.0	16.7	86.4%
Other non-tax revenue	655.7	669.6	688.5	655.8	–	855.3	–	873.9	227.2%
Transfers received	6 701.0	7 337.2	8 142.4	7 999.5	13 435.1	8 881.4	8 925.2	9 226.1	89.9%
Total revenue	7 356.8	8 024.2	8 850.6	8 670.2	13 462.7	9 752.8	8 953.2	10 116.7	94.7%

Table 15.19 National Student Financial Aid Scheme 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	Outcome/ Budget Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16				
Expenses									
Current expenses	83.6	1 909.7	130.3	2 191.0	143.8	4 733.6	176.9	197.2	1 689.3%
Compensation of employees	35.4	38.9	52.3	65.9	84.6	82.3	103.0	101.6	104.8%
Goods and services	44.3	1 855.1	72.6	2 094.3	52.1	4 624.6	69.8	67.6	3 618.5%
Depreciation	3.8	15.6	5.4	30.8	7.1	26.7	4.1	28.1	495.6%
Transfers and subsidies	4 857.7	4 926.5	6 000.7	5 680.0	6 911.9	6 116.7	7 242.4	7 242.4	95.8%
Total expenses	4 941.3	6 836.2	6 131.0	7 871.0	7 055.7	10 850.3	7 419.3	7 439.6	129.2%
Surplus/(Deficit)	2 415.0	1 188.0	2 720.0	799.0	6 407.0	(1 098.0)	1 534.0	2 677.0	-
Statement of financial position									
Carrying value of assets	9.3	23.7	9.8	62.2	10.4	38.3	11.0	40.6	406.0%
Acquisition of assets	(19.8)	(13.6)	(5.4)	(69.3)	(7.1)	(2.8)	(4.1)	(12.7)	270.3%
Investments	603.9	186.4	635.9	-	670.9	-	711.1	-	7.1%
Loans	5 298.8	6 357.8	7 560.0	7 442.8	7 938.0	6 110.2	8 334.9	6 476.8	90.6%
Receivables and prepayments	465.3	1 020.9	489.9	903.1	516.9	1 295.6	547.9	1 373.4	227.4%
Cash and cash equivalents	2 217.2	433.6	2 334.7	1 842.4	2 463.1	1 535.9	2 610.9	1 628.0	56.5%
Total assets	8 594.4	8 022.5	11 030.3	10 250.5	11 599.2	8 980.0	12 215.8	9 518.8	84.7%
Accumulated surplus/(deficit)	(387.5)	1 188.0	1 572.4	799.2	1 621.1	(1 097.5)	1 638.9	445.8	30.0%
Capital and reserves	8 805.5	6 494.0	9 272.2	7 682.0	9 782.1	8 472.8	10 369.1	7 375.2	78.5%
Capital reserve fund	-	-	-	(8.4)	-	-	-	-	-
Deferred income	165.1	248.9	173.9	1 400.8	183.5	1 265.0	194.5	1 340.9	593.6%
Trade and other payables	11.3	30.1	11.9	312.4	12.6	274.7	13.3	291.2	1 851.0%
Provisions	-	61.5	-	64.5	-	65.0	-	65.7	-
Total equity and liabilities	8 594.4	8 022.5	11 030.3	10 250.5	11 599.2	8 980.0	12 215.8	9 518.8	84.7%

Statements of estimates of financial performance and position**Table 15.20 National Student Financial Aid Scheme statements of estimates of financial performance and position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	890.7	9.0%	8.5%	913.4	936.6	960.5	2.5%	7.0%	
Sale of goods and services other than capital assets	16.7	-1.1%	0.2%	17.6	18.5	19.4	5.0%	0.1%	
<i>of which:</i>									
Administrative fees	16.7	-1.1%	0.2%	17.6	18.5	19.4	5.0%	0.1%	
Other non-tax revenue	873.9	9.3%	8.3%	895.8	918.2	941.1	2.5%	6.8%	
Transfers received	9 226.1	7.9%	91.5%	14 311.0	13 207.3	13 817.7	14.4%	93.0%	
Total revenue	10 116.7	8.0%	100.0%	15 224.3	14 143.9	14 778.2	13.5%	100.0%	
Expenses									
Current expenses	197.2	-53.1%	25.5%	194.4	203.8	215.8	3.1%	2.8%	
Compensation of employees	101.6	37.7%	0.9%	107.2	112.6	119.1	5.5%	1.3%	
Goods and services	67.6	-66.9%	24.3%	57.8	60.7	64.2	-1.7%	0.7%	
Depreciation	28.1	21.6%	0.3%	29.3	30.5	32.5	5.0%	0.3%	
Transfers and subsidies	7 242.4	13.7%	74.5%	8 435.7	9 172.3	9 585.9	9.8%	97.7%	
Total expenses	7 439.6	2.9%	100.0%	8 630.1	9 376.1	9 801.7	9.6%	100.0%	
Surplus/(Deficit)	2 677.0	-	-	6 594.0	4 768.0	4 977.0	23.0%	-	

Table 15.20 National Student Financial Aid Scheme statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Carrying value of assets	40.6	19.7%	0.4%	43.1	45.6	48.3	5.9%	0.4%
of which:								
Acquisition of assets	(12.7)	-2.2%	-0.3%	(12.1)	(12.7)	(13.4)	1.9%	-0.1%
Loans	6 476.8	0.6%	72.0%	10 644.8	9 072.5	9 507.0	13.6%	72.5%
Receivables and prepayments	1 373.4	10.4%	12.6%	1 458.5	1 543.1	1 632.6	5.9%	12.4%
Cash and cash equivalents	1 628.0	55.4%	14.4%	1 728.9	1 829.2	1 935.3	5.9%	14.7%
Total assets	9 518.8	5.9%	100.0%	13 875.4	12 490.4	13 123.2	11.3%	100.0%
Accumulated surplus/(deficit)	445.8	-27.9%	3.8%	490.2	536.0	585.0	9.5%	4.2%
Capital and reserves	7 375.2	4.3%	81.9%	11 598.9	10 081.9	10 575.0	12.8%	80.6%
Deferred income	1 340.9	75.3%	11.2%	1 410.6	1 478.4	1 549.3	4.9%	12.0%
Trade and other payables	291.2	113.1%	2.4%	309.2	327.2	346.2	5.9%	2.6%
Provisions	65.7	2.2%	0.7%	66.3	67.0	67.7	1.0%	0.6%
Total equity and liabilities	9 518.8	5.9%	100.0%	13 875.4	12 490.4	13 123.2	34.1%	100.0%

Personnel information

Table 15.21 National Student Financial Aid Scheme personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
National Student Financial Aid Scheme		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	286	328	295	82.3	0.3	286	101.6	0.4	278	107.2	0.4	278	112.6	0.4	278	119.1	0.4	5.5%	100.0%
1 – 6	86	86	143	22.1	0.2	86	13.2	0.2	79	13.0	0.2	79	13.6	0.2	79	14.4	0.2	3.0%	28.8%
7 – 10	151	173	100	21.1	0.2	151	43.3	0.3	151	46.7	0.3	151	49.1	0.3	151	51.9	0.3	6.2%	53.9%
11 – 12	23	33	22	11.1	0.5	23	16.0	0.7	22	16.4	0.7	22	17.2	0.8	22	18.2	0.8	4.5%	7.9%
13 – 16	26	36	30	28.0	0.9	26	29.1	1.1	26	31.1	1.2	26	32.7	1.3	26	34.6	1.3	5.9%	9.3%

1. Rand million.

Sector education and training authorities

Mandate

The mandate of the sector education and training authorities is derived from the Skills Development Act (1998). This includes the implementation of 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 15.22 Sector education and training authorities performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Number of unemployed persons entering skills programmes per year	Discretionary grant	Outcome 5: A skilled and capable workforce to support an inclusive growth path	18 683	18 231	31 978	15 206	31 715	34 252	36 992
Number of workers entering skills programmes per year	Mandatory grant		72 297	75 644	105 305	29 815	78 215	84 472	91 229
Number of unemployed persons completing skills programmes per year	Discretionary grant		18 683	18 835	23 923	10 953	16 074	17 359	18 747
Number of workers completing skills programmes per year	Mandatory grant		79 463	91 438	82 536	36 677	62 388	67 379	72 769
Number of unemployed persons entering learnerships per year	Discretionary grant		29 601	46 012	48 831	25 667	47 554	51 358	55 466
Number of workers entering learnerships per year	Mandatory grant		20 108	30 511	29 099	8 587	33 085	35 731	38 589
Number of unemployed persons completing learnerships per year	Discretionary grant		21 983	25 372	22 206	12 018	24 878	26 868	29 017

Table 15.22 Sector education and training authorities performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of workers completing learnerships per year	Mandatory grant	Outcome 5: A skilled and capable workforce to support an inclusive growth path	14 333	14 500	18 685	5 903	17 927	19 361	20 909
Number of unemployed persons receiving bursaries per year	Discretionary grant		12 218	13 105	14 683	8 120	11 630	12 560	13 564
Number of workers receiving bursaries per year	Mandatory grant		4 561	5 563	7 624	1 671	8 157	8 809	9 513
Number of university students placed in workplaces per year as part of qualification requirements	Discretionary grant		4 156	3 859	7 590	2 669	20 089	21 696	23 431
Number of technical and vocational education and training college students placed in workplaces per year as part of qualification requirements	Discretionary grant		3 230	11 953	14 400	5 635	11 633	12 563	13 568

Expenditure analysis

Sector education and training authorities contribute to the vision of the national development plan and government's 2014-2019 medium term strategic framework, specifically outcome 5 (a skilled and capable workforce to support an inclusive growth path), by creating a training system that caters for different needs and produces skilled individuals, thereby contributing towards economic growth. The authorities' focus over the medium term will be on continuing to strengthen and produce priority and relevant skills to meet social and economic demands, and strengthen partnerships with employers, universities, and technical and vocational education and training colleges. In this way, the authorities aim to contribute to reducing poverty and unemployment, and ensure alignment between the supply and demand for labour in the South African labour market.

The third national skills development strategy aims to increase access to occupationally directed programmes, promote the growth of the public technical and vocational education and training colleges, address the low level of youth and adult language and numeracy skills, and encourage better use of workplace based skills development. Towards this, the authorities will continue to focus on artisan development, apprenticeships, learnerships, internships, bursaries, and partnerships with technical and vocational education and training colleges, universities and the labour market to provide opportunities for workplace experience. The authorities plan to facilitate the entry of 356 875 individuals into skills programmes over the medium term, and 261 783 individuals into learnerships over the same period. In line with this, the number of bursaries provided to unemployed individuals and workers is expected to increase from 22 307 in 2014/15 to 23 077 in 2018/19. The number of university students placed in workplaces as part of qualification requirements is expected to increase from 2 669 in 2015/16 to 23 431 in 2018/19, and the number of technical and vocational education and training college students placed is expected to increase from 5 635 in 2015/16 to 13 568 in 2018/19.

Previous trends regarding the authorities' accumulated surpluses are expected to change over the medium term as the implementation of the grant regulations for sector education and training authorities has mandated the transfer of uncommitted funds to the National Skills Fund each year. R1.3 billion of the authorities' uncommitted surplus funds from 2014/15 will be contributed towards funding the shortfall at public universities for the 2016 academic year due to the announced zero per cent increase in university fees. The higher than anticipated projected surplus of R7.5 billion over the medium term results from the adjustment made to skills development levy income in the 2015 adjustments budget. This entailed an additional projection of R5.4 billion over the medium term for the authorities from the skills development levy, although these funds are still to be committed.

The authorities' primary source of revenue is the skills development levy, which is collected by the South African Revenue Service and transferred to the authorities as a direct charge against the National Revenue Fund. This income is expected to increase from R12.6 billion in 2015/16 to R17.6 billion in 2018/19, and constitutes approximately 93 per cent of their total revenue.

Statements of historical financial performance and position

Table 15.23 Sector education and training authorities 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	Outcome/Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	391.7	628.4	562.3	855.3	598.8	1 186.9	565.2	879.6	167.6%
Other non-tax revenue	391.7	628.4	562.3	855.3	598.8	1 186.9	565.2	879.6	167.6%
Transfers received	7 823.0	9 660.4	9 482.6	9 922.2	10 207.7	11 442.0	11 379.8	13 329.9	114.0%
Total revenue	8 214.7	10 288.7	10 045.0	10 777.6	10 689.7	12 628.9	11 945.0	14 209.5	117.1%
Expenses									
Current expenses	1 087.8	1 257.6	1 287.8	1 401.4	1 573.9	1 526.5	1 840.1	1 867.7	104.6%
Compensation of employees	562.4	630.7	644.4	703.5	758.9	758.3	845.6	832.7	104.1%
Goods and services	506.2	606.8	623.3	671.0	775.9	733.6	960.6	1 006.1	105.3%
Depreciation	18.8	19.8	19.6	25.6	38.9	30.8	33.9	28.8	94.4%
Interest, dividends and rent on land	0.4	0.3	0.5	1.3	0.2	3.8	0.0	0.0	461.2%
Transfers and subsidies	7 450.3	8 131.2	7 548.4	6 188.9	4 799.4	7 586.0	8 548.1	9 756.0	111.7%
Total expenses	8 538.0	9 388.8	8 836.3	7 590.3	6 373.3	9 112.5	10 388.3	11 623.6	110.5%
Surplus/(Deficit)	(323.0)	900.0	1 209.0	3 187.0	4 316.0	3 516.0	1 557.0	2 586.0	-
Statement of financial position									
Carrying value of assets	172.0	127.4	237.6	188.8	348.5	224.4	421.2	434.6	82.7%
Acquisition of assets	-	(29.5)	(24.0)	(86.1)	(36.5)	(64.4)	(54.2)	(57.0)	206.8%
Investments	1 595.9	1 020.0	1 759.0	1 320.0	1 206.0	1 638.0	1 317.5	1 746.5	97.4%
Inventory	1.5	3.0	1.7	3.9	2.7	4.6	4.0	4.1	154.9%
Accrued investment interest	7.5	22.5	9.1	62.4	42.1	66.4	33.4	33.4	200.4%
Receivables and prepayments	169.4	246.1	115.2	179.2	123.5	292.0	145.2	171.4	160.6%
Cash and cash equivalents	4 241.0	9 855.3	4 837.0	11 870.9	5 664.6	12 095.6	7 803.3	8 331.2	187.0%
Derivatives financial instruments	7.5	-	-	-	-	-	-	-	-
Total assets	6 194.8	11 274.3	6 959.6	13 625.2	7 387.5	14 320.9	9 724.6	10 721.2	165.0%
Accumulated surplus/(deficit)	2 216.6	4 037.2	2 770.8	5 147.8	3 252.9	5 038.7	4 211.3	4 766.5	152.5%
Capital and reserves	3 064.2	4 730.2	2 446.4	4 686.1	1 958.9	6 357.9	3 214.2	3 810.4	183.3%
Capital reserve fund	-	95.7	-	113.8	-	66.3	126.0	66.3	271.5%
Borrowings	1.1	1.1	1.2	1.0	1.0	0.4	1.0	1.0	79.7%
Finance lease	139.9	5.6	145.0	3.5	1.9	4.3	4.1	5.3	6.4%
Deferred income	30.2	35.8	11.9	32.0	14.7	25.4	5.1	5.1	159.0%
Trade and other payables	919.2	1 421.0	980.6	1 071.5	1 282.7	1 389.7	1 151.2	1 032.7	113.4%
Taxation	0.0	-	-	-	-	-	-	-	-
Provisions	78.0	541.2	214.3	2 105.9	572.0	933.8	707.5	740.3	274.9%
Managed funds (e.g. poverty alleviation fund)	-	-	0.3	-	0.4	-	-	-	-
Derivatives financial instruments	-	406.6	7.0	463.6	151.3	504.3	304.2	293.6	360.7%
Total equity and liabilities	6 449.2	11 274.3	6 577.5	13 625.2	7 235.7	14 320.9	9 724.7	10 721.2	166.5%

Statements of estimates of financial performance and position

Table 15.24 Sector education and training authorities statements of estimates of financial performance and position

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	879.6	11.9%	7.4%	840.8	779.9	799.6	-3.1%	5.1%
Other non-tax revenue	879.6	11.9%	7.4%	840.8	779.9	799.6	-3.1%	5.1%
Transfers received	13 329.9	11.3%	92.6%	14 791.2	16 456.3	18 382.9	11.3%	94.9%
Total revenue	14 209.5	11.4%	100.0%	15 632.0	17 236.2	19 182.5	10.5%	100.0%
Expenses								
Current expenses	1 867.7	14.1%	16.2%	1 882.7	1 994.5	2 132.5	4.5%	25.3%
Compensation of employees	832.7	9.7%	7.9%	905.3	959.9	1 046.2	7.9%	6.7%
Goods and services	1 006.1	18.4%	8.0%	941.1	993.7	1 043.0	1.2%	7.2%
Depreciation	28.8	13.2%	0.3%	36.2	40.9	43.4	14.6%	0.3%
Interest, dividends and rent on land	0.0	-48.1%	0.0%	0.0	0.0	0.0	-40.0%	0.0%
Transfers and subsidies	9 756.0	6.3%	83.8%	11 055.0	12 935.8	14 524.4	14.2%	85.8%
Total expenses	11 623.6	7.4%	100.0%	12 937.6	14 930.4	16 656.9	12.7%	100.0%
Surplus/(Deficit)	2 586.0	0	-	2 694.0	2 306.0	2 526.0	-0.8%	-

Table 15.24 Sector education and training authorities statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)		
				2015/16	2012/13 - 2015/16	2016/17			2017/18	2018/19
				2015/16	2015/16	2016/17			2017/18	2018/19
R million										
Carrying value of assets	434.6	50.5%	2.0%	525.9	544.7	546.8	8.0%	4.7%		
of which:										
Acquisition of assets	(57.0)	24.5%	-0.5%	(27.9)	(28.0)	(27.1)	-21.9%	-0.3%		
Investments	1 746.5	19.6%	11.6%	1 737.0	1 722.6	1 725.0	-0.4%	15.9%		
Inventory	4.1	10.8%	0.0%	4.3	4.3	4.4	2.9%	0.0%		
Accrued investment interest	33.4	14.0%	0.4%	35.8	41.9	42.1	8.0%	0.3%		
Receivables and prepayments	171.4	-11.3%	1.8%	164.6	171.7	170.2	-0.2%	1.6%		
Cash and cash equivalents	8 331.2	-5.4%	84.2%	8 473.2	8 569.7	8 514.0	0.7%	77.5%		
Total assets	10 721.2	-1.7%	100.0%	10 940.8	11 055.0	11 002.4	0.9%	100.0%		
Accumulated surplus/(deficit)	4 766.5	5.7%	38.3%	4 867.5	5 005.6	5 080.0	2.1%	45.1%		
Capital and reserves	3 810.4	-7.0%	39.1%	3 965.3	3 937.8	3 828.2	0.2%	35.6%		
Capital reserve fund	66.3	-11.5%	0.7%	66.3	66.3	66.3	-	0.6%		
Borrowings	1.0	-0.5%	0.0%	1.1	1.2	1.2	5.9%	0.0%		
Finance lease	5.3	-1.7%	0.0%	8.3	5.7	6.0	3.8%	0.1%		
Deferred income	5.1	-47.8%	0.2%	5.4	5.6	5.7	3.7%	0.0%		
Trade and other payables	1 032.7	-10.1%	10.0%	1 032.7	1 053.4	1 051.5	0.6%	9.5%		
Provisions	740.3	11.0%	8.4%	693.9	670.0	644.6	-4.5%	6.3%		
Derivatives financial instruments	293.6	-10.3%	3.3%	299.5	308.3	317.8	2.7%	2.8%		
Total equity and liabilities	10 721.2	-1.7%	100.0%	10 939.8	11 053.9	11 001.3	14.5%	100.0%		

Personnel information

Table 15.25 Sector education and training authorities personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
Sector education and training authorities		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	1 483	1 710	1 752	745.8	0.4	1 828	887.8	0.5	1 977	968.6	0.5	1 977	1 029.5	0.5	1 976	1 091.3	0.6	7.1%	100.0%
1 – 6	255	338	346	37.3	0.1	332	42.3	0.1	372	44.7	0.1	374	47.3	0.1	374	50.4	0.1	6.0%	18.7%
7 – 10	847	955	999	342.9	0.3	1 049	389.6	0.4	1 128	437.8	0.4	1 131	464.8	0.4	1 133	494.0	0.4	8.2%	57.2%
11 – 12	228	251	225	154.2	0.7	271	207.3	0.8	290	220.8	0.8	284	232.6	0.8	266	227.5	0.9	3.1%	14.3%
13 – 16	147	159	176	199.2	1.1	169	229.8	1.4	179	244.8	1.4	180	261.5	1.5	195	294.4	1.5	8.6%	9.3%
17 – 22	6	7	6	12.1	2.0	7	18.8	2.7	8	20.4	2.6	8	23.3	2.9	8	25.0	3.1	10.0%	0.4%

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 council's total budget for 2016/17 is R46.3 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 advise the Minister of Higher Education and Training on all matters of policy concerning occupational standards and qualifications. The organisation's total budget for 2016/17 is R98.5 million.
- The **South African Qualifications Authority** oversees the development of the national qualification 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 organisation's total budget for 2016/17 is R116.5 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 2015/16	Medium-term expenditure estimate		
				2012/13	2013/14		2014/15	2016/17	2017/18
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	Hostels, lecture halls and laboratories	Various	35 184.6	1 799.9	2 000.0	2 301.2	2 422.0	2 570.0	2 719.1
New universities in Mpumalanga and Northern Cape	Hostels, lecture halls and laboratories	Various	12 917.1	-	1 500.0	1 000.0	974.7	967.6	989.0
Total			48 101.8	1 799.9	2 150.0	3 301.2	3 396.7	3 537.6	3 708.0

Vote 16

Health

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	463.5	456.4	2.6	4.5	516.6	549.1
National Health Insurance, Health Planning and Systems Enablement	559.8	421.3	110.6	27.8	739.7	998.5
HIV and AIDS, Tuberculosis, and Maternal and Child Health	16 018.6	553.2	15 449.5	15.9	18 432.7	20 855.0
Primary Health Care Services	257.8	252.9	3.0	1.9	286.3	317.2
Hospitals, Tertiary Health Services and Human Resource Development	19 573.5	409.6	18 596.2	567.7	21 072.4	22 224.5
Health Regulation and Compliance Management	1 690.2	211.2	1 475.2	3.8	1 730.4	1 789.9
Total expenditure estimates	38 563.3	2 304.8	35 637.0	621.5	42 778.1	46 734.2

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 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 the department to provide a framework for a structured uniform health system within South Africa. The act sets out the functions of the three levels of government as they relate to health services. The department contributes directly to achieving the government outcome that calls for a long and healthy life for all South Africans (outcome 2).

Selected performance indicators

Table 16.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Tuberculosis new client treatment success rate per year	HIV and AIDS, Tuberculosis, and Maternal and Child Health	Outcome 2: A long and healthy life for all South Africans	78.7%	80.8%	82.5%	83%	84%	87%	90%
Tuberculosis client loss to follow-up rate per year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		6.1%	6.2%	5.7%	5.5%	5.4%	5%	4.5%
Total number of clients remaining on antiretroviral treatment at the end of the year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		2.3 million	2.7 million ¹	3.1 million	3.8 million	4.3 million	4.8 million	5 million
Percentage of first antenatal visit before 20 weeks of pregnancy per year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		44% (468 427)	50% (549 755)	53.9% (588 119)	60%	64%	68%	70%
Immunisation coverage per year for children under the age of 1 year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		83.6% (912 164)	84.3% (910 285)	89.8% (943 304)	90%	92%	93%	95%
Coverage per year for second dose of measles immunisation	HIV and AIDS, Tuberculosis, Maternal and Child Health		75% (828 554)	75% (802 417)	82.8% (799 662)	83%	84%	85%	86%
Infant polymerase chain reaction test positive around 10 weeks rate per year ²	HIV and AIDS, Tuberculosis, and Maternal and Child Health		2.5% ³ (6 122)	2% ³ (4 932)	1.5% ³ (3 801)	1.5%	1.4%	1.3%	1.2%
Coverage of cervical cancer screening coverage per year ⁴	HIV and AIDS, Tuberculosis, and Maternal and Child Health		55.4%	58.3%	54.5%	60%	62%	67%	68%
Coverage per year of first dose human papilloma virus immunisation	HIV and AIDS, Tuberculosis, and Maternal and Child Health		- ⁵	- ⁵	91.8% (419 589)	80%	87%	88%	90%

Table 16.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total number of functional ward based outreach teams	Primary Health Care Services	Outcome 2: A long and healthy life for all South Africans	-5	1 063	1 748	2 000	2 000	2 000	2 000
Percentage of backlog eliminated for blood alcohol tests	Hospitals, Tertiary Health Services and Human Resource Development		-5	-5	-5	70%	100%	100%	100%
Percentage of backlog eliminated for toxicology tests	Hospitals, Tertiary Health Services and Human Resource Development		-5	-5	-5	70%	100%	100%	100%
Percentage of food tests completed within targeted turnaround time (30 days for perishable and 60 days for non-perishable) per year	Hospitals, Tertiary Health Services and Human Resource Development		-5	-5	-5	70%	100%	100%	100%

1. This was incorrectly published as 2.4 million in the 2015 Estimates of National Expenditure. The correct performance outcome is 2.7 million.

2. 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.

3. 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.

4. Estimate of the percentage of the female population over 30 years of age who are screened for cervical cancer every 10 years.

5. No historical data is available as these are new indicators.

Expenditure analysis

In line with the vision of the national development plan and outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium term strategic framework, the Department of Health will focus over the medium term on sustainably expanding HIV and AIDS and tuberculosis treatment and prevention, revitalising public health care facilities, and ensuring the provision of specialised tertiary hospital services. Spending on these three areas will take up 85.1 per cent (R109 billion) of the department's total budget over the MTEF period, and the activities will contribute to sub-outcome 6 (improved health management and leadership), sub-outcome 7 (improved health facility planning and infrastructure delivery) and sub-outcome 8 (HIV and AIDS and tuberculosis prevented and successfully managed).

The recent release of the White Paper on National Health Insurance for South Africa highlights the rollout of national health insurance, although this is not yet a large spending area. Pilot activities will be scaled up, and health information systems strengthened over the medium term in preparation for the rollout. National health insurance is prescribed in sub-outcome 1 (universal health coverage progressively achieved through implementation of national health insurance) of the 2014-2019 medium term strategic framework.

The department transfers 88.2 per cent (R112.8 billion) of its budget over the medium term to provincial departments of health in the form of conditional grants.

The department's compensation of employees budget has been reduced by R45.6 million for 2017/18 and R71.5 million for 2018/19 due to the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

Sustainably expanding the HIV and AIDS and tuberculosis treatment and prevention

Over the past 2 years, government has developed HIV and tuberculosis investment cases. An investment case sets out how to optimise investments, and describes the long term returns. Based on a systematic review of cost effectiveness data, the most cost effective mix of interventions to combat HIV and tuberculosis has been identified. Increased funding of R1.9 billion has been allocated in 2017/18 and 2018/19 to support the implementation of the 2 investment cases and to ensure the sustained expansion of antiretroviral treatment. Expenditure in the *HIV and AIDS, Tuberculosis, and Maternal and Child Health* programme increases at an average annual rate of 13.7 per cent over the medium term as a result of the funding increases.

Of the R1.9 billion, R240 million in 2017/18 and R500 million in 2018/19 is dedicated to support the recommendations of the tuberculosis investment case, such as intensified screening campaigns to ensure early detection and treatment. These funds are added to the renamed comprehensive HIV, AIDS and TB conditional grant in the *HIV and AIDS* subprogramme of the *HIV and AIDS, Tuberculosis, and Maternal and Child Health* programme. The spending is expected to improve detection and to increase the tuberculosis treatment success rate from the current 83 per cent to 90 per cent in 2018/19.

The HIV investment case identified scaling up antiretroviral treatment and HIV prevention programmes as key interventions to curb the HIV epidemic. The department expects antiretroviral therapy to reach 5 million South Africans by 2018/19, supported by an increase in the grant of R1 billion in that year as part of the additional R1.9 billion. This expansion is part of South Africa's progressive scaling up towards 90-90-90 targets for 2020 of the Joint United Nations Programme on HIV and AIDS (UNAIDS), namely: 90 per cent of all people living with HIV will know their HIV status, 90 per cent of all people with diagnosed HIV infection will receive sustained antiretroviral therapy, and 90 per cent of all people receiving antiretroviral therapy will have viral suppression. Further increases in the *HIV and AIDS, Tuberculosis, Maternal and Child Health* programme of R60 million in 2017/18 and R140 million in 2018/19 will go towards scaling up HIV prevention programmes, such as condom distribution, medical male circumcision and social behaviour change communication campaigns.

Revitalising public health care facilities

Quality health infrastructure and health technology are essential for delivering quality health services at all levels of care. This is expressed in sub-outcome 7 (improved health facility planning and infrastructure delivery) of government's 2014-2019 medium term strategic framework. A baseline audit on all health facilities in South Africa, conducted in 2012, found that many facilities require major refurbishment, and some require being completely replaced.

The department will invest R19.8 billion in health infrastructure over the MTEF period. These funds will be managed as 2 conditional grants in the *Health Facilities Infrastructure Management* subprogramme in the *Hospitals, Tertiary Health Services and Human Resource Development* programme, which is set to grow at an average annual rate of 5.7 per cent over the period.

The health facility revitalisation direct grant is transferred to provincial departments of health to fund new facilities and refurbishments. R17.1 billion is allocated for this grant over the medium term.

The health facility revitalisation component of the national health insurance indirect grant is allocated R2.7 billion over the medium term. This grant is exclusively for infrastructure improvements in the 11 health insurance pilot districts. The department is working closely with implementing agents to ensure that all 872 primary health care facilities in these districts, which are distributed nationally, are refurbished, and that 216 primary health care facilities are constructed or revitalised by 2019/20.

Cabinet approved reductions of R705.3 million over the medium term have been made in these two grants.

Ensuring the provision of specialised tertiary health services

Tertiary health services are for inpatients in hospitals that have specialised personnel and facilities for advanced medical investigation and treatment. These services are unevenly distributed across South Africa's 9 provinces, causing people to seek specialised care in provinces other than the one in which they reside. To compensate provinces for treating patients coming from other provinces, the department will continue to subsidise funding for tertiary health services in 28 hospitals and hospital complexes over the medium term. The department will also continue to modernise tertiary facilities by upgrading medical equipment on an ongoing basis. These activities are funded through the national tertiary services grant to provincial departments of health. R10.8 billion in 2016/17, R11.5 billion in 2017/18 and R12.2 billion in 2018/19 will be transferred through the *Tertiary Health Care Planning and Policy* subprogramme in the *Hospitals, Tertiary Health Services and Human Resource Development* programme.

National health insurance

The department aims to achieve universal health coverage through the phased in implementation of national health insurance. National health insurance comprises a number of health system reforms as outlined in the recently published white paper. These reforms include: re-engineering the primary health care approach; implementing Operation Phakisa's ideal clinic realisation and maintenance programme; implementing various quality and management improvement initiatives across all health facilities; transforming emergency medical services; improving human resources for health; and improving the strategic management and functioning of central hospitals. Over the medium term, a key strategic intervention is the creation of the National Health Insurance Fund, which will strategically purchase health services from selected public and private healthcare providers on behalf of the population. The share of health budgets channelled through the Fund will gradually increase.

R4.5 billion over the medium term is allocated for national health insurance, R4.3 billion of which is allocated through the national health insurance indirect grant (previously named the national health grant). This includes R2.7 billion allocated to the grant's health facility revitalisation component in the *Hospitals, Tertiary Health Services and Human Resource Development* programme and R912.7 million allocated to the grant's contracting component in the *National Health Insurance, Health Planning and Systems Enablement* programme. The contracting component will be used to contract private health professionals to provide primary health care services in public facilities, and to continue piloting a central chronic medicines dispensing and distribution model, which already gives 380 000 patients access to their chronic medications at alternative pick-up points, such as private sector pharmacies, without having to visit a public health facility.

The department receives increased funding for new information systems in the *National Health Insurance, Health Planning and Systems Enablement* programme, which accounts for the average annual 26.8 per cent growth over the medium term. The department is currently piloting an integrated patient based information system for primary health care facilities in the national health insurance pilot districts. This will be expanded over the medium term, supported by funding of R76 million in 2017/18 and R200 million in 2018/19 in the *Technical Policy and Planning* subprogramme. In addition, the department will establish an electronic stock management system, including an early warning system for stock-outs of medicine in primary health care clinics and hospitals, funded by R100 million in 2017/18 and R200 million in 2018/19 in the *Sector-wide Procurement* subprogramme.

In addition to these activities funded by the national health insurance indirect grant, provinces will continue to pilot health system reforms and innovation at the district level through funds from the direct national health insurance conditional grant, also allocated in the *National Health Insurance, Health Planning and Systems Enablement* programme. However, this grant will end after 2016/17.

The department is also developing a new diagnosis related groups model, which will be used to reimburse central hospitals based on patient volumes and case mix. R80 million over the MTEF period is earmarked in the *Health Financing and National Health Insurance* subprogramme for this. The model is expected to be completed by 2018/19.

A new component has been added to the national health insurance indirect grant for the rollout of the Ideal Clinic programme. This programme aims to improve all 3 500 primary healthcare facilities nationally to reach the determined ideal status by addressing infrastructure backlogs, reducing queues, improving information systems, integrating services, and implementing uniform protocols, guidelines and staffing norms. R90 million over the medium term is allocated to this component.

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			Audited outcome			Revised estimate			Outcome/Annual budget Average (%)			Outcome/Adjusted appropriation Average (%)					
R million	2012/13			2013/14			2014/15			2015/16			2012/13			2013/14			2014/15			2015/16			2012/13			2013/14			2014/15			2015/16			2012/13			2013/14			2014/15			2015/16		
Programme 1	357.9	403.3	372.9	411.0	405.7	347.3	389.7	389.7	386.5	457.1	456.6	452.2	96.5%			94.2%			96.5%			94.2%			96.5%			94.2%			96.5%			94.2%			96.5%			94.2%								
Programme 2	315.1	315.1	315.4	491.9	491.8	222.6	652.0	658.9	338.2	587.8	596.6	489.8	66.7%			66.2%			66.7%			66.2%			66.7%			66.2%			66.7%			66.2%			66.7%			66.2%								
Programme 3	9 089.9	9 074.9	8 979.3	10 829.9	10 842.8	10 763.5	12 840.7	12 840.7	12 827.5	14 442.1	14 378.9	14 193.0	99.1%			99.2%			99.1%			99.2%			99.1%			99.2%			99.1%			99.2%			99.1%			99.2%								
Programme 4	193.4	224.9	206.3	214.0	207.2	183.5	200.5	216.2	206.3	225.0	224.9	217.4	97.7%			93.2%			97.7%			93.2%			97.7%			93.2%			97.7%			93.2%			97.7%			93.2%								
Programme 5	16 918.0	17 348.0	17 378.6	17 908.2	17 715.4	17 493.3	18 929.5	18 816.5	18 448.6	19 159.1	18 950.2	18 801.4	98.9%			99.0%			98.9%			99.0%			98.9%			99.0%			98.9%			99.0%			98.9%			99.0%								
Programme 6	1 063.4	1 071.6	1 008.9	1 252.1	1 261.7	1 214.4	1 367.6	1 403.1	1 331.9	1 596.9	1 603.9	1 600.0	97.6%			96.5%			97.6%			96.5%			97.6%			96.5%			97.6%			96.5%			97.6%			96.5%								
Total	27 937.6	28 437.8	28 261.5	31 107.1	30 924.6	30 224.5	34 380.0	34 325.1	33 539.0	36 468.0	36 211.1	35 753.8	98.4%			98.4%			98.4%			98.4%			98.4%			98.4%			98.4%			98.4%			98.4%			98.4%								
Change to 2015																																																
Budget estimate																																																

Table 16.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	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	1 365.4	1 473.0	1 265.6	1 743.3	1 732.5	1 262.3	2 041.0	2 245.1	1 740.1	2 351.5	2 250.2	1 924.3	82.6%	80.4%
Compensation of employees	567.3	575.0	554.3	631.8	631.8	628.0	649.1	656.5	686.3	772.1	774.3	774.3	100.9%	100.2%
Goods and services	798.2	897.9	711.3	1 111.5	1 100.7	634.4	1 391.9	1 588.6	1 053.8	1 579.5	1 476.0	1 150.0	72.7%	70.1%
<i>of which:</i>														
<i>Consultants: Business and advisory services</i>	122.2	184.8	186.2	146.2	148.2	156.7	108.5	114.4	54.8	123.1	112.3	73.0	94.2%	84.1%
<i>Contractors</i>	20.9	26.0	9.8	318.2	313.8	16.9	416.0	415.9	95.3	341.5	333.9	260.5	34.9%	35.1%
<i>Agency and support/outourced services</i>	18.7	13.6	19.8	14.2	15.2	3.7	12.4	17.4	92.4	222.4	141.4	121.4	88.6%	126.5%
<i>Inventory: Medical supplies</i>	135.6	135.6	112.4	140.8	140.8	70.5	149.2	153.2	209.6	189.3	189.3	56.3	73.0%	72.5%
<i>Inventory: Medicine</i>	1.1	31.0	32.1	1.1	1.1	0.5	201.4	142.5	177.2	196.2	196.2	151.2	90.3%	97.3%
<i>Operating leases</i>	93.6	96.1	85.6	102.0	106.0	86.9	109.3	111.3	93.5	127.9	127.9	146.6	95.3%	93.5%
Transfers and subsidies	26 543.4	26 929.1	26 969.9	28 538.0	28 725.6	28 787.4	31 314.1	31 591.1	31 570.6	33 448.5	33 496.1	33 496.1	100.8%	100.1%
Provinces and municipalities	25 501.9	25 882.9	25 882.0	27 317.5	27 686.5	27 487.2	29 902.1	30 164.1	30 179.9	31 857.9	31 904.7	31 904.7	100.8%	99.8%
Departmental agencies and accounts	846.7	850.8	890.5	1 026.9	839.5	1 089.1	1 202.9	1 212.9	1 169.3	1 416.4	1 417.1	1 417.1	101.6%	105.7%
Higher education institutions	-	-	-	-	-	-	3.0	3.0	-	3.1	3.1	3.1	51.1%	51.1%
Foreign governments and international organisations	-	-	-	-	-	-	-	2.7	2.6	-	-	-	-	98.6%
Public corporations and private enterprises	-	-	-	-	-	0.2	-	-	-	-	-	-	-	475.0%
Non-profit institutions	194.8	195.3	196.2	193.6	199.7	209.6	206.1	208.4	215.3	171.1	171.1	171.1	103.5%	102.3%
Households	0.0	0.0	1.1	0.0	0.0	1.5	0.0	0.0	3.5	-	-	-	14 381.0%	14 381.0%
Payments for capital assets	28.8	35.7	20.3	825.9	466.5	173.0	1 024.9	488.9	227.4	668.0	464.7	333.4	29.6%	51.8%
Buildings and other fixed structures	-	-	-	807.0	440.0	113.7	979.9	378.4	168.9	562.5	354.6	287.6	24.3%	48.6%
Machinery and equipment	28.8	35.7	20.3	18.8	26.4	59.3	45.1	100.7	58.4	105.5	110.1	45.8	92.7%	67.3%
Software and other intangible assets	-	-	-	-	-	-	-	9.8	0.2	-	-	-	-	1.8%
Payments for financial assets	-	-	5.7	-	-	1.7	-	-	0.9	-	-	-	-	-
Total	27 937.6	28 437.8	28 261.5	31 107.1	30 924.6	30 224.5	34 380.0	34 325.1	33 539.0	36 468.0	36 211.1	35 753.8	98.4%	98.4%

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	452.2	3.9%	1.2%	463.5	516.6	549.1	6.7%	1.2%
Programme 2	489.8	15.8%	1.1%	559.8	739.7	998.5	26.8%	1.7%
Programme 3	14 193.0	16.1%	36.6%	16 018.6	18 432.7	20 855.0	13.7%	42.4%
Programme 4	217.4	-1.1%	0.6%	257.8	286.3	317.2	13.4%	0.7%
Programme 5	18 801.4	2.7%	56.4%	19 573.5	21 072.4	22 224.5	5.7%	49.9%
Programme 6	1 600.0	14.3%	4.0%	1 690.2	1 730.4	1 789.9	3.8%	4.2%
Total	35 753.8	7.9%	100.0%	38 563.3	42 778.1	46 734.2	9.3%	100.0%
Change to 2015 Budget estimate				(360.2)	440.9	2 047.2		

Table 16.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2016/17	2017/18	2018/19		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	1 924.3	9.3%	4.8%	2 304.8	2 752.3	2 942.8	15.2%	6.1%
Compensation of employees	774.3	10.4%	2.1%	873.4	878.3	954.3	7.2%	2.1%
Goods and services	1 150.0	8.6%	2.8%	1 431.4	1 874.0	1 988.5	20.0%	3.9%
of which:								
Consultants: Business and advisory services	73.0	-26.6%	0.4%	105.8	174.2	324.6	64.4%	0.4%
Contractors	260.5	115.6%	0.3%	276.5	352.9	376.2	13.0%	0.8%
Agency and support/outourced services	121.4	107.6%	0.2%	211.3	324.7	437.1	53.3%	0.7%
Inventory: Medical supplies	56.3	-25.4%	0.4%	192.4	199.7	211.7	55.5%	0.4%
Inventory: Medicine	151.2	69.5%	0.3%	177.0	176.7	2.1	-75.8%	0.3%
Operating leases	146.6	15.1%	0.3%	136.2	179.1	183.6	7.8%	0.4%
Transfers and subsidies	33 496.1	7.5%	94.6%	35 637.0	39 290.1	43 021.2	8.7%	92.4%
Provinces and municipalities	31 904.7	7.2%	90.4%	33 972.0	37 588.2	41 247.4	8.9%	88.3%
Departmental agencies and accounts	1 417.1	18.5%	3.6%	1 494.5	1 516.6	1 577.8	3.6%	3.7%
Higher education institutions	3.1	-	0.0%	3.3	3.5	3.7	5.4%	0.0%
Non-profit institutions	171.1	-4.3%	0.6%	167.2	181.8	192.3	4.0%	0.4%
Payments for capital assets	333.4	110.5%	0.6%	621.5	735.7	770.1	32.2%	1.5%
Buildings and other fixed structures	287.6	-	0.4%	471.9	564.6	608.1	28.3%	1.2%
Machinery and equipment	45.8	8.6%	0.1%	149.6	171.1	162.1	52.4%	0.3%
Total	35 753.8	7.9%	100.0%	38 563.3	42 778.1	46 734.2	9.3%	100.0%

Personnel information

Table 16.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Medium-term expenditure estimate															Average growth rate (%)	Salary level/Total: Average (%)		
		Actual			Revised estimate			2016/17			2017/18			2018/19						
		2014/15	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19						
Health		2 000	77	1 884	686.3	0.4	1 993	774.3	0.4	1 962	873.4	0.4	1 962	923.9	0.5	1 962	1 025.8	0.5	-0.5%	100.0%
Salary level																				
1 - 6	680	34	626	99.2	0.2	677	120.8	0.2	646	133.8	0.2	646	141.7	0.2	646	155.7	0.2	-1.6%	33.2%	
7 - 10	882	29	856	276.7	0.3	880	332.8	0.4	880	389.5	0.4	880	411.9	0.5	880	452.7	0.5	-	44.7%	
11 - 12	298	10	267	160.3	0.6	297	182.5	0.6	297	197.3	0.7	297	209.2	0.7	297	229.9	0.8	-	15.1%	
13 - 16	138	4	133	145.6	1.1	137	134.2	1.0	137	148.4	1.1	137	156.6	1.1	137	182.5	1.3	-	7.0%	
Other	2	-	2	4.5	2.3	2	4.0	2.0	2	4.3	2.1	2	4.5	2.3	2	5.0	2.5	-	0.1%	
Programme	2 000	77	1 884	686.3	0.4	1 993	774.3	0.4	1 962	873.4	0.4	1 962	923.9	0.5	1 962	1 025.8	0.5	-0.5%	100.0%	
Programme 1	471	-	470	167.5	0.4	471	177.1	0.4	470	192.5	0.4	470	203.5	0.4	470	223.6	0.5	-0.1%	23.9%	
Programme 2	184	-	177	91.5	0.5	183	95.5	0.5	173	97.3	0.6	173	102.7	0.6	173	123.3	0.7	-1.9%	8.9%	
Programme 3	133	-	137	65.3	0.5	133	72.3	0.5	142	75.8	0.5	142	81.0	0.6	142	89.0	0.6	2.2%	7.1%	
Programme 4	490	31	440	151.3	0.3	488	175.9	0.4	459	215.6	0.5	459	227.8	0.5	459	250.4	0.5	-2.0%	23.7%	
Programme 5	308	-	302	104.7	0.3	304	116.0	0.4	304	131.7	0.4	304	139.3	0.5	304	153.0	0.5	-	15.4%	
Programme 6	414	46	358	106.1	0.3	414	137.4	0.3	414	160.5	0.4	414	169.7	0.4	414	186.5	0.5	-	21.0%	
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(45.6)	-	-	(71.5)	-	-	-	
Total	2 000	77	1 884	686.3	0.4	1 993	774.3	0.4	1 962	873.4	0.4	-	878.3	-	-	954.3	-	-	-	

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

2. The department's compensation of employees budget has been reduced by R117.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 16.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2015/16	2016/17		
Departmental receipts	33 830	71 606	66 140	44 605	52 417	15.7%	100.0%	54 860	58 517	60 553	4.9%	100.0%
Sales of goods and services produced by department	37 714	67 091	54 031	38 860	49 068	9.2%	92.8%	51 377	54 860	56 738	5.0%	93.7%
Sales by market establishments	145	165	154	144	153	1.8%	0.3%	161	169	177	5.0%	0.3%
of which:												
Parking	145	165	154	144	153	1.8%	0.3%	161	169	177	5.0%	0.3%
Administrative fees	37 307	66 677	53 594	37 703	48 500	9.1%	92.0%	50 834	54 271	56 110	5.0%	92.7%
of which:												
Medical (drug control) licenses	2 223	3 193	2 961	2 500	2 000	-3.5%	4.6%	2 100	3 000	2 300	4.8%	4.2%
Drug control	35 084	63 484	50 633	34 848	45 800	9.3%	87.1%	48 000	50 500	53 000	5.0%	87.2%
Inspection fees	–	–	–	355	700	–	0.3%	734	771	810	5.0%	1.3%
Other sales	262	249	283	1 013	415	16.6%	0.5%	382	420	451	2.8%	0.7%
of which:												
Yellow fever vaccination licences	79	33	33	660	60	-8.8%	0.1%	36	56	69	4.8%	0.1%
Replacement of security cards	11	10	8	3	5	-23.1%	–	5	6	6	6.3%	–
Commission on insurance	172	206	242	350	350	26.7%	0.4%	341	358	376	2.4%	0.6%
Sales of scrap, waste, arms and other used current goods	36	45	3	3	3	-56.3%	–	3	4	4	10.1%	–
of which:												
Scrap paper	36	16	3	3	3	-56.3%	–	3	4	4	10.1%	–
Scrap	–	29	–	–	–	–	–	–	–	–	–	–
Interest, dividends and rent on land	460	1 858	6 337	5 000	2 300	71.0%	4.9%	2 400	2 500	2 600	4.2%	4.3%
Interest	460	1 858	6 337	5 000	2 300	71.0%	4.9%	2 400	2 500	2 600	4.2%	4.3%
Transactions in financial assets and liabilities	(4 380)	2 612	5 769	742	1 046	-162.0%	2.3%	1 080	1 153	1 211	5.0%	2.0%
Total	33 830	71 606	66 140	44 605	52 417	15.7%	100.0%	54 860	58 517	60 553	4.9%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 16.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Ministry	25.5	27.6	28.9	31.4	7.1%	7.3%	31.5	31.8	34.3	2.9%	6.5%
Management	13.0	13.9	20.9	19.6	14.7%	4.3%	20.1	19.7	22.0	3.9%	4.1%
Corporate Services	158.1	157.8	178.3	213.5	10.5%	45.3%	206.7	207.5	225.4	1.8%	43.0%
Office Accommodation	93.0	93.5	110.4	125.8	10.6%	27.0%	143.7	192.2	197.9	16.3%	33.2%
Financial Management	83.3	54.5	48.0	66.2	-7.4%	16.1%	61.4	65.4	69.5	1.6%	13.2%
Total	372.9	347.3	386.5	456.6	7.0%	100.0%	463.5	516.6	549.1	6.3%	100.0%
Change to 2015				(0.5)			7.5	24.6	28.5		
Budget estimate											
Economic classification											
Current payments	362.2	340.6	381.8	444.0	7.0%	97.8%	456.4	509.3	541.2	6.8%	98.2%
Compensation of employees	134.0	149.9	167.5	177.1	9.8%	40.2%	192.5	189.0	204.9	5.0%	38.5%
Goods and services	228.3	190.8	214.4	266.9	5.3%	57.6%	263.9	320.3	336.3	8.0%	59.8%
of which:											
Audit costs: External	22.8	30.6	27.9	32.0	12.0%	7.2%	29.0	35.5	36.6	4.6%	6.7%
Communication	10.4	8.4	8.9	13.8	9.7%	2.7%	13.6	15.4	16.0	5.1%	3.0%
Contractors	5.9	4.8	2.4	13.9	33.5%	1.7%	18.1	9.9	12.4	-3.8%	2.7%
Operating leases	82.7	83.9	90.2	120.0	13.2%	24.1%	131.4	170.6	174.7	13.3%	30.0%
Property payments	9.6	11.4	22.3	8.8	-2.6%	3.3%	10.6	24.0	24.8	41.2%	3.4%
Travel and subsistence	20.9	15.4	15.7	14.9	-10.6%	4.3%	16.8	18.3	19.8	9.9%	3.5%

Table 16.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million												
Transfers and subsidies	0.6	2.0	2.2	2.7	64.6%	0.5%	2.6	2.7	2.9	1.9%	0.6%	
Departmental agencies and accounts	0.5	1.3	1.4	2.7	78.9%	0.4%	2.6	2.7	2.9	1.9%	0.6%	
Households	0.1	0.7	0.8	–	-100.0%	0.1%	–	–	–	–	–	
Payments for capital assets	5.4	4.2	2.3	9.8	22.2%	1.4%	4.5	4.6	5.0	-20.4%	1.2%	
Machinery and equipment	5.4	4.2	2.3	9.8	22.2%	1.4%	4.5	4.6	5.0	-20.4%	1.2%	
Payments for financial assets	4.7	0.5	0.2	–	-100.0%	0.3%	–	–	–	–	–	
Total	372.9	347.3	386.5	456.6	7.0%	100.0%	463.5	516.6	549.1	6.3%	100.0%	
Proportion of total programme expenditure to vote expenditure	1.3%	1.1%	1.2%	1.3%	–	–	1.2%	1.2%	1.2%	–	–	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	0.5	1.3	1.4	2.7	78.9%	0.4%	2.6	2.7	2.9	1.9%	0.6%	
Health and Welfare Sector Education and Training Authority	0.5	1.3	1.3	2.5	74.3%	0.4%	2.5	2.6	2.8	2.9%	0.5%	
Public Service Sector Education and Training Authority	–	0.1	0.1	0.2	–	–	0.1	0.1	0.1	-11.0%	–	

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 research.

Objectives

- Achieve universal health coverage through the phased implementation of the national health insurance scheme by 2030.
- Enable strategic active purchasing of personal healthcare services by establishing a national health insurance fund by 2017/18.
- Reform hospital reimbursement through the development and implementation of diagnosis related groups by 2018/19.
- Strengthen revenue collection by implementing a revenue retention model in all 10 central hospitals by 2019/20.
- Improve the contracting and supply of medicines through the establishment of 7 provincial control towers and ensuring that 1.5 million patients receive chronic medicines through a centralised chronic medicine dispensing and distribution system by 2019/20.
- Strengthen the monitoring of the availability of medicines through the establishment of a national stock management surveillance centre that reports stock availability at all health facilities by 2019/20.
- Implement the eHealth strategy through the development of a system design for a national integrated patient based information system to be completed by 2019/20.
- Enhance the capacity of the monitoring and evaluation system by developing and implementing an integrated monitoring and evaluation plan that is aligned to health outcomes and outputs contained in the health sector strategy over the medium term.

Subprogrammes

- *Programme Management* provides leadership to the programme in order to improve access to quality health services through the development and implementation of policies to achieve universal coverage, 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, development of standard treatment guidelines, administration of health tenders, and 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 for the achievement of universal health coverage through the phased implementation of national health insurance; commissions health financing research, including into alternative healthcare financing mechanisms for achieving universal health coverage; develops policy for the medical schemes industry; provides technical oversight over the Council for Medical Schemes; and provides technical and implementation oversight for the two national health insurance conditional grants.
- *International Health and Development* develops and implements bilateral and multilateral agreements with strategic partners such as the Southern African Development Community (SADC), the African Union (AU), United Nations (UN) agencies, as well as other developing countries and economic groupings of countries such as the Brazil-Russia-India-South Africa (BRICS) group of countries, 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 16.7 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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Programme Management	1.4	0.4	0.3	3.0	29.4%	0.3%	3.2	3.2	3.4	4.3%	0.4%
Technical Policy and Planning	24.9	16.7	10.0	19.9	-7.2%	4.8%	22.0	100.9	226.6	125.1%	12.8%
Health Information Management, Monitoring and Evaluation	50.0	44.4	51.8	85.0	19.4%	15.7%	55.5	61.4	61.6	-10.2%	9.1%
Sector-wide Procurement	19.8	20.8	24.3	29.4	14.0%	6.4%	39.6	139.5	242.5	102.0%	15.6%
Health Financing and National Health Insurance	166.4	76.0	177.4	395.8	33.5%	55.4%	373.5	364.8	381.6	-1.2%	52.4%
International Health and Development	53.0	64.3	74.3	63.5	6.3%	17.3%	66.0	69.9	82.8	9.2%	9.7%
Total	315.4	222.6	338.2	596.6	23.7%	100.0%	559.8	739.7	998.5	18.7%	100.0%
Change to 2015 Budget estimate				8.8			(16.8)	57.6	276.8		
Economic classification											
Current payments	141.3	154.8	233.5	508.0	53.2%	70.4%	421.3	685.8	943.0	22.9%	88.4%
Compensation of employees	81.8	85.6	91.5	95.5	5.3%	24.1%	97.3	95.4	112.9	5.7%	13.9%
Goods and services	59.5	69.1	142.0	412.4	90.6%	46.4%	324.1	590.4	830.0	26.3%	74.5%
of which:											
Consultants: Business and advisory services	2.7	9.8	9.7	32.4	129.8%	3.7%	3.8	83.1	208.1	85.9%	11.3%
Science and technological services	-	-	-	6.3	-	0.4%	7.5	10.6	11.2	20.9%	1.2%
Contractors	0.1	5.1	75.7	314.2	1565.6%	26.8%	248.3	324.6	340.7	2.7%	42.4%
Agency and support/outsourced services	5.3	0.8	0.2	2.4	-23.1%	0.6%	2.8	92.4	192.4	330.0%	10.0%
Travel and subsistence	17.7	21.2	24.9	13.5	-8.5%	5.3%	18.3	22.6	20.6	15.0%	2.6%
Operating payments	18.0	23.2	24.1	17.5	-1.0%	5.6%	27.3	28.8	30.5	20.4%	3.6%

Table 16.7 National Health Insurance, Health Planning and Systems Enablement expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19
R million											
Transfers and subsidies	172.6	66.4	103.7	86.1	-20.7%	29.1%	110.6	25.9	27.5	-31.7%	8.6%
Provinces and municipalities	150.0	51.0	77.0	61.1	-25.9%	23.0%	85.2	-	-	-100.0%	5.1%
Departmental agencies and accounts	9.5	-	-	0.9	-54.4%	0.7%	-	-	-	-100.0%	-
Non-profit institutions	12.9	15.2	26.5	24.1	23.3%	5.3%	25.4	25.9	27.5	4.4%	3.6%
Households	0.3	0.2	0.3	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	1.3	1.4	0.9	2.6	26.9%	0.4%	27.8	28.0	28.1	121.4%	3.0%
Machinery and equipment	1.3	1.4	0.8	2.6	26.9%	0.4%	27.8	28.0	28.1	121.4%	3.0%
Software and other intangible assets	-	-	0.2	-	-	-	-	-	-	-	-
Payments for financial assets	0.2	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Total	315.4	222.6	338.2	596.6	23.7%	100.0%	559.8	739.7	998.5	18.7%	100.0%
Proportion of total programme expenditure to vote expenditure	1.1%	0.7%	1.0%	1.6%	-	-	1.5%	1.7%	2.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	9.5	-	-	0.9	-54.4%	0.7%	-	-	-	-100.0%	-
Council for Scientific and Industrial Research	4.0	-	-	-	-100.0%	0.3%	-	-	-	-	-
South African Medical Research Council	5.0	-	-	-	-100.0%	0.3%	-	-	-	-	-
Human Sciences Research Council	-	-	-	0.9	-	0.1%	-	-	-	-100.0%	-
National Health Laboratory Services Cancer Registry	0.5	-	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions											
Current	12.9	15.2	26.5	24.1	23.3%	5.3%	25.4	25.9	27.5	4.4%	3.6%
Wits University Foundation	-	-	-	0.7	-	-	0.7	-	-	-100.0%	-
Non-profit institutions	4.6	-	13.7	-	-100.0%	1.2%	-	-	-	-	-
Health Information Systems Programme	-	5.0	-	12.1	-	1.2%	12.7	13.4	14.2	5.4%	1.8%
Health Systems Trust	8.3	10.3	12.9	11.4	11.3%	2.9%	12.0	12.6	13.3	5.4%	1.7%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	150.0	51.0	77.0	61.1	-25.9%	23.0%	85.2	-	-	-100.0%	5.1%
National health insurance grant	150.0	51.0	77.0	61.1	-25.9%	23.0%	85.2	-	-	-100.0%	5.1%

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 upscaling and sustaining essential steps for training in obstetric emergencies, conducting maternal mortality reviews and ensuring that appropriate interventions are implemented.
- Reduce the neonatal mortality rate to fewer than 6 per 1 000 live births by 2019/20 through 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 cervical cancer in later stages of life by vaccinating 90 per cent of grade 4 girls against the human papilloma virus by 2018/19.

- Reduce the mother-to-child transmission rate of HIV to below 1 per cent by 2019/20 through the effective implementation of the guidelines on the prevention of mother-to-child transmission.
- Reduce the mortality rate for children under 5 years to less than 30 per 1 000 live births by implementing the recommendations of the committee on morbidity and mortality in children under 5 years by 2019.
- Contribute to the health and wellbeing of learners by screening 50 per cent of grade 1 learners and 25 per cent of grade 8 learners per year for health related barriers to learning by 2019/20.
- Achieve a tuberculosis treatment success rate of 90 per cent and a 3 per cent or less tuberculosis loss to follow-up rate by 2019/20 by increasing the identification of tuberculosis patients and ensuring that they take and complete their treatment.
- Achieve a 70 per cent multi-drug resistant tuberculosis treatment success rate by 2019/20 by providing earlier initiation and decentralised treatment to patients.
- Increase the life expectancy of people living with HIV by increasing the number of people accessing antiretroviral treatment to 7.5 million by 2019/20.
- Reduce new HIV infections by scaling up 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 and civil society at large all contribute in a coherent, integrated fashion.
- *HIV and AIDS* is responsible for policy formulation, coordination, and monitoring and evaluation of HIV and sexually transmitted diseases 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, and 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. This subprogramme also implements the human papilloma virus vaccination programme and coordinates other stakeholders outside of the health sector, which play key roles in promoting improved child and youth health and nutrition.

Expenditure trends and estimates

Table 16.8 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average (%)
R million												
Programme Management	3.5	3.9	4.2	3.7	1.5%	–	4.7	4.8	5.1	11.8%	–	
HIV and AIDS	8 938.3	10 705.1	12 572.8	14 106.4	16.4%	98.7%	15 744.9	18 157.0	20 574.0	13.4%	98.4%	
Tuberculosis	13.4	23.8	21.8	27.6	27.1%	0.2%	27.4	28.2	30.1	2.9%	0.2%	
Women's Maternal and Reproductive Health	10.7	14.1	12.4	18.6	20.1%	0.1%	18.9	20.0	21.5	4.9%	0.1%	
Child, Youth and School Health	13.4	16.6	207.4	222.7	155.3%	1.0%	222.7	222.7	224.4	0.2%	1.3%	
Total	8 979.3	10 763.5	12 818.7	14 378.9	17.0%	100.0%	16 018.6	18 432.7	20 855.0	13.2%	100.0%	
Change to 2015 Budget estimate				(63.3)			15.9	459.7	1 839.6			

Table 16.8 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Current payments	219.5	213.8	515.9	543.3	35.3%	3.2%	553.2	581.9	438.5	-6.9%	3.0%
Compensation of employees	59.4	62.5	65.3	72.3	6.7%	0.6%	75.8	77.6	83.2	4.8%	0.4%
Goods and services	160.0	151.3	450.6	471.0	43.3%	2.6%	477.5	504.3	355.3	-9.0%	2.6%
of which:											
Consultants: Business and advisory services	9.5	12.9	10.9	18.4	24.6%	0.1%	55.9	48.0	54.6	43.7%	0.3%
Fleet services (including government motor transport)	-	3.3	11.4	5.0	-	-	5.6	11.6	11.1	30.6%	-
Inventory: Medical supplies	112.4	70.1	209.2	187.5	18.6%	1.2%	191.1	196.9	208.8	3.7%	1.1%
Inventory: Medicine	-	0.0	177.1	195.0	-	0.8%	175.0	176.1	1.0	-82.8%	0.8%
Travel and subsistence	18.9	15.5	11.9	11.5	-15.3%	0.1%	19.7	14.9	13.7	6.0%	0.1%
Operating payments	5.4	25.9	9.7	8.4	15.9%	0.1%	12.5	15.2	21.3	36.5%	0.1%
Transfers and subsidies	8 758.8	10 548.5	12 301.7	13 833.8	16.5%	96.8%	15 449.5	17 834.0	20 414.6	13.8%	96.9%
Provinces and municipalities	8 573.2	10 334.7	12 102.1	13 670.7	16.8%	95.2%	15 290.6	17 660.3	20 231.9	14.0%	95.9%
Departmental agencies and accounts	7.0	26.0	15.0	15.8	31.3%	0.1%	16.7	17.5	17.5	3.5%	0.1%
Higher education institutions	-	-	-	3.1	-	-	3.3	3.5	3.7	5.4%	-
Non-profit institutions	178.5	187.6	184.3	144.1	-6.9%	1.5%	138.8	152.6	161.5	3.9%	0.9%
Households	0.0	0.3	0.3	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	1.0	1.2	0.5	1.8	22.1%	-	15.9	16.8	1.9	1.2%	0.1%
Machinery and equipment	1.0	1.2	0.5	1.8	22.1%	-	15.9	16.8	1.9	1.2%	0.1%
Payments for financial assets	0.1	0.0	0.6	-	-100.0%	-	-	-	-	-	-
Total	8 979.3	10 763.5	12 818.7	14 378.9	17.0%	100.0%	16 018.6	18 432.7	20 855.0	13.2%	100.0%
Proportion of total programme expenditure to vote expenditure	31.8%	35.6%	38.2%	39.7%	-	-	41.5%	43.1%	44.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7.0	26.0	15.0	15.8	31.3%	0.1%	16.7	17.5	17.5	3.5%	0.1%
Human Sciences Research Council	7.0	-	-	-	-100.0%	-	-	-	-	-	-
South African National AIDS Council	-	26.0	15.0	15.8	-	0.1%	16.7	17.5	17.5	3.5%	0.1%
Non-profit institutions											
Current	178.5	187.6	184.3	144.1	-6.9%	1.5%	138.8	152.6	161.5	3.9%	0.9%
Non-governmental organisations: Lifeline	17.6	18.3	19.0	19.9	4.1%	0.2%	21.0	22.0	23.3	5.4%	0.1%
Non-governmental organisations: loveLife	66.1	70.4	69.8	54.4	-6.3%	0.6%	57.8	61.2	64.8	6.0%	0.3%
Non-governmental organisations: Soul City	13.9	22.8	15.6	16.3	5.5%	0.1%	17.1	18.0	19.0	5.4%	0.1%
Non-governmental organisations: HIV and AIDS	67.9	76.1	79.9	53.5	-7.6%	0.6%	42.9	51.5	54.4	0.6%	0.3%
South African AIDS Vaccine Institute	13.0	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	8 573.2	10 334.7	12 102.1	13 670.7	16.8%	95.2%	15 290.6	17 660.3	20 231.9	14.0%	95.9%
Comprehensive HIV and AIDS grant	8 573.2	10 334.7	12 102.1	13 670.7	16.8%	95.2%	-	-	-	-100.0%	19.6%
Human papilloma virus grant	-	-	-	-	-	-	-	-	200.0	-	0.3%
Comprehensive HIV, AIDS and TB grant	-	-	-	-	-	-	15 290.6	17 660.3	20 031.9	-	76.0%
Higher education institutions											
Current	-	-	-	3.1	-	-	3.3	3.5	3.7	5.4%	-
University of Limpopo: Pharmacovigilance	-	-	-	2.1	-	-	2.2	2.3	2.4	5.4%	-
University of Cape Town: Pharmacovigilance	-	-	-	1.0	-	-	1.1	1.2	1.2	5.3%	-

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, health promotion, and nutrition.

Objectives

- Improve district governance and strengthen the management and leadership of the district health system through the establishment of approved standardised district management structures in all 52 health districts by 2019/20.
- Improve access to community based primary health care services through the establishment of 3 500 ward based primary health care outreach teams by 2019/20.
- Improve the quality of services by ensuring that at least 75 per cent of all public primary health care facilities in 52 districts qualify as ideal clinics 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 access to and the quality of mental health services in South Africa through the implementation of the national mental health policy framework and strategic plan over the medium term.
- Strengthen health promotion, surveillance, vector control and the case management of malaria in order to eliminate malaria by 2018/19.
- Improve South Africa's response to influenza prevention and control through the implementation of a vaccination programme among high risk groups over the medium term.
- Improve access to disability and rehabilitation services by developing a framework and model for rehabilitation and disability services, and ensuring implementation of this in 30 districts, by 2019/20.

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 implements the stream of primary health care re-engineering on ward based primary health care outreach teams inclusive of community based services.
- *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 strengthens disease detection through improved surveillance; strengthens preparedness and core response capacities for public health emergencies in line with international health regulations; and facilitates the implementation of influenza prevention and control, neglected tropical disease prevention and control programmes, and the elimination of malaria.
- *Non-Communicable Diseases* establishes policy, legislation and guidelines; and assists provinces in implementing and monitoring services for chronic non-communicable diseases, disability, elderly people, eye care, oral health, mental health, and substance abuse and injury prevention.
- *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 work 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 16.9 Primary Health Care Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Programme Management	1.9	1.7	2.8	3.1	17.7%	1.2%	3.0	2.9	3.1	0.1%	1.1%
District Health Services	24.9	14.0	25.8	24.5	-0.6%	10.9%	26.0	46.6	67.7	40.3%	15.2%
Communicable Diseases	43.6	13.8	23.4	18.1	-25.4%	12.0%	21.6	22.5	23.5	9.1%	7.9%
Non-Communicable Diseases	22.7	25.5	25.3	23.5	1.2%	11.8%	21.6	22.6	23.7	0.3%	8.4%
Health Promotion and Nutrition	14.1	23.9	18.4	25.6	22.0%	10.0%	22.7	26.7	25.1	-0.7%	9.2%
Environmental and Port Health Services	99.1	104.6	110.7	130.1	9.5%	54.1%	162.9	164.9	174.1	10.2%	58.2%
Total	206.4	183.5	206.3	224.9	2.9%	100.0%	257.8	286.3	317.2	12.1%	100.0%
Change to 2015 Budget estimate				(0.1)			18.6	34.5	50.8		
Economic classification											
Current payments	201.5	174.8	195.1	219.7	2.9%	96.3%	252.9	280.8	311.3	12.3%	98.0%
Compensation of employees	126.9	140.9	151.3	175.9	11.5%	72.5%	215.6	211.6	229.4	9.3%	76.6%
Goods and services	74.6	33.9	43.8	43.8	-16.3%	23.9%	37.3	69.2	81.9	23.2%	21.4%
<i>of which:</i>											
<i>Consultants: Business and advisory services</i>	4.4	0.1	1.3	3.7	-5.4%	1.2%	2.7	16.6	31.0	103.2%	5.0%
<i>Science and technological services</i>	10.6	11.1	11.7	11.2	2.0%	5.4%	3.0	8.9	6.3	-17.4%	2.7%
<i>Fleet services (including government motor transport)</i>	-	1.5	1.3	4.2	-	0.9%	3.7	7.7	8.1	24.7%	2.2%
<i>Consumable supplies</i>	-	0.0	0.0	-	-	-	2.6	5.1	5.2	-	1.2%
<i>Consumables: Stationery, printing and office supplies</i>	2.1	4.8	3.2	4.8	31.9%	1.8%	3.8	4.1	1.9	-26.7%	1.3%
<i>Travel and subsistence</i>	8.3	8.7	7.3	5.9	-10.7%	3.7%	7.0	10.1	12.0	26.3%	3.2%
Transfers and subsidies	3.5	6.9	7.2	2.9	-6.4%	2.5%	3.0	3.2	3.4	4.9%	1.1%
Foreign governments and international organisations	-	-	2.6	-	-	0.3%	-	-	-	-	-
Public corporations and private enterprises	-	0.2	-	-	-	-	-	-	-	-	-
Non-profit institutions	3.5	6.7	4.4	2.9	-6.3%	2.1%	3.0	3.2	3.4	4.9%	1.1%
Households	0.0	0.1	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.6	0.7	4.0	2.3	55.3%	0.9%	1.9	2.4	2.5	2.3%	0.8%
Machinery and equipment	0.6	0.7	4.0	2.3	55.3%	0.9%	1.9	2.4	2.5	2.3%	0.8%
Payments for financial assets	0.7	1.1	0.0	-	-100.0%	0.2%	-	-	-	-	-
Total	206.4	183.5	206.3	224.9	2.9%	100.0%	257.8	286.3	317.2	12.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.6%	0.6%	0.6%	-	-	0.7%	0.7%	0.7%	-	-
Details of selected transfers and subsidies											
Non-profit institutions											
Current	3.5	6.7	4.4	2.9	-6.3%	2.1%	3.0	3.2	3.4	4.9%	1.1%
Non-communicable disease non-governmental organisations	1.1	-	-	-	-100.0%	0.1%	-	-	-	-	-
District services and environmental health non-governmental organisations	0.8	-	-	-	-100.0%	0.1%	-	-	-	-	-
South African Federation for Mental Health	0.3	0.3	0.3	0.3	4.9%	0.2%	0.4	0.4	0.4	5.5%	0.1%
South African National Council for the Blind	0.7	0.7	0.7	0.8	4.9%	0.3%	0.8	0.8	0.9	5.4%	0.3%
Medical Research Council: South African Community Epidemiology Network on Drug Use	0.4	0.4	0.5	0.5	10.3%	0.2%	0.5	0.5	0.6	5.3%	0.2%
Inter-Academy Medical Panel	-	0.1	-	-	-	-	-	-	-	-	-
Non-governmental organisations: Mental health	-	0.2	0.1	0.2	-	0.1%	0.2	0.2	0.2	5.3%	0.1%
National Council Against Smoking	0.3	5.0	0.8	0.8	40.1%	0.8%	0.8	0.9	0.9	5.3%	0.3%
National Kidney Foundation of South Africa	-	-	-	0.4	-	-	0.4	0.4	0.4	1.9%	0.1%
Health Systems Global: South Africa	-	-	2.0	-	-	0.2%	-	-	-	-	-
Public corporations and private enterprises											
Foreign governments and international organisations											
Current	-	-	2.6	-	-	0.3%	-	-	-	-	-
World Health Organisation	-	-	2.6	-	-	0.3%	-	-	-	-	-

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. Ensure the alignment of academic medical centres with health workforce programmes. Ensure that the 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 tertiary health services through the implementation of the national tertiary health services plan and ensuring that the full designated tertiary health services package is provided in all 17 tertiary hospitals by 2019/20.
- Ensure appropriate and affordable staffing levels and staffing mixes at all health facilities through the development and implementation of staffing norms and standards in the health workforce over the medium term.
- Improve the quality of nursing training 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 the 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 2016/17, 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 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 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 two conditional allocations for health infrastructure: the provincial 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 specialised 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 nursing training curriculum to ensure that nurses are appropriately skilled and utilised appropriately and effectively.
- *Forensic Chemistry Laboratories* is responsible for the analysis of blood alcohol levels for drunken driving (ante- and post-mortem), toxicology analyses of biological fluids and human organs in the event of unnatural deaths (murder and suicide), as well as 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 16.10 Hospitals, Tertiary Health Services and Human Resource Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
R million											
Programme Management	0.8	2.3	4.2	3.6	65.5%	–	3.7	3.7	4.0	3.1%	–
Health Facilities Infrastructure Management	6 314.8	5 546.1	5 807.6	6 032.8	-1.5%	32.8%	6 078.8	6 735.7	7 055.4	5.4%	31.7%
Tertiary Health Care Planning and Policy	8 882.3	9 624.4	10 172.2	10 384.2	5.3%	54.1%	10 851.4	11 530.8	12 199.6	5.5%	55.0%
Hospital Management	21.4	5.7	4.6	5.0	-38.6%	0.1%	5.2	5.2	5.5	3.7%	–
Human Resources for Health	2 090.8	2 208.9	2 340.6	2 398.3	4.7%	12.5%	2 500.1	2 656.0	2 810.4	5.4%	12.7%
Nursing Services	0.5	1.1	2.6	4.7	111.2%	–	6.6	6.6	7.1	14.3%	–
Forensic Chemistry Laboratories	64.2	93.9	110.1	114.5	21.2%	0.5%	120.5	127.4	134.8	5.6%	0.6%
Violence, Trauma and EMS	3.7	11.0	6.7	7.1	24.5%	–	7.1	7.1	7.7	2.5%	–
Total	17 378.6	17 493.2	18 448.6	18 950.2	2.9%	100.0%	19 573.5	21 072.4	22 224.5	5.5%	100.0%
Change to 2015				(208.9)			(387.9)	(147.5)	(226.2)		
Budget estimate											
Economic classification											
Current payments	207.1	227.7	239.5	340.2	18.0%	1.4%	409.6	464.5	480.4	12.2%	2.1%
Compensation of employees	66.0	95.0	104.7	116.0	20.7%	0.5%	131.7	136.2	145.1	7.7%	0.6%
Goods and services	141.2	132.8	134.8	224.1	16.7%	0.9%	277.9	328.3	335.3	14.4%	1.4%
of which:											
Consultants: Business and advisory services	112.9	104.5	0.9	40.1	-29.2%	0.4%	23.7	3.8	18.3	-23.0%	0.1%
Infrastructure and planning services	–	–	4.3	13.0	–	–	8.0	39.1	14.1	2.7%	0.1%
Contractors	2.0	1.6	5.0	1.1	-18.4%	–	5.6	13.3	12.3	124.7%	–
Agency and support/outsourced services	2.6	1.6	88.1	129.8	266.9%	0.3%	201.3	228.4	241.1	22.9%	1.0%
Inventory: Other supplies	6.3	7.5	10.2	11.6	22.8%	–	11.4	10.8	10.8	-2.4%	0.1%
Travel and subsistence	8.4	9.0	9.5	4.9	-16.4%	–	8.1	12.0	12.7	37.4%	–
Transfers and subsidies	17 160.2	17 101.6	17 992.7	18 172.9	1.9%	97.4%	18 596.2	19 927.9	21 015.6	5.0%	95.0%
Provinces and municipalities	17 158.8	17 101.5	17 992.0	18 172.9	1.9%	97.4%	18 596.2	19 927.9	21 015.6	5.0%	95.0%
Non-profit institutions	1.3	–	–	–	-100.0%	–	–	–	–	–	–
Households	0.1	0.1	0.7	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	11.2	163.9	216.3	437.1	239.3%	1.1%	567.7	680.1	728.5	18.6%	2.9%
Buildings and other fixed structures	–	113.7	168.3	354.6	–	0.9%	471.9	564.6	608.1	19.7%	2.4%
Machinery and equipment	11.2	50.2	48.0	82.4	94.6%	0.3%	95.8	115.4	120.5	13.5%	0.5%
Payments for financial assets	0.0	0.0	0.1	–	-100.0%	–	–	–	–	–	–
Total	17 378.6	17 493.2	18 448.6	18 950.2	2.9%	100.0%	19 573.5	21 072.4	22 224.5	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	61.5%	57.9%	55.0%	52.3%	–	–	50.8%	49.3%	47.6%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	10 968.3	11 810.7	12 490.0	12 755.9	5.2%	66.5%	13 323.5	14 158.0	14 979.2	5.5%	67.5%
Health professions training and development grant	2 075.2	2 190.4	2 321.8	2 374.7	4.6%	12.4%	2 476.7	2 631.8	2 784.5	5.4%	12.5%
National tertiary services grant	8 878.0	9 620.4	10 168.2	10 381.2	5.4%	54.0%	10 846.8	11 526.1	12 194.7	5.5%	54.9%
2013 Africa Cup of Nations medical services grant	15.0	–	–	–	-100.0%	–	–	–	–	–	–
Capital	6 190.6	5 290.8	5 502.0	5 417.0	-4.4%	31.0%	5 272.7	5 769.9	6 036.4	3.7%	27.5%
Health facility revitalisation grant	4 289.6	5 290.8	5 502.0	5 417.0	8.1%	28.4%	5 272.7	5 769.9	6 036.4	3.7%	27.5%
Health infrastructure grant	1 801.0	–	–	–	-100.0%	2.5%	–	–	–	–	–
Nursing colleges grant	100.0	–	–	–	-100.0%	0.1%	–	–	–	–	–

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

- Improve the efficiency of the regulation of health products by establishing a national health products regulation authority over the medium term.
- 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.
- Improve the oversight and corporate governance of public entities and statutory councils to ensure that 4 health public entities and 6 statutory health professional councils are compliant with good governance practices over the medium term.
- Improve the performance of the compensation system for miners and ex-miners by establishing one-stop service centres in each province by 2019/20, as well as setting up linkages with a competent compensation fund service provider by 2016/17.
- Ensure that the compensation commissioner eliminates the backlog of audited annual financial statements by 2017/18 through the appointment of external actuarial and financial experts to support this process.
- Provide for coordinated disease and injury surveillance and research by establishing a national public health institute, pending Cabinet approval.

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.
- *Pharmaceutical Trade and Product Regulation* regulates the procurement of medicines and pharmaceutical supplies, and provides oversight of the trade of health products to ensure access to safe and affordable medicines.
- *Public Entities Management* supports the executive authority's oversight function and provides guidance to health entities and statutory councils falling 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 who have been certified to be suffering from lung related diseases as a result of the risk work they performed in controlled mines and works. It is also responsible for providing for benefit medical examinations for ex-workers in controlled mines and works.

Expenditure trends and estimates

Table 16.11 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Programme Management	2.7	2.8	3.8	3.7	10.9%	0.3%	4.1	4.0	4.3	5.7%	0.2%
Food Control	9.9	7.2	6.9	9.8	-0.4%	0.7%	10.0	11.8	11.6	5.7%	0.6%
Pharmaceutical Trade and Product Regulation	85.8	105.8	120.5	131.8	15.4%	8.6%	139.6	153.0	148.4	4.0%	8.4%
Public Entities Management	874.3	1 062.2	1 162.9	1 400.0	17.0%	87.1%	1 474.9	1 496.5	1 556.8	3.6%	87.0%
Compensation Commissioner for Occupational Diseases and Occupational Health	36.2	36.4	46.6	58.6	17.5%	3.4%	61.6	65.1	68.8	5.5%	3.7%
Total	1 009.0	1 214.4	1 340.7	1 603.9	16.7%	100.0%	1 690.2	1 730.4	1 789.9	3.7%	100.0%
Change to 2015 Budget estimate				7.0			2.5	12.0	77.7		
Economic classification											
Current payments	133.9	150.7	174.4	195.2	13.4%	12.7%	211.2	230.0	228.4	5.4%	12.7%
Compensation of employees	86.3	94.2	106.1	137.4	16.8%	8.2%	160.5	168.5	178.7	9.1%	9.5%
Goods and services	47.7	56.5	68.2	57.8	6.6%	4.5%	50.8	61.5	49.7	-4.9%	3.2%
of which:											
Computer services	0.9	2.1	1.8	1.2	9.7%	0.1%	1.0	4.4	3.9	47.0%	0.2%
Consultants: Business and advisory services	20.4	25.8	29.8	15.4	-8.9%	1.8%	16.0	18.4	7.9	-20.1%	0.8%
Agency and support/outourced services	1.7	0.7	0.7	1.0	-15.1%	0.1%	3.2	2.1	2.2	28.8%	0.1%
Fleet services (including government motor transport)	-	4.6	6.7	-	-	0.2%	2.7	2.2	2.5	-	0.1%
Operating leases	1.0	0.9	1.3	0.5	-17.4%	0.1%	1.8	2.0	3.8	91.2%	0.1%
Travel and subsistence	14.5	12.1	13.4	12.3	-5.3%	1.0%	9.9	9.8	9.3	-8.9%	0.6%
Transfers and subsidies	874.1	1 062.0	1 163.0	1 397.6	16.9%	87.0%	1 475.2	1 496.4	1 557.3	3.7%	87.0%
Departmental agencies and accounts	873.6	1 061.8	1 161.7	1 397.6	17.0%	87.0%	1 475.2	1 496.4	1 557.3	3.7%	87.0%
Households	0.5	0.1	1.3	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.9	1.8	3.3	11.1	132.0%	0.3%	3.8	4.0	4.2	-27.5%	0.3%
Buildings and other fixed structures	-	-	0.5	-	-	-	-	-	-	-	-
Machinery and equipment	0.9	1.8	2.8	11.1	132.0%	0.3%	3.8	4.0	4.2	-27.5%	0.3%
Total	1 009.0	1 214.4	1 340.7	1 603.9	16.7%	100.0%	1 690.2	1 730.4	1 789.9	3.7%	100.0%
Proportion of total programme expenditure to vote expenditure	3.6%	4.0%	4.0%	4.4%	-	-	4.4%	4.0%	3.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	870.6	1 058.8	1 158.5	1 394.3	17.0%	86.7%	1 471.6	1 492.6	1 553.4	3.7%	86.8%
South African Medical Research Council	283.9	419.5	446.3	623.9	30.0%	34.3%	657.6	615.0	624.8	0.1%	37.0%
National Health Laboratory Service	558.8	603.5	674.1	678.9	6.7%	48.7%	711.9	746.5	789.8	5.2%	43.0%
Office of Health Standards Compliance	23.7	31.3	33.4	88.9	55.4%	3.4%	100.5	125.7	133.0	14.4%	6.6%
Council for Medical Schemes	4.3	4.5	4.8	2.6	-16.0%	0.3%	1.6	5.5	5.8	31.5%	0.2%
Departmental agencies and accounts											
Social security funds											
Current	2.9	3.1	3.2	3.4	4.9%	0.2%	3.5	3.7	3.9	5.4%	0.2%
Compensation Fund	2.9	3.1	3.2	3.4	4.9%	0.2%	3.5	3.7	3.9	5.4%	0.2%

Entities

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 largest 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.

Table 16.12 National Health Laboratory Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of CD4 tests completed per year within 72 hours in laboratory	Laboratory tests	Outcome 2: A long and healthy life for all South Africans	85%	90%	89%	90%	90%	90%	90%
Percentage of viral load tests completed per year within 4 days in laboratory	Laboratory tests		85%	86%	81%	90%	90%	90%	90%
Percentage of tuberculosis microscopy/GeneXpert tests completed per year within 48 hours in laboratory per year	Laboratory tests		90%	92%	92%	90%	90%	90%	90%
Percentage of HIV polymerase chain reaction tests completed per year within 5 days in laboratory	Laboratory tests		85%	82%	70%	90%	90%	90%	90%
Percentage of cervical smear tests completed per year within 13 days in laboratory	Laboratory tests		- ¹	63%	57%	75%	80%	85%	90%
Number of autopsy examinations conducted and reported per year	Surveillance of communicable diseases		- ¹	- ¹	- ¹	- ¹	1 000	1 000	1 000
Number of published scientific articles and reports per year	Surveillance of communicable diseases		- ¹	- ¹	- ¹	25	25	25	25
Number of occupational health and safety assessments conducted per year	Surveillance of communicable diseases		- ¹	- ¹	- ¹	31	31	31	31
Percentage of academic laboratories accredited per year	Research		- ¹	- ¹	- ¹	88%	100%	100%	100%
Number of research reports submitted to influence policy per year	Research		- ¹	- ¹	- ¹	4	6	8	9

1. No historical data is available as these are new indicators.

Expenditure analysis

The focus of the National Health Laboratory Service will continue to be on administering laboratory tests for health care facilities mainly in the public sector. By providing accurate laboratory tests with short turnaround times, the service makes an important contribution to the national development plan's vision of improving the quality of health care services and controlling epidemics, as well as to outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium term strategic framework. The service also contributes to research and development through the National Institute for Communicable Diseases and the National Institute for Occupational Health, and provides a training platform for students of pathology.

Together with the Department of Health, the service is researching an alternative reimbursement model for laboratory tests, using a global budget allocation instead of fee for service, and is planning to pilot this model over the medium term. The service will strive to ensure that at least 90 per cent of laboratory tests are completed within the targeted turnaround time for each test category by 2018/19. This, in addition to inflation and an anticipated 20 per cent increase in test volumes over the medium term, is expected to drive an increase in expenditure on tests by 7.1 per cent per year, from R4.8 billion in 2015/16 to R5.9 billion in 2018/19. Chemical reagents and other items necessary to perform laboratory tests are likely to drive expenditure on goods and services within the laboratory tests programme. Laboratory tests comprise the largest area of expenditure, accounting for 78.1 per cent (R16.5 billion) of total expected expenditure over the MTEF period.

Providing laboratory tests for patients largely from public sector health facilities is expected to generate on average R6.2 billion per year, 87.9 per cent of the service's revenue between 2015/16 and 2018/19. This revenue is expected to increase at an average annual rate of 5.6 per cent over the medium term. The service also receives an annual transfer from the department, which since 2015/16 funds the surveillance of communicable diseases through the National Institute for Communicable Diseases, occupational health through the National Institute of Occupational Health, and other research and training functions carried out by the service. This transfer is set to grow at an average annual rate of 5.2 per cent from R678.9 million in 2015/16 to R789.8 million over the medium term. This funding will enable the service and its associated institutes to maintain its research output at 25 research articles or reports per year, and ensure that all academic health laboratories become accredited by the service over the medium term.

Programmes/objectives/activities

Table 16.13 National Health Laboratory Service expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	425	474	621	565	10.0%	9.1%	606	656	692	7.0%	9.2%
Surveillance of communicable diseases	147	161	167	305	27.6%	3.4%	320	335	353	4.9%	4.8%
Occupational health	60	71	73	103	19.6%	1.3%	108	114	119	4.9%	1.6%
Laboratory tests	4 002	4 718	4 902	4 779	6.1%	80.3%	5 159	5 493	5 871	7.1%	78.1%
Research	397	365	180	394	-0.2%	5.9%	409	438	462	5.5%	6.2%
Total	5 031	5 789	5 942	6 147	6.9%	100.0%	6 602	7 035	7 497	6.8%	100.0%

Statements of historical financial performance and position

Table 16.14 National Health Laboratory Service 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	Outcome/Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16	
Revenue									
Non-tax revenue	3 496	4 209	4 329	4 803	4 970	5 324	5 237	5 820	111.8%
Sale of goods and services other than capital assets	3 460	3 962	4 267	4 598	4 906	5 050	5 172	5 743	108.7%
<i>of which:</i>									
Sales by market establishment	3 460	3 962	4 267	4 598	4 906	5 050	5 172	5 743	108.7%
Other non-tax revenue	36	247	61	205	64	274	65	77	354.1%
Transfers received	99	758	105	834	225	799	220	679	472.5%
Total revenue	3 596	4 967	4 434	5 637	5 196	6 123	5 457	6 499	124.3%
Expenses									
Current expenses	3 538	5 031	4 400	5 789	5 057	5 942	5 353	6 147	124.9%
Compensation of employees	1 797	2 151	2 334	2 091	2 108	2 112	2 410	2 423	101.5%
Goods and services	1 598	2 803	1 910	3 626	2 898	3 726	2 884	3 673	148.8%
Depreciation	134	74	146	67	45	102	49	40	75.8%
Interest, dividends and rent on land	10	3	10	6	6	2	11	11	56.4%
Total expenses	3 538	5 031	4 400	5 789	5 057	5 942	5 353	6 147	124.9%
Surplus/(Deficit)	57	(64)	34	(152)	138	181	104	352	
Statement of financial position									
Carrying value of assets	642	570	620	551	676	522	764	764	89.1%
<i>of which:</i>									
Acquisition of assets	-	(177)	(194)	(186)	(213)	(48)	(526)	(526)	100.4%
Inventory	123	64	97	81	100	89	103	103	79.5%
Receivables and prepayments	1 367	1 796	2 505	2 409	1 549	2 817	1 576	2 135	130.9%
Cash and cash equivalents	193	665	639	348	677	651	699	699	107.0%
Non-current assets held for sale	227	-	-	-	-	-	-	-	-
Total assets	2 552	3 095	3 862	3 389	3 003	4 079	3 143	3 702	113.6%
Accumulated surplus/(deficit)	1 306	1 806	1 366	1 469	1 364	1 692	1 485	2 044	127.0%
Capital and reserves	60	43	43	43	43	0	43	43	68.3%
Capital reserve fund	-	-	80	-	80	-	-	-	-
Deferred income	84	105	-	58	-	52	-	-	257.0%
Trade and other payables	238	288	1 282	760	436	1 081	439	439	107.2%
Provisions	865	852	1 091	1 059	1 080	1 254	1 176	1 176	103.0%
Total equity and liabilities	2 552	3 095	3 862	3 389	3 003	4 079	3 143	3 702	113.6%

Statements of estimates of financial performance and position

Table 16.15 National Health Laboratory Service statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2015/16	2012/13 - 2015/16	2016/17		
R million									
Revenue									
Non-tax revenue		5 820	11.4%	86.6%	6 144	6 516	6 904	5.9%	89.7%
Sale of goods and services other than capital assets		5 743	13.2%	83.0%	6 008	6 373	6 761	5.6%	87.9%
of which:									
Sales by market establishment		5 743	13.2%	83.0%	6 008	6 373	6 761	5.6%	87.9%
Other non-tax revenue		77	-32.2%	3.6%	135	143	144	23.0%	1.7%
Transfers received		679	-3.6%	13.4%	712	746	790	5.2%	10.3%
Total revenue		6 499	9.4%	100.0%	6 856	7 263	7 694	5.8%	100.0%
Expenses									
Current expenses		6 147	6.9%	100.0%	6 592 312	7 025 957	7 487 314	968.0%	-
Compensation of employees		2 423	4.1%	38.5%	2 571 778	2 658 045	2 955 811	968.4%	38.9%
Goods and services		3 673	9.4%	60.2%	3 975 989	4 314 007	4 476 203	968.2%	60.3%
Depreciation		40	-18.3%	1.2%	44 535	53 896	55 291	1 009.9%	0.7%
Interest, dividends and rent on land		11	58.8%	0.1%	10	9	10	-2.7%	0.0%
Total expenses		6 147	6.9%	100.0%	6 592 312	7 025 957	7 487 314	968.0%	-
Surplus/(Deficit)		352	(3)		(6 585 456)	(7 018 694)	(7 479 620)	-2 869.8%	
Statement of financial position									
Carrying value of assets		764	10.3%	17.0%	686	892	1 080	12.2%	18.8%
of which:									
Acquisition of assets		(526)	43.7%	-6.7%	(250)	(235)	(225)	-24.7%	-7.3%
Inventory		103	17.4%	2.4%	110	111	112	2.9%	2.4%
Receivables and prepayments		2 135	5.9%	64.0%	2 743	2 879	3 022	12.3%	59.2%
Cash and cash equivalents		699	1.7%	16.7%	890	947	1 033	13.9%	19.6%
Total assets		3 702	6.2%	100.0%	4 429	4 829	5 248	12.3%	100.0%
Accumulated surplus/(deficit)		2 044	4.2%	49.6%	2 297	2 525	2 722	10.0%	52.8%
Capital and reserves		43	-	1.0%	0	0	0	-80.2%	0.3%
Deferred income		-	-100.0%	1.6%	58	61	65	-	1.0%
Trade and other payables		439	15.1%	17.5%	697	865	1 081	35.0%	16.5%
Benefits payable		-	-	-	25	25	25	-	0.4%
Provisions		1 176	11.4%	30.3%	1 351	1 353	1 355	4.8%	29.0%
Total equity and liabilities		3 702	6.2%	100.0%	4 429	4 829	5 248	-30.4%	100.0%

Personnel information

Table 16.16 National Health Laboratory Service personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016			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 (%)	Salary level/Total: Average (%)			
			2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
National Health Laboratory Service			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	7 286	7 286	7 286	2 112.4	0	7 286	2 423.5	0	7 286	2 571.8	0	7 286	2 658.0	0	7 286	2 955.8	0	6.8%	100.0%
1 – 6	4 539	4 539	4 539	707.2	0	4 539	810.3	0	4 539	859.7	0	4 539	888.5	0	4 539	988.2	0	6.8%	62.3%
7 – 10	2 125	2 125	2 125	788.7	0	2 125	904.5	0	2 125	959.7	0	2 125	991.8	0	2 125	1 103.0	1	6.8%	29.2%
11 – 12	424	424	424	317.8	1	424	365.5	1	424	387.8	1	424	400.8	1	424	445.7	1	6.8%	5.8%
13 – 16	196	196	196	294.1	2	196	337.9	2	196	359.0	2	196	371.1	2	196	412.5	2	6.9%	2.7%
17 – 22	2	2	2	4.6	2	2	5.3	3	2	5.6	3	2	5.8	3	2	6.4	3	6.8%	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 2016/17 is R175.3 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 2016/17 is R141.2 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 2016/17 is R100.5 million.
- The **South African Medical Research Council** was established in terms of the South African Medical Research Council Act (1969), as amended, as well as 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 transfer. 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 2015/16 is 2016/17 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	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Eastern Cape: Zithulele Hospital	Replacement of hospital	Identification	1 298.7	-	-	-	0.1	-	52.8	88.3
Free State: Dhlhlabeng Hospital emergency ward	Emergency repairs	Design	168.6	-	-	-	0.3	98.2	70.1	-
Free State: Dhlhlabeng Hospital	Replacement of hospital	Identification	2 018.9	-	-	-	-	-	-	-
Gauteng: Soshanguve Hospital	Building of new hospital	Identification	1 111.4	-	-	-	-	13.0	33.2	51.2
Gauteng: Odi Hospital	Replacement of hospital	Identification	1 300.0	-	-	-	-	1.2	-	-
Limpopo: Tshicizini Hospital	Replacement of hospital	Identification	2 301.4	-	-	-	-	-	-	-
Limpopo: Siloam Hospital	Replacement of hospital	Construction	1 599.0	-	-	36.4	122.0	34.0	-	228.2
Limpopo: Elim Hospital	Replacement of hospital	Identification	1 869.9	-	-	-	-	-	-	-
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Eastern Cape: Bambisana Hospital	Replacement of hospital	Identification	664.3	-	-	-	0.2	-	-	-
Small projects (total project cost of less than R250 million over the project life cycle)										
Limpopo: Limpopo Academic Hospital	Planning and design of new hospital	Identification	15.0	-	-	-	-	15.0	-	-
Eastern Cape: Nelson Mandela Hospital (public private partnership feasibility study)	Development of feasibility study	Identification	3.9	-	3.9	-	-	-	-	-
KwaZulu-Natal: Kind Edward Hospital (public private partnership feasibility study)	Development of feasibility study	Identification	5.4	-	4.4	0.2	-	0.8	-	-
Gauteng: Chris Hani Baragwanath Hospital (public private partnership feasibility study)	Development of feasibility study	Identification	7.4	-	4.4	3.0	-	-	-	-
Gauteng: Dr George Mukhari Academic Hospital (public private partnership feasibility study)	Development of feasibility study	Identification	13.5	-	11.6	1.0	-	0.8	-	-
Eastern Cape: Nolutha Clinic	Replacement of clinic	Construction	31.2	-	-	2.0	9.8	15.1	4.4	-
Eastern Cape: Nkanga Clinic	Replacement of clinic	Construction	30.4	-	-	1.8	14.0	10.7	3.8	-
Eastern Cape: Lutubent Clinic	Replacement of clinic	Construction	31.4	-	-	2.5	7.0	15.2	6.7	-
Eastern Cape: Maxwele Clinic	Replacement of clinic	Construction	28.9	-	-	1.9	9.8	13.3	4.0	-
Eastern Cape: Lotana Clinic	Replacement of clinic	Construction	31.6	-	-	3.2	11.0	13.3	4.1	-
Eastern Cape: Lusikisiki Clinic	Replacement of clinic	Construction	82.4	-	-	1.5	9.1	28.1	33.9	9.9
Eastern Cape: Gungge Clinic	Replacement of clinic	Construction	28.1	-	-	1.6	8.4	14.2	4.0	-
Eastern Cape: Sakthela Clinic	Replacement of clinic	Construction	30.7	-	-	1.2	9.4	13.8	6.2	-
Free State: Glocolan Clinic	Replacement of clinic	Construction	48.5	-	0.1	0.1	0.7	3.8	16.6	27.2
Free State: Borwa Clinic	Replacement of clinic	Design	84.9	-	0.3	0.1	0.9	5.0	19.4	23.3
Free State: Lusaka Community Health Centre	Replacement of community health centre	Design	124.7	-	-	-	1.1	-	26.6	42.9
Limpopo: Megwedzha Clinic	Replacement of clinic	Design	52.2	-	-	-	0.7	5.0	21.0	25.4
Limpopo: Thengwe Clinic	Replacement of clinic	Design	49.6	-	-	-	0.7	-	24.4	24.5
Limpopo: Molenzhe Clinic	Replacement of clinic	Design	50.2	-	-	-	0.7	-	24.7	24.8
Limpopo: Makonde Clinic	Replacement of clinic	Design	52.2	-	-	-	0.7	-	25.7	25.8
Limpopo: Chebeng Community Health Centre	Replacement of community health centre	Design	136.1	-	-	-	0.7	-	37.0	46.4

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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Mpumalanga: Msukaligwa Community Day Centre	Replacement of clinic	Design	146.8	-	-	-	0.5	5.0	11.9	37.9
Mpumalanga: Makondo Community Day Centre	Replacement of clinic	Design	146.8	-	-	-	2.3	5.0	11.9	37.9
Mpumalanga: Vukuzakhe Clinic	Replacement of clinic	Design	54.6	-	-	-	1.8	-	5.3	24.0
Mpumalanga: Balfour Community Health Centre (24-hour mini-hospital)	Replacement of community health centre	Design	299.1	-	-	-	2.5	-	-	20.0
Mpumalanga: Nhlazathse 6 Clinic	Replacement of clinic	Design	54.6	-	-	-	1.8	-	5.3	-
Eastern Cape: Butterworth Nursing College	Rehabilitate existing nursing education institute facility	Construction	17.3	-	-	1.7	12.0	3.6	-	-
Gauteng: Baragwanath Nursing College	Rehabilitate existing nursing education institute facility	Construction	20.9	-	-	0.8	9.1	11.0	-	-
Limpopo: Thohoyandou Nursing College	Rehabilitate existing nursing education institute facility	Construction	23.6	-	-	2.1	13.6	7.9	-	-
Mpumalanga: Middelburg Nursing College	Rehabilitate existing nursing education institute facility	Construction	15.8	-	-	1.8	9.4	4.6	-	-
Northern Cape: Hennesbla Nursing College	Rehabilitate existing nursing education institute facility	Feasibility	14.1	-	-	-	1.4	12.7	-	-
Doctors consulting rooms	Provision of doctors consulting rooms	Hand over	325.1	-	115.9	76.4	104.7	28.0	-	-
Eastern Cape: Rehabilitation of 37 clinics through the Development Bank of Southern Africa	Rehabilitate existing clinics	Construction	108.2	-	-	33.8	74.5	-	-	-
Eastern Cape: Additions to 37 clinics through the Development Bank of Southern Africa	Clinic upgrade and additions	Identification	226.3	-	-	-	-	-	226.3	-
National health insurance rehabilitation contracts	Rehabilitation and maintenance	Construction	2 985.5	-	-	-	51.3	202.8	241.1	242.5
Generators for national health insurance clinics	Clinic upgrade and additions	Construction	100.3	-	-	-	10.3	90.0	-	-
Health technology for national health insurance facilities	Various	Construction	83.3	-	-	33.3	-	50.0	-	-
Non-capital infrastructure projects, including maintenance	Maintenance, provincial management support unit, project management information system, conditional assessments of facilities in NHI pilot districts, in-loco supervision and 10 year health infrastructure plan	On-going	316.8	-	42.2	86.0	110.2	71.6	28.8	8.3
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 and upgrading of existing health facilities	On-going	4 197.5	676.2	562.8	599.2	603.9	619.0	555.3	581.1
Health facility revitalisation grant: Free State	Construction of new and upgrading of existing health facilities	On-going	3 863.2	786.6	539.0	467.0	608.5	474.7	485.1	502.3
Health facility revitalisation grant: Gauteng	Construction of new and upgrading of existing health facilities	On-going	5 148.4	918.3	771.0	671.0	313.6	777.8	831.3	865.2

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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Health facility revitalisation grant: KwaZulu-Natal	Construction of new and upgrading of existing health facilities	On-going	8 205.5	1 176.5	1 072.5	1 362.5	1 229.8	1 114.7	1 095.9	1 153.7
Health facility revitalisation grant: Limpopo	Construction of new and upgrading of existing health facilities	On-going	3 145.3	581.5	457.4	467.4	358.5	379.1	440.1	461.3
Health facility revitalisation grant: Mpumalanga	Construction of new and upgrading of existing health facilities	On-going	2 367.5	418.7	283.7	343.5	359.9	281.2	333.0	347.4
Health facility revitalisation grant: Northern Cape	Construction of new and upgrading of existing health facilities	On-going	3 257.8	450.4	478.4	451.4	641.5	472.3	374.3	389.5
Health facility revitalisation grant: North West	Construction of new and upgrading of existing health facilities	On-going	3 737.8	544.6	496.1	500.1	712.9	480.4	491.4	512.2
Health facility revitalisation grant: Western Cape	Construction of new and upgrading of existing health facilities	On-going	4 609.4	637.8	629.8	639.8	837.2	673.5	582.4	608.9
Health facility revitalisation grant: Incentive-based portion yet to be allocated to provinces	Construction of new and upgrading of existing health facilities	On-going	1 195.8	-	-	-	-	-	581.0	614.7
Total			57 937.7	6 190.6	5 473.5	5 794.3	6 278.5	6 065.8	6 718.9	7 024.8

Vote 17

Social Development

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	322.5	318.0	1.8	2.8	335.8	351.1
Social Assistance	140 498.7	–	140 498.7	–	152 206.7	164 754.4
Social Security Policy and Administration	7 015.5	100.7	6 912.6	2.2	7 526.8	7 992.5
Welfare Services Policy Development and Implementation Support	723.3	258.3	460.4	4.6	1 057.7	1 296.1
Social Policy and Integrated Service Delivery	377.7	125.4	251.6	0.7	393.1	414.4
Total expenditure estimates	148 937.7	802.3	148 125.1	10.3	161 520.1	174 808.5

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 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 1997 White Paper for Social Welfare sets out the principles, guidelines, policies and programmes for developmental social welfare in South Africa. It has provided the foundation for social welfare in the post- 1994 era. The Department of Social Development is not established in terms of a single act; several pieces of legislation determine its mandate:

- The Social Assistance Act (2004) provides a legislative framework for providing social assistance. It 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.
- 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 if they are unable to stay with their families or within their communities.
- 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, 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 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.

Selected performance indicators

Table 17.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total number of old age grant beneficiaries	Social Assistance	Outcome 13: An inclusive and responsive social protection system	2.8 million	3 million	3.1 million	3.2 million	3.3 million	3.4 million	3.5 million
Total number of war veterans grant beneficiaries	Social Assistance		586	429	326	223	162	104	62
Total number of disability grant beneficiaries	Social Assistance		1.2 million	1.1 million	1.1 million	1.1 million	1.1 million	1.1 million	1.1 million
Total number of child support grant beneficiaries	Social Assistance		11.2 million	11.1 million	11.7 million	11.9 million	12.3 million	12.6 million	12.8 million
Total number of foster care grant beneficiaries	Social Assistance		532 159 ¹	512 055	499 774	490 538	460 830	465 769	470 762
Total number of care dependency grant beneficiaries	Social Assistance		120 268 ¹	120 632	126 777	142 180	147 791	152 967	158 404
Total number of grant-in-aid beneficiaries	Social Assistance		73 719 ¹	83 059	113 087	89 273	164 756	189 470	208 417
Percentage of appeals per year adjudicated within 90 days	Social Security Policy and Administration		47% (920)	49% (827)	49% (1 141)	65% (1 300)	70% (1 540)	80% (1 680)	90% (2 340)
Number of youth awarded scholarships into the social service field per year	Welfare Services Policy Development and Implementation Support		6 339	5 205	4 188	4 510	4 472	4 472	4 506
Number of persons working with children screened against the child protection register per year	Welfare Services Policy Development and Implementation Support		32 935	41 441	63 607	30 000	50 000	70 000	90 000
Percentage of non-profit organisations' registration applications processed within 2 months of receipt per year	Social Policy and Integrated Service Delivery	39% (8 768)	97% (28 798)	97% (31 073)	98%	99%	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	- ²	- ²	- ²	- ²	415 000	415 000	415 000	

1. Data has been amended to align with the South African Social Security Agency's 2012/13 annual report.

2. No historical data is available as this is a new indicator introduced in 2016/17.

Expenditure analysis

The work of the Department of Social Development gives effect to outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium term strategic framework. The department's focus over the MTEF period will be on improving the social development sector through: increasing access to social assistance; investing in and increasing access to quality early childhood development services; reforming and standardising the social welfare system; expanding social development services; improving household access to food and nutrition; and strengthening community participation in service delivery.

The department's compensation of employees budget is set to decrease by R29.6 million in 2017/18 and R45.9 million in 2018/19 due to the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. After consultation with the Department of Public Service and Administration and the National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget. The reduction applies across all programmes in the department.

Increasing access to social assistance

Over the medium term, the Department of Social Development will continue to provide social grants to the elderly, children, war veterans and people with disabilities. These grants boost the incomes of poor households, which bear the brunt of persistent unemployment, poverty and inequality in South Africa. Grants take up 94.2 per cent of the department's total budget allocation over the MTEF period, and the department projects paying social assistance grants to about 18.1 million beneficiaries by the end of 2018/19. Expenditure on grants is expected to increase at an average annual rate of 8.5 per cent over the medium term, reaching R165 billion in 2018/19, mostly due to inflationary adjustments to the value of the grants and growth in the number of beneficiaries. The elderly population, that is people older than 60, is growing by 3 per cent per year, and there is continued growth in child beneficiaries. An additional allocation of R11.5 billion over the MTEF period is for inflationary adjustments to the value of the grants and growth in the number of beneficiaries.

The number of appeals cases to be adjudicated will increase over the medium term as a result of proposed amendments to the Social Assistance Act (2004). The act currently prescribes that applicants who have been declined a social grant first lodge an application for reconsideration with the South African Social Security Agency before they can take it to the appeals tribunal. The amendments to the act remove the application for reconsideration function from the agency, and require that the tribunal adjudicates all appeals. The resulting increase in adjudications 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 2014/15, 49 per cent of appeals had been adjudicated within 90 days. This is expected to increase to 90 per cent by 2018/19.

The transfer to the South African Social Security Agency makes up 98.6 per cent of the *Social Security Policy and Administration* programme over the medium term. The transfer funds the administration and distribution of social grants. Administration costs constituted 5.2 per cent of the budget for social grants in 2014/15. Partly due to efficiencies from the new payment contract implemented in 2012/13, these costs are projected to decline to 4.8 per cent of the 2018/19 budget for social grants. A Cabinet approved reduction of R209.2 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.

Investing in and increasing access to effective early childhood development services

A government wide early childhood development policy, developed in consultation with a range of stakeholders, has recently been approved by Cabinet. The main objectives of the policy are to ensure that comprehensive, quality early childhood development services are in close proximity and equitably accessible to all children and their caregivers, and to enable parents to lead and participate in the development of their young children through the use of these services. At the end of 2014/15, approximately 1.4 million children were accessing early childhood development services, of which just over half were receiving a subsidy. Government aims to provide all poor children accessing early childhood development services in registered centres with an early childhood development subsidy. R663 million over the MTEF period is allocated to increase the number of poor children receiving a subsidy by about 104 000 over the period.

Many early childhood development facilities find it difficult to meet the minimum infrastructure requirements to become fully registered in terms of the Children's Act (2005), and provide lower quality services. R150 million is allocated in the outer two years of the MTEF period 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 4 000 facilities will be targeted for minor upgrades by 2018/19.

Both these additional allocations, for the subsidies and the upgrades, will be in the form of a conditional allocation from the national department to the 9 provincial departments. Spending for this is in the *Children* subprogramme of the *Welfare Services Policy Development and Implementation Support* programme, which explains the 24.1 per cent average annual increase in this programme over the medium term. The conditional allocation also accounts for the significant growth in transfers to provinces and municipalities over the period.

Reforming and standardising the social welfare system

A key element of outcome 13 of government's 2014-2019 medium term strategic framework is 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 completed by 2017/18.

Trained social workers are crucial to a reformed and standardised system, and the department expects to award 4 506 scholarships for social work in 2018/19. Scholarships constitute 31.8 per cent of the budget in the *Welfare Services Policy Development and Implementation Support* programme over the medium term, and are administered by the National Student Financial Aid Scheme.

Improved processes for registering and monitoring non-profit organisations, which are key partners in providing social development services, will also support the reform. The department plans to review the Non-Profit Organisations Act (1997) over the medium term to improve the regulatory framework, and it also plans to improve the management of the non-profit organisation database and enhance the efficiency of the registration process. A non-profit organisation policy framework will be developed by the end of 2016/17 to guide this

work. The target is for 100 per cent of applications for registration as a non-profit organisation to be processed within 2 months by 2018/19. A review is currently being undertaken to assess the impact of the current regulatory system on non-profit organisations and explore ways to reduce the regulatory burden. To support these activities, the *Registration and Monitoring of Non-Profit Organisations* subprogramme receives an average of 28 per cent or R34.9 million of the total non-transfers budget of the *Social Policy and Integrated Service Delivery* programme over the medium term.

Expanding social development services

To support the department's ongoing work to expand social development services, over the medium term the department will focus on managing the gender based violence command centre that was established in December 2013. This 24-hour call centre for victims of gender based violence is linked to the services of the police, emergency medical services and the Department of Health. The command centre received approximately 3 641 calls in 2014/15, mostly related to gender based violence. The command centre is expected to receive increasing numbers of calls over the MTEF period, as communities become more aware of its services. This can be accommodated in the command centre's budget of approximately R20 million per year over the medium term. In addition, the department will make efforts to enhance the implementation and monitoring of other social crime prevention and gender based violence programmes, such as those providing shelters to women and their children.

Substance abuse is a key social challenge in many South African communities, and the Prevention of and Treatment for Substance Abuse Act (2008) prescribes that each province must have at least 1 public treatment centre. There are currently 7 operational in-patient treatment centres in 4 of the provinces, and they are located in cities. The construction of additional substance abuse in-patient treatment centres in Northern Cape, Eastern Cape, North West and Free State will be completed by the end of 2016/17, supported by a reprioritisation from the South African Social Security Agency to the programme of R38 million in that year. An increase of R128 million is allocated towards the operational costs of these centres in 2017/18 and 2018/19. Each centre has the capacity to accommodate 40 in-patients. Substance abuse is a key government priority.

HIV and AIDS prevention and awareness interventions will be strengthened over the MTEF period. An increase of R15 million in 2017/18 and R30 million 2018/19 has been secured and allocated to the South African National AIDS Council for mutually agreed interventions aligned to the HIV and AIDS investment case that has been completed in 2015/16.

All the expenditure for the activities to expand social development services is in the *Welfare Services Policy Development and Implementation Support* programme.

Improving household access to food and nutrition

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 over 4 million meals per year in impoverished communities. The food relief programme constitutes an average of 59 per cent or R55.4 million of total spending in the *Community Development* subprogramme over the MTEF period.

Strengthening community participation in service delivery

Direct community interventions, such as Project Mikondzo, a nation wide service delivery initiative to assess the footprint and impact of the social development system, will continue over the medium term with an estimated budget of about R15 million per year. Through direct interactions with municipalities and community members, Project Mikondzo aims to monitor service delivery at community level, determine the gap between policy formulation and implementation, and understand service delivery challenges and backlogs. Project Mikondzo provides a platform for profiling households and communities and developing community and household intervention plans. The intention is to profile 300 000 households and develop 2 400 community plans in 1 256 municipal wards over the MTEF period. These activities account for the expected increase in spending on travel and subsistence in the *Community Development* subprogramme of the *Social Policy and Integrated Service Delivery* programme over the MTEF period.

The department runs a range of participatory outreach programmes, such as non-profit organisation road shows, Child Protection Week, youth camps and active ageing programmes for older people. Between 2 000 and 5 000 people per year participate in each of these events and the department covers their travelling costs. These

programmes drive expenditure on travel and subsistence, venues and facilities, and catering across several of the department's budget programmes. Participation often exceeds what the department has expected, resulting in increased expenditure. To contain expenditure over the medium term, the national department will share costs with provincial departments where possible.

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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	262.1	260.5	262.4	271.3	273.8	266.7	275.1	291.4	330.7	297.0	297.0	297.0	104.6%	103.0%
Programme 2	104 887.9	104 887.9	103 898.8	113 006.8	111 006.8	109 596.6	120 952.1	120 702.1	119 994.8	130 093.3	129 818.3	128 868.3	98.6%	99.1%
Programme 3	6 308.7	6 216.7	6 198.4	6 417.9	6 394.0	6 376.6	6 662.6	6 617.3	6 589.1	6 756.2	6 741.2	6 741.2	99.1%	99.8%
Programme 4	542.8	554.3	524.8	536.9	577.7	566.4	586.5	639.9	599.3	662.4	677.4	677.4	101.7%	96.7%
Programme 5	251.0	260.3	260.3	289.7	289.7	304.5	323.2	346.9	346.6	359.8	359.8	359.8	103.9%	101.1%
Total	112 252.6	112 179.6	111 144.8	120 522.7	118 542.1	117 110.8	128 799.4	128 597.7	127 860.5	138 168.6	137 893.6	136 943.6	98.7%	99.2%
Change to 2015												(275.0)		
Budget estimate														
Economic classification														
Current payments	662.2	663.4	617.6	668.9	688.2	681.0	679.4	766.4	738.5	764.6	776.3	776.3	101.4%	97.2%
Compensation of employees	327.8	331.2	307.4	360.3	348.2	339.3	355.8	380.1	377.5	403.6	423.6	423.6	100.0%	97.6%
Goods and services	334.4	332.2	310.3	308.6	340.1	341.8	323.5	386.2	361.0	361.0	352.8	352.7	102.9%	96.8%
<i>of which:</i>														
Advertising	10.2	21.5	19.0	9.4	25.7	40.9	12.1	17.4	25.6	16.7	15.8	14.9	207.9%	124.9%
Audit costs: External	10.0	10.0	14.3	10.1	10.6	12.8	10.4	10.4	17.0	12.7	14.0	14.0	134.5%	128.9%
Consultants: Business and advisory services	115.2	83.2	33.4	93.2	61.4	29.4	71.8	75.6	34.5	71.5	33.9	32.1	36.8%	51.0%
Operating leases	32.4	31.3	27.8	32.8	31.4	24.0	32.5	32.7	35.2	32.2	31.9	31.8	91.4%	93.3%
Travel and subsistence	62.5	69.2	84.8	57.9	71.9	110.7	57.1	79.8	108.9	96.0	106.7	104.4	149.4%	124.8%
Venues and facilities	21.0	29.8	40.8	21.6	48.6	39.3	27.0	35.9	23.1	31.4	29.9	29.7	131.6%	92.2%
Transfers and subsidies	111 583.2	111 502.6	110 506.2	119 846.8	117 846.8	116 413.4	128 113.3	127 813.5	127 077.1	137 394.4	137 107.7	136 157.7	98.6%	99.2%
Provinces and municipalities	-	-	-	-	-	-	29.0	29.0	27.5	47.5	47.5	47.5	98.1%	98.1%
Departmental agencies and accounts	6 622.5	6 542.0	6 542.0	6 732.8	6 732.8	6 732.8	7 009.9	6 959.9	6 961.1	7 118.5	7 104.7	7 104.7	99.5%	100.0%
Higher education institutions	-	-	-	-	-	-	0.4	2.2	2.2	0.4	1.4	1.5	442.0%	101.1%
Foreign governments and international organisations	2.3	2.4	2.4	2.9	2.9	2.9	3.3	3.7	4.7	3.1	4.2	4.2	122.8%	108.3%
Non-profit institutions	70.4	70.1	71.6	104.3	73.3	69.7	77.6	75.6	97.1	80.5	102.0	101.9	102.2%	106.0%
Households	104 887.9	104 888.1	103 890.2	113 006.8	111 037.8	109 607.9	120 993.1	120 743.1	119 984.6	130 144.3	129 847.8	128 897.9	98.6%	99.1%
Payments for capital assets	7.1	13.6	11.0	7.0	7.0	6.7	6.7	17.8	17.3	9.6	9.6	9.6	146.4%	92.8%
Buildings and other fixed structures	-	-	-	-	-	-	-	0.3	-	-	-	-	-	-
Machinery and equipment	6.8	13.3	6.8	6.6	6.6	5.2	6.2	17.1	17.2	9.2	9.2	9.2	133.3%	83.2%
Software and other intangible assets	0.4	0.4	4.2	0.4	0.4	1.5	0.5	0.5	0.1	0.5	0.5	0.5	369.6%	369.6%
Payments for financial assets	-	-	9.9	-	-	9.7	-	-	27.6	-	-	-	-	-
Total	112 252.6	112 179.6	111 144.8	120 522.7	118 542.1	117 110.8	128 799.4	128 597.7	127 860.5	138 168.6	137 893.6	136 943.6	98.7%	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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Programme 1	297.0	4.5%	0.2%	322.5	335.8	351.1	5.7%	0.2%	
Programme 2	128 868.3	7.1%	93.8%	140 498.7	152 206.7	164 754.4	8.5%	94.2%	
Programme 3	6 741.2	2.7%	5.3%	7 015.5	7 526.8	7 992.5	5.8%	4.7%	
Programme 4	677.4	6.9%	0.5%	723.3	1 057.7	1 296.1	24.1%	0.6%	
Programme 5	359.8	11.4%	0.3%	377.7	393.1	414.4	4.8%	0.2%	
Total	136 943.6	6.9%	100.0%	148 937.7	161 520.1	174 808.5	8.5%	100.0%	
Change to 2015 Budget estimate				831.4	3 602.7	7 731.9			
Economic classification									
Current payments	776.3	5.4%	0.6%	802.3	832.3	871.5	3.9%	0.5%	
Compensation of employees	423.6	8.6%	0.3%	458.9	465.5	478.4	4.1%	0.3%	
Goods and services	352.7	2.0%	0.3%	343.5	366.7	393.1	3.7%	0.2%	
of which:									
Advertising	14.9	-11.5%	0.0%	17.3	17.9	21.0	12.1%	0.0%	
Audit costs: External	14.0	12.0%	0.0%	13.7	14.9	15.7	3.9%	0.0%	
Consultants: Business and advisory services	32.1	-27.2%	0.0%	56.7	61.0	64.4	26.1%	0.0%	
Operating leases	31.8	0.6%	0.0%	34.6	36.5	38.1	6.2%	0.0%	
Travel and subsistence	104.4	14.7%	0.1%	90.4	96.0	101.8	-0.8%	0.1%	
Venues and facilities	29.7	-0.1%	0.0%	32.5	33.9	36.9	7.5%	0.0%	
Transfers and subsidies	136 157.7	6.9%	99.4%	148 125.1	160 677.2	173 925.8	8.5%	99.5%	
Provinces and municipalities	47.5	-	0.0%	85.5	376.8	563.9	128.1%	0.2%	
Departmental agencies and accounts	7 104.7	2.8%	5.5%	7 395.2	7 926.4	8 416.8	5.8%	5.0%	
Higher education institutions	1.5	-	0.0%	2.5	2.0	1.9	9.0%	0.0%	
Foreign governments and international organisations	4.2	21.2%	0.0%	4.0	4.1	4.2	0.1%	0.0%	
Non-profit institutions	101.9	13.3%	0.1%	113.0	133.6	155.4	15.1%	0.1%	
Households	128 897.9	7.1%	93.8%	140 524.9	152 234.3	164 783.6	8.5%	94.3%	
Payments for capital assets	9.6	-10.9%	0.0%	10.3	10.7	11.2	5.3%	0.0%	
Machinery and equipment	9.2	-11.7%	0.0%	9.8	10.2	10.7	5.3%	0.0%	
Software and other intangible assets	0.5	10.3%	0.0%	0.5	0.5	0.6	5.4%	0.0%	
Total	136 943.6	6.9%	100.0%	148 937.7	161 520.1	174 808.5	8.5%	100.0%	

Personnel information

Table 17.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate									Average growth rate (%)	Salary level/Total: Average (%)		
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17			2017/18			2018/19					2015/16 - 2018/19	
Social Development		967	134	916	377.5	0.4	938	423.6	0.5	895	458.9	0.5	910	495.2	0.5	915	524.3	0.6	-0.8%	100.0%
Salary level																				
1 – 6	302	69	298	51.0	0.2	302	56.2	0.2	228	50.2	0.2	230	53.6	0.2	225	55.3	0.2	-9.3%	26.9%	
7 – 10	358	41	338	121.0	0.4	340	131.3	0.4	357	146.8	0.4	362	157.7	0.4	367	167.1	0.5	2.6%	39.0%	
11 – 12	185	21	168	98.3	0.6	177	113.6	0.6	185	125.6	0.7	190	136.3	0.7	194	145.9	0.8	3.1%	20.4%	
13 – 16	120	3	110	103.1	0.9	117	118.1	1.0	123	131.5	1.1	126	142.5	1.1	127	150.5	1.2	2.8%	13.5%	
Other	2	–	2	4.0	2.0	2	4.4	2.2	2	4.7	2.3	2	5.0	2.5	2	5.5	2.7	–	0.2%	
Programme	967	134	916	377.5	0.4	938	423.6	0.5	895	458.9	0.5	910	495.2	0.5	915	524.3	0.6	-0.8%	100.0%	
Programme 1	420	72	393	156.4	0.4	400	166.7	0.4	396	193.9	0.5	405	210.3	0.5	404	222.6	0.6	0.3%	43.9%	
Programme 3	95	2	86	40.2	0.5	92	47.6	0.5	93	50.7	0.5	95	54.5	0.6	96	57.7	0.6	1.4%	10.3%	
Programme 4	314	56	301	115.5	0.4	308	137.3	0.4	267	137.1	0.5	267	147.2	0.6	271	155.9	0.6	-4.2%	30.4%	
Programme 5	138	4	136	65.4	0.5	138	72.0	0.5	139	77.2	0.6	143	83.1	0.6	144	88.0	0.6	1.4%	15.4%	
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(29.6)	–	–	(45.9)	–	–	–	
Total	967	134	916	377.5	0.4	938	423.6	0.5	895	458.9	0.5	910	495.2	0.5	915	524.3	0.6	–	–	

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

2. The department's compensation of employees budget has been reduced by R75.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 17.5 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
R thousand												
Departmental receipts	44 361	88 996	62 896	57 819	57 819	9.2%	100.0%	88 395	96 576	105 904	22.4%	100.0%
Sales of goods and services produced by department	5	2	23	318	318	299.2%	0.1%	318	318	318	–	0.4%
Sales by market establishments	5	2	–	154	154	213.5%	0.1%	154	154	154	–	0.2%
of which:												
Parking rental	5	2	–	154	154	213.5%	0.1%	154	154	154	–	0.2%
Other sales	–	–	23	164	164	–	0.1%	164	164	164	–	0.2%
of which:												
Sale of tender documents	–	–	23	20	20	–	–	20	20	20	–	–
Insurance commission and gamishee order	–	–	–	144	144	–	0.1%	144	144	144	–	0.2%
Interest, dividends and rent on land	7 855	9 415	11 487	13 526	13 526	19.9%	16.6%	16 212	19 432	23 291	19.9%	20.8%
Interest	7 855	9 415	11 487	13 526	13 526	19.9%	16.6%	16 212	19 432	23 291	19.9%	20.8%
Sales of capital assets	–	192	–	–	–	–	0.1%	–	–	–	–	–
Transactions in financial assets and liabilities	36 501	79 387	51 386	43 975	43 975	6.4%	83.1%	71 865	76 826	82 295	23.2%	78.9%
Total	44 361	88 996	62 896	57 819	57 819	9.2%	100.0%	88 395	96 576	105 904	22.4%	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 17.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16 - 2018/19	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19
R million											
Ministry	29.5	33.2	51.1	32.7	3.5%	12.7%	33.6	36.0	37.9	5.1%	10.7%
Department Management	56.0	51.6	56.7	63.7	4.4%	19.7%	68.4	71.3	74.1	5.1%	21.2%
Corporate Management	93.9	104.1	120.5	105.0	3.8%	36.6%	114.3	117.9	123.0	5.4%	35.2%
Finance	50.2	49.5	55.4	55.2	3.3%	18.2%	57.8	60.0	62.5	4.2%	18.0%
Internal Audit	5.8	5.7	7.8	9.4	17.5%	2.5%	15.8	16.2	17.4	22.6%	4.5%
Office Accommodation	27.0	22.6	39.3	31.0	4.7%	10.4%	32.6	34.3	36.2	5.4%	10.3%
Total	262.4	266.7	330.7	297.0	4.2%	100.0%	322.5	335.8	351.1	5.7%	100.0%
Change to 2015				-			11.1	7.2	3.4		
Budget estimate											
Economic classification											
Current payments	253.9	263.4	324.8	292.6	4.8%	98.1%	318.0	331.0	346.0	5.8%	98.6%
Compensation of employees	135.4	144.1	156.4	166.7	7.2%	52.1%	193.9	197.5	202.8	6.7%	58.2%
Goods and services	118.5	119.3	168.4	125.8	2.0%	46.0%	124.1	133.5	143.2	4.4%	40.3%
of which:											
Audit costs: External	14.3	12.8	17.0	14.0	-0.7%	5.0%	13.7	14.9	15.7	3.9%	4.5%
Computer services	7.7	4.3	22.7	14.8	24.2%	4.3%	10.8	11.7	12.4	-5.7%	3.8%
Consultants: Business and advisory services	9.6	6.2	3.8	2.9	-32.7%	1.9%	12.1	12.6	13.4	66.0%	3.1%
Contractors	3.1	5.8	2.9	0.9	-34.7%	1.1%	4.0	4.8	5.1	80.6%	1.1%
Operating leases	25.0	23.0	34.3	29.0	5.0%	9.6%	30.8	32.2	34.1	5.6%	9.7%
Travel and subsistence	29.6	33.3	40.1	30.7	1.3%	11.6%	19.7	22.1	23.4	-8.6%	7.3%
Transfers and subsidies	0.2	0.2	2.9	1.6	115.2%	0.4%	1.8	1.9	2.0	9.2%	0.6%
Departmental agencies and accounts	-	-	1.1	1.2	-	0.2%	1.4	1.5	1.6	9.1%	0.4%
Households	0.2	0.2	1.8	0.4	31.0%	0.2%	0.4	0.4	0.5	9.3%	0.1%
Payments for capital assets	8.3	3.0	2.9	2.9	-29.7%	1.5%	2.8	2.9	3.0	1.8%	0.9%
Machinery and equipment	4.2	1.6	2.8	2.4	-16.6%	0.9%	2.3	2.4	2.5	1.0%	0.7%
Software and other intangible assets	4.2	1.5	0.1	0.5	-51.5%	0.5%	0.5	0.5	0.6	5.4%	0.2%
Payments for financial assets	0.0	-	0.2	-	-100.0%	-	-	-	-	-	-
Total	262.4	266.7	330.7	297.0	4.2%	100.0%	322.5	335.8	351.1	5.7%	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	-	-	1.1	1.2	-	0.2%	1.4	1.5	1.6	9.1%	0.4%
Health and Welfare Sector Education and Training Authority	-	-	1.1	1.2	-	0.2%	1.4	1.5	1.6	9.1%	0.4%

Programme 2: Social Assistance

Programme purpose

Provide social assistance to eligible individuals in terms of the Social Assistance Act (2004) and its regulations.

Objectives

- Ensure the provision of social assistance to eligible beneficiaries whose income and assets fall below the set thresholds by:
 - extending income support to 3 541 743 older persons by 2018/19, from 3 068 851 in 2014/15
 - extending income support to 1 071 898 disabled persons by 2018/19, from 1 112 663 in 2014/15
 - extending income support to 12 843 883 children by 2018/19, from 11 703 165 in 2014/15

- extending income support to 158 404 children with serious disabilities by 2018/19, from 126 777 in 2014/15
- extending income support to 470 762 foster children by 2018/19 from 499 774 in 2014/15.

Subprogrammes

- *Old Age* provides income support to people aged 60 and older earning less than R69 000 (single) and R138 000 (married) a year, whose assets do not exceed R990 000 (single) and R1 980 000 (married).
- *War Veterans* provides income support to men and women who fought in World War II or the Korean War who earn less than R69 000 (single) and R138 000 (married) a year, whose assets do not exceed R990 000 (single) and R1 980 000 (married).
- *Disability* provides income support to people with permanent or temporary disabilities earning less than R69 000 (single) and R138 000 (married) a year, whose assets do not exceed R990 000 (single) and R1 980 000 (married).
- *Foster Care* provides grants for children placed in foster care.
- *Care Dependency* provides income support to parents and caregivers earning less than R180 000 (single) and R360 000 (married) a year, to help them care for children who are mentally or physically disabled.
- *Child Support* provides income support to parents and caregivers of children under 18 earning less than R42 000 (single) and R84 000 (married) a year.
- *Grant-in-Aid* is an additional grant to recipients of the old age, disability or war veterans grants who require regular care from another person due to 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 17.7 Social Assistance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
Old Age	40 475.0	44 064.2	49 044.7	53 517.7	9.8%	40.4%	58 927.5	64 656.3	70 832.7	9.8%	42.2%
War Veterans	9.5	7.7	6.2	5.0	-19.3%	–	3.6	2.5	1.6	-31.1%	–
Disability	17 636.6	17 768.6	18 744.8	19 733.9	3.8%	15.9%	20 418.4	21 447.4	22 522.5	4.5%	14.3%
Foster Care	5 335.0	5 332.1	5 419.2	5 534.6	1.2%	4.7%	5 522.0	5 780.7	6 028.6	2.9%	3.9%
Care Dependency	1 877.4	1 993.1	2 212.0	2 460.9	9.4%	1.8%	2 676.8	2 939.5	3 218.8	9.4%	1.9%
Child Support	38 088.0	39 623.7	43 741.0	47 841.7	7.9%	36.5%	51 950.6	56 286.9	60 981.4	8.4%	37.0%
Grant-in-Aid	238.0	274.1	371.3	274.2	4.8%	0.2%	499.8	593.5	668.7	34.6%	0.3%
Social Relief of Distress	239.3	533.0	455.6	450.2	23.5%	0.4%	500.0	500.0	500.0	3.6%	0.3%
Total	103 898.8	109 596.6	119 994.8	129 818.3	7.7%	100.0%	140 498.7	152 206.7	164 754.4	8.3%	100.0%
Change to 2015 Budget estimate				(275.0)			942.3	3 272.5	7 182.0		
Economic classification											
Transfers and subsidies	103 889.0	109 586.9	119 967.4	129 818.3	7.7%	100.0%	140 498.7	152 206.7	164 754.4	8.3%	100.0%
Households	103 889.0	109 586.9	119 967.4	129 818.3	7.7%	100.0%	140 498.7	152 206.7	164 754.4	8.3%	100.0%
Payments for financial assets	9.9	9.7	27.4	–	-100.0%	–	–	–	–	–	–
Total	103 898.8	109 596.6	119 994.8	129 818.3	7.7%	100.0%	140 498.7	152 206.7	164 754.4	8.3%	100.0%
Proportion of total programme expenditure to vote expenditure	93.5%	93.6%	93.8%	94.1%	–	–	94.3%	94.2%	94.2%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	103 889.0	109 586.9	119 967.4	129 818.3	7.7%	100.0%	140 498.7	152 206.7	164 754.4	8.3%	100.0%
Old Age	40 465.1	44 064.2	49 042.2	53 517.7	9.8%	40.4%	58 927.5	64 656.3	70 832.7	9.8%	42.2%
War Veterans	9.5	7.7	6.2	5.0	-19.3%	–	3.6	2.5	1.6	-31.1%	–
Disability	17 636.6	17 768.6	18 743.3	19 733.9	3.8%	15.9%	20 418.4	21 447.4	22 522.5	4.5%	14.3%
Foster Care	5 335.0	5 332.1	5 416.4	5 534.6	1.2%	4.7%	5 522.0	5 780.7	6 028.6	2.9%	3.9%
Care Dependency	1 877.4	1 993.1	2 211.9	2 460.9	9.4%	1.8%	2 676.8	2 939.5	3 218.8	9.4%	1.9%
Child Support	38 088.0	39 614.1	43 720.7	47 841.7	7.9%	36.5%	51 950.6	56 286.9	60 981.4	8.4%	37.0%
Grant-in-Aid	238.0	274.1	371.2	274.2	4.8%	0.2%	499.8	593.5	668.7	34.6%	0.3%
Social Relief of Distress	239.3	533.0	455.6	450.2	23.5%	0.4%	500.0	500.0	500.0	3.6%	0.3%

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 70 per cent of appeals within 90 days of receipt by 2016/17.
- Improve access to social assistance by expanding the child support grant to more orphans and other vulnerable children over the medium term.
- Improve the integrity of the social grant system by establishing a functional inspectorate for social security 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, including the agency's own operations, 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 17.8 Social Security Policy and Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Social Security Policy Development	29.4	33.8	37.4	53.4	22.0%	0.6%	57.2	58.5	60.5	4.2%	0.8%
Appeals Adjudication	41.5	27.1	28.8	40.0	-1.2%	0.5%	43.9	47.0	49.7	7.5%	0.6%
Social Grants Administration	6 053.0	6 240.5	6 442.2	6 564.1	2.7%	97.7%	6 825.9	7 328.5	7 784.2	5.8%	97.4%
Social Grants Fraud Investigations	66.7	70.6	75.4	78.9	5.7%	1.1%	83.1	87.2	92.3	5.4%	1.2%
Programme Management	7.7	4.7	5.4	4.7	-14.9%	0.1%	5.4	5.6	5.8	7.2%	0.1%
Total	6 198.4	6 376.6	6 589.1	6 741.2	2.8%	100.0%	7 015.5	7 526.8	7 992.5	5.8%	100.0%
Change to 2015				(15.0)			(154.4)	(55.9)	(30.0)		
Budget estimate											
Economic classification											
Current payments	76.8	64.1	67.5	94.0	7.0%	1.2%	100.7	105.6	110.3	5.5%	1.4%
Compensation of employees	34.8	35.8	40.2	47.6	11.1%	0.6%	50.7	51.2	52.7	3.4%	0.7%
Goods and services	42.0	28.4	27.2	46.4	3.4%	0.6%	50.0	54.3	57.6	7.5%	0.7%
of which:											
Consultants: Business and advisory services	6.0	5.5	8.2	13.2	30.4%	0.1%	12.0	12.9	13.2	–	0.2%
Legal services	17.4	8.9	7.8	4.6	-35.9%	0.1%	10.8	12.8	14.0	44.9%	0.1%

Table 17.8 Social Security Policy and 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Consumables: Stationery, printing and office supplies	1.7	0.5	0.3	2.2	9.0%	–	2.5	2.7	2.8	7.9%	–
Operating leases	2.4	0.5	0.2	2.0	-7.2%	–	2.1	2.4	2.5	8.5%	–
Travel and subsistence	7.0	5.8	4.5	9.6	11.4%	0.1%	6.7	6.8	7.3	-8.9%	0.1%
Operating payments	0.5	0.3	0.5	1.5	40.3%	–	4.3	4.5	4.8	47.9%	0.1%
Transfers and subsidies	6 121.0	6 312.3	6 520.9	6 645.7	2.8%	98.8%	6 912.6	7 419.0	7 879.9	5.8%	98.6%
Departmental agencies and accounts	6 119.8	6 311.0	6 517.6	6 643.0	2.8%	98.8%	6 908.9	7 415.7	7 876.5	5.8%	98.5%
Higher education institutions	–	–	1.8	1.0	–	–	2.0	1.5	1.5	14.5%	–
Foreign governments and international organisations	1.0	1.1	1.4	1.6	15.8%	–	1.5	1.5	1.6	0.1%	–
Households	0.2	0.1	0.1	0.1	-12.1%	–	0.2	0.2	0.3	24.5%	–
Payments for capital assets	0.6	0.2	0.8	1.4	31.7%	–	2.2	2.3	2.3	18.1%	–
Machinery and equipment	0.6	0.2	0.8	1.4	31.7%	–	2.2	2.3	2.3	18.1%	–
Total	6 198.4	6 376.6	6 589.1	6 741.2	2.8%	100.0%	7 015.5	7 526.8	7 992.5	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	5.6%	5.4%	5.2%	4.9%	–	–	4.7%	4.7%	4.6%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 119.8	6 311.0	6 517.6	6 643.0	2.8%	98.8%	6 908.9	7 415.7	7 876.5	5.8%	98.5%
South African Social Security Agency	6 119.8	6 311.0	6 517.6	6 643.0	2.8%	98.8%	6 908.9	7 415.7	7 876.5	5.8%	98.5%
Higher education institutions											
Current	–	–	1.8	1.0	–	–	2.0	1.5	1.5	14.5%	–
University of the Witwatersrand	–	–	1.8	1.0	–	–	2.0	1.5	1.5	14.5%	–

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:
 - revising the 1997 White Paper for Social Welfare by March 2018
 - submitting the bill on the professionalisation and regulation of social service practitioners to Cabinet for consideration by 2016/17
 - awarding 4 472 youth scholarships into the social service field in 2016/17
 - facilitating the implementation of a state and civil society partnership model in 2017/18
 - developing a demand and supply model for social service practitioners in 2016/17.
- Create an environment that enables the protection and promotion of older persons' rights by:
 - implementing the active ageing programme over the medium term
 - submitting the amendment bill to the Older Persons Act (2006) to Cabinet for consideration by 2016/17.
- Strengthen the equitable delivery of social welfare services for persons with disabilities and promote the rights of persons 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 early childhood development services by:
 - revising the programme of action in 2016/17 to phase in the implementation of the early childhood development policy over the long term

- subsidising an additional 104 000 children through the new early childhood development conditional grant by 2018/19
- supporting 4 000 conditionally registered facilities to comply with norms and standards by 2018/19.
- Strengthen child protection services by:
 - registering 100 per cent of adoption cases received from court in 2017/18
 - screening 90 000 persons working with children against the child protection register by 2018/19
 - creating awareness on children’s rights and responsibilities through annual commemorative days 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
 - completing the construction and operationalisation of four public treatment centres in 2016/17.
- Contribute to reducing incidents of social crime and improving victim empowerment services by:
 - monitoring the implementation of the accreditation of diversion services, probation case management and child and youth care application systems over the medium term
 - submitting the bill on victim empowerment services to Cabinet for consideration by 2016/17
 - increasing the number of people accessing the command centre by 15 per cent in 2016/17.
- Build conscious and active youth by mobilising youth and ensuring the participation of at least 2 000 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 500 youth to implement the social behaviour change programme by March 2017.

Subprogrammes

- *Service Standards* ensures the transformation and standardisation of social welfare services by developing and coordinating policies and legislation that promote integration, 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 17.9 Welfare Services Policy Development and Implementation Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Service Standards	24.9	26.9	26.5	27.6	3.4%	4.5%	29.9	31.0	32.4	5.5%	3.2%
Substance Abuse	12.9	29.5	41.7	77.6	81.8%	6.8%	101.3	72.5	88.2	4.4%	9.0%
Older Persons	19.3	22.4	21.5	20.7	2.4%	3.5%	20.5	21.2	22.3	2.5%	2.3%
People with Disabilities	22.7	20.5	19.1	28.5	7.9%	3.8%	29.3	30.7	32.1	4.0%	3.2%
Children	64.0	65.5	67.9	80.3	7.9%	11.7%	76.3	399.6	576.3	92.9%	30.2%
Families	8.3	6.3	8.4	8.7	1.9%	1.3%	9.0	9.4	9.8	3.7%	1.0%
Social Crime Prevention and Victim Empowerment	29.6	39.8	50.6	59.9	26.5%	7.6%	62.6	64.9	67.7	4.2%	6.8%
Youth	12.4	22.2	19.1	13.2	2.0%	2.8%	14.6	15.0	16.4	7.5%	1.6%
HIV and AIDS	72.2	77.5	76.4	81.2	4.0%	13.0%	85.2	104.1	123.9	15.1%	10.5%
Social Worker Scholarships	256.0	250.0	264.0	276.1	2.6%	44.2%	290.8	305.3	323.0	5.4%	31.8%
Programme Management	2.5	5.9	4.1	3.6	12.5%	0.7%	3.9	4.0	4.2	5.4%	0.4%
Total	524.8	566.4	599.3	677.4	8.9%	100.0%	723.3	1 057.7	1 296.1	24.1%	100.0%
Change to 2015 Budget estimate				15.0			31.7	381.6	580.9		
Economic classification											
Current payments	198.9	245.2	236.2	269.9	10.7%	40.1%	258.3	267.6	280.9	1.3%	28.7%
Compensation of employees	89.2	102.5	115.5	137.3	15.4%	18.8%	137.1	138.7	142.6	1.3%	14.8%
Goods and services	109.7	142.7	120.6	132.7	6.5%	21.4%	121.2	128.9	138.2	1.4%	13.9%
of which:											
Advertising	14.6	32.4	12.6	11.3	-8.0%	3.0%	12.5	12.9	15.2	10.2%	1.4%
Catering: Departmental activities	3.4	6.4	7.1	10.1	44.4%	1.1%	5.0	5.1	5.4	-19.1%	0.7%
Consultants: Business and advisory services	14.1	14.7	20.0	10.9	-8.2%	2.5%	27.1	29.8	31.9	42.8%	2.7%
Consumables: Stationery, printing and office supplies	6.3	2.8	1.6	1.7	-35.9%	0.5%	3.4	3.6	3.9	32.2%	0.3%
Travel and subsistence	35.0	45.4	43.1	46.9	10.3%	7.2%	39.8	42.3	44.7	-1.6%	4.6%
Venues and facilities	25.5	24.4	13.0	17.8	-11.2%	3.4%	20.4	21.3	22.5	8.1%	2.2%
Transfers and subsidies	324.5	319.2	361.8	403.0	7.5%	59.5%	460.4	785.3	1 010.2	35.8%	70.8%
Provinces and municipalities	-	-	27.5	47.5	-	3.2%	85.5	376.8	563.9	128.1%	28.6%
Departmental agencies and accounts	256.0	250.0	264.0	276.1	2.6%	44.2%	290.8	305.3	323.0	5.4%	31.8%
Foreign governments and international organisations	0.5	0.2	0.8	0.7	8.2%	0.1%	0.7	0.7	0.7	1.9%	0.1%
Non-profit institutions	67.3	68.5	69.4	78.7	5.3%	12.0%	82.7	101.8	121.8	15.7%	10.3%
Households	0.7	0.4	0.1	0.0	-59.0%	0.1%	0.7	0.7	0.7	152.1%	0.1%
Payments for capital assets	1.4	2.0	1.3	4.4	46.3%	0.4%	4.6	4.8	5.1	4.7%	0.5%
Machinery and equipment	1.4	2.0	1.3	4.4	46.3%	0.4%	4.6	4.8	5.1	4.7%	0.5%
Total	524.8	566.4	599.3	677.4	8.9%	100.0%	723.3	1 057.7	1 296.1	24.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.5%	-	-	0.5%	0.7%	0.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	256.0	250.0	264.0	276.1	2.6%	44.2%	290.8	305.3	323.0	5.4%	31.8%
National Student Financial Aid Scheme	256.0	250.0	264.0	276.1	2.6%	44.2%	290.8	305.3	323.0	5.4%	31.8%
Non-profit institutions											
Current	67.3	68.5	69.4	78.7	5.3%	12.0%	82.7	101.8	121.8	15.7%	10.3%
loveLife	45.6	48.1	51.0	-	-100.0%	6.1%	-	-	-	-	-
Tshwane Leadership Foundation Trust	0.2	-	-	-	-100.0%	-	-	-	-	-	-
National bodies: Service standards	1.6	1.6	-	1.8	5.2%	0.2%	1.7	1.8	1.9	2.5%	0.2%
National bodies: Substance abuse	3.2	2.6	2.8	2.9	-3.0%	0.5%	3.0	3.1	3.2	3.8%	0.3%
National bodies: Older persons	2.0	1.8	2.3	2.4	5.2%	0.4%	2.5	2.6	2.8	5.5%	0.3%
National bodies: Disabilities	3.2	3.4	3.5	3.8	5.2%	0.6%	3.9	4.2	4.4	5.5%	0.4%
National bodies: Children	6.5	6.8	6.8	7.6	5.2%	1.2%	7.9	8.4	8.9	5.4%	0.9%
National bodies: Families	1.1	1.2	1.3	1.3	5.4%	0.2%	1.4	1.5	1.6	5.6%	0.2%
National bodies: Social crime prevention	3.5	3.0	1.9	5.6	16.8%	0.6%	5.9	6.1	6.4	4.8%	0.6%

Table 17.9 Welfare Services Policy Development and Implementation Support 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
National Association of People Living with HIV and AIDS	0.3	-	-	-	-100.0%	-	-	-	-	-	-
HIV and AIDS Organisations	-	-	-	53.3	-	2.3%	56.3	59.1	62.6	5.5%	6.2%
South African National Aids Council	-	-	-	-	-	-	-	15.0	30.0	-	1.2%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	-	-	-	-	-	-	-	319.8	493.1	-	21.7%
Early childhood development grant	-	-	-	-	-	-	-	319.8	493.1	-	21.7%
Capital	-	-	27.5	47.5	-	3.2%	85.5	57.0	70.8	14.2%	6.9%
Substance abuse treatment grant	-	-	27.5	47.5	-	3.2%	85.5	57.0	70.8	14.2%	6.9%

Programme 5: Social Policy and Integrated Development

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 300 wards through Project Mikondzo in 2016/17
 - developing household and community profiling guidelines in 2016/17.
- Coordinate and facilitate the implementation of the social sector expanded public works programme to support the creation of 152 263 work opportunities by March 2017.
- Build self-reliant communities through programmes and policies that strengthen their capacity and capabilities by:
 - facilitating the linkage of cooperatives to economic opportunities within the social sector over the medium term
 - developing guidelines for the household food and nutrition security programme and supporting its implementation, including the use of cooperatives, over the medium term.
- 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 2 months by 2018/19
 - training 3 000 non-profit organisations and 500 provincial officials on governance and compliance with the Non-Profit Organisations Act (1997) by 2016/17.
- Promote the implementation of government's population policy 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 17.10 Social Policy and Integrated Service Delivery expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Social Policy Research and Development	3.7	4.6	3.7	5.2	11.6%	1.4%	5.6	5.7	5.9	4.3%	1.4%
Special Projects and Innovation	9.8	9.3	10.5	8.6	-4.6%	3.0%	10.3	10.6	11.0	8.7%	2.6%
Population Policy Promotion	25.4	27.2	32.1	31.2	7.1%	9.1%	31.7	32.4	34.5	3.4%	8.4%
Registration and Monitoring of Non-Profit Organisations	23.9	24.7	29.1	30.4	8.3%	8.5%	35.6	36.1	37.5	7.2%	9.0%
Substance Abuse Advisory Services and Oversight	3.9	4.3	3.9	6.1	15.9%	1.4%	5.7	5.9	6.2	0.5%	1.6%
Community Development	26.1	58.3	85.8	90.8	51.6%	20.5%	91.3	95.1	100.1	3.3%	24.4%
National Development Agency	166.3	171.7	178.3	184.4	3.5%	55.1%	194.2	203.9	215.7	5.4%	51.7%
Programme Management	1.1	4.2	3.2	3.1	42.1%	0.9%	3.3	3.3	3.5	3.9%	0.9%
Total	260.3	304.5	346.6	359.8	11.4%	100.0%	377.7	393.1	414.4	4.8%	100.0%
Change to 2015				-			0.7	(2.7)	(4.4)		
Budget estimate											
Economic classification											
Current payments	88.0	108.3	110.1	119.8	10.8%	33.5%	125.4	128.1	134.3	3.9%	32.9%
Compensation of employees	48.0	56.9	65.4	72.0	14.5%	19.0%	77.2	78.2	80.3	3.7%	19.9%
Goods and services	40.1	51.4	44.8	47.9	6.1%	14.5%	48.1	50.0	54.0	4.1%	12.9%
of which:											
Administrative fees	1.1	1.1	1.5	1.6	12.4%	0.4%	1.2	1.2	1.3	-6.1%	0.3%
Advertising	2.9	4.2	3.1	1.8	-15.1%	1.0%	2.7	2.8	3.0	18.4%	0.7%
Consultants: Business and advisory services	3.7	3.1	2.5	6.8	22.4%	1.3%	5.4	5.7	5.9	-4.6%	1.5%
Consumables: Stationery, printing and office supplies	2.0	1.3	1.0	1.2	-14.6%	0.4%	2.6	2.8	3.0	34.0%	0.6%
Travel and subsistence	13.3	26.2	21.2	19.5	13.6%	6.3%	24.2	24.8	26.4	10.6%	6.1%
Venues and facilities	9.3	6.2	7.0	6.4	-11.7%	2.3%	7.3	7.7	9.2	12.8%	2.0%
Transfers and subsidies	171.6	194.7	224.2	239.1	11.7%	65.3%	251.6	264.2	279.3	5.3%	66.9%
Departmental agencies and accounts	166.3	171.7	178.3	184.4	3.5%	55.1%	194.2	203.9	215.7	5.4%	51.7%
Higher education institutions	-	0.7	0.4	0.4	-	0.1%	0.5	0.5	0.4	-2.4%	0.1%
Foreign governments and international organisations	0.8	1.4	2.5	1.9	32.0%	0.5%	1.8	1.9	1.9	-0.7%	0.5%
Non-profit institutions	4.5	20.8	27.6	23.3	73.3%	6.0%	30.3	31.8	33.6	12.9%	7.7%
Households	0.0	0.1	15.3	29.0	1835.3%	3.5%	24.9	26.2	27.7	-1.5%	7.0%
Payments for capital assets	0.7	1.5	12.3	0.9	10.5%	1.2%	0.7	0.8	0.8	-4.1%	0.2%
Machinery and equipment	0.7	1.5	12.3	0.9	11.4%	1.2%	0.7	0.8	0.8	-4.1%	0.2%
Total	260.3	304.5	346.6	359.8	11.4%	100.0%	377.7	393.1	414.4	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.3%	0.3%	0.3%	-	-	0.3%	0.2%	0.2%	-	-

Table 17.10 Social Policy and Integrated Service Delivery expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
R million											
Households											
Other transfers to households											
Current	-	-	15.2	29.0	-	3.5%	24.7	26.1	27.6	-1.6%	6.9%
Food relief	-	-	15.2	29.0	-	3.5%	24.7	26.1	27.6	-1.6%	6.9%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	166.3	171.7	178.3	184.4	3.5%	55.1%	194.2	203.9	215.7	5.4%	51.7%
National Development Agency	166.3	171.7	178.3	184.4	3.5%	55.1%	194.2	203.9	215.7	5.4%	51.7%
Non-profit institutions											
Current	4.5	20.8	27.6	23.3	73.3%	6.0%	30.3	31.8	33.6	12.9%	7.7%
National Association of People Living with HIV and AIDS	0.5	-	-	-	-100.0%	-	-	-	-	-	-
Soul City	2.5	1.0	1.0	1.0	-25.2%	0.4%	1.0	1.0	1.0	-1.5%	0.3%
Africa Institute for Community Driven Development	0.5	0.6	0.6	-	-100.0%	0.1%	-	-	-	-	-
Population Association of Southern Africa	-	0.2	0.2	0.2	-	-	0.2	0.2	0.2	-	0.1%
Food relief	1.0	19.0	25.8	22.1	180.5%	5.3%	29.1	30.6	32.4	13.6%	7.4%

Entities

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 16.4 million beneficiaries monthly.

Selected performance indicators

Table 17.11 South African Social Security Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of open pay points converted to fixed structures per year	Administration		692 ¹	48 ¹	144	300	150	150	150
Average cost of administering social assistance (Rand/beneficiary) per year	Benefits administration support	Outcome 13: An inclusive and responsive social protection system	R30	R33	R32	R36	R36	R37	R37
Administration cost as a percentage of social assistance transfers budget	Benefits administration support		5.6% (R5.8bn)	5.7% (R6.3bn)	5.2% (R6.3bn)	5.6% (R7.3bn)	5.2% (R7.4bn)	5.1% (R7.7bn)	4.8% (R7.9bn)
Number of community outreach programmes conducted per year	Benefits administration support		- ²	- ²	714	420	520	600	720
Percentage of new grant applications per year that are processed within target working days	Benefits administration support		91% within 21 days (1 167 667) ¹	91% within 21 days (1 191 910) ¹	99.6% within 21 days (1 373 768)	95% within 15 days (1 235 000)	95% within 10 days (1 330 000)	95% within 10 days (1 425 000)	95% within 10 days (1 425 000)

1. Data has been amended to align with the agency's 2012/13 and 2013/14 annual reports.

2. No historical data is available as this indicator was introduced in 2014/15.

Expenditure analysis

In line with the objectives of the national development plan and outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium term strategic framework, the South African Social Security Agency will continue to focus on improving its services to ensure that all those entitled to social assistance are reached. This includes reducing administrative bottlenecks in the application process, improving

turnaround times for grant approval, enhancing pay points, educating beneficiaries on the qualifying criteria for social grants, and targeting the enrolment of beneficiaries in groups with traditionally low coverage. The agency's key strategic focus over the MTEF period will be on putting the required systems in place to transfer the payment function of social grants from a contractor to the agency.

The agency's operations are set to become largely driven by ICT over the medium term. The focus will thus be on implementing a range of projects aimed at modernising service delivery and putting the required systems in place to administer the payment function in-house. One of the key modernisation projects will be the scanning of all existing and future social grant files into an electronic system and progressively shredding paper based files, in line with the National Archives Act (1996). Given the scope of the social grants programme, this requires a significant investment in the necessary equipment for bulk scanning and shredding, and about R100 million has been budgeted for this over the MTEF period. The scanning of files will improve efficiencies and mitigate the risk of the loss or destruction of information necessary to ensure that the agency pays grants to qualifying beneficiaries. The agency's internal capacity to administer the payment function will be built through the creation of an integrated payment database, and the acquisition of payment hardware and software.

Maintaining the social pension system, which forms the foundation of the current payment system, will account for approximately 47 per cent of the agency's allocation for computer services over the medium term. The social pension system, however, faces challenges such as a lack of systems integration and management information capability, and by 2018/19 the agency will have begun work on a replacement for the social pension system. Other key ICT projects related to transferring the payment function to the agency include the development of a data warehouse to store all beneficiary and payment data, the development of a biometric payment standard in partnership with the Department of Home Affairs and the South African Reserve Bank, and the acquisition of biometric payment equipment. The estimated cost of these projects is R300.1 million between 2015/16 and 2017/18.

Biometric identification forms an integral part of the agency's fraud management strategy. One of the interventions to curb fraud will be the implementation of a biometric authentication system applicable to both beneficiaries and the agency's employees. This initiative aims to reduce fraud by broadly providing positive identification to verify the authenticity of a user on the system with a high degree of certainty, and to link an official from the agency with the beneficiary whose grant they approved. This will also help to serve as a deterrent for fraud related collusion between staff members and potential beneficiaries, and result in fewer transactions performed on the system being repudiated. The agency plans to start taking over the biometric enrolment of beneficiaries from the current payment contractor from 2016/17. In addition, the agency will continue to implement other measures, such as eligibility reviews, accuracy checks to ensure that files are complete and contain all supporting documents, and the physical verification of beneficiaries to minimise fraudulent activities and reduce opportunities for fraud to be perpetuated. An estimated R180 million over the MTEF period is allocated for biometric access by staff and the biometric authentication of beneficiaries.

To ensure that social assistance grants reach impoverished people who qualify for them, the agency will continue to reach out to poor communities through the integrated community registration outreach programme and Project Mikondzo. These interventions require officials to visit people in their communities and educate them on their right to access social assistance. Through these vehicles, 714 poor wards were reached in 2014/15, and there was a 17 per cent increase in the number of children younger than 2 being supported by the child support grant in the same year. Extended beneficiary education campaigns will be conducted over the medium term to inform beneficiaries of their rights, and to protect them from unwarranted and unsolicited service providers marketing goods and products. Measures will be put in place to deal with disputes arising from deductions and electronic funds transfer debits from social grants. The agency plans to hold 1 840 integrated community registration outreach programmes, 108 Project Mikondzo interventions, and 1 800 public and beneficiary awareness programmes between 2016/17 and 2018/19.

All these initiatives require the agency to communicate extensively with beneficiaries through a host of mediums such as radio, print media, television and imbizo type methods, accounting for expenditure on communications, travel, and venues and facilities. The agency expects to approve an average of 1.4 million new social grants per year over the MTEF period. Taking on more beneficiaries requires a large physical presence.

The agency has a significant footprint across the country, with approximately 9 regional offices, 44 district offices, 367 local offices, 917 service points, and 9 900 pay points. Leasing, maintaining and securing

these premises entails significant expenditure, and allocations for property payments and lease payments constitute an average of 13.3 per cent of total expected expenditure of R16.2 billion, excluding payment contractors' fees, over the MTEF period.

Since 2012, the agency has been particularly focused on improving the conditions under which beneficiaries are served, as well as the working conditions of employees, through seeking to improve local offices and pay points. Even though the agency has transformed how social grants are paid out, giving beneficiaries access to various payment channels, including points of sale and automated teller machines, it is still required to ensure pay points are maintained in acceptable conditions. These improvements involve enhancing accessibility for people with disabilities, and upgrading sanitation and customer facilities to provide beneficiaries with better service delivery. An average of 150 pay points are expected to be improved each year over the MTEF period at an expected cost of R44.2 million, and the agency will look to improve local offices from 2017/18 if there is a need to do so.

The majority of the agency's staff perform functions related to grant administration, from application to approval. For the administration of social grants, the bulk of expenditure is expected to be on compensation of employees and the payment of contractors used to disburse grants to beneficiaries. At the end of March 2015, the agency had 10 742 personnel, although this number is projected to decrease to 9 793 by the end of 2015/16 as a result of the termination of contract posts. As some low level contract posts have been converted into high level permanent posts, expenditure on compensation of employees is expected to increase to 41.4 per cent of total spending over the medium term compared to 37.4 per cent between 2012/13 to 2015/16, despite a decrease in the number of personnel.

R209.2 million over the MTEF period is reprioritised from the agency's transfer payment from the Department of Social Development. This will require the agency to review some of its planned projects to take over the payment function and reduce its spending on goods and services over the MTEF period.

Programmes/objectives/activities

Table 17.12 South African Social Security Agency expenditure trends and estimates by programme/objective/activity

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million												
Administration	1 809.9	2 047.3	2 049.9	2 537.7	11.9%	32.9%	2 497.2	2 571.6	2 572.1	0.5%	33.7%	
Benefits administration support	3 972.5	4 217.7	4 245.8	4 729.9	6.0%	67.1%	4 853.9	5 126.0	5 338.9	4.1%	66.3%	
Total	5 782.4	6 265.0	6 295.7	7 267.6	7.9%	100.0%	7 351.1	7 697.6	7 911.1	2.9%	100.0%	

Statements of historical financial performance and position

Table 17.13 South African Social Security Agency statements of historical financial performance and position

Statement of financial performance									
	Budget		Audited outcome		Budget		Audited outcome		Outcome/ Budget Average (%)
	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	
R million									
Revenue									
Non-tax revenue	1.1	4.2	1.2	4.7	4.7	4.2	4.9	4.0	142.5%
Sale of goods and services other than capital assets	0.7	0.7	0.7	0.4	0.8	0.5	0.9	0.0	53.1%
<i>of which:</i>									
Administrative fees	0.6	-	-	-	-	-	-	-	-
Sales by market establishment	0.0	0.7	0.7	0.4	0.8	-	0.9	-	46.9%
Other sales	-	-	-	-	-	0.5	-	0.0	-
Other non-tax revenue	0.5	3.4	0.5	4.3	3.9	3.7	4.1	4.0	173.3%
Transfers received	6 200.3	6 119.8	6 311.0	6 311.0	6 567.6	6 517.6	6 830.5	6 643.0	98.8%
Total revenue	6 201.4	6 123.9	6 312.3	6 315.7	6 572.3	6 521.8	6 835.4	6 647.0	98.8%

Table 17.13 South African Social Security 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	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Expenses									
Current expenses	6 121.6	5 763.1	6 491.3	6 245.1	6 867.0	6 253.3	7 270.6	7 243.8	95.3%
Compensation of employees	2 007.7	2 068.4	2 385.4	2 212.4	2 526.1	2 485.1	2 700.5	2 831.8	99.8%
Goods and services	4 109.9	3 625.6	4 104.2	3 964.6	4 272.5	3 691.6	4 498.3	4 340.2	92.0%
of which:									
Agency and support / outsourced services	154.0	95.6	147.6	124.4	153.9	139.6	145.3	183.0	90.3%
Communication	77.1	108.0	115.6	142.1	215.6	62.1	338.3	166.7	64.1%
Computer services	313.0	326.5	496.2	256.2	531.0	298.5	406.1	490.8	78.6%
Payment contractors	2 172.0	1 935.8	2 040.0	2 206.0	2 193.0	1 957.6	2 211.6	2 085.9	95.0%
Lease payments	0.4	354.5	0.4	361.4	518.7	286.9	401.2	353.5	147.3%
Repairs and maintenance	258.5	125.4	249.9	120.1	112.0	157.5	289.4	223.8	68.9%
Property payments	–	222.4	–	256.2	–	283.6	338.1	300.2	314.2%
Depreciation	–	69.1	–	67.4	67.5	75.7	70.9	70.9	204.6%
Interest, dividends and rent on land	4.0	0.0	1.7	0.6	0.9	0.9	0.9	0.9	32.3%
Transfers and subsidies	22.2	19.3	44.1	19.9	22.7	42.4	23.7	23.8	93.4%
Total expenses	6 143.8	5 782.4	6 535.5	6 265.0	6 889.7	6 295.7	7 294.4	7 267.6	95.3%
Surplus/(Deficit)	58.0	342.0	(223.0)	51.0	(317.0)	226.0	(459.0)	(621.0)	
Statement of financial position									
Carrying value of assets	339.7	477.3	391.4	636.9	462.4	780.6	747.9	747.9	136.1%
of which:									
Acquisition of assets	(5.6)	(74.7)	(255.3)	(246.2)	(5.6)	(264.5)	(105.7)	(105.7)	185.7%
Inventory	28.5	14.8	9.9	16.5	10.0	23.4	32.4	32.4	107.8%
Receivables and prepayments	173.9	22.3	38.2	11.8	136.9	19.1	16.9	16.9	19.2%
Cash and cash equivalents	326.9	1 646.7	978.8	1 633.3	712.3	1 163.7	1 071.2	1 036.8	177.4%
Total assets	869.0	2 161.1	1 418.2	2 298.6	1 321.6	1 986.9	1 868.4	1 834.0	151.2%
Accumulated surplus/(deficit)	–	1 090.0	850.0	1 140.7	573.0	1 366.8	655.0	620.6	203.0%
Finance lease	284.4	3.7	3.5	0.5	3.6	0.2	0.3	0.3	1.6%
Trade and other payables	291.8	674.3	122.5	863.3	157.3	335.6	877.1	877.1	189.8%
Provisions	292.8	393.0	442.2	294.1	587.6	284.2	336.0	336.0	78.8%
Total equity and liabilities	869.0	2 161.1	1 418.2	2 298.6	1 321.6	1 986.9	1 868.4	1 834.0	151.2%

Statements of estimates of financial performance and position

Table 17.14 South African Social Security Agency statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	4.0	-1.3%	0.1%	4.2	4.4	4.6	4.9%	0.1%	
Other non-tax revenue	4.0	5.3%	0.1%	4.2	4.4	4.6	4.9%	0.1%	
Transfers received	6 643.0	2.8%	99.9%	6 908.9	7 415.7	7 876.5	5.8%	99.9%	
Total revenue	6 647.0	2.8%	100.0%	6 913.1	7 420.1	7 881.1	5.8%	100.0%	
Expenses									
Current expenses	7 243.8	-58.1%	100.7%	7 324.1	7 670.6	7 881.8	-2.1%	99.6%	
Compensation of employees	2 831.8	11.0%	37.4%	3 029.8	3 232.7	3 423.0	6.5%	41.4%	
Goods and services	4 340.2	6.2%	61.1%	4 276.9	4 358.9	4 411.0	0.5%	57.6%	
of which:									
Agency and support / outsourced services	183.0	24.2%	2.1%	189.4	172.4	179.8	-0.6%	2.4%	
Communication	166.7	15.6%	1.9%	162.6	165.8	171.2	0.9%	2.2%	
Computer services	490.8	14.6%	5.3%	326.3	300.4	314.9	-13.7%	4.8%	
Payment contractors	2 085.9	2.5%	32.1%	2 179.4	2 202.0	2 329.8	3.8%	29.1%	
Lease payments	353.5	-0.1%	5.3%	379.7	396.2	410.1	5.1%	5.1%	
Repairs and maintenance	223.8	21.3%	2.4%	231.0	217.8	159.0	-10.8%	2.8%	
Property payments	300.2	10.5%	4.1%	313.7	327.7	341.7	4.4%	4.2%	
Depreciation	70.9	0.9%	1.1%	16.4	78.0	46.7	-13.0%	0.7%	
Interest, dividends and rent on land	0.9	-76.1%	1.1%	1.0	1.0	1.0	3.8%	0.0%	
Transfers and subsidies	23.8	7.2%	0.4%	27.0	27.0	29.3	7.3%	0.4%	
Total expenses	7 267.6	7.9%	100.0%	7 351.1	7 697.6	7 911.1	2.9%	–	
Surplus/(Deficit)	(621.0)	-222.0%		(438.0)	(277.0)	(30.0)	-63.6%		

Table 17.14 South African Social Security Agency statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Carrying value of assets	747.9	16.1%	32.5%	438.0	277.4	30.0	-65.8%	27.6%
of which:								
Acquisition of assets	(105.7)	12.2%	-8.3%	(149.6)	(152.7)	(161.6)	15.2%	-15.8%
Inventory	32.4	30.0%	1.1%	34.0	35.7	37.8	5.3%	3.8%
Receivables and prepayments	16.9	-8.8%	0.9%	17.7	18.6	19.7	5.3%	2.0%
Cash and cash equivalents	1 036.8	-14.3%	65.6%	705.4	676.8	451.7	-24.2%	66.6%
Total assets	1 834.0	-5.3%	100.0%	1 195.1	1 008.6	539.2	-33.5%	100.0%
Accumulated surplus/(deficit)	620.6	-17.1%	50.7%	438.0	277.4	30.0	-63.6%	20.6%
Finance lease	0.3	-58.2%	0.1%	0.3	0.3	0.3	5.3%	0.0%
Trade and other payables	877.1	9.2%	33.4%	751.4	907.5	960.1	3.1%	56.1%
Provisions	336.0	-5.1%	15.9%	352.8	370.5	391.1	5.2%	23.3%
Total equity and liabilities	1 834.0	-5.3%	100.0%	1 542.5	1 555.7	1 381.6	-50.0%	100.0%

Personnel information

Table 17.15 South African Social Security Agency personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)						
		2014/15	Unit Cost	2015/16	Unit Cost	2016/17	2017/18	2018/19	2015/16 - 2018/19										
South African Social Security Agency		10 742	2 485.1	0.2	9 793	2 831.8	0.3	9 793	3 029.8	0.3	9 793	3 232.7	0.3	9 793	3 423.0	0.3	6.5%	100.0%	
Salary level	9 793	21 208																	
1 – 6	6 041	13 105	7 336	1 035.4	0.1	6 041	1 078.4	0.2	6 040	1 142.8	0.2	6 040	1 206.1	0.2	6 040	1 264.9	0.2	5.5%	61.7%
7 – 10	2 960	6 856	2 705	914.9	0.3	2 960	1 098.3	0.4	2 963	1 188.0	0.4	2 963	1 276.8	0.4	2 963	1 358.8	0.5	7.4%	30.2%
11 – 12	532	914	484	330.4	0.7	532	396.1	0.7	530	427.6	0.8	530	465.3	0.9	530	500.9	0.9	8.1%	5.4%
13 – 16	260	333	217	204.5	0.9	260	259.0	1.0	260	271.4	1.0	260	284.6	1.1	260	298.4	1.1	4.8%	2.7%

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 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. Its projected expenditure for 2016/17 is R283.9 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 2015/16	Medium-term expenditure estimate	
				2012/13	2013/14	2014/15		2016/17	2017/18
Departmental infrastructure									
Small projects (total project cost of less than R250 million over the project life cycle)									
Construction of substance abuse treatment centres	Planning and design	Tender	15.0	-	-	-	15.0	-	-
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			175.5	-	-	27.5	62.5	85.5	-

Vote 18

Correctional Services

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	3 876.2	3 726.4	17.7	132.1	4 199.5	4 458.2
Incarceration	13 700.9	12 783.9	113.1	803.8	14 498.4	15 624.2
Rehabilitation	1 217.3	1 168.7	0.1	48.5	1 439.2	1 541.4
Care	1 975.1	1 968.4	0.4	6.4	2 010.7	2 122.8
Social Reintegration	807.8	805.7	0.2	1.9	901.1	954.2
Total expenditure estimates	21 577.3	20 453.1	131.4	992.7	23 048.9	24 700.7
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 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), as amended; 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, thus facilitating 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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	0.028% (43)	0.038% (60)	0.031% (49)	0.025% (39)	0.024% (38)	0.023% (36)	0.022% (35)
Percentage of inmates injured as a result of reported assaults in correctional centres and remand detention facilities per year	Incarceration		4.5% (6 884)	4.7% (7 370)	4.9% (7 850)	3.9% (6 069)	3.7% (5 818)	3.5% (5 546)	3.4% (5 427)
Percentage of overcrowding in correctional centres and remand detention facilities in excess of approved capacity ¹	Incarceration		28.7% (33 953)	29.7% (35 370)	31.9% (38 007)	31% (36 486)	32% (38 123)	33% (39 314)	34% (40 506)
Percentage of sentenced offenders subjected to correctional programmes per year	Rehabilitation		- ²	- ²	69% (68 624)	68% (64 452)	72% (76 632)	76% (82 764)	80% (88 224)
Percentage of offenders participating in skills development programmes measured against the number of offenders enrolled per year	Rehabilitation		- ²	- ²	80% (6 863)	80% (7 551)	80% (8 306)	80% (9 136)	80% (10 049)
Percentage of inmates on antiretroviral therapy (cumulative)	Care		96% (11 814)	96% (15 417)	97% (17 526)	96% (21 788)	98% (24 721)	99% (27 478)	99% (30 052)
Percentage of parolees without violations per year	Social Reintegration		84.9% (39 269)	94.1% (46 380)	98.2% (49 928)	95% (55 567)	96% (59 230)	97% (65 173)	97% (70 972)
Percentage of probationers without violations per year	Social Reintegration		- ²	92.8% (15 543)	97.7% (16 913)	94% (17 443)	95% (18 429)	96% (19 806)	97% (21 283)

1. Targets for this indicator 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.

2. No historical data is available as these are new indicators.

Expenditure analysis

Over the medium term, the Department of Correctional Services will focus on: protecting society by detaining inmates in safe, secure and humane conditions in correctional centres and remand detention facilities; correcting offending behaviour by providing sentenced offenders with needs based rehabilitation programmes and interventions; and building safety by reintegrating offenders into the community as law abiding citizens and 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. The department's work overall is informed by chapter 12 (building safer communities) of the national development plan.

Safe, secure and humane detention

Activities such as managing security operations for sentenced offenders and remand detainees, profiling inmates and compiling needs based correctional sentence plans, and inmate administration, such as admissions and releases, are funded in the *Incarceration* programme. The programme comprises the bulk of the department's spending at R43.8 billion over the medium term. These funds also support the department's work to reduce the number of inmates who escape and the number injured in assaults, and other safety and security activities. Since this work is labour intensive, most of the spending is on compensation of employees, which comprises 70.6 per cent of the programme's budget over the period. In 2015/16, the *Incarceration* programme had 28 283 funded posts, expected to increase to 28 322 over the medium term.

42 additional staff for the Judicial Inspectorate for Correctional Services will be funded by a reprioritisation of R48.9 million over the medium term within compensation of employees from the *Incarceration* programme to the *Administration* programme. The inspectorate facilitates inspections of correctional centres and reports on the treatment of inmates and conditions of incarceration, and these additional staff will strengthen its impact.

Needs based rehabilitation

The national development plan's integrated, interdepartmental approach to building safer communities includes improving the rehabilitation of offenders. Rehabilitation improves offenders' reintegration into society and contributes towards reducing recidivism. Sentenced offenders are assessed, and informed about all the correctional programmes and interventions in their correctional facility. Each offender signs an individual correctional sentence plan based on the assessment of their needs. It is compulsory for all sentenced offenders serving a sentence of 24 months or longer to attend correctional programmes, which are regularly reviewed.

Case management committees are required for ensuring that offenders have correctional sentence plans and that the plans are reviewed and updated. The department will fund the operationalisation of case management committees through reprioritising R193.4 million in 2016/17, R206.6 million in 2017/18 and R220.6 million in 2018/19 within compensation of employees within the *Incarceration* programme. All other rehabilitation activities are budgeted for in the *Rehabilitation* programme, which is allocated R4.2 billion over the medium term. 69.1 per cent goes to salaries for the officials who provide the rehabilitation programmes. The rest of the funds are for supplies for departmental workshops, which include wood, steel and textiles workshops, bakeries and a shoe factory, and agricultural facilities. The department also manages 21 farms and 96 small sites that are being used for self-sufficiency and to provide work opportunities for offenders.

Over the medium term, the department plans to increase the percentage of sentenced offenders assigned to correctional programmes from 68 per cent to 80 per cent, and maintain the percentage of offenders participating in skills development programmes at 80 per cent. Better marketing of the programmes and the appointment of external service providers to provide more training opportunities for offenders will contribute to these goals.

Reintegrating offenders into the community

By encouraging and facilitating victim offender dialogues (a facilitated preparation and dialogue process), the department plans to increase the number of victims who participate in these and other restorative justice programmes to 15 000 in 2018/19. By increasing its partnerships with non-government organisations, the department plans to increase the number of parolees in halfway house partnerships to 200 in 2018/19. Halfway houses assist offenders to experience a stable home environment, and provide them with a fixed address from where they can be monitored. The department will improve the administration and supervision of offenders placed under the system of community corrections over the medium term, including by training officials in

applying a new manual on supervision procedure. And the department aims to increase the percentage of parolees without violations to 97 per cent in 2018/19, and probationers without violations to 97 per cent.

To enhance the effectiveness of the community corrections system, the rollout of an electronic monitoring system began in 2014/15 and is expected to reach a total of 5 000 offenders by the end of 2018/19. The system includes tagging offenders electronically and is expected to reduce supervision costs and workloads. In the future, as an alternative sentencing option, electronic tagging could also assist in alleviating overcrowding in correctional centres. The budget for electronic monitoring is R32.4 million in 2016/17, R30.3 million in 2017/18 and R32 million in 2018/19.

All these activities are funded by the R2.7 billion allocated to the *Social Reintegration* programme. Because the work is labour intensive, most of the spending is on compensation of employees, which is projected to take up 85.3 per cent of the programme's total budget over the medium term.

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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	4 924.0	4 653.7	3 139.6	3 687.8	3 724.7	3 514.1	3 622.9	3 623.7	3 641.7	3 697.3	3 694.5	3 694.5	87.8%	89.1%
Programme 2	9 457.2	9 462.4	10 994.8	11 584.4	11 527.1	11 702.8	12 299.0	12 299.8	12 180.5	13 080.9	13 051.5	13 051.5	103.2%	103.4%
Programme 3	972.1	966.8	841.6	1 092.4	1 077.3	950.0	1 165.8	1 166.3	1 019.5	1 152.0	1 155.3	1 155.3	90.5%	90.9%
Programme 4	1 630.5	1 871.9	1 668.9	1 582.2	1 617.0	1 799.2	1 747.2	1 745.8	1 940.2	1 796.3	1 796.3	1 796.3	106.6%	102.5%
Programme 5	748.4	745.5	668.6	801.3	802.4	684.4	886.2	886.3	747.4	891.2	891.0	891.0	89.9%	90.0%
Total	17 732.2	17 700.3	17 313.6	18 748.1	18 748.5	18 650.6	19 721.1	19 721.8	19 529.3	20 617.6	20 588.6	20 588.6	99.0%	99.1%
Change to 2015 Budget estimate											(29.0)			
Economic classification														
Current payments	16 619.3	16 583.5	16 279.5	17 554.0	17 553.6	17 437.2	18 585.5	18 583.9	18 382.1	19 514.3	19 192.5	19 192.5	98.6%	99.1%
Compensation of employees	11 550.3	11 550.3	11 337.8	12 452.1	12 357.1	12 190.1	13 315.6	13 315.6	12 611.5	14 034.1	13 155.1	13 155.1	96.0%	97.8%
Goods and services	5 069.0	5 033.1	4 941.7	5 102.0	5 196.4	5 246.2	5 269.9	5 268.3	5 770.2	5 480.2	6 037.4	6 037.4	105.1%	102.1%
of which:														
Contractors	417.0	417.0	160.2	251.0	262.4	103.5	313.1	288.1	127.5	231.8	236.4	236.4	51.7%	52.1%
Agency and support/outsource services	133.7	401.7	587.1	125.7	469.6	625.1	459.2	466.4	677.4	504.3	712.7	712.7	212.8%	126.9%
Inventory: Food and food supplies	725.6	558.2	344.6	591.6	202.5	349.4	345.8	352.0	363.0	353.2	378.9	378.9	71.2%	96.3%
Operating leases	1 638.4	1 638.4	1 607.6	1 656.6	1 733.7	1 655.0	1 782.8	1 785.4	1 785.3	1 912.9	1 973.1	1 973.1	100.4%	98.5%
Property payments	4.0	4.0	5.4	4.3	5.6	6.0	4.6	4.6	921.0	825.7	925.7	925.7	221.5%	197.7%
Travel and subsistence	2.6	2.6	3.4	5.0	7.8	5.6	17.5	18.2	277.1	253.4	264.8	264.8	197.8%	187.8%
Interest and rent on land	-	-	-	-	-	0.9	-	-	0.4	-	-	-	-	-
Transfers and subsidies	74.2	74.9	79.1	77.6	78.0	112.1	81.8	82.6	127.6	120.5	121.4	121.4	124.4%	123.4%
Provinces and municipalities	5.9	5.9	4.2	5.8	5.8	4.2	6.4	6.5	3.9	5.3	5.3	5.3	75.0%	74.8%
Departmental agencies and accounts	5.7	5.7	6.8	8.4	8.4	8.5	8.9	8.9	9.8	9.4	9.4	9.4	106.2%	106.2%
Households	62.5	63.2	68.1	63.4	63.8	99.5	66.5	67.2	114.0	105.8	106.8	106.8	130.2%	129.0%

Table 18.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	1 038.7	1 042.0	950.0	1 116.5	1 116.9	1 097.7	1 053.8	1 055.4	1 013.0	982.8	1 274.6	1 274.6	103.4%	96.6%
Payments for capital assets														
Buildings and other fixed structures	811.4	811.4	872.6	798.9	798.9	862.4	800.7	800.7	846.1	801.0	801.0	801.0	105.3%	105.3%
Machinery and equipment	227.3	230.6	75.6	286.4	286.8	205.3	251.4	253.0	163.4	179.4	458.6	458.6	95.6%	73.5%
Biological assets	-	0.0	1.9	1.2	1.2	3.0	1.6	1.6	3.2	2.0	2.5	2.5	218.6%	195.3%
Software and other intangible assets	-	-	-	30.0	30.0	27.0	-	-	0.4	0.5	12.5	12.5	131.0%	94.0%
Payments for financial assets	-	-	4.9	-	-	3.7	-	-	6.5	-	-	-	-	-
Total	17 732.2	17 700.3	17 313.6	18 748.1	18 748.5	18 650.6	19 721.1	19 721.8	19 529.3	20 617.6	20 588.6	20 588.6	99.0%	99.1%

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Programme 1	3 694.5	-7.4%	18.4%	3 876.2	4 199.5	4 458.2	6.5%	18.0%
Programme 2	13 051.5	11.3%	63.0%	13 700.9	14 498.4	15 624.2	6.2%	63.3%
Programme 3	1 155.3	6.1%	5.2%	1 217.3	1 439.2	1 541.4	10.1%	6.0%
Programme 4	1 796.3	-1.4%	9.5%	1 975.1	2 010.7	2 122.8	5.7%	8.8%
Programme 5	891.0	6.1%	3.9%	807.8	901.1	954.2	2.3%	4.0%
Total	20 588.6	5.2%	100.0%	21 577.3	23 048.9	24 700.7	6.3%	100.0%
Change to 2015 Budget estimate				(281.0)	(86.4)	223.5		
Economic classification								
Current payments	19 192.5	5.0%	93.7%	20 453.1	21 925.5	23 527.5	7.0%	94.6%
Compensation of employees	13 155.1	4.4%	64.8%	14 821.4	15 952.2	17 228.0	9.4%	68.0%
Goods and services	6 037.4	6.3%	28.9%	5 631.7	5 973.3	6 299.5	1.4%	26.6%
of which:								
Contractors	236.4	-17.2%	0.8%	225.6	272.9	291.2	7.2%	1.1%
Agency and support/outsourced services	712.7	21.1%	3.4%	646.6	559.0	593.0	-5.9%	2.8%
Inventory: Food and food supplies	378.9	-12.1%	1.9%	297.8	415.2	425.2	3.9%	1.7%
Operating leases	1 973.1	6.4%	9.2%	2 022.2	2 087.5	2 196.6	3.6%	9.2%
Property payments	925.7	514.4%	2.4%	865.9	910.3	963.1	1.3%	4.1%
Travel and subsistence	264.8	365.2%	0.7%	202.2	258.5	275.0	1.3%	1.1%
Transfers and subsidies	121.4	17.5%	0.6%	131.4	146.2	154.7	8.4%	0.6%
Provinces and municipalities	5.3	-3.9%	0.0%	5.9	6.5	6.9	9.7%	0.0%
Departmental agencies and accounts	9.4	18.0%	0.0%	9.9	10.4	11.0	5.4%	0.0%
Households	106.8	19.1%	0.5%	115.6	129.3	136.7	8.6%	0.5%
Payments for capital assets	1 274.6	6.9%	5.7%	992.7	977.3	1 018.5	-7.2%	4.7%
Buildings and other fixed structures	801.0	-0.4%	4.4%	770.8	759.9	746.2	-2.3%	3.4%
Machinery and equipment	458.6	25.8%	1.2%	219.7	215.3	270.2	-16.2%	1.3%
Biological assets	2.5	324.9%	0.0%	2.2	2.0	2.1	-5.6%	0.0%
Software and other intangible assets	12.5	-	0.1%	-	-	-	-100.0%	0.0%
Total	20 588.6	5.2%	100.0%	21 577.3	23 048.9	24 700.7	6.3%	100.0%

Personnel information

Table 18.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																			
1. Administration																			
2. Incarceration																			
3. Rehabilitation																			
4. Care																			
5. Social Reintegration																			
Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost								
Correctional Services	42 006	1 162	38 440	2 611.5	0.3	41 967	3 155.1	0.3	42 006	5 111.0	0.4	42 006	6 862.0	0.4	42 006	8 214.8	0.4	0.0%	100.0%
Salary level																			
1 – 6	22 767	1 088	22 262	5 614.2	0.3	23 435	5 880.1	0.3	23 474	6 433.8	0.3	23 474	6 890.5	0.3	23 474	7 550.9	0.3	0.1%	55.9%
7 – 10	17 707	4	15 200	6 050.4	0.4	17 317	6 306.1	0.4	17 317	7 498.3	0.4	17 317	8 678.8	0.5	17 317	9 290.0	0.5	–	41.2%
11 – 12	1 317	64	767	655.7	0.9	999	713.9	0.7	999	860.5	0.9	999	950.2	1.0	999	1 010.7	1.0	–	2.4%
13 – 16	215	6	211	291.2	1.4	216	255.0	1.2	216	318.4	1.5	216	342.6	1.6	216	363.2	1.7	–	0.5%
Programme	42 006	1 162	38 440	2 611.5	0.3	41 967	3 155.1	0.3	42 006	5 111.0	0.4	42 006	6 862.0	0.4	42 006	8 214.8	0.4	0.0%	100.0%
Programme 1	7 087	883	5 956	2 492.0	0.4	7 078	2 337.8	0.3	7 078	2 964.6	0.4	7 078	3 178.9	0.4	7 078	3 362.3	0.5	–	16.9%
Programme 2	28 283	216	26 741	8 130.2	0.3	28 283	8 943.5	0.3	28 322	9 874.2	0.3	28 322	1 113.7	0.4	28 322	2 137.2	0.4	0.0%	67.4%
Programme 3	2 415	24	2 006	717.7	0.4	2 394	709.1	0.3	2 394	844.5	0.4	2 394	999.6	0.4	2 394	1 055.1	0.4	–	5.7%
Programme 4	2 008	36	1 735	642.5	0.4	2 003	505.3	0.3	2 003	738.4	0.4	2 003	801.5	0.4	2 003	847.6	0.4	–	4.8%
Programme 5	2 213	3	2 002	629.1	0.3	2 209	659.3	0.3	2 209	689.3	0.3	2 209	768.5	0.3	2 209	812.6	0.4	–	5.3%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(909.9)	–	–	(986.8)	–	–	–
Total	42 006	1 162	38 440	2 611.5	0.3	41 967	3 155.1	0.3	42 006	5 111.0	0.4	42 006	5 952.2	–	–	–	–	–	–

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

2. The department's compensation of employees budget has been reduced by R1.9 billion for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 18.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)	
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18			2018/19
Departmental receipts	127 015	117 129	139 752	124 437	124 434	-0.7%	100.0%	125 790	131 019	136 877	3.2%	100.0%	
Sales of goods and services produced by department	46 541	51 842	55 239	46 257	46 257	-0.2%	39.3%	61 460	64 056	66 698	13.0%	46.0%	
Sales by market establishments	28 541	29 568	30 912	30 373	30 373	2.1%	23.5%	40 411	42 199	43 867	13.0%	30.3%	
of which:													
Rental: Dwellings	28 191	29 568	29 751	30 313	30 313	2.4%	23.2%	27 637	28 954	30 130	-0.2%	22.6%	
Rental: Non residential	350	–	867	–	–	-100.0%	0.2%	531	557	583	–	0.3%	
Rental machinery and equipment	–	–	1	–	–	–	–	141	148	155	–	0.1%	
Sale of wool/skin	–	–	293	60	60	–	0.1%	13	14	14	-38.4%	–	
Other	–	–	–	–	–	–	–	12 089	12 526	12 985	–	7.3%	
Other sales	18 000	22 274	24 327	15 884	15 884	-4.1%	15.8%	21 049	21 857	22 831	12.9%	15.8%	
of which:													
Services rendered: Commission	13 800	22 274	12 833	14 448	14 448	1.5%	12.5%	15 170	15 900	16 700	4.9%	12.0%	
Government motor transport	4 200	–	–	–	–	-100.0%	0.8%	215	227	240	–	0.1%	
Sales: Agricultural products	–	–	–	1 436	1 436	–	0.3%	610	633	658	-22.9%	0.6%	
Services rendered: Boarding services	–	–	263	–	–	–	0.1%	16	17	17	–	–	
Other	–	–	11 231	–	–	–	2.2%	5 038	5 080	5 216	–	3.0%	

Table 18.5 Departmental receipts by economic classification

Departmental receipts	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
R thousand												
Sales of scrap, waste, arms and other used current goods	2 042	2 292	2 108	3 191	2 221	2.8%	1.7%	1 440	1 503	1 567	-11.0%	1.3%
of which:												
Condemned linen	–	–	21	32	5	–	–	9	10	10	26.0%	–
Kitchen refuse	–	–	152	216	216	–	0.1%	146	154	160	-9.5%	0.1%
Scrap	2 042	2 292	1 920	2 925	1 700	-5.9%	1.6%	1 268	1 321	1 378	-6.8%	1.1%
Waste paper	–	–	15	18	300	–	0.1%	17	18	19	-60.1%	0.1%
Transfers received	213	5	–	–	–	-100.0%	–	–	–	–	–	–
Fines, penalties and forfeits	17 118	16 484	18 159	23 273	20 900	6.9%	14.3%	16 929	17 661	18 432	-4.1%	14.3%
Interest, dividends and rent on land	538	–	724	100	350	-13.4%	0.3%	–	–	–	-100.0%	0.1%
Interest	538	–	724	100	350	-13.4%	0.3%	–	–	–	-100.0%	0.1%
Sales of capital assets	14 773	3 246	7 423	10 124	4 000	-35.3%	5.8%	1 456	918	952	-38.0%	1.4%
Transactions in financial assets and liabilities	45 790	43 260	56 099	41 492	50 706	3.5%	38.5%	44 505	46 881	49 228	-1.0%	36.9%
Total	127 015	117 129	139 752	124 437	124 434	-0.7%	100.0%	125 790	131 019	136 877	3.2%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 18.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Ministry	38.5	34.4	31.2	32.6	-5.4%	1.0%	34.6	36.5	38.7	5.8%	0.9%
Judicial Inspectorate for Correctional Services	31.4	36.8	38.2	48.4	15.5%	1.1%	65.3	69.4	73.1	14.8%	1.6%
Management	438.9	611.7	514.1	717.2	17.8%	16.3%	739.9	798.8	848.8	5.8%	19.1%
Human Resources	1 246.0	1 355.3	1 508.8	1 516.9	6.8%	40.2%	1 670.3	1 817.9	1 937.4	8.5%	42.8%
Finance	928.6	1 026.6	1 085.8	990.9	2.2%	28.8%	957.0	1 035.6	1 096.4	3.4%	25.1%
Internal Audit	50.1	65.1	67.4	89.7	21.4%	1.9%	95.3	103.3	109.4	6.8%	2.5%
Information Technology	297.7	259.6	326.3	238.7	-7.1%	8.0%	235.3	256.1	268.9	4.0%	6.2%
Office Accommodation	108.4	124.7	70.0	60.2	-17.8%	2.6%	78.5	81.7	85.6	12.5%	1.9%
Total	3 139.6	3 514.1	3 641.7	3 694.5	5.6%	100.0%	3 876.2	4 199.5	4 458.2	6.5%	100.0%
Change to 2015 Budget estimate				(2.8)			(61.5)	17.0	33.0		
Economic classification											
Current payments	3 071.5	3 303.5	3 499.7	3 340.2	2.8%	94.5%	3 726.4	4 050.3	4 301.0	8.8%	95.0%
Compensation of employees	2 086.0	2 253.3	2 492.0	2 337.8	3.9%	65.5%	2 964.6	3 178.9	3 362.3	12.9%	73.0%
Goods and services	985.4	1 049.4	1 007.6	1 002.4	0.6%	28.9%	761.8	871.5	938.6	-2.2%	22.0%
of which:											
Audit costs: External	43.8	47.3	47.5	43.8	–	1.3%	46.0	48.3	51.1	5.3%	1.2%
Communication	65.3	61.9	51.5	51.3	-7.7%	1.6%	46.0	51.2	54.4	1.9%	1.2%
Computer services	108.6	93.1	76.3	144.9	10.1%	3.0%	123.6	142.9	150.4	1.2%	3.5%
Fleet services (including government motor transport)	43.7	138.2	156.8	97.7	30.7%	3.1%	95.8	96.1	100.0	0.8%	2.4%
Operating leases	71.9	109.6	72.7	39.9	-17.8%	2.1%	59.5	62.6	65.4	17.9%	1.4%
Travel and subsistence	183.0	152.3	151.4	162.1	-4.0%	4.6%	121.9	142.1	150.0	-2.6%	3.5%
Interest and rent on land	–	0.8	0.0	–	–	–	–	–	–	–	–

Table 18.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Transfers and subsidies	19.3	37.0	31.8	16.9	-4.3%	0.8%	17.7	19.8	20.9	7.3%	0.5%
Provinces and municipalities	4.2	3.4	3.9	5.3	7.5%	0.1%	5.9	6.5	6.9	9.7%	0.2%
Departmental agencies and accounts	6.8	8.4	9.8	9.4	11.7%	0.2%	9.9	10.4	11.0	5.4%	0.3%
Households	8.3	25.2	18.1	2.3	-35.0%	0.4%	1.9	2.8	3.0	9.4%	0.1%
Payments for capital assets	45.1	171.0	106.4	337.3	95.6%	4.7%	132.1	129.4	136.3	-26.1%	4.5%
Machinery and equipment	45.0	143.9	106.0	324.9	93.3%	4.4%	132.1	129.4	136.3	-25.1%	4.5%
Biological assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	-	27.0	0.4	12.4	-	0.3%	-	-	-	-100.0%	0.1%
Payments for financial assets	3.8	2.7	3.8	-	-100.0%	0.1%	-	-	-	-	-
Total	3 139.6	3 514.1	3 641.7	3 694.5	5.6%	100.0%	3 876.2	4 199.5	4 458.2	6.5%	100.0%
Proportion of total programme expenditure to vote expenditure	18.1%	18.8%	18.6%	17.9%	-	-	18.0%	18.2%	18.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6.8	8.4	9.8	9.4	11.7%	0.2%	9.9	10.4	11.0	5.4%	0.3%
Safety and Security Sector Education and Training Authority	6.8	8.4	9.8	9.4	11.7%	0.2%	9.9	10.4	11.0	5.4%	0.3%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	4.2	3.4	3.9	5.3	7.5%	0.1%	5.9	6.5	6.9	9.7%	0.2%
Vehicle licences	4.2	3.4	3.9	5.3	7.5%	0.1%	5.9	6.5	6.9	9.7%	0.2%
Households											
Social benefits											
Current	8.3	24.9	17.5	2.3	-34.9%	0.4%	1.9	2.8	3.0	9.4%	0.1%
Employee social benefits	8.3	24.9	16.0	2.3	-34.9%	0.4%	1.9	2.8	3.0	9.4%	0.1%
Public corporations	-	0.0	1.6	-	-	-	-	-	-	-	-

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:
 - reducing the percentage of inmates who escape from 0.031 per cent in 2014/15 to 0.022 per cent in 2018/19
 - reducing the percentage of inmates injured as a result of reported assaults from 4.9 per cent in 2014/15 to 3.4 per cent in 2018/19
 - reducing the percentage of unnatural deaths from a projected 0.034 per cent in 2015/16 to 0.031 per cent in 2018/19.
- Provide facilities that will contribute to humane incarceration by:
 - managing overcrowding to remain below 34 per cent between 2016/17 and 2018/19
 - upgrading at least 16 facilities and creating 5 505 new bed spaces between 2015/16 and 2018/19.
- 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 87 per cent in 2015/16 to 93 per cent in 2018/19.

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 219 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 18.7 Incarceration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Security Operations	5 746.2	5 942.4	5 830.6	6 527.9	4.3%	50.1%	6 775.7	7 413.2	8 190.1	7.9%	50.8%
Facilities	3 380.1	3 472.1	3 879.0	3 827.9	4.2%	30.3%	3 949.6	4 080.4	4 246.4	3.5%	28.3%
Remand Detention	247.6	507.4	574.9	821.8	49.2%	4.5%	684.5	690.9	737.4	-3.5%	5.2%
Offender Management	1 683.8	1 781.0	1 896.0	1 926.5	4.6%	15.2%	2 291.0	2 314.0	2 450.2	8.3%	15.8%
Total	11 057.8	11 702.8	12 180.5	13 104.2	5.8%	100.0%	13 700.9	14 498.4	15 624.2	6.0%	100.0%
Change to 2015 Budget estimate				23.3			(140.6)	60.9	207.5		
Current payments	10 126.0	10 764.7	11 242.8	12 168.9	6.3%	92.2%	12 783.9	13 578.4	14 708.6	6.5%	93.5%
Compensation of employees	7 584.1	8 105.7	8 130.2	8 943.5	5.6%	68.2%	9 584.6	10 203.8	11 150.4	7.6%	70.1%
Goods and services	2 541.9	2 658.9	3 112.4	3 225.3	8.3%	24.0%	3 199.3	3 374.6	3 558.1	3.3%	23.5%
of which:											
Contractors	103.7	48.3	69.4	192.1	22.8%	0.9%	187.4	203.6	217.0	4.2%	1.4%
Inventory: Clothing material and accessories	–	35.2	28.4	20.4	–	0.2%	36.2	39.3	41.4	26.6%	0.2%
Consumable supplies	–	59.7	58.6	56.9	–	0.4%	57.0	51.5	51.0	-3.6%	0.4%
Operating leases	1 513.2	1 508.4	1 656.4	1 813.4	6.2%	13.5%	1 898.5	1 990.6	2 094.0	4.9%	13.7%
Property payments	689.2	819.6	910.8	898.2	9.2%	6.9%	839.3	882.5	933.7	1.3%	6.2%
Travel and subsistence	69.8	46.9	83.7	51.6	-9.6%	0.5%	34.5	54.7	58.4	4.2%	0.3%
Interest and rent on land	–	0.1	0.2	–	–	–	–	–	–	–	–
Transfers and subsidies	51.6	65.8	80.8	103.7	26.2%	0.6%	113.1	125.8	133.1	8.7%	0.8%
Households	51.6	65.8	80.8	103.7	26.2%	0.6%	113.1	125.8	133.1	8.7%	0.8%
Payments for capital assets	879.3	871.7	854.6	831.6	-1.8%	7.2%	803.8	794.2	782.5	-2.0%	5.6%
Buildings and other fixed structures	872.6	862.4	846.1	801.0	-2.8%	7.0%	770.8	759.9	746.2	-2.3%	5.4%
Machinery and equipment	5.9	8.4	7.6	29.3	71.0%	0.1%	31.6	32.8	34.7	5.8%	0.2%
Biological assets	0.8	0.9	0.8	1.3	17.6%	–	1.4	1.5	1.6	6.2%	–
Payments for financial assets	0.9	0.7	2.3	–	-100.0%	–	–	–	–	–	–
Total	11 057.8	11 702.8	12 180.5	13 104.2	5.8%	100.0%	13 700.9	14 498.4	15 624.2	6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	63.9%	62.7%	62.4%	63.6%	–	–	63.5%	62.9%	63.3%	–	–

Details of selected transfers and subsidies

Households											
Other transfers to households											
Current	18.5	26.2	21.5	20.1	2.8%	0.2%	20.7	21.5	22.7	4.2%	0.1%
Offender gratuity	18.5	26.2	21.5	20.1	2.8%	0.2%	20.7	21.5	22.7	4.2%	0.1%
Households											
Social benefits											
Current	33.1	39.5	59.4	83.6	36.2%	0.4%	92.4	104.3	110.4	9.7%	0.7%
Employee social benefits	33.1	39.5	59.4	83.6	36.2%	0.4%	92.4	104.3	110.4	9.7%	0.7%

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 a projected 11 007 in 2015/16 to 14 651 in 2018/19
 - increasing the number of learners completing further education and training mainstream programmes from a projected 548 in 2015/16 to 729 in 2018/19
 - increasing the number of offenders participating in skills development programmes from a projected 7 551 in 2015/16 to 10 049 in 2018/19.
- Enhance the social functioning and reintegration of offenders into communities by:
 - increasing the percentage of incarcerated offenders and those sentenced to correctional supervision who are involved in social work services from a projected 67 per cent in 2015/16 to 68 per cent in 2018/19
 - increasing the percentage of inmates who are involved in psychological services from a projected 15 per cent in 2015/16 to 18 per cent in 2018/19
 - increasing the percentage of inmates who benefit from spiritual services from a projected 56 per cent in 2015/16 to 60 per cent in 2018/19.

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 18.8 Rehabilitation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Correctional Programmes	27.3	29.2	27.7	47.0	19.8%	3.3%	50.7	64.9	66.6	12.3%	4.3%
Offender Development	556.2	638.7	650.7	757.3	10.8%	65.6%	795.6	915.0	988.1	9.3%	64.6%
Psychological, Social and Spiritual Services	258.1	282.1	341.1	351.0	10.8%	31.1%	371.0	459.3	486.7	11.5%	31.2%
Total	841.6	950.0	1 019.5	1 155.3	11.1%	100.0%	1 217.3	1 439.2	1 541.4	10.1%	100.0%
Change to 2015 Budget estimate				3.3			(31.1)	26.7	47.0		

Table 18.8 Rehabilitation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Current payments	818.8	900.3	972.1	1 056.7	8.9%	94.5%	1 168.7	1 393.8	1 450.3	11.1%	94.7%
Compensation of employees	582.4	651.3	717.7	709.1	6.8%	67.1%	844.5	999.6	1 055.1	14.2%	67.4%
Goods and services	236.4	249.0	254.3	347.6	13.7%	27.4%	324.2	394.2	395.3	4.4%	27.3%
<i>of which:</i>											
<i>Inventory: Clothing material and accessories</i>	–	2.2	2.0	13.6	–	0.4%	39.5	73.3	57.6	61.6%	3.4%
<i>Inventory: Farming supplies</i>	–	125.7	116.7	87.3	–	8.3%	74.9	81.4	85.5	-0.7%	6.1%
<i>Inventory: Materials and supplies</i>	29.3	12.8	17.1	48.7	18.5%	2.7%	27.4	31.8	33.9	-11.4%	2.6%
<i>Inventory: Other supplies</i>	119.7	0.0	0.0	19.7	-45.2%	3.5%	11.8	44.8	47.5	34.1%	2.3%
<i>Consumable supplies</i>	–	10.6	14.0	52.2	–	1.9%	63.4	39.8	41.9	-7.1%	3.7%
<i>Travel and subsistence</i>	22.1	21.7	26.8	22.4	0.5%	2.3%	21.4	22.9	25.5	4.4%	1.7%
<i>Interest and rent on land</i>	–	–	0.2	–	–	–	–	–	–	–	–
Transfers and subsidies	2.7	2.2	3.8	0.1	-72.7%	0.2%	0.1	0.1	0.1	5.6%	–
Households	2.7	2.2	3.8	0.1	-72.7%	0.2%	0.1	0.1	0.1	5.1%	–
Payments for capital assets	20.0	47.4	43.5	98.6	70.2%	5.3%	48.5	45.4	91.0	-2.6%	5.3%
Machinery and equipment	19.1	45.4	41.1	97.3	72.1%	5.1%	47.7	44.8	90.4	-2.4%	5.2%
Biological assets	0.9	2.0	2.3	1.2	10.2%	0.2%	0.8	0.5	0.6	-22.5%	0.1%
Software and other intangible assets	–	–	–	0.1	–	–	–	–	–	-100.0%	–
Payments for financial assets	0.1	0.1	0.2	–	-100.0%	–	–	–	–	–	–
Total	841.6	950.0	1 019.5	1 155.3	11.1%	100.0%	1 217.3	1 439.2	1 541.4	10.1%	100.0%
Proportion of total programme expenditure to vote expenditure	4.9%	5.1%	5.2%	5.6%	–	–	5.6%	6.2%	6.2%	–	–

Details of selected transfers and subsidies

Details of selected transfers and subsidies											
Households											
Social benefits											
Current	2.7	2.2	3.7	0.1	-72.7%	0.2%	0.1	0.1	0.1	5.1%	–
Employee social benefits	2.7	2.2	3.7	0.1	-72.7%	0.2%	0.1	0.1	0.1	5.1%	–

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 tested for HIV from a projected 80 per cent in 2015/16 to 99 per cent in 2018/19
 - increasing the percentage of inmates on antiretroviral therapy from a projected 96 per cent in 2015/16 to 99 per cent in 2018/19
 - increasing the tuberculosis cure rate from a projected 85 per cent in 2015/16 to 88 per cent in 2018/19.
- Improve nutritional services to inmates by maintaining the provision of therapeutic diets at 15 per cent of the total inmate population between 2016/17 and 2017/18.

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 18.9 Care expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Nutritional Services	1 004.0	1 072.7	1 177.5	948.5	-1.9%	58.3%	1 130.8	1 159.8	1 212.5	8.5%	56.3%
Health and Hygiene Services	664.9	726.5	762.7	847.8	8.4%	41.7%	844.3	850.8	910.2	2.4%	43.7%
Total	1 668.9	1 799.2	1 940.2	1 796.3	2.5%	100.0%	1 975.1	2 010.7	2 122.8	5.7%	100.0%
Change to 2015 Budget estimate				-			88.6	(34.7)	(41.3)		
Economic classification											
Current payments	1 662.7	1 792.9	1 929.5	1 790.5	2.5%	99.6%	1 968.4	2 004.3	2 116.0	5.7%	99.7%
Compensation of employees	564.9	600.3	642.5	505.3	-3.6%	32.1%	738.4	801.5	847.6	18.8%	36.6%
Goods and services	1 097.8	1 192.6	1 287.1	1 285.2	5.4%	67.5%	1 230.0	1 202.9	1 268.4	-0.4%	63.1%
<i>of which:</i>											
Agency and support/outsourced services	556.1	603.1	653.4	665.8	6.2%	34.4%	627.5	535.6	568.2	-5.1%	30.3%
Inventory: Food and food supplies	325.9	290.3	341.2	303.4	-2.4%	17.5%	296.7	414.1	424.0	11.8%	18.2%
Inventory: Medicine	42.6	45.5	52.5	56.1	9.6%	2.7%	51.3	59.4	64.0	4.5%	2.9%
Inventory: Other supplies	89.8	0.0	0.1	10.2	-51.6%	1.4%	8.4	32.3	34.4	49.9%	1.1%
Consumable supplies	-	151.2	142.0	118.0	-	5.7%	138.8	45.8	54.1	-22.9%	4.5%
Consumables: Stationery, printing and office supplies	15.3	4.2	3.8	26.5	20.1%	0.7%	34.5	27.7	29.6	3.8%	1.5%
Transfers and subsidies	1.6	2.3	4.6	0.6	-29.8%	0.1%	0.4	0.4	0.4	-9.6%	-
Households	1.6	2.3	4.6	0.6	-29.8%	0.1%	0.4	0.4	0.4	-9.6%	-
Payments for capital assets	4.6	4.0	6.0	5.2	4.2%	0.3%	6.4	6.0	6.3	6.8%	0.3%
Machinery and equipment	4.6	4.0	6.0	5.2	4.2%	0.3%	6.4	6.0	6.3	6.8%	0.3%
Total	1 668.9	1 799.2	1 940.2	1 796.3	2.5%	100.0%	1 975.1	2 010.7	2 122.8	5.7%	100.0%
Proportion of total programme expenditure to vote expenditure	9.6%	9.6%	9.9%	8.7%	-	-	9.2%	8.7%	8.6%	-	-
Households											
Social benefits											
Current	1.6	2.3	4.2	0.6	-29.8%	0.1%	0.4	0.4	0.4	-9.6%	-
Employee social benefits	1.6	2.3	4.2	0.6	-29.8%	0.1%	0.4	0.4	0.4	-9.6%	-

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 604 in 2014/15 to 1 000 in 2016/17, and maintaining this level from 2017/18 onwards
 - increasing the percentage of parolees without violations from a projected 95 per cent in 2015/16 to 97 per cent in 2018/19
 - increasing the percentage of probationers without violations from a projected 94 per cent in 2015/16 to 96 per cent in 2018/19.
- Facilitate the social acceptance and effective reintegration of offenders into society by:
 - increasing the number of victims who participate in restorative justice processes (victim/offender mediations and victim/offender dialogues) from a projected 6 000 in 2015/16 to 15 000 in 2018/19
 - increasing the number of parolees/probationers reintegrated through halfway house partnerships from a projected 110 in 2015/16 to 200 in 2018/19.

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 18.10 Social Reintegration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Supervision	552.5	609.2	684.9	751.3	10.8%	90.3%	733.4	820.2	867.7	4.9%	90.6%
Community Reintegration	33.5	38.8	33.7	42.8	8.5%	5.2%	42.7	46.9	49.6	5.1%	5.2%
Office Accommodation: Community Corrections	19.6	36.4	28.8	44.2	31.2%	4.5%	31.7	34.0	36.8	-5.9%	4.2%
Total	605.7	684.4	747.4	838.3	11.4%	100.0%	807.8	901.1	954.2	4.4%	100.0%
Change to 2015 Budget estimate				(52.9)			(136.4)	(156.2)	(22.7)		
Current payments	600.6	675.8	737.9	836.2	11.7%	99.1%	805.7	898.6	951.6	4.4%	99.7%
Compensation of employees	520.5	579.5	629.1	659.3	8.2%	83.1%	689.3	768.5	812.6	7.2%	83.7%
Goods and services	80.2	96.3	108.8	176.8	30.2%	16.1%	116.4	130.2	139.0	-7.7%	16.1%
of which:											
Communication	8.6	9.9	9.8	9.7	4.3%	1.3%	8.2	10.0	10.6	2.9%	1.1%
Contractors	1.2	0.1	0.2	0.1	-51.8%	0.1%	0.1	30.3	32.0	520.6%	1.8%
Agency and support/outsourced services	4.4	3.9	1.9	4.0	-2.7%	0.5%	4.2	8.4	8.9	30.4%	0.7%
Fleet services (including government motor transport)	-	28.1	24.0	15.3	-	2.3%	14.6	12.0	12.9	-5.5%	1.6%
Operating leases	21.1	36.7	56.0	119.4	78.3%	8.1%	64.0	34.1	36.9	-32.4%	7.3%
Travel and subsistence	29.8	8.0	6.8	13.1	-24.0%	2.0%	10.2	18.7	19.8	14.7%	1.8%
Transfers and subsidies	3.8	4.8	6.6	0.2	-64.6%	0.5%	0.2	0.2	0.2	5.1%	-
Households	3.8	4.8	6.6	0.2	-64.6%	0.5%	0.2	0.2	0.2	5.1%	-
Payments for capital assets	1.1	3.7	2.6	2.0	21.2%	0.3%	1.9	2.3	2.4	6.7%	0.2%
Machinery and equipment	1.1	3.7	2.6	2.0	21.2%	0.3%	1.9	2.3	2.4	6.7%	0.2%
Payments for financial assets	0.1	0.1	0.3	-	-100.0%	-	-	-	-	-	-
Total	605.7	684.4	747.4	838.3	11.4%	100.0%	807.8	901.1	954.2	4.4%	100.0%
Proportion of total programme expenditure to vote expenditure	3.5%	3.7%	3.8%	4.1%	-	-	3.7%	3.9%	3.9%	-	-

Details of selected transfers and subsidies

Households											
Social benefits											
Current	3.8	4.8	6.4	0.2	-64.6%	0.5%	0.2	0.2	0.2	5.1%	-
Employee social benefits	3.8	4.8	6.4	0.2	-64.6%	0.5%	0.2	0.2	0.2	5.1%	-

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		
				2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Departmental infrastructure										
R million										
Worcester, Brandvlei correctional centre	346 additional beds in permanent structures to replace temporary structures, support amenities, development and care facilities, and clinic provided	Handed over	386.8	12.4	-	-	-	-	-	-
Vanrhynsdorp correctional centre	328 additional beds, support amenities, and administration and visitation block provided	Handed over	283.9	19.5	-	2.3	4.3	3.4	-	-
Burgersdorp correctional centre	311 additional beds, support amenities, and development and care facilities provided; existing dilapidated structures upgraded	Design	298.0	-	1.0	-	10.7	40.0	66.0	75.0
Estcourt correctional centre	309 additional beds and support facilities provided	Construction	307.2	16.6	43.7	33.3	32.0	41.4	10.0	5.0
Tzaneen correctional centre	435 additional beds, support amenities, and development and care facilities provided	Construction	264.0	67.8	0.7	12.4	5.0	30.0	-	-
Ingwavuma correctional centre	212 additional beds and support facilities for males provided; old structures refurbished	Design	278.0	0.2	-	-	5.0	14.6	30.0	93.1
Standerton correctional centre	787 additional beds and support facilities provided	Tender	375.5	1.6	42.4	84.5	96.0	80.0	39.1	-
Small projects (total project cost of less than R250 million over the project life cycle)										
Zeerust correctional centre	500 additional beds and support facilities provided	Design	230.0	0.1	-	-	-	-	-	50.0
Nongoma correctional centre	191 additional beds and support facilities provided; heritage building restored	Design	219.0	1.5	3.0	1.2	2.0	5.0	40.3	75.0
Nkandla correctional centre	153 additional beds and support facilities provided; heritage building restored	Design	225.0	-	34.5	-	2.0	5.0	-	-
Maphumulo correctional centre	33 additional beds and support facilities provided; heritage parts of existing building restored	Design	89.0	-	31.1	-	-	-	-	-
C Max correctional centre, Pretoria	12 additional beds and support facilities provided; security upgraded	Construction	148.8	35.9	48.7	18.6	5.0	30.0	35.0	-
Parys correctional centre	176 additional beds, support amenities, and development and care facilities provided; existing dilapidated structures upgraded	Design	94.4	-	5.0	5.5	2.0	20.7	50.0	55.0
Newcastle correctional centre	186 additional beds and support facilities provided	On hold	100.0	-	0.5	-	-	-	-	20.0
Lichtenburg correctional centre	Correctional centre upgraded and 234 additional beds provided	Construction	251.2	66.6	2.4	0.8	2.0	20.0	55.0	55.0
Potchefstroom correctional centre	Correctional centre upgraded, including 761 additional beds provided	Various	225.0	-	9.3	-	2.0	10.0	34.0	-
Bergville correctional centre	Correctional centre upgraded, including 6 cells erected (39 additional beds) and support facilities provided	Various	75.9	0.2	-	0.3	5.0	8.0	30.0	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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Mataiele correctional centre	Correctional centre upgraded, including 10 cells erected (24 additional beds) and support facilities provided; heritage parts of existing building restored	Construction	60.7	23.7	19.3	24.7	5.0	4.2	-	-
Odi correctional centre	Construction of a new access control gate and visitors' waiting rooms provided	Construction	9.8	2.2	-	0.6	-	-	-	22.6
Parole board offices	Construction of 63 parole board offices completed	Handed over	140.2	2.3	-	0.4	-	2.0	1.0	-
Various centres: Perimeter security fencing and intercoms	Perimeter security fencing and intercoms installed; immovable asset management audits conducted	Construction	766.1	264.9	12.0	364.6	249.0	284.4	55.0	35.0
Remand detention feasibility studies	Feasibility studies for remand detention facilities completed	Design	30.0	-	-	-	-	-	15.0	-
Head office	Feasibility study for a new head office building completed	Identification	132.0	-	-	-	15.0	(15.0)	35.0	75.0
Audit of facilities	Correctional centre facilities audited in compliance with Government Immoveable Asset Management Act (2007)	Design	15.0	-	-	56.2	10.0	-	20.0	70.0
Pietermaritzburg, Kokstad and Empaneni correctional centres	Integrated security system provided	Construction	223.0	0.9	-	1.5	65.0	30.0	34.3	49.4
Kimberley, Brandvlei, Ceres, Goodwood, Malmesbury, Klerksdorp and Vannhynsdorp correctional centres	Integrated IT systems installed	Various	63.0	-	-	-	-	15.0	15.0	20.0
King William's Town correctional centre	Correctional centre upgraded	Various	6.0	-	-	-	-	-	-	-
Mtunzini correctional centre	Correctional centre upgraded	Design	3.2	-	2.2	-	-	-	-	-
Kokstad correctional centre	Water and sewerage pipes replaced and other civil works	Identification	45.0	0.2	15.0	-	5.0	10.5	-	-
Brandvlei correctional centre	Structures repaired and maintained	Identification	46.7	0.6	10.0	36.1	-	-	-	-
North End correctional centre: Port Elizabeth	Structures repaired and maintained: Major repair and renovation to entire correctional centre and offices	Construction	121.4	35.5	30.7	15.8	50.0	-	-	-
Rustenburg correctional centre	Structures repaired and maintained: Major repair and renovation to entire correctional centre, offices and staff housing	Various	184.4	8.9	32.8	36.0	41.1	51.4	22.5	-
Durban Westville correctional centre	Structures repaired and maintained: Total repairs to entire correctional centre complex, including civil works and buildings	Identification	69.4	-	-	35.4	5.0	2.0	10.0	17.0
Johannesburg correctional centre	Structures repaired and maintained: Total repairs to the entire correctional centre complex including civil works and buildings	Identification	53.8	-	-	20.8	5.0	2.0	10.0	16.0
St Albans correctional centre	Structures repaired and maintained: Total repairs to the entire correctional centre complex including civil works and buildings	Identification	53.0	-	-	20.4	5.0	2.0	10.0	15.6
Various centres: Standby generators	Standby generators installed	Design	96.6	36.1	-	42.8	46.0	5.0	10.0	-
Various centres: School facilities	New school facilities constructed	Various	135.0	-	1.0	2.9	-	-	11.0	15.0

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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Various centres: Replacement of equipment	Kitchen equipment, boilers, incinerators, and power, water and sewerage systems replaced in compliance with the Occupational Health and Safety Act (1993)	Construction	343.0	26.4	-	-	40.0	5.0	10.0	-
Various centres: Structures repaired and maintained	Repairs to correctional centre facilities and planning for correctional centre facilities such as Brandvlei Maximum and Brits	Design	198.1	21.9	110.5	37.5	11.5	-	11.9	4.8
Other small grouped projects	Integrated security systems installed; kitchen equipment replaced; standby generators and water and sewerage plants upgraded	Various	1 342.2	57.7	127.2	-	50.2	26.5	106.6	10.0
Warm Bokkeveld correctional centre	282 additional beds, support amenities, and development and care facilities provided; existing dilapidated structures upgraded	Handed over	242.1	40.9	-	0.1	-	-	-	-
Glencoe correctional centre	Fire damaged correctional facility upgraded	Construction	41.0	-	-	-	-	15.0	26.0	-
Emthonjeni correctional centre	Integrated security system	Construction	55.0	-	-	-	-	15.0	20.0	20.0
Independent Development Trust	Maintenance of Security Fences		77.2	-	-	-	-	25.7	25.7	25.7
Total			8 404.7	744.5	583.1	854.7	775.8	788.9	838.3	874.2

Vote 19

Defence and Military Veterans

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	5 151.1	4 497.6	644.7	8.8	5 348.4	5 560.4
Force Employment	3 899.6	3 550.9	254.5	94.2	3 945.6	4 039.6
Landward Defence	15 651.4	13 167.6	2 457.9	25.9	16 838.7	17 714.5
Air Defence	6 883.5	5 601.6	1 275.1	6.8	6 596.1	7 240.3
Maritime Defence	4 355.9	2 982.2	1 367.0	6.6	4 557.3	4 427.5
Military Health Support	4 416.8	4 407.4	6.5	2.9	4 400.4	4 578.4
Defence Intelligence	900.2	443.0	456.7	0.6	917.2	944.3
General Support	5 911.1	4 450.8	1 318.4	141.9	6 140.9	6 220.6
Total expenditure estimates	47 169.7	39 101.1	7 780.8	287.8	48 744.6	50 725.7
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 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), as amended by the Defence Amendment Act (2010), as well as the 1996 White Paper on Defence, the 1998 Defence Review 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		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	40	43	43	45	46	46	46
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	8 955	7 005	3 889	3 863	4 001	3 997	3 949
Number of reserve force person days ¹	Administration	Outcome 3: All people in South Africa are and feel safe	- ¹	- ¹	2 695 742	2 442 792	2 701 681	2 707 164	2 707 349
Percentage compliance with the Southern African Development Community standby force pledge	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	100%	79%	79%	100%	100%	100%	100%
Percentage compliance with number of ordered commitments (external operations)	Force Employment Landward Defence Defence Intelligence		125% (5)	83% (5)	140% (7)	100% ²	100% ²	100% ²	100% ²
Percentage compliance with number of ordered commitments (internal operations ³)	Force Employment		100% (4)	100% (4)	100% (4)	100% ²	100% ²	100% ²	100% ²

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of joint, interdepartmental, interagency and multinational military exercises conducted per year	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	5	5	5	5	4	3	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	11	13	13	13	15	15	15
Number of force employment hours flown per year	Air Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	11 697	4 471	5 026	6 500	5 000	5 000	5 000
Number of hours at sea per year	Maritime Defence		7 339	11 081	8 951	12 000	12 000	12 000	12 000

1. This indicator was changed from 2014/15 onwards. It previously measured the number of reserves used per year.

2. Only executed operations are reported on. The number of ordered commitments cannot be predicted, thus no absolute values can be provided.

3. Internal operations include border safeguarding and operations in support of other government departments.

Expenditure analysis

Over the medium term, the Department of Defence will prioritise maintaining South Africa's defence capabilities, safeguarding South Africa's borders and territorial integrity, participating in peace support operations, and developing cyber security policy, among other ongoing contributions to the national development plan. The department also contributes on an ongoing basis to outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium term strategic framework.

Compensation of employees continues to be the department's largest expenditure item over the medium term at R26.9 billion in 2016/17, and increasing to R27.1 billion in 2018/19. Compensation of employees constitutes 57 per cent of the department's total expenditure in 2016/17, and provides for an average of 80 234 personnel per year. As part of Cabinet's decision to lower the national aggregate expenditure ceiling, the department's compensation of employees budget has been reduced by R1.9 billion in 2017/18 and R2.9 billion in 2018/19, decreasing its share of the department's total expenditure to 53.5 per cent by 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

The department's goods and services budget has similarly been reduced, by R193.9 million for 2016/17, R94.3 million for 2017/18 and R82.4 million for 2018/19. Contractors and property payments remain the department's largest spending items under goods and services over the medium term, driven by the significant costs of maintaining equipment such as weapons, aircraft and ships. Other significant goods and services spending anticipated in 2016/17 includes R1.9 billion on property payments, R1.3 billion on operating leases, R1.2 billion on computer services, R896.3 million on food and food supplies, R810.3 million on subsistence and travel, R618.7 million on fuel, oil and gas, and R559.7 million for operating payments.

Maintaining South Africa's defence capabilities

The recent defence review provides the long term policy for South Africa's defence trajectory over the next 20 to 30 years. The focus of the review is maintaining a balanced, flexible and modern force that uses advanced technology in response to emerging threats and the changing nature of defence functions globally. The review proposes 5 critical implementation milestones. Arresting the decline in critical capabilities through immediate and directed interventions is the first milestone, and a focus for the medium term.

The department will be replacing the infantry combat vehicle, developing a mobile water provisioning system, developing a mass field feeding system, developing new generation personal equipment for soldiers, and establishing a new command centre for anti-aircraft capability. This is reflected in the 14.9 per cent increase in 2017/18, and the large increase over the medium term in spending in the *Infantry Capability* subprogramme in the *Landward Defence* programme, as well as the average annual increase of 19.7 per cent in the *Air Defence Artillery Capability* subprogramme over the medium term. The *Landward Defence* programme is the largest programme in the Department of Defence, with average annual spending of 34.1 per cent of the department's total medium term budget.

Replacing medium distance 3D radar and precision guided air force ammunition accounts for the increase in the *Air Defence* programme in 2018/19. In the *Maritime Defence* programme, provision is made in 2016/17 for replacing the hydrographic vessel by 2019/20 and the heavyweight torpedo capability by 2022/23, for the acquisition of offshore patrol vessels by 2024/25, and for updating static communication in the South African

Navy by 2017/18. This is also the main reason for the large increase in expenditure in the *Maritime Combat Capability* subprogramme over the medium term.

Expanding and maintaining infrastructure

Over the medium term, the department's infrastructure programme will cover the construction of medical health facilities, the upgrading of facilities for disabled people, the construction and upgrading of training facilities, improvements to accommodation, and improvements to kitchen and security facilities. Large projects include the construction of a base hospital in Port Elizabeth, and the refurbishment of 6 SA Infantry Battalion in Grahamstown, the air force base in Bloemspruit, the army and air force headquarters in Pretoria, and the non-commissioned officers' mess in Thaba Tshwane. Priority small projects include the refurbishment of the Overberg air force base in Bredasdorp, 1 Tactical Intelligence Regiment in Potchefstroom, Salisbury Island naval base in Durban, and the military academy in Saldanha. Fixed equipment in military kitchens will be replaced at 33 military bases. Unserviceable infrastructure will be demolished in Thaba Tshwane and on Malgaskop at the military academy in Saldanha. The total budget for this work is R3.3 billion over the medium term.

Safeguarding South Africa's borders and territorial integrity

Over the medium term, approximately 6 000 regular and reserve force members will be trained per year for deployment to border safeguarding. This training is budgeted for in the *Landward Defence* programme. In addition, the department will increase the number of landward sub-units from 13 in 2015/16 to 15 in 2016/17. R3.6 billion over the medium term is budgeted for border safeguarding in the *Force Employment* programme. As part of the maritime security strategy, the South African Navy is re-establishing the Durban naval base. R35 million over the medium term is budgeted in the *Maritime Defence* programme to install ICT systems, refurbish security fences, and create warehouse and maintenance capacity.

Participating in peace support operations

The department will continue to provide defence force support in operations to bring economic and political stability to the continent through its participation in 5 external operations: 2 United Nations (UN)/African Union (AU) mandated peace support operations in the Democratic Republic of the Congo and the Sudan; 2 general military assistance operations, which will 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 support to the Mozambican government with counter piracy operations. R4.6 billion over the medium term is provided for these peace support operations.

Establishing cyber security institutional capacity

Outcome 3 (all people in South Africa are and feel safe) of government's 2014/2019 medium term strategic framework includes securing cyberspace. The department's cyber warfare strategy is expected to be ready for implementation by 2016/17. In 2015/16, 10 departmental personnel were transferred to the command centre, which has improved the department's cyber monitoring capacity. The centre will be fully established by 2018/19 and R340 million has been budgeted for this in the *Defence Intelligence* programme 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	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Programme 1	3 730.8	3 820.7	3 781.6	4 434.6	4 509.0	4 511.0	4 866.5	4 499.7	4 659.0	4 827.2	4 862.4	4 862.4	99.7%	100.7%
Programme 2	2 670.9	2 748.2	2 781.0	3 283.9	3 555.7	3 346.7	3 437.0	3 487.0	3 631.4	3 603.2	3 813.3	3 813.3	104.4%	99.8%
Programme 3	12 686.7	12 313.7	12 367.9	13 853.8	13 604.9	13 599.1	13 854.9	14 241.9	14 049.1	14 805.3	15 202.4	15 202.4	100.0%	99.7%
Programme 4	6 749.7	7 118.7	7 074.9	6 250.2	5 714.4	6 031.5	7 166.9	7 176.6	6 913.5	7 049.2	7 167.6	7 167.6	99.9%	100.0%
Programme 5	2 551.3	2 862.3	2 894.9	3 171.1	3 107.3	3 226.4	3 678.5	3 678.5	3 802.4	3 717.2	3 769.1	3 769.1	104.4%	102.1%
Programme 6	3 316.5	3 496.5	3 459.9	3 642.5	3 762.1	3 733.6	3 849.1	3 849.1	4 053.1	3 932.9	4 069.3	4 069.3	103.9%	100.9%
Programme 7	709.7	712.1	705.1	762.4	767.9	774.7	792.1	813.7	819.8	827.5	831.5	831.5	101.3%	100.2%
Programme 8	5 077.4	4 816.4	4 636.9	4 844.8	5 636.8	5 224.6	5 186.3	5 110.5	4 914.1	5 817.0	5 372.6	5 372.6	96.3%	96.2%
Total	37 493.0	37 888.5	37 702.2	40 243.3	40 658.2	40 447.5	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 088.2	100.6%	99.8%
Change to 2015 Budget estimate										508.8				
Economic classification														
Current payments	30 157.0	31 031.2	29 584.6	32 207.9	33 588.1	32 747.9	34 471.1	34 471.1	34 343.5	36 162.0	36 607.6	36 607.6	100.2%	98.2%
Compensation of employees	18 967.8	19 346.1	19 688.4	20 863.8	21 373.0	21 332.7	21 980.2	22 476.2	23 005.8	24 595.0	24 890.4	24 890.4	102.9%	100.9%
Goods and services	11 189.2	11 685.1	9 896.2	11 344.0	12 215.1	11 415.2	12 490.9	11 994.9	11 337.7	11 567.0	11 717.2	11 717.2	95.2%	93.2%
of which:														
Computer services	1 132.9	1 036.1	896.6	888.8	1 129.1	1 019.4	1 073.0	1 050.7	988.4	1 002.8	997.0	997.0	95.2%	92.6%
Contractors	4 195.7	4 380.1	2 041.6	2 230.3	2 337.0	2 538.8	2 789.1	2 789.1	2 735.5	2 705.8	2 705.8	2 705.8	84.1%	82.1%
Inventory: Food and food supplies	1 015.6	1 006.1	725.2	543.7	743.7	833.6	806.6	804.3	872.4	732.8	732.8	732.8	102.1%	96.3%
Operating leases	307.4	343.3	311.4	329.3	333.1	343.5	359.6	359.6	415.4	410.4	407.7	407.7	105.1%	102.4%
Property payments	757.1	758.3	2 130.0	2 960.1	2 914.9	2 506.6	2 970.0	2 493.2	2 151.4	2 755.9	2 755.9	2 755.9	101.1%	107.0%
Travel and subsistence	561.7	557.8	774.5	642.6	663.4	873.6	729.0	740.6	883.8	696.7	699.5	699.5	122.9%	121.4%
Transfers and subsidies	6 376.1	6 078.9	6 103.4	7 355.0	6 171.2	6 422.1	7 838.2	7 863.8	7 400.2	7 830.5	7 893.7	7 893.7	94.6%	99.3%
Provinces and municipalities	-	-	-	-	-	-	0.1	0.1	0.1	0.0	0.0	0.0	68.5%	68.5%
Departmental agencies and accounts	5 327.9	4 966.1	4 960.5	6 192.6	4 695.2	4 697.8	6 624.6	6 650.2	6 144.3	6 687.8	6 745.2	6 745.2	90.8%	97.8%
Foreign governments and international organisations	-	-	-	-	299.1	303.3	-	-	-	-	5.8	5.8	-	101.4%
Public corporations and private enterprises	914.8	974.9	1 028.7	1 021.3	1 032.3	1 337.0	1 096.3	1 096.3	1 114.1	1 025.9	1 025.9	1 025.9	111.0%	109.1%
Non-profit institutions	6.2	6.2	7.0	6.9	6.9	7.7	7.7	7.7	7.9	8.0	8.0	8.0	106.2%	106.2%
Households	127.3	131.6	107.2	134.3	137.6	76.3	109.6	109.6	133.8	108.8	108.8	108.8	88.8%	87.4%
Payments for capital assets	622.2	630.3	1 877.7	680.5	745.3	1 265.5	521.9	521.9	1 081.2	586.9	586.9	586.9	199.5%	193.7%
Buildings and other fixed structures	111.1	111.1	685.3	115.6	115.6	217.0	123.7	123.7	64.9	122.6	122.6	122.6	230.4%	230.4%
Machinery and equipment	460.5	468.6	1 162.8	510.9	575.7	1 045.6	347.1	347.1	1 010.5	451.2	451.2	451.2	207.4%	199.2%
Specialised military assets	49.5	49.5	22.6	40.5	40.5	0.2	45.3	45.3	4.4	12.1	12.1	12.1	26.7%	26.7%
Biological assets	-	-	4.1	0.2	0.2	1.2	-	-	-	-	-	-	3 248.5%	3 248.5%
Software and other intangible assets	1.0	1.0	3.0	13.4	13.4	1.5	5.9	5.9	1.4	1.0	1.0	1.0	32.3%	32.3%
Payments for financial assets	337.7	148.1	136.4	-	153.6	12.0	-	-	17.5	-	-	-	49.1%	55.0%
Total	37 493.0	37 888.5	37 702.2	40 243.3	40 658.2	40 447.5	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 088.2	100.6%	99.8%

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	4 862.4	8.4%	10.7%	5 151.1	5 348.4	5 560.4	4.6%	10.9%
Programme 2	3 813.3	11.5%	8.2%	3 899.6	3 945.6	4 039.6	1.9%	8.2%
Programme 3	15 202.4	7.3%	33.2%	15 651.4	16 838.7	17 714.5	5.2%	34.1%
Programme 4	7 167.6	0.2%	16.4%	6 883.5	6 596.1	7 240.3	0.3%	14.5%
Programme 5	3 769.1	9.6%	8.2%	4 355.9	4 557.3	4 427.5	5.5%	8.9%
Programme 6	4 069.3	5.2%	9.2%	4 416.8	4 400.4	4 578.4	4.0%	9.1%
Programme 7	831.5	5.3%	1.9%	900.2	917.2	944.3	4.3%	1.9%
Programme 8	5 372.6	3.7%	12.1%	5 911.1	6 140.9	6 220.6	5.0%	12.3%
Total	45 088.2	6.0%	100.0%	47 169.7	48 744.6	50 725.7	4.0%	100.0%
Change to 2015				51.0	(1 368.9)	(2 294.4)		
Budget estimate								
Economic classification								
Current payments	36 607.6	5.7%	80.3%	39 101.1	39 477.4	40 752.3	3.6%	81.3%
Compensation of employees	24 890.4	8.8%	53.5%	26 884.6	26 448.0	27 116.7	2.9%	54.9%
Goods and services	11 717.2	0.1%	26.7%	12 216.5	13 029.4	13 635.6	5.2%	26.4%
<i>of which:</i>								
<i>Computer services</i>	997.0	-1.3%	2.3%	1 190.4	1 281.0	1 303.1	9.3%	2.5%
<i>Contractors</i>	2 705.8	-14.8%	6.0%	2 374.2	2 514.6	2 590.6	-1.4%	5.3%
<i>Inventory: Food and food supplies</i>	732.8	-10.0%	1.9%	896.3	918.2	957.3	9.3%	1.8%
<i>Operating leases</i>	407.7	5.9%	0.9%	1 324.0	1 383.5	1 461.9	53.1%	2.4%
<i>Property payments</i>	2 755.9	53.8%	5.7%	1 919.3	2 041.5	2 216.5	-7.0%	4.7%
<i>Travel and subsistence</i>	699.5	7.8%	1.9%	810.3	885.5	907.6	9.1%	1.7%
Transfers and subsidies	7 893.7	9.1%	16.8%	7 780.8	8 833.1	9 493.9	6.3%	17.7%
Provinces and municipalities	0.0	–	0.0%	0.1	0.1	0.1	48.0%	0.0%
Departmental agencies and accounts	6 745.2	10.7%	13.6%	6 622.7	7 442.7	8 035.6	6.0%	15.0%
Foreign governments and international organisations	5.8	–	0.2%	–	–	–	-100.0%	0.0%
Public corporations and private enterprises	1 025.9	1.7%	2.7%	1 025.4	1 260.9	1 326.8	9.0%	2.4%
Non-profit institutions	8.0	8.8%	0.0%	9.5	9.3	9.8	6.9%	0.0%
Households	108.8	-6.2%	0.3%	123.2	120.1	121.6	3.8%	0.2%
Payments for capital assets	586.9	-2.4%	2.9%	287.8	434.2	479.5	-6.5%	0.9%
Buildings and other fixed structures	122.6	3.3%	0.7%	121.9	127.2	133.6	2.9%	0.3%
Machinery and equipment	451.2	-1.3%	2.2%	164.5	305.6	344.5	-8.6%	0.7%
Specialised military assets	12.1	-37.4%	0.0%	1.0	1.0	1.0	-56.6%	0.0%
Software and other intangible assets	1.0	-1.8%	0.0%	0.3	0.4	0.4	-23.3%	0.0%
Total	45 088.2	6.0%	100.0%	47 169.7	48 744.6	50 725.7	4.0%	100.0%

Personnel information

Table 19.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)	
Number of funded posts	Number of posts additional to the establishment	Actual 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						2015/16 - 2018/19					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19							
1. Administration																			
2. Force Employment																			
3. Landward Defence																			
4. Air Defence																			
5. Maritime Defence																			
6. Military Health Support																			
7. Defence Intelligence																			
8. General Support																			
Defence and Military Veterans																			
Salary level	79 446	–	78 011	23 005.8	0.3	79 446	24 890.4	0.3	79 777	26 884.6	0.3	80 179	28 345.4	0.4	80 746	30 028.5	0.4	0.5%	100.0%
1 – 6	53 908	–	52 804	10 317.7	0.2	53 908	11 395.3	0.2	54 434	12 280.1	0.2	55 173	13 224.7	0.2	55 923	14 301.7	0.3	1.2%	68.5%
7 – 10	23 771	–	23 427	8 869.7	0.4	23 771	9 673.7	0.4	23 677	10 333.0	0.4	23 351	10 792.9	0.5	23 187	11 354.0	0.5	-0.8%	29.4%
11 – 12	1 393	–	1 383	969.8	0.7	1 393	1 052.8	0.8	1 308	1 123.2	0.9	1 298	1 182.1	0.9	1 283	1 244.7	1.0	-2.7%	1.6%
13 – 16	371	–	392	386.8	1.0	371	375.1	1.0	354	391.3	1.1	353	412.9	1.2	349	432.4	1.2	-2.0%	0.4%
Other	4	–	5	2 461.7	492.3	4	2 393.4	598.4	4	2 756.9	689.2	4	2 732.8	683.2	4	2 695.6	673.9	–	0.0%
Programme	79 446	–	78 011	23 005.8	0.3	79 446	24 890.4	0.3	79 777	26 884.6	0.3	80 179	28 345.4	0.4	80 746	30 028.5	0.4	0.5%	100.0%
Programme 1	4 234	–	3 940	1 535.0	0.4	4 234	1 741.9	0.4	3 906	1 860.5	0.5	3 888	1 961.4	0.5	3 984	2 074.0	0.5	-2.0%	5.0%
Programme 2	2 063	–	1 966	1 854.5	0.9	2 063	1 864.2	0.9	2 100	2 170.3	1.0	2 117	2 264.9	1.1	2 119	2 368.0	1.1	0.9%	2.6%
Programme 3	40 599	–	40 215	9 795.6	0.2	40 599	10 648.2	0.3	41 046	11 295.2	0.3	41 521	12 126.9	0.3	41 979	13 030.1	0.3	1.1%	51.6%
Programme 4	10 414	–	10 443	3 148.9	0.3	10 414	3 321.1	0.3	10 197	3 499.6	0.3	9 785	3 565.7	0.4	9 472	3 716.8	0.4	-3.1%	12.5%
Programme 5	7 651	–	7 575	1 968.7	0.3	7 651	2 109.7	0.3	7 601	2 263.0	0.3	7 728	2 375.9	0.3	7 927	2 530.2	0.3	1.2%	9.7%
Programme 6	8 202	–	8 145	2 865.5	0.4	8 202	3 114.7	0.4	8 289	3 362.5	0.4	8 389	3 519.9	0.4	8 504	3 698.2	0.4	1.2%	10.4%
Programme 7	897	–	884	327.8	0.4	897	349.5	0.4	956	404.9	0.4	1 021	443.7	0.4	1 016	462.2	0.5	4.2%	1.2%
Programme 8	5 385	–	4 843	1 509.8	0.3	5 385	1 741.2	0.3	5 682	2 028.6	0.4	5 730	2 086.9	0.4	5 745	2 149.0	0.4	2.2%	7.0%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(1 897.4)	–	–	(2 911.8)	–	–	–
Total	79 446	–	78 011	23 005.8	0.3	79 446	24 890.4	0.3	79 777	26 884.6	0.3	80 179	28 345.4	0.4	80 746	30 028.5	0.4	–	–

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

2. The department's compensation of employees budget has been reduced by R4.8 billion for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 19.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2015/16	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2016/17	2017/18	2018/19		
Departmental receipts	1 044 487	853 475	923 792	818 166	818 166	-7.8%	100.0%	842 710	867 990	894 030	3.0%	100.0%
Sales of goods and services produced by department	304 877	351 023	285 956	358 771	358 771	5.6%	35.7%	271 760	282 524	294 990	-6.3%	35.3%
Administrative fees	17	19	28	25	25	13.7%	–	1	1	1	-65.8%	–
of which:												
Request for information: Receipt	17	19	28	25	25	13.7%	–	1	1	1	-65.8%	–
Other sales	304 860	351 004	285 928	358 746	358 746	5.6%	35.7%	271 759	282 523	294 989	-6.3%	35.3%
of which:												
Rental capital assets	77 662	76 493	79 775	81 921	81 921	1.8%	8.7%	70 600	73 895	77 317	-1.9%	8.9%
Sale of goods	3 935	8 720	12 497	5 896	5 896	14.4%	0.9%	16 257	16 594	17 220	42.9%	1.6%
Services rendered	223 263	265 791	193 656	270 929	270 929	6.7%	26.2%	184 902	192 034	200 452	-9.6%	24.8%

Table 19.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2012/13 - 2015/16	2016/17		
Sales of scrap, waste, arms and other used current goods	2 295	1 658	3 676	20 186	20 186	106.4%	0.8%	682	712	747	-66.7%	0.7%
of which:												
Sales: scrap and waste	2 287	1 658	3 676	20 132	20 132	106.5%	0.8%	682	712	747	-66.6%	0.7%
Selling arms and arms support systems	8	-	-	54	54	89.0%	-	-	-	-	-100.0%	-
Transfers received	570 322	418 008	542 149	185 153	185 153	-31.3%	47.1%	508 595	516 982	522 151	41.3%	50.6%
Fines, penalties and forfeits	1 297	1 225	1 733	4 086	4 086	46.6%	0.2%	1 122	1 149	1 203	-33.5%	0.2%
Interest, dividends and rent on land	36 776	2 877	3 558	2 796	2 796	-57.6%	1.3%	2 758	2 795	2 926	1.5%	0.3%
Interest	36 776	2 877	3 558	2 796	2 796	-57.6%	1.3%	2 758	2 795	2 926	1.5%	0.3%
Sales of capital assets	64 220	24 904	42 507	59 549	59 549	-2.5%	5.3%	45 182	50 431	57 569	-1.1%	6.2%
Transactions in financial assets and liabilities	64 700	53 780	44 213	187 625	187 625	42.6%	9.6%	12 611	13 397	14 444	-57.5%	6.7%
Total	1 044 487	853 475	923 792	818 166	818 166	-7.8%	100.0%	842 710	867 990	894 030	3.0%	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 19.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million												
Ministry	93.3	86.9	82.0	75.9	-6.7%	1.9%	72.9	73.7	75.4	-0.2%	1.4%	
Departmental Direction	49.5	50.0	43.7	53.6	2.7%	1.1%	50.6	58.7	60.3	4.0%	1.1%	
Policy and Planning	94.8	84.3	93.7	110.5	5.2%	2.2%	119.0	118.8	121.5	3.2%	2.2%	
Financial Services	276.6	285.0	325.2	323.0	5.3%	6.8%	361.4	375.1	383.2	5.9%	6.9%	
Human Resources Support Services	608.6	652.2	714.4	741.8	6.8%	15.3%	753.1	774.7	788.4	2.1%	14.6%	
Legal Services	208.4	242.6	266.3	287.3	11.3%	5.6%	308.4	299.8	303.5	1.9%	5.7%	
Inspection and Audit Services	74.7	82.9	106.9	139.8	23.2%	2.3%	145.9	143.0	144.3	1.1%	2.7%	
Acquisition Services	54.3	46.5	58.8	64.1	5.7%	1.3%	112.7	132.4	132.8	27.4%	2.1%	
Communication Services	32.6	49.8	48.5	41.0	7.9%	1.0%	45.2	45.5	46.4	4.2%	0.9%	
South African National Defence Force Command and Control	152.9	136.6	143.7	145.1	-1.7%	3.2%	156.4	155.2	157.8	2.8%	2.9%	
Religious Services	11.3	11.4	12.7	13.2	5.1%	0.3%	13.7	13.9	14.3	2.7%	0.3%	
Defence Reserve Direction	17.5	23.2	24.6	26.2	14.4%	0.5%	28.9	28.4	29.0	3.5%	0.5%	
Defence Foreign Relations	150.4	227.3	255.5	216.5	12.9%	4.8%	224.2	225.8	229.8	2.0%	4.3%	
Office Accommodation	1 859.6	2 180.7	1 978.9	2 042.2	3.2%	45.3%	2 161.3	2 268.7	2 400.3	5.5%	42.4%	
Military Veterans Management	97.0	351.4	504.2	582.2	81.7%	8.6%	597.6	634.7	673.4	5.0%	11.9%	
Total	3 781.6	4 511.0	4 659.0	4 862.4	8.7%	100.0%	5 151.1	5 348.4	5 560.4	4.6%	100.0%	
Change to 2015 Budget estimate				35.2			70.1	18.7	(78.4)			

Table 19.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Current payments	3 573.3	4 074.5	4 029.1	4 222.6	5.7%	89.3%	4 497.6	4 641.1	4 815.7	4.5%	86.9%
Compensation of employees	1 274.5	1 397.8	1 535.0	1 741.9	11.0%	33.4%	1 860.5	1 826.1	1 862.5	2.3%	34.8%
Goods and services	2 298.8	2 676.7	2 494.1	2 480.7	2.6%	55.9%	2 637.1	2 815.1	2 953.2	6.0%	52.0%
<i>of which:</i>											
Computer services	74.1	76.4	76.2	93.6	8.1%	1.8%	117.4	125.3	126.3	10.5%	2.2%
Consultants: Business and advisory services	9.7	3.5	3.6	8.3	-4.9%	0.1%	49.9	69.1	69.2	102.4%	0.9%
Operating leases	270.5	311.0	376.0	298.5	3.3%	7.1%	1 273.5	1 334.8	1 411.9	67.9%	20.6%
Property payments	1 658.0	1 924.5	1 678.2	1 791.8	2.6%	39.6%	918.2	991.5	1 046.4	-16.4%	22.7%
Travel and subsistence	119.1	119.6	133.1	100.1	-5.6%	2.6%	102.8	106.7	107.8	2.5%	2.0%
Training and development	32.0	27.9	38.5	38.7	6.5%	0.8%	31.1	31.6	31.9	-6.2%	0.6%
Transfers and subsidies	134.8	387.3	557.1	623.8	66.6%	9.6%	644.7	686.4	726.1	5.2%	12.8%
Departmental agencies and accounts	114.1	370.4	525.2	604.4	74.3%	9.1%	618.3	655.8	695.3	4.8%	12.3%
Public corporations and private enterprises	-	0.5	0.2	-	-	-	-	-	-	-	-
Non-profit institutions	6.2	6.9	7.1	7.2	5.0%	0.2%	8.6	8.4	8.8	7.1%	0.2%
Households	14.4	9.6	24.6	12.3	-5.3%	0.3%	17.7	22.2	21.9	21.3%	0.4%
Payments for capital assets	38.3	43.1	59.7	15.9	-25.4%	0.9%	8.8	20.8	18.5	5.2%	0.3%
Machinery and equipment	38.3	43.1	58.8	15.9	-25.4%	0.9%	8.8	20.8	18.5	5.1%	0.3%
Software and other intangible assets	-	-	0.9	-	-	-	-	0.0	0.0	-	-
Payments for financial assets	35.2	6.0	13.2	-	-100.0%	0.3%	-	-	-	-	-
Total	3 781.6	4 511.0	4 659.0	4 862.4	8.7%	100.0%	5 151.1	5 348.4	5 560.4	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	10.0%	11.2%	10.9%	10.8%	-	-	10.9%	11.0%	11.0%	-	-
Details of selected transfers and subsidies											
Households											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	114.1	370.4	525.2	604.4	74.3%	9.1%	618.3	655.8	695.3	4.8%	12.3%
Communication	-	-	-	0.1	-	-	0.0	0.0	0.0	-76.8%	-
Safety and Security Sector Education and Training Authority	17.2	18.9	21.0	22.1	8.8%	0.4%	20.7	21.1	22.0	-0.2%	0.4%
Department of Military Veterans	97.0	351.4	504.2	582.2	81.7%	8.6%	597.6	634.7	673.4	5.0%	11.9%
Households											
Social benefits											
Current	14.4	9.1	14.5	12.3	-5.3%	0.3%	17.7	22.2	21.9	21.3%	0.4%
Employee social benefits	14.4	9.1	14.5	12.3	-5.3%	0.3%	17.7	22.2	21.9	21.3%	0.4%
Non-profit institutions											
Current	6.2	6.9	7.1	7.2	5.0%	0.2%	8.6	8.4	8.8	7.1%	0.2%
Reserve Force Council	6.2	6.5	7.1	7.2	5.0%	0.2%	8.6	8.4	8.8	7.1%	0.2%
Claims against the state	-	0.3	-	-	-	-	-	-	-	-	-

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.

Objectives

- 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 a total of 12 joint, interdepartmental, interagency and multinational military force preparation exercises, excluding special forces exercises, from 2016/17 to 2018/19

- conducting 4 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 19.7 Force Employment expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Strategic Direction	117.6	119.8	125.9	170.8	13.2%	3.9%	186.9	163.7	193.0	4.2%	4.6%
Operational Direction	258.1	253.0	257.0	299.9	5.1%	7.9%	307.8	319.2	335.0	3.8%	8.0%
Special Operations	605.0	666.5	708.7	754.4	7.6%	20.1%	813.4	815.1	793.4	1.7%	20.2%
Regional Security	1 147.5	1 608.6	1 638.6	1 599.3	11.7%	44.2%	1 484.7	1 495.4	1 517.3	-1.7%	38.8%
Support to the People	652.8	698.8	901.2	989.0	14.9%	23.9%	1 106.8	1 152.3	1 200.8	6.7%	28.3%
Total	2 781.0	3 346.7	3 631.4	3 813.3	11.1%	100.0%	3 899.6	3 945.6	4 039.6	1.9%	100.0%
Change to 2015				210.2			138.4	17.0	(116.8)		
Budget estimate											
Economic classification											
Current payments	2 404.9	2 938.7	3 053.1	3 267.5	10.8%	85.9%	3 550.9	3 519.5	3 604.7	3.3%	88.8%
Compensation of employees	1 483.0	1 590.2	1 854.5	1 864.2	7.9%	50.0%	2 170.3	2 107.1	2 121.7	4.4%	52.6%
Goods and services	922.0	1 348.6	1 198.6	1 403.3	15.0%	35.9%	1 380.6	1 412.3	1 483.0	1.9%	36.2%
of which:											
Minor assets	24.5	15.4	18.1	24.7	0.3%	0.6%	70.4	84.7	63.8	37.3%	1.6%
Contractors	139.6	138.8	427.3	369.3	38.3%	7.9%	411.3	377.9	393.2	2.1%	9.9%
Inventory: Food and food supplies	102.4	118.5	108.5	120.2	5.5%	3.3%	143.2	151.9	160.0	10.0%	3.7%
Inventory: Fuel, oil and gas	40.8	66.3	50.2	51.0	7.7%	1.5%	69.6	75.6	82.3	17.3%	1.8%
Travel and subsistence	238.9	200.2	221.4	207.5	-4.6%	6.4%	232.8	238.5	245.6	5.8%	5.9%
Operating payments	79.9	262.1	114.1	252.3	46.7%	5.2%	283.9	296.7	309.1	7.0%	7.3%
Transfers and subsidies	166.1	163.6	288.0	277.9	18.7%	6.6%	254.5	257.1	226.0	-6.7%	6.5%
Departmental agencies and accounts	150.6	149.1	276.9	256.4	19.4%	6.1%	241.4	242.9	212.1	-6.1%	6.1%
Foreign governments and international organisations	-	-	-	5.8	-	-	-	-	-	-100.0%	-
Public corporations and private enterprises	12.6	9.0	8.1	12.0	-1.6%	0.3%	8.4	8.9	9.3	-8.1%	0.2%
Households	2.9	5.5	3.1	3.7	7.6%	0.1%	4.7	5.4	4.6	8.2%	0.1%
Payments for capital assets	209.8	244.2	290.3	267.9	8.5%	7.5%	94.2	168.9	209.0	-8.0%	4.7%
Buildings and other fixed structures	39.8	11.7	0.5	4.9	-50.2%	0.4%	1.2	0.4	0.4	-56.3%	-
Machinery and equipment	170.0	232.4	289.8	262.1	15.5%	7.0%	92.1	167.5	207.6	-7.5%	4.6%
Specialised military assets	0.1	-	-	1.0	167.3%	-	1.0	1.0	1.0	-	-
Payments for financial assets	0.1	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Total	2 781.0	3 346.7	3 631.4	3 813.3	11.1%	100.0%	3 899.6	3 945.6	4 039.6	1.9%	100.0%
Proportion of total programme expenditure to vote expenditure	7.4%	8.3%	8.5%	8.5%	-	-	8.3%	8.1%	8.0%	-	-

Table 19.7 Force Employment 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	150.6	149.1	276.9	256.4	19.4%	6.1%	241.4	242.9	212.1	-6.1%	6.1%
Communication	–	–	0.0	0.0	–	–	0.1	0.1	0.1	114.9%	–
Special defence account	150.6	149.1	276.9	256.4	19.4%	6.1%	241.3	242.8	211.9	-6.2%	6.1%
Households											
Social benefits											
Current	2.9	5.5	3.1	3.7	7.6%	0.1%	4.7	5.4	4.6	8.2%	0.1%
Employee social benefits	2.9	5.5	3.1	3.7	7.6%	0.1%	4.7	5.4	4.6	8.2%	0.1%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	12.6	9.0	8.0	12.0	-1.6%	0.3%	8.4	8.9	9.3	-8.1%	0.2%
Armaments Corporation of South Africa	12.6	9.0	8.0	12.0	-1.6%	0.3%	8.4	8.9	9.3	-8.1%	0.2%
Foreign governments and international organisations											
Current	–	–	–	5.8	–	–	–	–	–	-100.0%	–
Southern African Development Community	–	–	–	5.8	–	–	–	–	–	-100.0%	–

Programme 3: Landward Defence

Programme purpose

Provide prepared and supported landward defence capabilities for the defence and protection of South Africa.

Objectives

- Defend and protect South Africa and its territory over the medi
 - providing 1 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 1 tank and armoured car capability and providing 1 squadron for internal deployment per year
 - exercising 1 composite artillery capability and providing 1 battery for internal deployment per year
 - exercising 1 air defence artillery capability and providing 1 battery for internal deployment per year
 - providing 1 sustained composite engineer capability for external deployment, as well as for internal safety and security, and exercising 1 field engineer capability per year
 - providing 1 signal capability for external deployment and for internal signal support, and exercising 1 composite signal capability per year.

Subprogrammes

- Strategic Direction* directs, orchestrates and controls the South African Army in achieving its mission 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 19.8 Landward 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 (%)		Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
R million												
Strategic Direction	372.0	420.4	419.0	361.4	-1.0%	2.8%	510.2	462.1	436.0	6.5%	2.7%	
Infantry Capability	3 826.3	4 759.7	5 404.0	6 118.7	16.9%	36.4%	6 208.7	7 292.7	7 906.8	8.9%	42.1%	
Armour Capability	346.8	356.8	374.7	398.6	4.8%	2.7%	444.2	449.4	467.4	5.4%	2.7%	
Artillery Capability	481.5	383.2	425.6	527.5	3.1%	3.3%	463.0	500.9	564.1	2.3%	3.1%	
Air Defence Artillery Capability	590.9	425.1	478.1	580.5	-0.6%	3.8%	588.9	846.8	996.3	19.7%	4.6%	
Engineering Capability	564.0	587.2	623.1	743.0	9.6%	4.6%	708.7	716.2	748.3	0.2%	4.5%	
Operational Intelligence	233.9	176.8	188.3	218.7	-2.2%	1.5%	252.5	266.5	289.6	9.8%	1.6%	
Command and Control Capability	158.7	168.7	177.8	198.1	7.7%	1.3%	202.7	195.8	196.2	-0.3%	1.2%	
Support Capability	4 415.5	4 858.2	4 428.2	4 414.6	-	32.8%	4 424.1	4 283.3	4 261.1	-1.2%	26.6%	
General Training Capability	347.6	391.0	411.5	504.7	13.2%	3.0%	585.8	576.5	578.9	4.7%	3.4%	
Signal Capability	1 030.6	1 072.1	1 119.0	1 136.7	3.3%	7.9%	1 262.6	1 248.7	1 269.9	3.8%	7.5%	
Total	12 367.9	13 599.1	14 049.1	15 202.4	7.1%	100.0%	15 651.4	16 838.7	17 714.5	5.2%	100.0%	
Change to 2015				397.1			38.6	814.0	760.3			
Budget estimate												
Economic classification												
Current payments	9 762.5	10 809.5	11 652.1	12 614.9	8.9%	81.2%	13 167.6	13 306.3	13 783.7	3.0%	80.8%	
Compensation of employees	8 387.3	9 164.8	9 795.6	10 648.2	8.3%	68.8%	11 295.2	11 340.9	11 846.7	3.6%	69.0%	
Goods and services	1 375.2	1 644.8	1 856.5	1 966.6	12.7%	12.4%	1 872.4	1 965.4	1 937.0	-0.5%	11.8%	
<i>of which:</i>												
Contractors	174.4	232.9	352.5	542.6	46.0%	2.4%	335.5	282.4	311.5	-16.9%	2.3%	
Inventory: Clothing material and accessories	-	-	148.1	116.3	-	0.5%	72.0	124.1	85.3	-9.8%	0.6%	
Inventory: Food and food supplies	385.0	481.4	473.4	402.4	1.5%	3.2%	472.9	473.9	480.9	6.1%	2.8%	
Inventory: Fuel, oil and gas	139.0	193.6	152.0	198.6	12.6%	1.2%	231.0	252.9	278.5	11.9%	1.5%	
Travel and subsistence	193.6	278.7	251.4	177.6	-2.8%	1.6%	207.0	270.3	270.3	15.0%	1.4%	
Training and development	(1.3)	39.2	49.1	37.5	-409.5%	0.2%	80.0	81.4	83.3	30.5%	0.4%	
Transfers and subsidies	2 045.5	2 474.0	2 251.8	2 549.0	7.6%	16.9%	2 457.9	3 512.5	3 915.4	15.4%	19.0%	
Departmental agencies and accounts	1 955.3	2 391.5	2 158.4	2 481.2	8.3%	16.3%	2 379.1	3 447.0	3 858.4	15.9%	18.6%	
Public corporations and private enterprises	53.6	54.5	50.2	33.1	-14.8%	0.3%	38.4	26.0	11.0	-30.7%	0.2%	
Households	36.6	28.0	43.2	34.7	-1.7%	0.3%	40.4	39.6	46.0	9.8%	0.2%	
Payments for capital assets	557.1	312.1	144.5	38.5	-59.0%	1.9%	25.9	19.9	15.4	-26.3%	0.2%	
Buildings and other fixed structures	1.0	0.3	0.9	0.1	-53.1%	-	0.1	0.1	0.1	-	-	
Machinery and equipment	531.5	310.5	143.5	34.6	-59.8%	1.8%	25.8	19.8	15.3	-23.8%	0.1%	
Specialised military assets	20.6	-	-	3.8	-43.2%	-	-	-	-	-100.0%	-	
Biological assets	4.0	1.2	-	-	-100.0%	-	-	-	-	-	-	
Payments for financial assets	2.9	3.5	0.8	-	-100.0%	-	-	-	-	-	-	
Total	12 367.9	13 599.1	14 049.1	15 202.4	7.1%	100.0%	15 651.4	16 838.7	17 714.5	5.2%	100.0%	
Proportion of total programme expenditure to vote expenditure	32.8%	33.6%	32.8%	33.7%	-	-	33.2%	34.5%	34.9%	-	-	

Table 19.8 Landward Defence 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million											
Households											
Other transfers to households											
Current	-	3.7	13.7	-	-	-	-	-	-	-	-
Claims against the state	-	3.7	13.7	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 955.3	2 391.5	2 158.4	2 481.2	8.3%	16.3%	2 379.1	3 447.0	3 858.4	15.9%	18.6%
Communication	-	-	0.0	0.1	-	-	0.1	0.1	0.1	3.0%	-
Special defence account	1 955.3	2 391.5	2 158.4	2 481.1	8.3%	16.3%	2 379.0	3 446.9	3 858.3	15.9%	18.6%
Households											
Social benefits											
Current	36.6	24.3	29.5	34.7	-1.7%	0.2%	40.4	39.6	46.0	9.8%	0.2%
Employee social benefits	36.6	24.3	29.5	34.7	-1.7%	0.2%	40.4	39.6	46.0	9.8%	0.2%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	53.6	54.4	49.7	33.1	-14.8%	0.3%	38.4	26.0	11.0	-30.7%	0.2%
Armaments Corporation of South Africa	53.6	54.4	49.7	33.1	-14.8%	0.3%	38.4	26.0	11.0	-30.7%	0.2%

Programme 4: Air Defence

Programme purpose

Provide prepared and supported air defence capabilities for the defence and protection of South Africa.

Objectives

- Defend and protect South Africa and its airspace by providing:
 - 4 helicopter squadrons and 1 combat support helicopter squadron per year over the medium term
 - 3 medium transport squadrons, which will include 1 VIP squadron, 1 maritime and transport squadron, 1 light transport squadron and 9 reserve squadrons per year over the medium term
 - 1 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 maritime aircraft crewed by appropriately qualified personnel.
- Air Combat Capability* provides and sustains 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 19.9 Air 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Strategic Direction	19.6	16.8	18.3	16.8	-5.1%	0.3%	35.2	36.8	37.4	30.7%	0.5%
Operational Direction	236.7	247.9	183.8	177.7	-9.1%	3.1%	208.7	230.3	273.6	15.5%	3.2%
Helicopter Capability	872.4	996.3	817.1	801.5	-2.8%	12.8%	763.2	825.3	918.3	4.6%	11.9%
Transport and Maritime Capability	551.9	485.4	1 138.8	794.9	12.9%	10.9%	672.5	740.3	817.6	0.9%	10.8%
Air Combat Capability	1 594.1	909.9	1 108.3	1 437.2	-3.4%	18.6%	1 371.2	1 190.7	1 321.4	-2.8%	19.1%
Operational Support and Intelligence Capability	463.4	312.6	270.9	286.4	-14.8%	4.9%	314.2	299.6	304.3	2.0%	4.3%
Command and Control Capability	470.2	343.1	508.7	901.5	24.2%	8.2%	606.0	437.1	685.6	-8.7%	9.4%
Base Support Capability	1 664.5	1 724.0	1 848.1	1 818.5	3.0%	25.9%	1 819.6	1 782.7	1 837.3	0.3%	26.0%
Command Post	51.1	30.9	57.4	54.8	2.4%	0.7%	61.2	60.0	60.5	3.3%	0.8%
Training Capability	213.2	206.4	200.6	184.4	-4.7%	3.0%	570.0	546.0	530.6	42.2%	6.6%
Technical Support Services	937.7	758.2	761.5	693.9	-9.5%	11.6%	461.6	447.3	453.6	-13.2%	7.4%
Total	7 074.9	6 031.5	6 913.5	7 167.6	0.4%	100.0%	6 883.5	6 596.1	7 240.3	0.3%	100.0%
Change to 2015 Budget estimate				118.4			79.4	(1 627.7)	(1 460.6)		
Economic classification											
Current payments	5 127.7	5 116.0	5 162.9	5 262.9	0.9%	76.0%	5 601.6	5 719.5	5 920.0	4.0%	80.7%
Compensation of employees	2 791.0	2 955.3	3 148.9	3 321.1	6.0%	44.9%	3 499.6	3 326.8	3 341.5	0.2%	48.4%
Goods and services	2 336.7	2 160.7	2 014.0	1 941.8	-6.0%	31.1%	2 102.0	2 392.8	2 578.6	9.9%	32.3%
<i>of which:</i>											
Contractors	1 301.8	1 532.3	1 329.4	1 303.0	-	20.1%	1 206.1	1 396.0	1 437.0	3.3%	19.2%
Inventory: Food and food supplies	74.0	71.2	78.5	1.5	-73.0%	0.8%	82.7	77.8	76.0	273.9%	0.9%
Inventory: Fuel, oil and gas	221.6	240.9	154.1	166.1	-9.2%	2.9%	238.5	294.5	336.3	26.5%	3.7%
Travel and subsistence	80.0	88.2	86.6	55.8	-11.3%	1.1%	75.1	84.0	89.4	17.0%	1.1%
Training and development	36.0	29.6	45.1	51.4	12.6%	0.6%	86.1	87.5	110.5	29.1%	1.2%
Operating payments	106.3	136.9	135.4	173.2	17.6%	2.0%	140.5	147.0	167.6	-1.1%	2.3%
Transfers and subsidies	1 781.0	815.7	1 630.9	1 855.1	1.4%	22.4%	1 275.1	858.0	1 297.7	-11.2%	19.0%
Departmental agencies and accounts	1 765.5	806.1	1 618.1	1 837.6	1.3%	22.2%	1 256.6	837.0	1 277.2	-11.4%	18.7%
Public corporations and private enterprises	2.3	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Households	13.2	9.5	12.6	17.4	9.7%	0.2%	18.5	21.0	20.6	5.7%	0.3%
Payments for capital assets	165.4	99.1	119.2	49.6	-33.1%	1.6%	6.8	18.6	22.6	-23.1%	0.3%
Buildings and other fixed structures	0.1	0.5	0.1	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	164.1	98.3	119.0	43.0	-36.0%	1.6%	6.8	18.6	22.6	-19.3%	0.3%
Specialised military assets	1.3	0.2	0.2	6.6	73.4%	-	-	-	-	-100.0%	-
Payments for financial assets	0.9	0.7	0.6	-	-100.0%	-	-	-	-	-	-
Total	7 074.9	6 031.5	6 913.5	7 167.6	0.4%	100.0%	6 883.5	6 596.1	7 240.3	0.3%	100.0%
Proportion of total programme expenditure to vote expenditure	18.8%	14.9%	16.1%	15.9%	-	-	14.6%	13.5%	14.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 765.5	806.1	1 618.1	1 837.6	1.3%	22.2%	1 256.6	837.0	1 277.2	-11.4%	18.7%
Special defence account	1 765.5	806.1	1 618.1	1 837.6	1.3%	22.2%	1 256.6	837.0	1 277.2	-11.4%	18.7%
Households											
Social benefits											
Current	13.2	9.5	12.1	17.4	9.7%	0.2%	18.5	21.0	20.6	5.7%	0.3%
Employee social benefits	13.2	9.5	12.1	17.4	9.7%	0.2%	18.5	21.0	20.6	5.7%	0.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	2.3	-	-	-	-100.0%	-	-	-	-	-	-
Armaments Corporation of South Africa	2.3	-	-	-	-100.0%	-	-	-	-	-	-

Programme 5: Maritime Defence

Programme purpose

Provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.

Objectives

- Defend and protect South Africa and its maritime zones over the medium term by providing:
 - a surface combat and patrol capability of 3 frigates, 1 combat support vessel, 2 offshore patrol vessels and 3 inshore patrol vessels in each annual operational cycle
 - a sub-surface combat capability of 2 submarines in each annual operational cycle
 - a mine warfare capability of 2 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 19.10 Maritime Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Maritime Direction	467.2	488.8	524.9	545.2	5.3%	14.8%	581.6	559.7	558.7	0.8%	13.1%
Maritime Combat Capability	558.3	585.1	1 129.3	1 252.5	30.9%	25.7%	1 708.0	1 857.0	1 651.1	9.6%	37.8%
Maritime Logistic Support Capability	989.0	1 137.0	1 104.0	859.7	-4.6%	29.9%	930.7	1 027.9	1 073.9	7.7%	22.7%
Maritime Human Resources and Training Capability	316.3	397.1	445.2	467.1	13.9%	11.9%	505.9	503.0	513.7	3.2%	11.6%
Base Support Capability	564.2	618.4	599.0	644.7	4.5%	17.7%	629.6	609.7	630.0	-0.8%	14.7%
Total	2 894.9	3 226.4	3 802.4	3 769.1	9.2%	100.0%	4 355.9	4 557.3	4 427.5	5.5%	100.0%
Change to 2015 Budget estimate				51.9			(405.2)	(243.4)	(651.6)		
Economic classification											
Current payments	2 413.4	2 663.9	2 886.5	2 868.5	5.9%	79.1%	2 982.2	3 021.3	3 113.6	2.8%	70.1%
Compensation of employees	1 672.5	1 827.1	1 968.7	2 109.7	8.0%	55.3%	2 263.0	2 213.6	2 277.2	2.6%	51.8%
Goods and services	740.9	836.8	917.8	758.9	0.8%	23.8%	719.2	807.7	836.5	3.3%	18.2%
of which:											
Contractors	308.0	497.0	473.4	262.7	-5.2%	11.3%	226.1	223.7	221.5	-5.5%	5.5%
Inventory: Food and food supplies	66.6	49.3	114.9	91.4	11.2%	2.4%	92.1	102.9	120.6	9.7%	2.4%
Inventory: Fuel, oil and gas	82.7	92.5	29.9	81.4	-0.5%	2.1%	19.1	67.4	90.4	3.5%	1.5%
Inventory: Other supplies	75.0	49.3	54.9	59.2	-7.6%	1.7%	95.7	115.5	110.1	23.0%	2.2%
Travel and subsistence	49.5	63.5	57.3	46.1	-2.4%	1.6%	49.4	53.0	55.7	6.5%	1.2%
Operating payments	21.2	18.0	43.9	60.4	41.7%	1.0%	69.8	66.9	65.0	2.5%	1.5%

Table 19.10 Maritime Defence expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Transfers and subsidies	417.2	475.2	867.6	878.1	28.2%	19.3%	1 367.0	1 526.5	1 304.4	14.1%	29.7%
Departmental agencies and accounts	104.1	167.7	648.9	633.5	82.6%	11.4%	1 123.0	1 268.2	1 041.8	18.0%	23.8%
Public corporations and private enterprises	294.1	301.4	208.9	219.9	-9.2%	7.5%	226.3	243.2	255.0	5.1%	5.5%
Households	19.0	6.1	9.8	24.6	9.1%	0.4%	17.7	15.0	7.6	-32.4%	0.4%
Payments for capital assets	63.9	86.9	48.0	22.5	-29.3%	1.6%	6.6	9.6	9.5	-25.1%	0.3%
Buildings and other fixed structures	13.9	3.5	0.6	2.0	-47.6%	0.1%	-	-	-	-100.0%	-
Machinery and equipment	49.6	83.4	47.4	20.4	-25.7%	1.5%	6.6	9.6	9.5	-22.5%	0.3%
Software and other intangible assets	0.3	0.0	-	0.2	-24.5%	-	-	-	-	-100.0%	-
Payments for financial assets	0.4	0.3	0.2	-	-100.0%	-	-	-	-	-	-
Total	2 894.9	3 226.4	3 802.4	3 769.1	9.2%	100.0%	4 355.9	4 557.3	4 427.5	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	7.7%	8.0%	8.9%	8.4%	-	-	9.2%	9.3%	8.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	104.1	167.7	648.9	633.5	82.6%	11.4%	1 123.0	1 268.2	1 041.8	18.0%	23.8%
Special defence account	104.1	167.7	648.9	633.5	82.6%	11.4%	1 123.0	1 268.2	1 041.8	18.0%	23.8%
Households											
Social benefits											
Current	19.0	6.1	9.6	24.6	9.1%	0.4%	17.7	15.0	7.6	-32.4%	0.4%
Employee social benefits	19.0	6.1	9.6	24.6	9.1%	0.4%	17.7	15.0	7.6	-32.4%	0.4%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidiaries on products and production											
Current	294.1	301.4	208.6	219.9	-9.2%	7.5%	226.3	243.2	255.0	5.1%	5.5%
Armaments Corporation of South Africa	294.1	301.4	208.6	219.9	-9.2%	7.5%	226.3	243.2	255.0	5.1%	5.5%

Programme 6: Military Health Support

Programme purpose

Provide prepared and supported health capabilities and services for the defence and protection of South Africa.

Objectives

- Ensure prepared and supported health capabilities and services by providing:
 - providing a health support capability of 5 medical battalion groups, including accompanying field hospitals and 1 specialist medical battalion group for deployed and contingency forces
 - providing 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, commanding and controlling 9 area military health units to ensure a healthy military community. The military hospitals also attend to health care activities, medical support and health activities 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 19.11 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Strategic Direction	203.2	207.5	218.3	172.6	-5.3%	5.2%	203.2	188.4	191.0	3.4%	4.3%
Mobile Military Health Support	105.3	109.4	120.8	118.9	4.2%	3.0%	121.7	153.8	177.1	14.2%	3.3%
Area Military Health Service	1 143.9	1 262.3	1 455.5	1 412.9	7.3%	34.4%	1 548.5	1 553.6	1 641.6	5.1%	35.3%
Specialist/Tertiary Health Service	1 215.1	1 273.5	1 433.3	1 490.0	7.0%	35.3%	1 574.2	1 524.6	1 571.2	1.8%	35.3%
Military Health Product Support Capability	198.1	236.3	212.9	186.7	-2.0%	5.4%	208.9	232.0	228.4	7.0%	4.9%
Military Health Maintenance Capability	261.5	280.8	256.4	271.2	1.2%	7.0%	302.7	276.7	268.2	-0.4%	6.4%
Military Health Training Capability	332.8	363.7	355.9	417.0	7.8%	9.6%	457.7	471.3	501.0	6.3%	10.6%
Total	3 459.9	3 733.6	4 053.1	4 069.3	5.6%	100.0%	4 416.8	4 400.4	4 578.4	4.0%	100.0%
Change to 2015 Budget estimate				136.3			237.7	(135.3)	(220.3)		
Economic classification											
Current payments	3 360.6	3 615.9	3 886.4	4 035.4	6.3%	97.3%	4 407.4	4 341.7	4 492.0	3.6%	98.9%
Compensation of employees	2 546.6	2 700.8	2 865.5	3 114.7	6.9%	73.3%	3 362.5	3 277.5	3 322.4	2.2%	74.9%
Goods and services	814.0	915.1	1 021.0	920.8	4.2%	24.0%	1 044.9	1 064.2	1 169.6	8.3%	24.0%
of which:											
Computer services	40.9	34.8	36.7	49.4	6.5%	1.1%	60.0	63.5	66.7	10.5%	1.4%
Contractors	50.7	55.1	56.2	87.7	20.0%	1.6%	59.4	92.6	78.0	-3.8%	1.8%
Agency and support/outsourced services	221.0	286.6	362.2	311.4	12.1%	7.7%	283.6	309.5	311.8	-	7.0%
Inventory: Medical supplies	76.1	85.7	75.1	71.7	-2.0%	2.0%	110.2	105.0	133.5	23.0%	2.4%
Inventory: Medicine	189.8	186.5	166.3	126.2	-12.7%	4.4%	235.1	230.5	302.2	33.8%	5.1%
Travel and subsistence	43.1	53.7	62.9	47.7	3.4%	1.4%	61.1	48.5	50.9	2.2%	1.2%
Transfers and subsidies	14.7	11.5	46.1	7.7	-19.3%	0.5%	6.5	31.3	58.4	96.4%	0.6%
Departmental agencies and accounts	4.4	2.9	15.4	6.7	14.8%	0.2%	0.1	27.1	51.4	97.6%	0.5%
Public corporations and private enterprises	-	-	0.1	-	-	-	-	-	-	-	-
Non-profit institutions	0.8	0.8	0.8	0.8	2.1%	-	0.8	0.9	0.9	5.0%	-
Households	9.5	7.7	29.9	0.2	-70.6%	0.3%	5.6	3.3	6.0	191.2%	0.1%
Payments for capital assets	83.2	105.5	120.2	26.1	-32.0%	2.2%	2.9	27.4	28.1	2.4%	0.5%
Buildings and other fixed structures	0.0	0.0	0.2	0.6	138.9%	-	-	-	0.0	-57.2%	-
Machinery and equipment	80.1	105.4	119.2	24.7	-32.4%	2.2%	2.9	27.4	28.0	4.2%	0.5%
Specialised military assets	0.7	-	0.9	0.8	0.1%	-	-	-	-	-100.0%	-
Software and other intangible assets	2.3	0.0	-	0.0	-74.4%	-	-	-	-	-100.0%	-
Payments for financial assets	1.4	0.8	0.4	-	-100.0%	-	-	-	-	-	-
Total	3 459.9	3 733.6	4 053.1	4 069.3	5.6%	100.0%	4 416.8	4 400.4	4 578.4	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	9.2%	9.2%	9.5%	9.0%	-	-	9.4%	9.0%	9.0%	-	-

Table 19.11 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Households											
Other transfers to households											
Current	–	0.6	20.3	–	–	0.1%	–	–	–	–	–
Claims against the state	–	0.6	20.3	–	–	0.1%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4.4	2.9	15.4	6.7	14.8%	0.2%	0.1	27.1	51.4	97.6%	0.5%
Communication	–	1.8	–	–	–	–	0.1	0.1	0.1	–	–
Special defence account	4.4	1.2	15.4	6.7	14.8%	0.2%	–	27.1	51.4	97.5%	0.5%
Households											
Social benefits											
Current	9.5	7.1	9.6	0.2	-70.6%	0.2%	5.6	3.3	6.0	191.2%	0.1%
Employee social benefits	9.5	7.1	9.6	0.2	-70.6%	0.2%	5.6	3.3	6.0	191.2%	0.1%
Non-profit institutions											
Current	0.8	0.8	0.8	0.8	2.1%	–	0.8	0.9	0.9	5.0%	–
St. Johns Ambulance Brigade	0.8	0.8	0.8	0.8	2.1%	–	0.8	0.9	0.9	5.0%	–

Programme 7: Defence Intelligence

Programme purpose

Provide defence intelligence and counterintelligence capability.

Objectives

- Ensure prepared and supported intelligence services on an annual basis by providing:
 - an intelligence capability
 - a counterintelligence capability
 - 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 19.12 Defence Intelligence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Strategic Direction	–	0.0	–	0.1	–	–	0.1	0.1	0.1	1.4%	–
Operations	420.9	457.8	472.6	459.7	3.0%	57.8%	472.5	477.7	501.9	3.0%	53.2%
Defence Intelligence Support Services	284.2	316.9	347.2	371.7	9.4%	42.2%	427.7	439.4	442.3	6.0%	46.8%
Total	705.1	774.7	819.8	831.5	5.7%	100.0%	900.2	917.2	944.3	4.3%	100.0%
Change to 2015				4.0			27.4	2.1	(23.9)		
Budget estimate											

Table 19.12 Defence Intelligence 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
Current payments	275.6	324.2	358.7	381.3	11.4%	42.8%	443.0	453.5	457.4	6.3%	48.3%
Compensation of employees	262.0	295.8	327.8	349.5	10.1%	39.4%	404.9	413.1	415.0	5.9%	44.0%
Goods and services	13.6	28.4	30.9	31.8	32.7%	3.3%	38.1	40.4	42.4	10.1%	4.2%
<i>of which:</i>											
Communication	1.2	1.8	1.5	1.9	16.0%	0.2%	2.1	2.2	2.3	7.3%	0.2%
Inventory: Food and food supplies	1.8	8.1	10.2	8.6	68.6%	0.9%	10.7	11.8	12.4	13.0%	1.2%
Inventory: Fuel, oil and gas	1.6	2.4	1.9	1.8	4.1%	0.2%	2.1	2.2	2.2	7.3%	0.2%
Operating leases	0.4	5.4	6.4	6.9	149.6%	0.6%	6.4	6.7	7.0	0.9%	0.8%
Travel and subsistence	2.6	3.7	3.9	3.7	12.2%	0.4%	5.4	5.6	5.9	16.5%	0.6%
Training and development	1.5	1.1	1.6	2.3	15.5%	0.2%	2.5	2.7	2.9	8.2%	0.3%
Transfers and subsidies	424.6	445.7	456.5	445.8	1.6%	56.6%	456.7	459.8	482.7	2.7%	51.3%
Departmental agencies and accounts	420.6	441.9	455.8	442.2	1.7%	56.2%	452.5	455.8	479.0	2.7%	50.9%
Households	4.0	3.8	0.7	3.6	-4.0%	0.4%	4.3	4.0	3.7	1.5%	0.4%
Payments for capital assets	4.8	4.8	4.5	4.4	-2.8%	0.6%	0.6	3.9	4.1	-2.1%	0.4%
Machinery and equipment	4.8	4.8	4.5	4.4	-2.8%	0.6%	0.6	3.9	4.1	-2.1%	0.4%
Payments for financial assets	0.1	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	705.1	774.7	819.8	831.5	5.7%	100.0%	900.2	917.2	944.3	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.9%	1.9%	1.9%	1.8%	-	-	1.9%	1.9%	1.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	420.6	441.9	455.8	442.2	1.7%	56.2%	452.5	455.8	479.0	2.7%	50.9%
Communication	-	-	-	0.2	-	-	0.3	0.3	0.4	20.2%	-
Special defence account	420.6	441.9	455.8	442.0	1.7%	56.2%	452.1	455.5	478.6	2.7%	50.9%
Households											
Social benefits											
Current	4.0	3.8	0.7	3.6	-4.0%	0.4%	4.3	4.0	3.7	1.5%	0.4%
Employee social benefits	4.0	3.8	0.7	3.6	-4.0%	0.4%	4.3	4.0	3.7	1.5%	0.4%

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 in respect 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 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 19.13 General 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
Joint Logistic Services	2 096.2	2 055.1	2 125.7	2 618.5	7.7%	44.2%	2 916.9	2 952.1	3 012.5	4.8%	48.6%
Command and Management Information Systems	849.8	955.6	865.7	954.8	4.0%	18.0%	1 011.2	1 043.2	1 082.0	4.3%	17.3%
Military Police	502.6	498.7	539.6	530.1	1.8%	10.3%	565.4	555.0	564.1	2.1%	9.4%
Technology Development	326.7	348.0	442.3	424.3	9.1%	7.6%	516.2	484.9	383.0	-3.4%	7.6%
Departmental Support	861.7	1 367.2	940.7	844.9	-0.7%	19.9%	901.4	1 105.7	1 179.0	11.7%	17.0%
Total	4 636.9	5 224.6	4 914.1	5 372.6	5.0%	100.0%	5 911.1	6 140.9	6 220.6	5.0%	100.0%
Change to 2015 Budget estimate				(444.4)			(135.3)	(214.3)	(503.2)		
Economic classification											
Current payments	2 666.6	3 205.2	3 314.7	3 954.4	14.0%	65.2%	4 450.8	4 474.5	4 565.1	4.9%	73.8%
Compensation of employees	1 271.5	1 401.0	1 509.8	1 741.2	11.0%	29.4%	2 028.6	1 942.9	1 929.8	3.5%	32.3%
Goods and services	1 395.2	1 804.2	1 804.9	2 213.2	16.6%	35.8%	2 422.3	2 531.5	2 635.3	6.0%	41.5%
of which:											
Audit costs: External	57.0	67.2	61.8	69.8	7.0%	1.3%	73.3	77.0	80.8	5.0%	1.3%
Computer services	637.7	768.1	727.9	700.6	3.2%	14.1%	857.5	930.7	942.4	10.4%	14.5%
Consultants: Business and advisory services	96.7	190.0	262.3	141.9	13.7%	3.4%	91.9	67.8	78.1	-18.1%	1.6%
Contractors	56.9	71.7	83.8	118.3	27.6%	1.6%	123.4	129.2	136.2	4.8%	2.1%
Property payments	321.3	429.5	345.0	813.2	36.3%	9.5%	844.0	883.9	934.0	4.7%	14.7%
Travel and subsistence	47.6	66.0	67.2	61.1	8.7%	1.2%	76.9	78.9	82.0	10.3%	1.3%
Transfers and subsidies	1 119.5	1 649.1	1 302.2	1 256.3	3.9%	26.4%	1 318.4	1 501.4	1 483.2	5.7%	23.5%
Provinces and municipalities	–	–	0.0	–	–	–	0.1	0.1	0.1	–	–
Departmental agencies and accounts	445.9	368.1	445.7	483.2	2.7%	8.7%	551.7	508.8	420.4	-4.5%	8.3%
Foreign governments and international organisations	–	303.3	–	–	–	1.5%	–	–	–	–	–
Public corporations and private enterprises	666.1	971.6	846.6	760.9	4.5%	16.1%	752.3	982.9	1 051.5	11.4%	15.0%
Households	7.5	6.1	9.9	12.2	17.6%	0.2%	14.4	9.6	11.2	-2.8%	0.2%
Payments for capital assets	755.3	369.8	294.8	161.9	-40.2%	7.9%	141.9	165.0	172.4	2.1%	2.7%
Buildings and other fixed structures	630.5	200.8	62.6	115.0	-43.3%	5.0%	120.6	126.7	133.0	5.0%	2.1%
Machinery and equipment	124.4	167.6	228.3	46.1	-28.2%	2.8%	20.9	38.0	39.0	-5.4%	0.6%
Specialised military assets	–	–	3.4	0.0	–	–	–	–	–	-100.0%	–
Software and other intangible assets	0.3	1.3	0.6	0.8	35.7%	–	0.3	0.4	0.4	-20.8%	–
Payments for financial assets	95.4	0.5	2.3	–	-100.0%	0.5%	–	–	–	–	–
Total	4 636.9	5 224.6	4 914.1	5 372.6	5.0%	100.0%	5 911.1	6 140.9	6 220.6	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	12.3%	12.9%	11.5%	11.9%	–	–	12.5%	12.6%	12.3%	–	–

Table 19.13 General Support expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	445.9	368.1	445.7	483.2	2.7%	8.7%	551.7	508.8	420.4	-4.5%	8.3%
Communication	–	–	0.0	0.0	–	–	0.1	0.1	0.1	196.2%	–
Claims against the state	30.6	2.1	–	–	-100.0%	0.2%	–	–	–	–	–
Special defence account	415.3	366.0	445.7	483.2	5.2%	8.5%	551.6	508.8	420.3	-4.5%	8.3%
Households											
Social benefits											
Current	7.5	6.1	8.5	12.2	17.6%	0.2%	14.4	9.6	11.2	-2.8%	0.2%
Employee social benefits	7.5	6.1	8.5	12.2	17.6%	0.2%	14.4	9.6	11.2	-2.8%	0.2%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	–	51.2	0.1	–	–	0.3%	–	–	–	–	–
Claims against the state	–	51.2	0.1	–	–	0.3%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	153.6	16.6	–	–	0.8%	–	–	–	–	–
Claims against the state	–	153.6	16.6	–	–	0.8%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	666.1	766.7	829.9	760.9	4.5%	15.0%	752.3	982.9	1 051.5	11.4%	15.0%
Armaments Corporation of South Africa	666.1	766.7	829.9	760.9	4.5%	15.0%	752.3	982.9	1 051.5	11.4%	15.0%
Foreign governments and international organisations											
Current	–	303.3	–	–	–	1.5%	–	–	–	–	–
Claims against the state	–	303.3	–	–	–	1.5%	–	–	–	–	–

Other departments within the vote

Military Veterans

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	143.7	140.9	–	2.8	155.6	166.4
Socio Economic Support	294.1	50.4	240.1	3.5	307.6	325.5
Empowerment and Stakeholder Management	159.8	156.2	3.5	0.1	171.5	181.5
Total expenditure estimates	597.6	347.5	243.6	6.5	634.7	673.4

Executive authority: Minister of Defence and Military Veterans
 Accounting officer: Director General of Military Veterans
 Website address: www.dmv.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 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 19.14 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past ¹			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total number of deserving military veterans with access to health care services	Socio Economic Support	Outcome 2: A long and healthy life for all South Africans	200	4 719	6 795	13 923	14 500	15 000	16 000
Number of deserving military veterans with decent housing per year	Socio Economic Support	Outcome 8: Sustainable human settlements and improved quality of household life	0	2	0	1 000	1 000	1 000	1 000
Number of military veterans memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 14: Nation building and social cohesion	0	1	2	4	2	2	3
Number of deserving military veterans with access to training and skills development per year	Empowerment and Stakeholder Management	Outcome 5: A skilled and capable workforce to support an inclusive growth path	0	1 270	2 450	3 000	3 500	4 000	5 000
Number of private sector companies and organs of state in partnership with the Department of Military Veterans per year	Empowerment and Stakeholder Management	Outcome 4: Decent employment through inclusive economic growth	0	13	15	25	60	60	60

1. Increases are mainly due to the approval of the military veterans' benefits regulations and the recruitment of additional personnel.

Expenditure analysis

Recognising the role that military veterans played in the democratisation of South Africa links to the national development plan's aspirations to realise a developmental, capable and ethical state that treats citizens with dignity. Acknowledging military veterans' contribution to South Africa 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 to veterans and their dependants, including access to health care, housing, and education opportunities. The bulk of the department's budget over this period therefore goes to the Socio Economic Support and Empowerment and Stakeholder Management programmes. The aim of the benefits is to empower veterans in a range of ways.

The department expects to deliver 3 000 houses and 5 000 bursaries to military veterans and their dependants over the medium term. R436.7 million is allocated for houses and R83.6 million for bursaries over the period in the Socio Economic Support programme. A memorandum of understanding with the National Student Financial Aid Scheme and the Department of Basic Education will assist the department to provide access to education opportunities, such as the schooling of children up to grade 12, and tertiary education.

The department will also provide ongoing health care support to 16 000 veterans and their dependants by referring them to the appropriate health institutions, reflected in the 28.3 per cent increase in spending in the Health and Wellbeing Support subprogramme over the medium term. The subprogramme has a budget of R218.2 million over the medium term.

Training and skills development, such as driver training programmes, will be delivered to 12 500 veterans and their dependants over the medium term, and the department will form partnerships with 180 private sector companies and organs of state to facilitate employment for veterans. R317.3 million has been budgeted for training and skills development in the Empowerment and Stakeholder Management programme. Training and skills development focus on short courses and hard skills offered through accredited service providers.

Expenditure trends

Table 19.15 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Socio Economic Support														
3. Empowerment 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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13	2015/16
Programme 1	97.0	97.0	97.0	152.8	152.8	139.5	178.2	178.2	158.6	157.5	157.5	157.5	94.4%	94.4%
Programme 2	-	-	-	122.2	122.2	135.5	168.1	168.1	265.6	266.3	266.3	266.3	119.9%	119.9%
Programme 3	-	-	-	76.5	76.5	76.5	157.9	157.9	80.0	158.4	158.4	158.4	80.2%	80.2%
Total	97.0	97.0	97.0	351.4	351.4	351.4	504.2	504.2	504.2	582.2	582.2	582.2	100.0%	100.0%
Change to 2015 Budget estimate											-			
Economic classification														
Current payments	95.7	95.7	95.7	341.4	341.4	341.4	496.2	496.2	389.6	360.7	360.7	360.7	91.8%	91.8%
Compensation of employees	27.0	27.0	27.0	80.6	80.6	80.6	92.2	92.2	90.6	97.5	97.5	97.5	99.5%	99.5%
Goods and services	68.6	68.6	68.6	260.8	260.8	260.8	404.1	404.1	298.9	263.2	263.2	263.2	89.5%	89.5%
of which:														
Consultants: Business and advisory services	0.0	0.0	0.0	19.8	19.8	19.8	13.5	13.5	11.5	12.6	12.6	12.6	95.5%	95.5%
Infrastructure and planning services	-	-	-	58.9	58.9	58.9	62.0	62.0	42.5	41.3	41.3	41.3	88.0%	88.0%
Contractors	0.8	0.8	0.8	-	-	-	4.1	4.1	25.0	21.6	21.6	21.6	178.9%	178.9%
Travel and subsistence	10.9	10.9	10.9	21.9	21.9	21.9	52.2	52.2	47.5	52.0	52.0	52.0	96.6%	96.6%
Training and development	6.8	6.8	6.8	23.6	23.6	23.6	79.0	79.0	10.8	78.8	78.8	78.8	63.8%	63.8%
Venues and facilities	-	-	-	8.3	8.3	8.3	12.3	12.3	14.4	11.2	11.2	11.2	106.5%	106.5%
Interest and rent on land	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	103.2	218.5	218.5	218.5	147.2%	147.2%
Departmental agencies and accounts	-	-	-	-	-	-	-	-	97.5	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	5.7	218.5	218.5	218.5	102.6%	102.6%
Payments for capital assets	1.3	1.3	1.3	10.0	10.0	10.0	7.9	7.9	11.4	3.0	3.0	3.0	115.5%	115.5%
Machinery and equipment	1.3	1.3	1.3	10.0	10.0	10.0	7.9	7.9	11.2	3.0	3.0	3.0	115.0%	115.0%
Heritage assets	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Total	97.0	97.0	97.0	351.4	351.4	351.4	504.2	504.2	504.2	582.2	582.2	582.2	100.0%	100.0%

Expenditure estimates

Table 19.16 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Socio Economic Support									
3. Empowerment and Stakeholder Management									
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
R million	2015/16	2012/13 - 2015/16	(%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	(%)	
Programme 1	157.5	17.5%	36.0%	143.7	155.6	166.4	1.9%	25.0%	
Programme 2	266.3	-	43.5%	294.1	307.6	325.5	6.9%	48.0%	
Programme 3	158.4	-	20.5%	159.8	171.5	181.5	4.6%	27.0%	
Total	582.2	81.7%	100.0%	597.6	634.7	673.4	5.0%	100.0%	
Change to 2015 Budget estimate				-	3.0	5.0			

Table 19.16 Departmental expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Current payments	360.7	55.6%	77.4%	347.5	396.6	432.3	6.2%	61.8%
Compensation of employees	97.5	53.3%	19.3%	102.7	113.8	122.3	7.8%	17.5%
Goods and services	263.2	56.5%	58.1%	244.8	282.8	310.1	5.6%	44.2%
of which:								
Consultants: Business and advisory services	12.6	865.6%	2.9%	13.4	13.2	13.9	3.4%	2.1%
Infrastructure and planning services	41.3	–	9.3%	7.5	24.7	26.1	-14.2%	4.0%
Contractors	21.6	197.9%	3.1%	30.9	50.2	63.5	43.2%	6.7%
Travel and subsistence	52.0	68.4%	8.6%	47.5	52.7	55.8	2.4%	8.4%
Training and development	78.8	126.7%	7.8%	74.5	79.3	83.9	2.1%	12.7%
Venues and facilities	11.2	–	2.2%	10.3	10.8	11.7	1.4%	1.8%
Transfers and subsidies	218.5	–	21.0%	243.6	231.6	234.2	2.3%	37.3%
Households	218.5	–	14.6%	243.6	231.6	234.2	2.3%	37.3%
Payments for capital assets	3.0	32.0%	1.7%	6.5	6.5	6.9	31.9%	0.9%
Buildings and other fixed structures	–	–	–	0.4	–	–	–	0.0%
Machinery and equipment	3.0	32.0%	1.7%	4.8	4.1	4.4	13.5%	0.7%
Software and other intangible assets	–	–	–	1.3	2.4	2.5	–	0.2%
Total	582.2	81.7%	100.0%	597.6	634.7	673.4	5.0%	100.0%

Personnel information

Table 19.17 Departmental 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 2016		Medium-term expenditure estimate															Average growth rate (%)	Salary level/Total: Average (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			2016/17			2017/18			2018/19					2015/16 - 2018/19
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Military Veterans																			
Salary level	169	60	131	94.7	0.7	169	97.5	0.6	169	102.7	0.6	169	113.8	0.7	169	122.3	0.7	–	100.0%
1 – 6	29	51	17	5.3	0.3	29	5.8	0.2	29	5.8	0.2	29	6.0	0.2	29	6.5	0.2	–	17.2%
7 – 10	62	5	46	22.9	0.5	62	23.2	0.4	62	24.4	0.4	62	28.2	0.5	62	30.3	0.5	–	36.7%
11 – 12	48	3	44	33.1	0.8	48	34.8	0.7	48	36.8	0.8	48	41.7	0.9	48	46.3	1.0	–	28.4%
13 – 16	30	1	24	33.5	1.4	30	33.6	1.1	30	35.7	1.2	30	37.9	1.3	30	39.2	1.3	–	17.8%
Programme	169	60	131	94.7	0.7	169	97.5	0.6	169	102.7	0.6	169	113.8	0.7	169	122.3	0.7	–	100.0%
Programme 1	102	39	80	51.3	0.6	102	56.5	0.6	102	59.6	0.6	102	65.6	0.6	102	71.2	0.7	–	60.4%
Programme 2	21	18	20	18.3	0.9	21	15.4	0.7	21	16.2	0.8	21	17.0	0.8	21	18.0	0.9	–	12.4%
Programme 3	46	3	31	25.1	0.8	46	25.6	0.6	46	27.0	0.6	46	31.3	0.7	46	33.1	0.7	–	27.2%
Total	169	60	131	94.7	0.7	169	97.5	0.6	169	102.7	0.6	–	113.8	–	–	122.3	–	–	–

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

2. Rand million.

Departmental receipts

Table 19.18 Departmental receipts by economic classification

Economic classification	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2012/13 - 2015/16	2016/17		
R thousand												
Departmental receipts	–	–	–	22	22	–	100.0%	24	28	30	10.9%	100.0%
Transactions in financial assets and liabilities	–	–	–	22	22	–	100.0%	24	28	30	10.9%	100.0%
Total	–	–	–	22	22	–	100.0%	24	28	30	10.9%	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 19.19 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Management	97.0	7.3	11.5	8.1	-56.3%	21.3%	8.4	8.8	9.3	4.7%	5.5%
Corporate Services	–	34.1	51.8	56.9	–	24.6%	51.7	62.2	67.6	5.9%	38.3%
Financial Administration	–	14.5	11.7	17.4	–	7.5%	18.2	20.8	22.0	8.1%	12.6%
Internal Audit	–	5.0	8.5	14.7	–	4.9%	16.1	10.8	11.4	-8.2%	8.5%
Strategic Planning, Policy Development and Monitoring and Evaluation	–	20.0	21.0	21.6	–	10.8%	21.1	23.4	24.8	4.6%	14.6%
Office Accommodation	–	71.9	68.5	38.7	–	30.9%	28.3	29.6	31.3	-6.8%	20.5%
Total	97.0	152.8	173.1	157.5	17.5%	100.0%	143.7	155.6	166.4	1.9%	100.0%
Change to 2015 Budget estimate				–			–	–	–		
Economic classification											
Current payments	95.7	142.8	163.5	151.7	16.6%	95.4%	140.9	152.3	162.9	2.4%	97.5%
Compensation of employees	27.0	45.4	51.3	56.5	27.9%	31.1%	59.6	65.6	71.2	8.0%	40.6%
Goods and services	68.6	97.4	112.2	95.2	11.5%	64.4%	81.3	86.7	91.7	-1.3%	57.0%
of which:											
Communication	2.1	4.5	8.8	12.6	80.4%	4.8%	5.2	9.9	10.4	-6.0%	6.1%
Consultants: Business and advisory services	0.0	5.4	7.7	10.3	802.2%	4.0%	10.9	8.0	8.5	-6.3%	6.0%
Infrastructure and planning services	–	58.9	58.2	20.3	–	23.7%	7.5	24.7	26.1	8.7%	12.6%
Contractors	0.8	–	4.1	1.5	21.8%	1.1%	6.4	4.6	4.8	48.3%	2.8%
Operating leases	0.1	0.8	1.0	11.3	392.9%	2.3%	13.6	1.4	1.5	-48.4%	4.5%
Travel and subsistence	10.9	5.4	6.4	6.8	-14.6%	5.1%	4.9	6.9	7.3	2.7%	4.1%
Payments for capital assets	1.3	10.0	9.6	5.7	64.0%	4.6%	2.8	3.3	3.5	-15.0%	2.5%
Buildings and other fixed structures	–	–	–	–	–	–	0.4	–	–	–	0.1%
Machinery and equipment	1.3	10.0	9.6	5.7	64.0%	4.6%	2.5	3.3	3.5	-15.0%	2.4%
Total	97.0	152.8	173.1	157.5	17.5%	100.0%	143.7	155.6	166.4	1.9%	100.0%
Proportion of total programme expenditure to vote expenditure	100.0%	43.5%	34.3%	27.1%	–	–	24.1%	24.5%	24.7%	–	–

Programme 2: Socio Economic 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 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 2018/19.
- 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 have decent housing over the medium term
 - 16 000 military veterans have access to health care services by 2018/19

- 5 000 eligible military veterans and their dependants across the country are provided with ongoing education support by 2018/19.
- 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 2018/19.

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 for delivery on the relevant provisions of the Military Veterans Act (2011).
- *Healthcare and Wellbeing Support* facilitates the provision of health care services and wellbeing support to military veterans, including disease prevention initiatives.
- *Socio Economic 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; 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 19.20 Socio Economic Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16					2015/16 - 2018/19	
Database and Benefits Management	–	22.5	14.4	12.0	–	8.8%	11.2	12.0	13.1	3.0%	4.1%
Health Care and Wellbeing Support	–	27.0	37.1	38.7	–	18.5%	56.9	79.7	81.7	28.3%	21.5%
Socio Economic Support Management	–	72.7	116.0	215.6	–	72.7%	226.0	215.9	230.7	2.3%	74.4%
Total	–	122.2	167.6	266.3	–	100.0%	294.1	307.6	325.5	6.9%	100.0%
Change to 2015				–			–	–	–		
Budget estimate											
Economic classification											
Current payments	–	122.2	167.6	49.5	–	61.0%	50.4	76.6	92.0	22.9%	22.5%
Compensation of employees	–	12.6	18.3	15.4	–	8.3%	16.2	17.0	18.0	5.4%	5.6%
Goods and services	–	109.6	149.3	34.1	–	52.7%	34.2	59.6	74.0	29.4%	16.9%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	–	0.8	–	0.5	–	0.2%	0.4	0.8	0.9	20.8%	0.2%
<i>Consultants: Business and advisory services</i>	–	14.4	4.7	3.4	–	4.0%	2.5	5.2	5.5	17.1%	1.4%
<i>Contractors</i>	–	–	–	17.3	–	2.8%	24.5	45.6	58.7	50.2%	12.2%
<i>Travel and subsistence</i>	–	4.7	9.2	6.2	–	3.6%	2.6	4.0	4.2	-12.1%	1.4%
<i>Training and development</i>	–	4.6	2.4	2.1	–	1.6%	0.4	1.4	1.4	-12.2%	0.4%
<i>Venues and facilities</i>	–	3.4	1.5	1.7	–	1.2%	1.9	1.6	1.9	2.6%	0.6%
Transfers and subsidies	–	–	–	215.1	–	38.7%	240.1	227.8	230.1	2.3%	76.5%
Households	–	–	–	215.1	–	38.7%	240.1	227.8	230.1	2.3%	76.5%
Payments for capital assets	–	–	–	1.7	–	0.3%	3.5	3.2	3.3	25.2%	1.0%
Machinery and equipment	–	–	–	1.7	–	0.3%	2.3	0.8	0.8	-20.9%	0.5%
Software and other intangible assets	–	–	–	–	–	–	1.2	2.4	2.5	–	0.5%
Total	–	122.2	167.6	266.3	–	100.0%	294.1	307.6	325.5	6.9%	100.0%
Proportion of total programme expenditure to vote expenditure		34.8%	33.2%	45.7%	–	–	49.2%	48.5%	48.3%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	–	–	–	201.1	–	36.2%	214.6	200.4	214.3	2.1%	69.6%
Household	–	–	–	201.1	–	36.2%	214.6	200.4	214.3	2.1%	69.6%
Households											
Other transfers to households											
Current	–	–	–	14.0	–	2.5%	25.5	27.4	15.9	4.3%	6.9%
Household	–	–	–	14.0	–	2.5%	25.5	27.4	15.9	4.3%	6.9%

Programme 3: Empowerment and Stakeholder Management

Programme purpose

Manage and facilitate the implementation of military veteran empowerment and stakeholder management programmes.

Objectives

- 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 2016/17
 - forming partnerships with 180 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 12 500 deserving 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
 - ensuring that 105 strategic initiatives are established at the national, continental and international levels by 2018/19
 - 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 19.21 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)		Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17		2017/18	2018/19	2015/16 - 2018/19			
R million													
Provincial Offices and Stakeholder Relations	–	11.1	43.3	43.3	–	24.9%	44.2	49.1	51.9	6.2%	28.1%		
Empowerment and Skills Development	–	33.8	100.2	100.5	–	59.7%	100.7	105.2	111.3	3.5%	62.2%		
Heritage, Memorials, Burials and Honours	–	31.6	14.3	14.6	–	15.4%	14.9	17.2	18.2	7.7%	9.7%		
Total	–	76.5	157.9	158.4	–	100.0%	159.8	171.5	181.5	4.6%	100.0%		
Change to 2015 Budget estimate							–	–	–				

Table 19.21 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17		
R million											
Current payments	–	76.5	157.9	153.0	–	98.6%	156.2	167.7	177.4	5.1%	97.5%
Compensation of employees	–	22.6	25.1	25.6	–	18.7%	27.0	31.3	33.1	8.9%	17.4%
Goods and services	–	53.8	132.8	127.4	–	79.9%	129.2	136.5	144.4	4.3%	80.1%
of which:											
Minor assets	–	3.6	3.7	3.2	–	2.7%	3.4	3.6	3.8	6.7%	2.1%
Catering: Departmental activities	–	2.4	3.4	3.0	–	2.2%	3.4	3.5	3.7	6.9%	2.0%
Consumables: Stationery, printing and office supplies	–	0.8	0.9	2.1	–	1.0%	0.9	2.7	2.9	10.9%	1.3%
Travel and subsistence	–	11.7	40.0	40.7	–	23.5%	40.0	41.8	44.2	2.8%	24.9%
Training and development	–	13.4	71.4	69.3	–	39.2%	71.3	74.4	78.7	4.3%	43.8%
Venues and facilities	–	2.9	6.6	4.2	–	3.5%	6.6	6.9	7.3	19.8%	3.7%
Transfers and subsidies	–	–	–	3.4	–	0.9%	3.5	3.8	4.0	5.8%	2.2%
Households	–	–	–	3.4	–	0.9%	3.5	3.8	4.0	5.8%	2.2%
Payments for capital assets	–	–	–	2.1	–	0.5%	0.1	0.0	0.0	-80.6%	0.3%
Machinery and equipment	–	–	–	2.1	–	0.5%	0.1	0.0	0.0	-80.6%	0.3%
Software and other intangible assets	–	–	–	–	–	–	0.1	–	–	–	–
Total	–	76.5	157.9	158.4	–	100.0%	159.8	171.5	181.5	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure		21.8%	31.3%	27.2%	–	–	26.7%	27.0%	26.9%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	–	–	–	3.4	–	0.9%	3.5	3.8	4.0	5.8%	2.2%
Household	–	–	–	3.4	–	0.9%	3.5	3.8	4.0	5.8%	2.2%

Entities

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 19.22 Armaments Corporation of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Contracts placed as a percentage of confirmed commitments from the Department of Defence per year	Capital defence matériel acquisition	Outcome 3: All people in South Africa are and feel safe	99.9% (R512m)	99.9% (R1.8bn)	100% (R1bn)	95% ¹	95% ¹	95% ¹	95% ¹
Cash flow achieved as a percentage of planned cash flow per year	Capital defence matériel acquisition		108.5% (R1.6bn)	108.6% (R3.2bn)	108.8% (R3.2bn)	95% ¹	95% ¹	95% ¹	95% ¹
Contracts placed as a percentage of confirmed commitments from the Department of Defence per year	System support acquisition and procurement		88.8% (R1.1bn)	99% (R2.5bn)	99.6% (R3bn)	92% ¹	95% ¹	95% ¹	95% ¹
Cash flow achieved as a percentage of planned cash flow per year	System support acquisition and procurement		112.3% (R3.6bn)	100.3% (R4.4bn)	107.9% (R4.03bn)	92% ¹	95% ¹	95% ¹	95% ¹
Defence industrial participation credits awarded in terms of contractually agreed milestones per year	Management of defence industrial participation		R75m	R204m	R696m	R101.5m	R135m	R235.6m	R240.1m
Execution of defence technology, research, test and evaluation activities as a percentage of planned activities per year	Management of defence technology, research, test and evaluation requirements of the Department of Defence		94.5% (R183.8m)	99.8% (R229m)	99.7% (R247.3m)	92% ¹	95% ¹	95% ¹	95% ¹

1. The entity cannot predict actual Rand values.

Expenditure analysis

In line with outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium term strategic framework, the focus of the Armaments Corporation of South Africa over the medium term will be on meeting the defence matériel requirements of the Department of Defence effectively, efficiently and economically. The corporation continues to improve systems and processes to achieve this objective. Internal controls ensure adherence and compliance to procurement regulations that, among others things, result in the acquisition of capital assets that are economically favourable for the corporation's main client, the department. As a result, contracts placed as a percentage of confirmed commitments from the department will be maintained at 95 per cent over the medium term.

The organisation will continue to provide integrated support to the South African defence industry over the medium term. This involves facilitating the industry's participation in the international defence exhibitions, promoting the industry, and managing requests from the private sector to use South African National Defence Force equipment, personnel and facilities for marketing purposes. It is expected that approximately R69.1 million will be spent on these activities over the medium term.

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 as a percentage of planned activities will be maintained at 95 per cent. As a result, spending on these activities is projected to increase to R1.2 billion over the medium term.

Technical skills are needed to execute projects and programmes so that the best defence equipment can be designed and acquired. The corporation will also seek to fill critical vacancies, including the chief executive officer and general manager and other positions, to assist and enable it to achieve its strategic goals. The number of personnel is expected to increase from 1 725 in 2015/16 to 1 758 in 2018/19, due to the appointment of more apprentices and engineers in training. Personnel costs are thus expected to remain the main driver of expenditure for the corporation over the medium term, accounting for more than R4.4 billion and reflecting 61.9 per cent of total spending. The increase in the number of personnel is also a result of the organisation establishing capabilities to support the South African Navy at the Simon's Town Naval Dockyard. The corporation manages the dockyard, which carries out planned and corrective maintenance, reconstruction, repairs and upgrades to all the navy's ships and submarines.

The organisation's main source of revenue is a transfer from the department. The transfer payments traditionally increase at an average annual rate of 6 per cent, and do not cover the corporation's total operational costs. However, the corporation also generates revenue through charging a commission for buying and selling equipment, and interest earned from financial institutions. These funds are used to finance its operational expenditure, administrative expenses, training, maintenance of buildings, and other goods and services.

Programmes/objectives/activities

Table 19.23 Armaments Corporation of South Africa expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16					2015/16 - 2018/19	
Administration	268.3	358.9	456.9	394.1	13.7%	26.5%	413.1	443.9	470.4	6.1%	24.2%
Quality assurance	66.8	81.6	87.8	98.8	14.0%	6.0%	101.9	109.2	116.4	5.6%	6.0%
Management of defence matériel acquisition	219.3	270.6	291.3	326.8	14.2%	20.0%	337.1	361.3	385.3	5.6%	19.8%
Logistics support	105.9	154.7	173.5	200.7	23.8%	11.3%	215.5	233.5	245.7	7.0%	12.6%
Management of strategic facilities: Armscor Dockyard	162.1	184.0	197.7	244.4	14.7%	14.2%	250.5	268.6	286.3	5.4%	14.8%
Management of strategic facilities - research and development	242.2	294.5	312.7	371.2	15.3%	22.0%	386.2	414.7	441.0	5.9%	22.7%
Total	1 064.5	1 344.3	1 519.9	1 636.0	15.4%	100.0%	1 704.4	1 831.0	1 945.2	5.9%	100.0%

Statements of historical financial performance and position

Table 19.24 Armaments Corporation of South Africa statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R million	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	828.0	2 073.3	960.8	576.9	880.9	690.8	383.4	383.4	122.0%
Sale of goods and services other than capital assets	746.5	308.1	838.4	345.5	760.1	400.5	291.3	291.3	51.0%
<i>of which:</i>									
<i>Sales by market establishment</i>	746.5	308.1	838.4	345.5	760.1	400.5	291.3	291.3	51.0%
Other non-tax revenue	81.6	1 765.2	122.4	231.4	120.8	290.3	92.1	92.1	570.8%
Transfers received	914.8	747.0	1 021.3	870.7	1 101.5	913.3	1 094.6	1 025.9	86.1%
Total revenue	1 742.8	2 820.4	1 982.1	1 447.6	1 982.4	1 604.1	1 478.0	1 409.3	101.3%
Expenses									
Current expenses	1 782.1	1 064.5	1 960.6	1 323.7	1 981.5	1 502.3	1 636.0	1 636.0	75.1%
Compensation of employees	729.1	696.2	873.6	813.9	935.5	872.1	1 029.2	1 029.2	95.6%
Goods and services	1 018.7	337.6	1 047.1	453.1	1 006.6	565.9	535.5	535.5	52.4%
Depreciation	34.2	30.7	39.9	56.7	39.5	64.3	71.3	71.3	120.7%
Total expenses	1 782.1	1 064.5	1 960.6	1 344.3	1 981.5	1 519.9	1 636.0	1 636.0	75.6%
Surplus/(Deficit)	(39.0)	1 756.0	22.0	103.0	-	84.0	(158.0)	(227.0)	-
Statement of financial position									
Carrying value of assets	232.5	1 322.9	266.3	1 340.9	1 347.0	1 300.0	1 294.2	1 396.2	170.7%
Acquisition of assets	(45.5)	(45.5)	(67.5)	(75.0)	(35.7)	(23.8)	(56.6)	(54.9)	97.1%
Investments	-	0.9	-	-	-	1.3	-	-	-
Inventory	7.1	11.7	6.9	29.3	12.2	8.1	29.8	9.6	104.9%
Receivables and prepayments	197.3	111.9	189.0	120.7	136.9	100.7	129.6	106.8	67.4%
Cash and cash equivalents	326.1	689.3	376.0	699.0	695.6	877.5	554.6	760.5	155.0%
Non-current assets held for sale	-	0.2	-	0.2	-	0.1	-	-	-
Defined benefit plan assets	124.1	134.0	122.0	-	118.3	-	130.0	130.0	53.4%
Taxation	-	-	-	-	-	2.1	-	-	-
Derivatives financial instruments	-	473.5	-	712.5	-	747.7	-	-	-
Total assets	887.1	2 744.4	960.2	2 902.6	2 310.0	3 037.5	2 438.2	2 403.1	176.1%
Accumulated surplus/(deficit)	(57.0)	1 729.7	(21.5)	1 833.0	613.8	1 920.0	624.3	834.6	544.8%
Capital and reserves	553.8	75.0	633.1	75.0	1 231.6	75.0	1 083.7	1 083.7	37.4%
Deferred income	12.9	142.9	-	178.9	81.0	128.9	108.9	114.0	278.5%
Trade and other payables	247.8	217.4	224.0	158.5	254.1	214.5	179.1	179.1	85.0%
Taxation	-	25.6	-	39.3	-	17.8	-	-	-
Provisions	129.7	553.8	121.5	617.9	129.6	681.3	142.3	191.7	391.0%
Total equity and liabilities	887.1	2 744.4	960.2	2 902.6	2 310.0	3 037.5	2 438.2	2 403.1	176.1%

Statements of estimates of financial performance and position

Table 19.25 Armaments Corporation of South Africa statements of estimates of financial performance and position

Statement of financial performance									
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	383.4	-43.0%	45.9%	453.6	476.3	500.1	9.3%	28.2%	
Sale of goods and services other than capital assets	291.3	-1.9%	20.1%	353.0	370.7	389.2	10.1%	21.8%	
<i>of which:</i>									
<i>Sales by market establishment</i>	291.3	-1.9%	20.1%	353.0	370.7	389.2	10.1%	21.8%	
Other non-tax revenue	92.1	-62.6%	25.8%	100.6	105.6	110.9	6.4%	6.4%	
Transfers received	1 025.9	11.2%	54.1%	1 025.4	1 260.9	1 326.8	9.0%	71.8%	
Total revenue	1 409.3	-20.6%	100.0%	1 479.0	1 737.2	1 826.9	9.0%	100.0%	
Expenses									
Current expenses	1 636.0	15.4%	99.3%	1 704.4	1 831.0	1 945.2	5.9%	109.7%	
Compensation of employees	1 029.2	13.9%	61.6%	1 049.0	1 122.4	1 201.0	5.3%	61.9%	
Goods and services	535.5	16.6%	33.8%	576.5	625.8	657.2	7.1%	33.6%	
Depreciation	71.3	32.4%	3.9%	78.9	82.9	87.0	6.9%	4.5%	
Total expenses	1 636.0	15.4%	100.0%	1 704.4	1 831.0	1 945.2	5.9%	100.0%	
Surplus/(Deficit)	(227.0)	(2)	-	(225.0)	(94.0)	(118.0)	-19.6%	-	

Table 19.25 Armaments Corporation of South Africa statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)			
				2015/16	2012/13 - 2015/16	2016/17			2017/18	2018/19	2015/16 - 2018/19
				R million							
Carrying value of assets	1 396.2	1.8%	48.8%	1 284.9	1 264.0	1 241.9	-3.8%	67.8%			
of which:											
Acquisition of assets	(54.9)	6.4%	-1.8%	(82.7)	(60.6)	(63.4)	4.9%	-3.5%			
Investments	-	-100.0%	0.0%	0.1	0.1	0.1	-	0.0%			
Inventory	9.6	-6.3%	0.5%	10.6	11.0	11.5	6.2%	0.6%			
Receivables and prepayments	106.8	-1.5%	4.0%	111.3	116.8	121.9	4.5%	6.0%			
Cash and cash equivalents	760.5	3.3%	27.4%	477.8	389.6	272.3	-29.0%	23.7%			
Defined benefit plan assets	130.0	-1.0%	2.6%	13.8	12.0	10.4	-56.9%	1.9%			
Total assets	2 403.1	-4.3%	100.0%	1 898.5	1 793.5	1 658.1	-11.6%	100.0%			
Accumulated surplus/(deficit)	834.6	-21.6%	56.0%	355.2	261.5	140.6	-44.8%	19.1%			
Capital and reserves	1 083.7	143.6%	13.2%	1 083.7	1 083.7	1 083.7	-	57.0%			
Deferred income	114.0	-7.3%	5.1%	85.4	75.8	61.2	-18.7%	4.3%			
Trade and other payables	179.1	-6.3%	7.0%	224.5	212.0	200.4	3.8%	10.8%			
Provisions	191.7	-29.8%	18.0%	149.7	160.5	172.3	-3.5%	8.8%			
Total equity and liabilities	2 403.1	-4.3%	100.0%	1 898.5	1 793.5	1 658.1	-63.2%	100.0%			

Personnel information

Table 19.26 Armaments Corporation of South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	
Salary level	1 725	1 725	1 547	872.1	0.6	1 725	1 029.2	0.6	1 758	1 049.0	0.6	1 758	1 122.4	0.6	1 758	1 201.0	0.7	5.3%	100.0%
1 – 6	224	224	176	22.1	0.1	224	29.4	0.1	239	31.6	0.1	239	33.8	0.1	239	36.2	0.2	7.2%	13.4%
7 – 10	881	881	813	294.3	0.4	881	340.1	0.4	899	364.9	0.4	899	390.5	0.4	899	417.8	0.5	7.1%	51.1%
11 – 12	312	312	243	179.4	0.7	312	255.7	0.8	312	259.2	0.8	312	277.4	0.9	312	296.8	1.0	5.1%	17.8%
13 – 16	306	306	312	369.6	1.2	306	397.9	1.3	306	387.0	1.3	306	414.1	1.4	306	443.0	1.4	3.6%	17.5%
17 – 22	2	2	3	6.6	2.2	2	6.2	3.1	2	6.2	3.1	2	6.7	3.3	2	7.1	3.6	5.0%	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 **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 R8.3 million and R8.8 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	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Rebuilding of the runway at Air Force Base Waterkloof	Upgrading of runway	Handed over	1 113.6	130.0	10.5	9.2	-	-	-	-
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 to accommodate 1 200 members	Construction of mess and living-in complex at the Military Health Training Formation in Thaba Tshwane to accommodate 1 200 members	Construction	297.8	191.1	52.4	-	5.0	-	-	-
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	-	-	-	-	23.4	211.1	598.9
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	-	-	-	-	32.8	116.1	194.9
Refurbishment of 2 Military Hospital	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems and ground works	Construction	303.4	-	-	105.8	-	166.8	136.6	-
Construction of medical facilities	Construction of Military Base Health Care Centres and support capabilities	Construction	-	-	-	-	-	10.1	29.5	75.2
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	-	-	-	5.0	-	-	-
Demolishing of infrastructure	Demolition	Various	80.3	5.0	-	-	5.8	6.1	6.4	7.0
Construction of new fire station and control tower	Construction of fire station and control tower	Construction	0.1	0.1	0.0	-	-	-	-	-
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	66.3	143.9	15.3	136.0	38.2	22.1	8.2
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	1 080.2	30.4	125.4	0.1	14.0	39.0	32.0	2.6
Upgrading of kitchens	Construction and upgrading of kitchens at military bases (capital projects)	Identification	73.0	0.9	0.0	4.6	16.7	64.6	29.1	2.3
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	16.0	-	-	31.2	-	-	-
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	829.8	242.8	102.7	406.6	438.2	381.6	340.8

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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
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	62.5	4.8	1.7	229.9	50.0	29.3	1.2
Construction of office accommodation	Construction of offices and other facilities to accommodate military personnel and equipment	Various	24.2	3.5	0.2	-	12.6	-	-	-
Upgrading of infrastructure for disabled members	Upgrading of buildings and pathways through the construction of ramps, installations of water closets and hand wash basins for members with disabilities	Various	8.9	1.4	0.4	2.4	0.3	-	-	-
Resurface of access roads	Resurface and tarring of access roads to military facilities	Various	146.1	-	-	0.2	0.1	29.2	28.1	-
Fuel tank and pump	Repair of fuel spillage at Air Force Base Ysterplaat	Identification	1.5	-	-	-	-	-	-	-
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitoring systems	Various	374.4	11.0	1.3	2.0	8.5	16.4	2.2	-
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	-	32.8	4.8	0.0	-
Specialised shipping containers	Construction of buildings to comply with legislation in the storage of ordnance	Various	1.4	1.4	-	-	-	-	-	-
Training facilities	Construction and upgrading of training facilities	Various	35.1	17.3	-	-	9.4	-	-	-
Water and electricity systems	Upgrading of water and electricity supply as well as sewerage reticulation	Various	30.6	2.8	2.8	24.4	0.9	40.7	8.0	0.6
Workshops and stores	Construction of workshops and stores	Various	99.7	13.8	7.0	-	11.5	-	-	-
Fences and gates	Replacement or erection of fences	Various	144.6	-	0.5	0.2	1.3	24.9	3.7	0.8
Recoverable projects	Upgrading of buildings in military bases	Various	129.4	(1.4)	10.5	0.2	13.1	11.6	12.1	12.8
Total			16 105.5	1 381.7	603.4	268.7	940.5	996.7	1 047.7	1 245.2

Vote 20

Independent Police Investigative Directorate

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	74.4	73.3	0.5	0.6	84.4	89.2
Investigation and Information Management	157.1	156.9	0.0	0.2	155.0	160.8
Legal Services	5.7	5.7	–	–	6.2	6.9
Compliance Monitoring and Stakeholder Management	8.9	8.8	–	0.1	9.9	10.1
Total expenditure estimates	246.1	244.7	0.5	0.8	255.5	267.0
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 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 ensures the implementation of disciplinary recommendations made by the directorate.

Selected performance indicators

Table 20.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current ¹	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of cases registered and allocated within 72 hours of written notification	Investigation and Information Management	Outcome 3: All people in South Africa are and feel safe	86% (5 779/6 728)	87% (4 972/5 745)	73% ² (4 298/5 879)	90% ^{1,2}	91% ¹	92% ¹	93% ¹
Percentage of investigations of deaths while in police custody that are decision ready	Investigation and Information Management		— ³	— ³	40% ² (162/403)	60% ^{1,2}	62% ¹	63% ¹	64% ¹
Percentage of investigations of deaths as a result of police action that are decision ready	Investigation and Information Management		— ³	— ³	22% ² (164/740)	50% ^{1,2}	52% ¹	53% ¹	54% ¹
Percentage of investigations of rape by a police officer that are decision ready	Investigation and Information Management		— ³	— ³	36% ² (67/185)	62% ^{1,2}	65% ¹	66% ¹	67% ¹
Percentage of investigations of rape while in police custody that are decision ready	Investigation and Information Management		— ³	— ³	65% ⁴ (22/34)	62% ^{1,4}	65% ¹	66% ¹	67% ¹
Number of community outreach events conducted per year	Compliance Monitoring and Stakeholder Management	Outcome 12: An efficient, effective and development orientated public service	306	337	232 ⁵	216 ⁵	108 ⁵	108 ⁵	108 ⁵

1. No absolute values are provided in 2015/16 and over the medium term as the directorate cannot predict the number of cases it will receive.

2. The 2014/15 targets for these indicators were not met due to leadership instability in some provinces. Most provincial heads were only appointed in 2014/15 and this affected most provinces' ability to meet certain performance targets. The provinces also had no proper performance reporting systems in place. All provincial heads have now been appointed and the directorate anticipates that there will be improved performance in 2015/16, hence the increased targets for 2015/16 when compared to actual performance in 2014/15.

3. 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.

4. The directorate exceeded its 2014/15 target by 5 per cent (from a baseline of 60 per cent) as the unit of measure used to determine the percentage of investigations completed was a turnaround time of 90 days. In 2015/16, the indicator's name and unit of measure were revised from measuring cases 'completed' to cases that are 'decision ready'. As a result, the target decreased from 65% to 62% as decision ready cases generally take longer to finalise.

5. The decrease in performance in 2014/15 and 2015/16 compared to previous years is due to capacity constraints as there are presently no dedicated personnel at the provincial level dealing with outreach programmes. Due to this, the department has been using investigators, depending on their case load and availability, to fulfil this function. Over the medium term, the department's targets have been revised downwards in line with its strategy to ensure that only outreach events that will have impact and reach more people are conducted.

Expenditure analysis

The Independent Police Investigative Directorate contributes to building safer communities, as outlined in the national development plan, and to outcome 3 (ensuring that all people in South Africa are and feel safe) of government's 2014–2019 medium term strategic framework. Working with other departments in the justice, crime prevention and security cluster, the directorate aims to ensure that all people in South Africa live safely in a corruption free society, with an independent and fair criminal justice system.

Chapter 12 of the national development plan emphasises the professionalisation of the police service as among the key priorities for ensuring a crime free South Africa by 2030. The plan proclaims that by 2030, the police service should consist of professional police who conduct themselves in a way that upholds the integrity of the police service, are knowledgeable about the law and their role, carry out their functions competently, and understand their responsibility to serve communities. In line with this vision, the directorate's medium term strategic focus will be to contribute to the professionalisation of the police service. It will do this by: strengthening its investigative capacity so that it can deliver on its mandate in terms of section 28 of the Independent Police Investigative Directorate Act (2011); and providing awareness training to police officials on key provisions of the act that the police service must comply with in relation to investigations, as well as on the implementation of the directorate's disciplinary recommendations. In support of this focus, the directorate will ensure that there is adequate personnel capacity and relevant expertise in its core service delivery areas.

Strengthening the directorate's investigative capacity

The draft White Paper on Police, to be presented to Cabinet at the end of February 2016, promotes the principle that professionalism in the police service is underpinned by adherence to the South African Police Service code of conduct, which seeks to mitigate the abuse of power by police officials. Over the medium term, the directorate will expand its investigative methods and systems to respond to cases of police misconduct and the abuse of police power.

The directorate will sign a memorandum of understanding with other key stakeholders in the justice, crime prevention and security cluster, such as the Special Investigating Unit and the National Prosecuting Authority, on a number of issues, among them sharing resources during investigations. The intention is for the directorate to be able to use specialised equipment, personnel and other resources, held by key stakeholders, during complex or specialised investigations, without compromising the integrity of any investigations.

The directorate will further strengthen its investigative capacity through the newly established national specialised investigations team. The team's mandate is to conduct specialised investigations and facilitate the training of investigators on systemic corruption and other specialised investigations. 14 of the 18 posts in the team were filled between October and November 2015, and total spending on the team as at the beginning of January 2016 amounted to R1.5 million. The team has now started with its work of investigating high profile cases, which is its core mandate.

These expanded investigative methods and systems are budgeted for in the *Investigation Management* subprogramme in the *Investigation and Information Management* programme, which has a budget of R36.3 million over the medium term, and in the *Stakeholder Management* subprogramme in the *Compliance Monitoring and Stakeholder Management* programme, which has a budget of R15.3 million over the medium term. The percentage of investigations into police misconduct that are decision ready is expected to increase as a result of the implementation of the above investigative initiatives. The ultimate goal is to increase the number of disciplinary and criminal convictions secured by the directorate on its recommendations to the police service and the national prosecuting authority, thus ensuring that the police service is rid of corrupt and non-professional officials.

Awareness training for police officials on key provisions of the Independent Police Investigative Directorate Act (2011)

The directorate will train police officials at all police stations on key provisions of the Independent Police Investigative Directorate Act (2011). The department is developing a schedule for the training, which will be finalised before the beginning of 2016/17. The training sessions are aimed at ensuring that police officials are fully aware of and compliant with the provisions of the act in relation to, among other things, their reporting obligations on crimes committed by police officials, implementing recommendations referred to the police service by the directorate, and cooperating with the directorate during investigations. Greater awareness of the directorate's mandate by police officials will contribute to the professionalisation of the police service as police officials will become aware of what is expected of them and be reminded that they will be held accountable for any reported misconduct, negligence or crimes committed by them in the execution of their duties. The training on the act is reflected in average annual growth in expenditure of 63.4 per cent from 2015/16 to 2018/19 in the *Compliance Monitoring and Stakeholder Management* programme.

Personnel capacity and relevant expertise

As the nature of the directorate's work is labour intensive, 71.8 per cent of the directorate's medium term budget goes to compensation of employees, with the core service delivery programme, *Investigation and Information Management*, receiving the bulk of this budget.

As at 30 September 2015, the directorate had a vacancy rate of 14.7 per cent (61 vacant positions), mainly due to natural attrition. The Cabinet approved reductions of R14.4 million in 2017/18 and R23 million in 2018/19 on the directorate's compensation of employees budget are part of its decision to lower the national aggregate expenditure ceiling. After consultation with the Department of Public Service and Administration and National Treasury, the directorate will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

Expenditure trends

Table 20.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Investigation and Information Management														
3. Legal Services														
4. 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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	92.9	86.5	70.3	88.4	88.4	74.4	73.2	78.3	78.3	74.2	74.0	74.0	90.3%	90.7%
Programme 2	98.8	103.3	95.2	121.4	121.2	113.2	151.1	147.5	147.5	150.8	150.8	150.8	97.0%	96.9%
Programme 3	5.4	5.4	4.2	4.3	4.5	3.3	5.7	5.4	3.2	5.1	5.5	5.5	79.4%	78.4%
Programme 4	-	2.7	1.8	2.8	2.8	2.2	4.7	3.6	3.4	4.6	4.5	4.5	98.5%	88.7%
Total	197.0	197.9	171.4	217.0	217.0	193.1	234.7	234.7	232.4	234.8	234.8	234.8	94.2%	94.1%
Change to 2015 Budget estimate													-	
Economic classification														
Current payments	191.1	192.0	166.0	214.2	213.9	188.9	231.3	230.1	215.8	234.4	231.9	231.6	92.1%	92.4%
Compensation of employees	95.2	103.4	96.0	132.4	131.9	105.0	162.3	137.0	119.5	169.8	159.6	159.6	85.8%	90.3%
Goods and services	95.9	88.6	70.0	81.8	82.0	83.9	68.9	93.1	96.3	64.6	72.3	72.1	103.5%	95.9%
of which:														
Audit costs: External	2.4	2.4	3.2	2.5	3.2	2.9	3.4	3.0	4.2	3.7	4.0	3.5	115.9%	109.1%
Computer services	7.1	6.1	7.4	3.0	5.2	9.3	5.6	16.1	13.1	6.9	6.9	7.0	162.4%	107.2%
Fleet services (including government motor transport)	4.4	4.4	7.2	3.3	0.8	8.1	0.7	8.7	8.0	7.2	6.8	6.8	192.6%	146.0%
Operating leases	30.3	23.6	13.2	22.5	21.4	18.2	17.9	22.7	26.6	22.6	19.5	19.6	83.1%	88.9%
Property payments	8.3	8.3	5.1	6.9	6.9	6.4	5.3	7.0	7.8	8.1	8.6	8.1	95.8%	88.9%
Travel and subsistence	19.3	20.1	20.6	27.6	18.8	22.4	12.3	15.2	18.1	6.5	14.1	13.7	114.0%	109.7%
Transfers and subsidies	0.1	0.1	2.1	0.1	0.1	0.3	0.5	0.7	0.7	0.4	0.5	0.6	339.0%	252.6%
Departmental agencies and accounts	0.1	0.1	0.1	0.1	0.1	0.0	0.5	0.5	0.4	0.4	0.4	0.4	77.2%	76.7%
Households	-	-	2.0	-	-	0.3	-	0.2	0.3	-	0.2	0.2	-	779.7%
Payments for capital assets	5.8	5.8	3.3	2.7	2.9	3.9	2.9	3.9	15.9	-	2.4	2.5	225.5%	170.7%
Machinery and equipment	5.8	5.8	3.3	2.7	2.9	3.9	2.9	3.9	15.9	-	2.4	2.5	225.5%	170.7%
Total	197.0	197.9	171.4	217.0	217.0	193.1	234.7	234.7	232.4	234.8	234.8	234.8	94.2%	94.1%

Expenditure estimates

Table 20.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Investigation and Information Management								
3. Legal Services								
4. Compliance Monitoring and Stakeholder Management								
Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	74.0	-5.1%	35.7%	74.4	84.4	89.2	6.4%	32.1%
Programme 2	150.8	13.4%	60.9%	157.1	155.0	160.8	2.2%	62.2%
Programme 3	5.5	0.4%	1.9%	5.7	6.2	6.9	7.9%	2.4%
Programme 4	4.5	19.0%	1.4%	8.9	9.9	10.1	31.4%	3.3%
Total	234.8	5.9%	100.0%	246.1	255.5	267.0	4.4%	100.0%
Change to 2015 Budget estimate				-	(4.4)	(8.0)		

Table 20.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2016/17	2017/18	2018/19		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	231.6	6.5%	96.5%	244.7	254.7	266.1	4.7%	99.4%
Compensation of employees	159.6	15.5%	57.7%	178.5	186.2	195.8	7.1%	71.8%
Goods and services	72.1	-6.6%	38.7%	66.3	68.5	70.3	-0.8%	27.6%
of which:								
Audit costs: External	3.5	14.6%	1.7%	3.1	3.2	3.3	-2.4%	1.3%
Computer services	7.0	4.9%	4.4%	4.5	7.4	6.9	-0.7%	2.6%
Fleet services (including government motor transport)	6.8	15.7%	3.6%	8.7	7.3	7.3	2.1%	3.0%
Operating leases	19.6	-6.0%	9.3%	20.5	21.2	21.2	2.6%	8.2%
Property payments	8.1	-0.6%	3.3%	10.1	10.7	11.7	13.1%	4.0%
Travel and subsistence	13.7	-11.9%	9.0%	10.3	10.0	10.4	-8.7%	4.4%
Transfers and subsidies	0.6	80.2%	0.4%	0.5	0.6	0.7	3.4%	0.2%
Departmental agencies and accounts	0.4	54.2%	0.1%	0.5	0.6	0.7	20.8%	0.2%
Households	0.2	-	0.3%	-	-	-	-100.0%	0.0%
Payments for capital assets	2.5	-24.2%	3.1%	0.8	0.2	0.2	-58.8%	0.4%
Machinery and equipment	2.5	-24.2%	3.1%	0.8	0.2	0.2	-58.8%	0.4%
Total	234.8	5.9%	100.0%	246.1	255.5	267.0	4.4%	100.0%

Personnel information

Table 20.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ 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 (%)	Salary level/Total: Average (%)						
		2014/15	Unit Cost	2015/16	Unit Cost	2016/17	Unit Cost	2017/18	Unit Cost	2018/19	Unit Cost	2015/16 - 2018/19								
Independent Police Investigative Directorate		414	-	393	119.5	0.3	414	159.6	0.4	418	178.5	0.4	423	200.6	0.5	423	218.8	0.5	0.7%	100.0%
Salary level		414	-	393	119.5	0.3	414	159.6	0.4	418	178.5	0.4	423	200.6	0.5	423	218.8	0.5	0.7%	100.0%
1 – 6		101	-	100	14.4	0.1	101	18.0	0.2	100	19.2	0.2	100	21.6	0.2	100	23.9	0.2	-0.3%	23.9%
7 – 10		239	-	226	63.3	0.3	239	87.2	0.4	240	94.0	0.4	245	104.8	0.4	245	114.0	0.5	0.8%	57.7%
11 – 12		38	-	33	15.1	0.5	39	18.9	0.5	40	22.6	0.6	40	25.1	0.6	40	27.7	0.7	0.8%	9.5%
13 – 16		36	-	34	26.6	0.8	35	35.6	1.0	38	42.7	1.1	38	49.1	1.3	38	53.2	1.4	2.8%	8.9%
Programme		414	-	393	119.5	0.3	414	159.6	0.4	418	178.5	0.4	423	200.6	0.5	423	218.8	0.5	0.7%	100.0%
Programme 1		124	-	111	32.9	0.3	124	42.5	0.3	118	44.7	0.4	118	51.6	0.4	118	56.0	0.5	-1.6%	28.5%
Programme 2		274	-	267	82.9	0.3	274	109.8	0.4	279	120.7	0.4	284	134.2	0.5	284	147.3	0.5	1.2%	66.8%
Programme 3		8	-	8	1.2	0.1	8	3.9	0.5	8	5.2	0.7	8	5.7	0.7	8	6.2	0.8	-	1.9%
Programme 4		8	-	7	2.5	0.4	8	3.5	0.4	13	7.8	0.6	13	9.0	0.7	13	9.3	0.7	17.6%	2.8%
Reduction		-	-	-	-	-	-	-	-	-	-	-	(14.4)	-	-	(23.0)	-	-	-	-
Total		414	-	393	119.5	0.3	414	159.6	0.4	418	178.5	0.4	-	186.2	-	-	195.8	-	-	-

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

2. The department's compensation of employees budget has been reduced by R37.4 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 20.5 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)	
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18			2018/19
R thousand													
Departmental receipts	179	321	706	178	225	7.9%	100.0%	191	201	211	-2.1%	100.0%	
Sales of goods and services produced by department	136	148	149	84	132	-1.0%	39.5%	88	92	96	-10.1%	49.3%	
Sales by market establishments	75	77	66	-	-	-100.0%	15.2%	-	-	-	-	-	
of which:													
Market establishment:	75	77	66	-	-	-100.0%	15.2%	-	-	-	-	-	
Rental parking: Covered and open	61	71	83	84	132	29.3%	24.2%	88	92	96	-10.1%	49.3%	
of which:													
Services rendered:	61	71	83	83	131	29.0%	24.2%	87	92	96	-9.8%	49.0%	
Commission on insurance and garnishees	-	-	-	1	1	-	0.1%	1	-	-	-100.0%	0.2%	
Sales: Tender documents	2	2	1	-	1	-20.6%	0.4%	1	1	1	-	0.5%	
Sales of scrap, waste, arms and other used current goods	2	2	1	-	1	-20.6%	0.4%	1	1	1	-	0.5%	
of which:													
Sales: Scrap	2	2	1	-	1	-20.6%	0.4%	1	1	1	-	0.5%	
Interest, dividends and rent on land	-	11	16	12	9	-	2.5%	13	14	15	18.6%	6.2%	
Interest	-	11	16	12	9	-	2.5%	13	14	15	18.6%	6.2%	
Transactions in financial assets and liabilities	41	160	540	82	83	26.5%	57.6%	89	94	99	6.1%	44.1%	
Total	179	321	706	178	225	7.9%	100.0%	191	201	211	-2.1%	100.0%	

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 20.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18			2018/19
R million												
Department Management	7.3	6.4	7.4	10.8	13.6%	11.1%	12.9	14.7	15.7	13.4%	16.8%	
Corporate Services	26.0	42.3	41.4	30.7	5.7%	49.2%	27.6	34.0	35.3	4.7%	39.7%	
Office Accommodation	9.1	9.6	10.2	10.6	5.4%	13.8%	11.2	11.8	12.5	5.4%	14.3%	
Internal Audit	2.8	2.4	2.8	3.6	8.5%	4.1%	4.5	5.0	5.3	13.9%	5.7%	
Finance Services	13.8	13.8	16.5	18.3	10.0%	21.8%	18.2	19.0	20.4	3.7%	23.6%	
Total	59.0	74.4	78.3	74.0	7.9%	100.0%	74.4	84.4	89.2	6.4%	100.0%	
Change to 2015 Budget estimate							(4.2)	(0.3)	(1.4)			
Economic classification												
Current payments	57.6	72.7	75.6	73.0	8.2%	97.6%	73.3	83.6	88.3	6.6%	98.8%	
Compensation of employees	25.4	29.9	32.9	42.5	18.7%	45.8%	44.7	51.6	56.0	9.6%	60.5%	
Goods and services	32.2	42.7	42.7	30.5	-1.8%	51.9%	28.6	32.0	32.4	2.0%	38.3%	
of which:												
Audit costs: External	3.2	2.9	4.2	4.0	8.3%	5.0%	3.1	3.2	3.3	-6.6%	4.2%	
Communication	0.8	1.2	1.6	0.7	-3.4%	1.5%	1.0	1.1	1.2	16.9%	1.2%	
Computer services	2.6	6.7	2.5	3.4	9.2%	5.3%	1.8	3.9	4.1	7.1%	4.1%	
Operating leases	10.2	16.6	20.4	12.5	7.0%	20.9%	12.0	11.7	10.8	-4.8%	14.6%	
Property payments	3.0	4.2	3.9	3.6	6.2%	5.1%	4.6	4.9	5.7	16.4%	5.8%	
Travel and subsistence	4.3	3.5	3.2	3.7	-5.2%	5.1%	1.9	3.0	2.8	-8.1%	-3.5%	
Transfers and subsidies	0.3	-	0.4	0.4	8.6%	0.4%	0.5	0.6	0.7	21.6%	0.7%	
Departmental agencies and accounts	0.1	-	0.4	0.4	55.7%	0.3%	0.5	0.6	0.7	21.6%	0.7%	
Households	0.2	-	0.0	-	-100.0%	0.1%	-	-	-	-	-	
Payments for capital assets	1.1	1.7	2.3	0.7	-15.0%	2.0%	0.6	0.2	0.2	-37.3%	0.5%	
Machinery and equipment	1.1	1.7	2.3	0.7	-15.0%	2.0%	0.6	0.2	0.2	-37.3%	0.5%	
Total	59.0	74.4	78.3	74.0	7.9%	100.0%	74.4	84.4	89.2	6.4%	100.0%	
Proportion of total programme expenditure to vote expenditure	34.4%	38.5%	33.7%	31.5%	-	-	30.2%	33.0%	33.4%	-	-	

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, within the powers granted to the directorate by 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
 - submitting feedback to complainants within 30 days of the closure of an investigation.
- Enhance efficiency in case management over the medium term by increasing the percentage of cases registered and allocated within 72 hours of receipt, from 90 per cent in 2015/16 to 93 per cent in 2018/19.
- Maintain relationships with state security agencies such as the South African Police Service, the National Prosecuting Authority, the Civilian Secretariat for the Police Service and community stakeholders through ongoing participation in national and provincial engagement forums.

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 20.7 Investigation and Information Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Investigation Management	9.7	1.6	20.0	15.3	16.2%	9.0%	11.3	12.6	12.4	-6.6%	8.3%
Investigation Services	94.0	106.9	122.0	132.0	12.0%	87.9%	141.5	137.7	142.8	2.7%	88.8%
Information Management	2.3	4.6	5.5	3.5	15.4%	3.1%	4.4	4.7	5.5	16.2%	2.9%
Total	106.0	113.2	147.5	150.8	12.5%	100.0%	157.1	155.0	160.8	2.2%	100.0%
Change to 2015 Budget estimate							0.8	(4.5)	(7.7)		
Economic classification											
Current payments	102.1	111.0	134.5	149.1	13.4%	96.0%	156.9	155.0	160.8	2.5%	99.7%
Compensation of employees	65.8	70.7	82.9	109.8	18.6%	63.6%	120.7	119.8	124.3	4.2%	76.1%
Goods and services	36.3	40.3	51.6	39.3	2.7%	32.4%	36.2	35.2	36.5	-2.5%	23.6%
of which:											
Communication	1.9	1.9	1.9	1.4	-9.8%	1.4%	1.5	1.2	1.1	-7.8%	0.8%
Computer services	4.7	1.1	10.1	3.0	-13.4%	3.7%	2.6	3.4	2.6	-4.9%	1.9%
Fleet services (including government motor transport)	4.4	7.6	7.5	6.6	14.2%	5.0%	8.0	6.8	6.7	0.9%	4.5%
Operating leases	3.0	2.8	6.1	7.0	32.7%	3.7%	8.4	9.4	10.4	13.9%	5.6%
Property payments	2.1	2.3	3.9	5.1	33.8%	2.6%	5.5	5.8	6.1	6.3%	3.6%
Travel and subsistence	14.1	18.9	14.5	9.7	-11.8%	11.0%	7.7	6.5	7.0	-10.2%	5.0%
Transfers and subsidies	1.9	0.3	0.2	0.2	-55.6%	0.5%	0.0	0.0	0.0	-61.9%	-
Households	1.8	0.3	0.2	0.2	-55.9%	0.5%	-	-	-	-100.0%	-
Payments for capital assets	2.1	1.9	12.8	1.6	-8.6%	3.5%	0.2	-	-	-100.0%	0.3%
Machinery and equipment	2.1	1.9	12.8	1.6	-8.6%	3.5%	0.2	-	-	-100.0%	0.3%
Total	106.0	113.2	147.5	150.8	12.5%	100.0%	157.1	155.0	160.8	2.2%	100.0%
Proportion of total programme expenditure to vote expenditure	61.9%	58.6%	63.5%	64.2%	-	-	63.9%	60.7%	60.2%	-	-

Programme 3: Legal Services

Programme purpose

Manage and facilitate the provision of investigation advisory services, and provide legal, civil and labour litigation services.

Objective

- Ensure that investigations are conducted efficiently and within the ambit of the law by providing investigators with appropriate legal advice and guidance, during and after the completion of investigations, on an ongoing basis.

Subprogrammes

- *Legal Support and Administration* manages the directorate's legal obligations by developing and maintaining systems, procedures, norms and standards to support, guide and direct legal support within the directorate.
- *Litigation Advisory Services* is responsible for coordinating civil and labour litigation, as well as coordinating the granting of policing powers. Other key activities and outputs include finalising received contracts and service level agreements.
- *Investigation Advisory Services* provides support during and after investigations, provides legal advice and guidance to investigators, and ensures that all cases that are forwarded for prosecution comply with the requirements of the prosecution process.

Expenditure trends and estimates

Table 20.8 Legal Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Legal Support and Administration	1.3	1.5	1.9	1.7	7.6%	39.5%	1.7	1.9	2.0	6.9%	30.0%
Litigation Advisory Services	1.6	0.7	0.8	2.1	9.4%	32.3%	1.9	2.1	2.4	3.2%	35.2%
Investigation Advisory Services	1.2	1.1	0.5	1.7	11.3%	28.2%	2.0	2.2	2.5	14.2%	34.8%
Total	4.2	3.3	3.2	5.5	9.4%	100.0%	5.7	6.2	6.9	7.9%	100.0%
Change to 2015							0.4	-	-		
Budget estimate											
Economic classification											
Current payments	4.1	3.1	2.7	5.4	9.8%	94.5%	5.7	6.2	6.9	8.3%	99.8%
Compensation of employees	3.4	2.7	1.2	3.9	5.1%	69.5%	5.2	5.7	6.2	16.5%	87.1%
Goods and services	0.7	0.4	1.5	1.5	28.7%	25.0%	0.4	0.5	0.6	-24.1%	12.6%
of which:											
Bursaries: Employees	-	-	-	-	-	-	0.0	0.0	0.1	-	0.5%
Computer services	0.1	0.0	0.4	0.1	4.2%	4.3%	0.1	0.1	0.1	-18.0%	1.5%
Travel and subsistence	0.3	0.2	0.2	0.3	-0.8%	6.1%	0.2	0.2	0.4	6.4%	4.6%
Transfers and subsidies	-	-	0.1	-	-	0.5%	-	-	-	-	-
Households	-	-	0.1	-	-	0.5%	-	-	-	-	-
Payments for capital assets	0.1	0.2	0.5	0.1	-15.1%	5.0%	-	-	-	-100.0%	0.2%
Machinery and equipment	0.1	0.2	0.5	0.1	-15.1%	5.0%	-	-	-	-100.0%	0.2%
Total	4.2	3.3	3.2	5.5	9.4%	100.0%	5.7	6.2	6.9	7.9%	100.0%
Proportion of total programme expenditure to vote expenditure	2.4%	1.7%	1.4%	2.3%	-	-	2.3%	2.4%	2.6%	-	-

Programme 4: 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 through:
 - the ongoing monitoring and evaluation of the quality of recommendations made to the South African Police Service and Municipal Police Services to ensure successful disciplinary and criminal convictions
 - the ongoing monitoring of and reporting on the police service's compliance with reporting obligations in terms of the Independent Police Investigative Directorate Act (2011).

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 20.9 Compliance Monitoring and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Compliance Monitoring	1.8	1.8	2.5	3.8	27.7%	81.1%	4.1	4.3	5.1	10.1%	52.3%
Stakeholder Management	0.4	0.4	0.9	0.6	15.9%	18.9%	4.8	5.5	5.0	100.7%	47.7%
Total	2.2	2.2	3.4	4.5	25.8%	100.0%	8.9	9.9	10.1	31.4%	100.0%
Change to 2015 Budget estimate				-			3.0	0.5	1.1		
Economic classification											
Current payments	2.1	2.1	3.1	4.4	27.3%	95.0%	8.8	9.8	10.1	32.0%	99.5%
Compensation of employees	1.4	1.7	2.5	3.5	34.4%	72.9%	7.8	9.0	9.3	39.0%	88.5%
Goods and services	0.7	0.5	0.6	0.9	9.9%	22.1%	1.0	0.9	0.8	-3.8%	11.1%
of which:											
Administrative fees	0.0	0.0	0.0	0.0	65.1%	0.2%	0.1	0.1	0.1	92.3%	0.6%
Communication	0.0	0.0	0.0	0.0	14.5%	0.6%	0.1	0.1	0.1	72.5%	0.7%
Consumables: Stationery, printing and office supplies	0.0	0.1	0.2	0.0	-43.7%	2.2%	0.1	0.1	0.1	155.1%	0.8%
Travel and subsistence	0.1	0.0	0.2	0.5	61.5%	6.8%	0.4	0.3	0.2	-22.4%	4.2%
Training and development	0.2	0.1	0.0	0.0	-54.5%	3.0%	0.1	0.1	0.1	63.4%	1.0%
Operating payments	0.0	0.0	-	0.0	-11.6%	0.4%	0.2	0.2	0.2	104.1%	1.6%
Payments for capital assets	0.1	0.1	0.3	0.1	-16.2%	5.0%	0.1	0.0	0.0	-39.4%	0.5%
Machinery and equipment	0.1	0.1	0.3	0.1	-16.2%	5.0%	0.1	0.0	0.0	-39.4%	0.5%
Total	2.2	2.2	3.4	4.5	25.8%	100.0%	8.9	9.9	10.1	31.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	1.2%	1.5%	1.9%	-	-	3.6%	3.9%	3.8%	-	-

Vote 21

Justice and Constitutional Development

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	2 079.9	2 053.2	14.9	11.8	2 118.8	2 197.4
Court Services	6 121.6	5 091.6	21.4	1 008.6	6 463.6	6 827.1
State Legal Services	1 128.0	1 097.3	17.0	13.8	1 221.2	1 285.7
National Prosecuting Authority	3 557.5	3 490.1	16.1	51.3	3 684.3	3 836.8
Auxiliary and Associated Services	3 162.7	658.6	2 310.0	194.2	3 495.2	3 698.1
Subtotal	16 049.7	12 390.7	2 379.4	1 279.7	16 983.2	17 845.2
Direct charge against the National Revenue Fund						
Magistrates' Salaries	2 040.2	1 977.0	63.1	–	2 140.5	2 264.7
Total expenditure estimates	18 089.9	14 367.7	2 442.5	1 279.7	19 123.7	20 109.9

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 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

In addition to its constitutional mandate, the Department of Justice and Constitutional Development derives its mandate from a number of acts, which cover all the categories of the department's functions. These include: the establishment of magistrates' courts and appointment of magistrates and other judicial officers, their conditions of service; discipline and training; the establishment and functioning of the Special Investigating Unit and the National Prosecuting Authority, including the Asset Forfeiture Unit; the conduct of criminal proceedings; the prosecution of organised crime and corruption, and the forfeiture of assets obtained through illicit means; 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 provisioning 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 support to chapter 9 institutions.

Selected performance indicators

Table 21.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections ¹		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of criminal cases on the backlog roll in the lower courts per year ²	Court Services	Outcome 3: All people in South Africa are and feel safe	30 692	27 295	29 480	25 338	31 942	30 344	28 827
Percentage of letters of appointment for executors issued in deceased estates within 15 days from receipt of all required documents	State Legal Services		90% (101 320 out of 112 578)	94% (100 103 out of 106 727)	89% ³ (103 904 out of 116 746)	93% (139 500 out of 150 000)	94% (141 000 out of 150 000)	95% (142 500 out of 150 000)	96% (144 000 out of 150 000)

Table 21.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections ¹			
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Number of criminal court cases finalised, including alternative dispute resolution mechanisms, per year ⁴ :	National Prosecuting Authority	Outcome 3: All people in South Africa are and feel safe	466 800	505 342	503 463	479 707	486 026	492 439	498 946	
- Number of criminal court cases finalised with verdict			323 390	329 153	319 149	327 519	330 794	334 102	337 443	
- Number of criminal court cases finalised through alternative dispute resolution mechanisms			143 410	176 189	184 314	152 188	155 232	158 337	161 503	
Conviction rate ⁵ :										
- High courts			87.5% (1 045 out of 1 194)	88.8% (911 out of 1 026)	91% (890 out of 978)	87% (888 out of 1 021)	87% (897 out of 1 031)	87% (906 out of 1 041)	87% (915 out of 1 052)	
- Regional courts			75.1% (28 198 out of 37 563)	76% (27 246 out of 35 848)	76.6% (25 591 out of 33 430)	74% (26 396 out of 35 670)	74% (26 660 out of 36 027)	74% (26 926 out of 36 387)	74% (27 196 out of 36 751)	
- District courts			91.1% (261 591 out of 284 663)	93.6% (273 641 out of 292 279)	94.2% (268 127 out of 284 741)	88% (255 928 out of 290 828)	88% (258 488 out of 293 736)	88% (261 073 out of 296 673)	88% (263 683 out of 299 640)	
Total number of operational Thuthuzela care centres			35	38	44	55	60	65	68	
Number of persons convicted of corruption or offences relating to corruption per year where the amount involved is more than R5m			42	21	23 ⁶	20 ⁶	25	26	26	
Number of completed forfeiture cases per year			302	390 ⁷	463	420	430	440	450	
Value of completed forfeiture cases per year			R119m	R296.4m	R1.9m ⁸	R210m	R230m	R260m	R300m	
Number of freezing orders per year			276	363	342	321	324	327	330	
Value of freezing orders per year			R518m	R701.5m	R2 619m	R1bn	R1.1bn	R1.2bn	R1.3bn	
Success rate ⁹			94.1% (289 out of 307)	94.2% (423 out of 449)	94.4% (204 out of 216)	93% (391 out of 420)	93% (400 out of 430)	93% (409 out of 440)	93% (419 out of 450)	

1. With the exception of criminal cases on the backlog roll, projections are aligned with government's 2014-2019 medium term strategic framework.

2. Targets were revised upwards given the revised definition of criminal cases on the backlog roll, as per the norms and standards published by the Office of the Chief Justice.

3. The decrease was due to the introduction of a paperless estate administration system that users needed to be trained on.

4. A reduction in court utilisation impacted negatively on the finalisation of trial cases.

5. Targets for this indicator are determined based on performance standards and not historical performance.

6. In these years, the indicator relates to the number of persons convicted of corruption or offences where the amount benefitted is more than R5 million.

7. The increase was due to an initiative to increase the number of confiscation orders granted after conviction in terms of section 18 of the Prevention of Organised Crime Act (1998). Training was also provided to prosecutors and vacant posts were filled.

8. Fluctuations in the value of completed forfeiture cases occur depending on when big cases are finalised.

9. The decrease in the annual success rate over the medium term is due to a greater focus on cases with significant impact that the unit has a higher risk of losing. The success rate measures cases won.

Expenditure analysis

Building safer communities is one of the objectives of the national development plan. Flowing from this, the 2014-2019 medium term strategic framework highlights the need for all departments in the justice, crime prevention and security cluster to ensure that all people in South Africa are and feel safe (outcome 3). The onus is on the Department of Justice and Constitutional Development to implement practical, short and medium term measures to address the all-round performance of courts and improve the investigation and prosecution of criminal cases. The department's spending over the medium term will thus be focused on increasing access to courts and expediting justice. The department will also focus on deepening individuals' constitutional right to privacy by establishing the Information Regulator.

The administration of justice is labour intensive, and compensation of employees remains the main cost driver in the department's budget, with expenditure expected to increase from R9.4 billion in 2015/16 to R11.1 billion in 2018/19. The number of posts is expected to be 27 374 at most in 2018/19. The department receives increases in compensation of employees of R208 million in 2016/17, R543 million in 2017/18 and R669 million in 2018/19 towards the costs of the 2015 public sector wage agreement. However, Cabinet has approved budget reductions in compensation of employees of R429 million in 2017/18 and R671 million in 2018/19 as part of its decision to lower the national aggregate expenditure ceiling. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

Increasing access to courts and expediting justice

In response to the constitutional requirement that everyone has the right to access to a court, the department will continue providing court infrastructure and improving access to courts. The department's legislative mandate provides for a high court in every province, and the Mpumalanga high court will be completed in 2016/17 at an estimated cost of R706.4 million. The magistrates' courts prioritised for completion over the medium term are: Mamelodi, Port Shepstone, Plettenberg Bay, Dimbaza, Booyens, Richards Bay and Bityi. This is at a total projected cost of R1.4 billion over the period. Building more courts will be supplemented by rationalising magisterial districts and aligning the jurisdiction of magistrates' courts with municipal boundaries to ensure that all people can access justice equitably wherever they live. The building of new court infrastructure explains the significant increases in spending in the *Facilities Management* subprogramme, at an average annual rate of 13.3 per cent over the medium term, and on buildings and other fixed structures in the *Court Services* programme, at an average annual rate of 15.2 per cent over the period.

Access to justice will also be enhanced over the medium term by the employment of additional prosecutors. 150 aspirant prosecutors, 39 regional court prosecutors and 19 senior public prosecutors will be appointed between 2016/17 and 2018/19. The greater prosecuting capacity is expected to increase the number of criminal cases finalised, including those finalised through alternative dispute resolution mechanisms, by almost 13 000 over the medium term. R45 million in 2016/17, R48.7 million in 2017/18 and R50.2 million in 2018/19 million has been reprioritised in the *National Prosecuting Authority* programme to the *National Prosecutions Services* subprogramme from the *Asset Forfeiture Unit* and *Support Services* subprogrammes to fund these appointments, mainly due to cost containment measures in goods and services and machinery and equipment.

Establishing the Information Regulator

The Protection of Personal Information Act (2013) aims to promote the protection of personal information processed by public and private institutions. The Information Regulator, established by the act, will deepen individuals' constitutional right to privacy by ensuring that personal information held by institutions is safeguarded and only used for its intended purpose. Establishing the Information Regulator gives the *State Legal Services* programme one of the fastest growing budgets in the department, at an average annual rate of 7.1 per cent over the medium term. The funds will provide for the employment of 12 administrative personnel and their office requirements.

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	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	1 753.4	1 454.7	1 466.5	1 525.2	1 886.5	1 761.5	1 843.4	1 931.1	1 836.2	1 857.8	1 872.9	1 872.9	99.4%	97.1%
Programme 2	4 790.9	4 866.0	4 804.7	5 337.8	5 116.2	4 754.9	5 495.2	5 333.6	5 235.3	5 526.4	5 579.1	5 519.1	96.0%	97.2%
Programme 3	768.2	784.9	791.6	852.0	876.6	868.1	922.0	964.4	919.0	1 032.2	1 045.7	1 045.7	101.4%	98.7%
Programme 4	2 815.8	2 839.8	2 839.8	3 050.4	3 068.2	3 068.2	3 252.9	3 254.1	3 254.1	3 374.0	3 394.5	3 394.5	100.5%	100.0%
Programme 5	2 339.3	2 446.3	2 408.6	2 834.7	2 711.0	2 596.0	3 070.0	3 091.3	2 973.4	3 193.5	3 118.5	3 018.5	96.1%	96.7%
Subtotal	12 467.6	12 391.8	12 311.2	13 600.1	13 658.5	13 048.6	14 583.5	14 574.5	14 218.0	14 984.0	15 010.8	14 850.8	97.8%	97.8%
Direct charge against the National Revenue Fund	1 822.7	1 692.7	1 314.8	1 954.7	1 789.2	1 510.0	1 901.3	1 874.3	1 622.4	1 880.8	1 830.8	1 590.8	79.9%	84.0%
Magistrates' salaries	1 822.7	1 692.7	1 314.8	1 954.7	1 789.2	1 510.0	1 901.3	1 874.3	1 622.4	1 880.8	1 830.8	1 590.8	79.9%	84.0%
Total	14 290.3	14 084.5	13 626.0	15 554.8	15 447.7	14 558.6	16 484.8	16 448.8	15 840.3	16 864.7	16 841.5	16 441.5	95.7%	96.2%
Change to 2015 Budget estimate											(23.2)			

Table 21.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)									
	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	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Current payments	11 175.1	11 030.0	10 797.6	12 288.5	12 325.8	11 739.5	12 939.6	13 028.3	12 475.6	13 304.0	13 494.4	13 200.8	97.0%	96.7%
Compensation of employees	7 666.9	7 476.4	7 185.0	8 325.6	8 325.2	7 919.5	9 005.7	8 992.9	8 523.0	9 307.3	9 365.3	9 154.7	95.6%	96.0%
Goods and services	3 479.4	3 538.7	3 612.6	3 951.4	4 000.6	3 819.9	3 933.9	4 035.4	3 952.6	3 996.7	4 129.1	4 046.1	100.5%	98.3%
<i>of which:</i>														
Computer services	552.1	564.9	502.0	807.3	631.6	527.5	544.6	647.2	736.9	657.0	812.7	729.7	97.5%	94.0%
Agency and support/outsourced services	430.8	375.6	332.9	533.2	460.1	185.4	449.6	244.9	221.0	173.8	208.9	208.9	59.7%	73.5%
Consumables: Stationery, printing and office supplies	110.7	111.9	197.5	119.5	113.4	262.7	127.6	254.3	233.9	236.6	225.9	225.9	154.8%	130.4%
Operating leases	588.2	539.5	495.0	563.2	562.7	703.3	616.0	634.8	739.2	598.2	617.9	617.9	108.0%	108.5%
Property payments	625.7	669.9	874.8	730.9	911.3	889.3	995.2	879.3	805.8	976.1	973.3	973.3	106.5%	103.2%
Travel and subsistence	392.8	403.7	435.1	459.2	462.6	373.0	419.1	394.8	396.8	363.4	373.5	373.5	96.6%	96.6%
Interest and rent on land	28.7	14.9	0.0	11.5	-	-	-	-	-	-	-	-	0.0%	0.0%
Transfers and subsidies	1 918.4	1 982.6	1 927.0	2 091.2	2 108.2	2 069.5	2 220.8	2 268.7	2 259.2	2 335.3	2 373.1	2 343.7	100.4%	98.5%
Provinces and municipalities	0.2	0.2	0.4	0.2	0.2	0.5	0.3	0.4	0.5	0.5	0.5	0.5	159.7%	145.4%
Departmental agencies and accounts	1 821.5	1 888.2	1 887.6	1 989.8	2 003.1	1 998.1	2 122.2	2 158.0	2 157.2	2 231.4	2 245.2	2 245.2	101.5%	99.9%
Foreign governments and international organisations	5.2	5.2	1.3	5.5	14.5	11.2	5.8	25.1	23.9	14.4	14.4	14.4	164.2%	85.8%
Households	91.5	89.0	37.7	95.6	90.3	59.7	92.5	85.2	77.5	89.0	113.0	83.6	70.1%	68.5%
Payments for capital assets	1 196.9	1 072.0	893.8	1 175.1	1 012.2	733.0	1 324.3	1 149.5	1 066.5	1 225.4	972.3	895.3	72.9%	85.3%
Buildings and other fixed structures	1 051.0	851.0	638.9	1 005.1	803.6	398.8	864.3	586.0	722.9	682.0	661.5	616.5	66.0%	81.9%
Machinery and equipment	145.8	215.3	246.4	170.0	208.6	334.1	459.9	563.5	328.9	543.3	260.7	228.7	86.3%	91.2%
Software and other intangible assets	0.0	5.6	8.5	0.0	0.0	0.1	0.0	0.0	14.7	0.1	50.1	50.1	35 998.5%	131.6%
Payments for financial assets	-	-	7.6	-	1.5	16.6	-	2.3	39.1	-	1.8	1.8	-	1 178.8%
Total	14 290.3	14 084.5	13 626.0	15 554.8	15 447.7	14 558.6	16 484.8	16 448.8	15 840.3	16 864.7	16 841.5	16 441.5	95.7%	96.2%

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	1 872.9	8.8%	11.5%	2 079.9	2 118.8	2 197.4	5.5%	11.2%
Programme 2	5 519.1	4.3%	33.6%	6 121.6	6 463.6	6 827.1	7.3%	33.8%
Programme 3	1 045.7	10.0%	6.0%	1 128.0	1 221.2	1 285.7	7.1%	6.3%
Programme 4	3 394.5	6.1%	20.8%	3 557.5	3 684.3	3 836.8	4.2%	19.6%
Programme 5	3 018.5	7.3%	18.2%	3 162.7	3 495.2	3 698.1	7.0%	18.1%
Subtotal	14 850.8	6.2%	90.0%	16 049.7	16 983.2	17 845.2	6.3%	89.1%
Direct charge against the National Revenue Fund	1 590.8	-2.0%	10.0%	2 040.2	2 140.5	2 264.7	12.5%	10.9%
Magistrates' salaries	1 590.8	-2.0%	10.0%	2 040.2	2 140.5	2 264.7	12.5%	10.9%
Total	16 441.5	5.3%	100.0%	18 089.9	19 123.7	20 109.9	6.9%	100.0%
Change to 2015 Budget estimate				84.6	36.9	(83.9)		

Table 21.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2016/17	2017/18	2018/19		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	13 200.8	6.2%	79.7%	14 367.7	15 076.1	15 829.7	6.2%	79.3%
Compensation of employees	9 154.7	7.0%	54.2%	10 070.2	10 578.0	11 067.6	6.5%	55.4%
Goods and services	4 046.1	4.6%	25.5%	4 297.5	4 498.0	4 762.1	5.6%	23.9%
of which:								
Computer services	729.7	8.9%	4.1%	580.9	642.2	679.6	-2.3%	3.6%
Agency and support/outourced services	208.9	-17.8%	1.6%	363.4	375.8	387.3	22.8%	1.8%
Consumables: Stationery, printing and office supplies	225.9	26.4%	1.5%	241.4	252.9	259.8	4.8%	1.3%
Operating leases	617.9	4.6%	4.2%	819.8	873.3	912.8	13.9%	4.4%
Property payments	973.3	13.3%	5.9%	1 037.4	1 078.0	1 168.0	6.3%	5.8%
Travel and subsistence	373.5	-2.6%	2.6%	324.3	339.7	352.5	-1.9%	1.9%
Transfers and subsidies	2 343.7	5.7%	14.2%	2 442.5	2 714.4	2 871.8	7.0%	14.1%
Provinces and municipalities	0.5	27.3%	0.0%	0.5	0.5	0.6	5.0%	0.0%
Departmental agencies and accounts	2 245.2	5.9%	13.7%	2 333.2	2 599.6	2 750.3	7.0%	13.5%
Foreign governments and international organisations	14.4	40.5%	0.1%	15.2	16.0	16.9	5.4%	0.1%
Households	83.6	-2.0%	0.4%	93.6	98.3	104.0	7.5%	0.5%
Payments for capital assets	895.3	-5.8%	5.9%	1 279.7	1 333.2	1 408.4	16.3%	6.7%
Buildings and other fixed structures	616.5	-10.2%	3.9%	911.1	956.1	1 011.2	17.9%	4.7%
Machinery and equipment	228.7	2.0%	1.9%	368.5	377.1	397.3	20.2%	1.9%
Software and other intangible assets	50.1	107.0%	0.1%	-	-	-	-100.0%	0.1%
Payments for financial assets	1.8	-	0.1%	-	-	-	-100.0%	0.0%
Total	16 441.5	5.3%	100.0%	18 089.9	19 123.7	20 109.9	6.9%	100.0%

Personnel information

Table 21.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)					
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost		
Justice and Constitutional Development		26 574	460	23 942	8 523.0	0.4	26 347	9 265.3	0.4	27 374	10 070.2	0.4	27 374	11 007.3	0.4	27 374	11 738.7	0.4	1.3%	100.0%
Salary level																				
1 – 6	13 317	309	12 632	2 256.0	0.2	13 316	2 520.0	0.2	14 117	2 699.7	0.2	14 117	2 992.3	0.2	14 117	3 205.1	0.2	2.0%	51.3%	
7 – 10	7 511	118	6 375	2 153.1	0.3	7 319	2 424.8	0.3	7 511	2 624.4	0.3	7 511	2 908.3	0.4	7 511	3 149.9	0.4	0.9%	27.5%	
11 – 12	2 852	19	2 708	2 105.5	0.8	2 827	2 208.1	0.8	2 852	2 272.9	0.8	2 852	2 499.1	0.9	2 852	2 613.8	0.9	0.3%	10.5%	
13 – 16	427	2	391	407.4	1.0	418	439.4	1.1	427	493.8	1.2	427	530.9	1.2	427	572.7	1.3	0.7%	1.6%	
Other	2 467	12	1 836	1 601.0	0.9	2 467	1 673.0	0.7	2 467	1 979.4	0.8	2 467	2 076.7	0.8	2 467	2 197.2	0.9	-	9.1%	
Programme	26 574	460	23 942	8 523.0	0.4	26 347	9 265.3	0.4	27 374	10 070.2	0.4	27 374	11 007.3	0.4	27 374	11 738.7	0.4	1.3%	100.0%	
Programme 1	1 344	21	1 197	453.5	0.4	1 344	494.9	0.4	2 144	552.3	0.3	2 144	603.4	0.3	2 144	655.0	0.3	16.8%	7.2%	
Programme 2	14 938	37	13 779	3 097.9	0.2	14 938	3 387.5	0.2	14 938	3 573.4	0.2	14 938	3 948.8	0.3	14 938	4 205.4	0.3	-	55.1%	
Programme 3	2 379	3	2 008	749.7	0.4	2 361	890.7	0.4	2 379	960.0	0.4	2 379	1 112.7	0.5	2 379	1 211.5	0.5	0.3%	8.8%	
Programme 4	5 447	387	5 123	2 623.1	0.5	5 238	2 821.4	0.5	5 447	3 007.5	0.6	5 447	3 268.1	0.6	5 447	3 472.3	0.6	1.3%	19.9%	
Direct charges	2 466	12	1 835	1 598.9	0.9	2 466	1 670.8	0.7	2 466	1 977.0	0.8	2 466	2 074.2	0.8	2 466	2 194.5	0.9	-	9.1%	
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(429.3)	-	-	(671.1)	-	-	-	-
Total	26 574	460	23 942	8 523.0	0.4	26 347	9 265.3	0.4	27 374	10 070.2	0.4	27 374	11 007.3	0.4	27 374	11 738.7	0.4	-	-	-

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

2. The department's compensation of employees budget has been reduced by R1.1 billion for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 21.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	457 341	416 149	337 557	300 954	300 954	-13.0%	100.0%	358 186	376 385	398 217	9.8%	100.0%
Tax receipts	–	290	–	–	–	–	–	–	–	–	–	–
Sales of goods and services produced by department	93 617	73 384	45 434	64 962	64 962	-11.5%	18.3%	55 932	57 566	60 905	-2.1%	16.7%
Sales by market establishments	6 875	6 707	5 863	5 292	5 292	-8.4%	1.6%	6 974	7 358	7 786	13.7%	1.9%
of which:												
Market establishment: Rental dwelling	6 111	5 974	5 863	4 470	4 470	-9.9%	1.5%	6 191	6 532	6 911	15.6%	1.7%
Market establishment: Non-residential buildings	2	–	–	80	80	242.0%	–	–	–	–	-100.0%	–
Market establishment: Rental parking: Covered and open	762	733	–	742	742	-0.9%	0.1%	783	826	875	5.6%	0.2%
Administrative fees	28	13	11	58	58	27.5%	–	34	35	36	-14.7%	–
of which:												
Game licences	7	5	11	9	9	8.7%	–	9	9	9	–	–
Request for information: Promotion of Access to Information Act (2000)	17	7	–	25	25	13.7%	–	25	26	27	2.6%	–
Replacement of security cards	4	1	–	24	24	81.7%	–	–	–	–	-100.0%	–
Other sales	86 714	66 664	39 560	59 612	59 612	-11.7%	16.7%	48 924	50 173	53 083	-3.8%	14.8%
of which:												
Services rendered: Commission on insurance and gamishhee	6 142	6 885	–	6 296	6 296	0.8%	1.3%	4 512	4 633	4 902	-8.0%	1.4%
Services rendered: Insolvent estates: Master office	48 917	50 284	39 560	37 690	37 690	-8.3%	11.7%	33 426	34 047	36 022	-1.5%	9.8%
Services rendered: Fee for recovery of debt	29 437	7 260	–	8 222	8 222	-34.6%	3.0%	9 860	10 326	10 925	9.9%	2.7%
Services rendered: Photocopies and faxes	1 873	2 163	–	7 220	7 220	56.8%	0.7%	1 070	1 108	1 172	-45.4%	0.7%
Sale of assets less than R5 000	345	72	–	184	184	-18.9%	–	56	59	62	-30.4%	–
Sales of scrap, waste, arms and other used current goods	–	409	145	416	416	–	0.1%	177	186	197	-22.1%	0.1%
of which:												
Sales: Scrap	–	24	145	364	364	–	–	153	161	171	-22.3%	0.1%
Sales: Waste paper	–	23	–	52	52	–	–	24	25	26	-20.6%	–
Donations received from public corporations and public enterprises	–	362	–	–	–	–	–	–	–	–	–	–
Transfers received	205	–	3 622	244	244	6.0%	0.3%	1 247	1 316	1 393	78.7%	0.3%
Fines, penalties and forfeits	281 976	274 261	204 892	206 608	206 608	-9.8%	64.0%	218 233	230 236	243 590	5.6%	62.7%
Interest, dividends and rent on land	1 844	23 656	11 564	8 474	8 474	66.3%	3.0%	11 506	12 081	12 782	14.7%	3.1%
Interest	1 844	23 656	11 564	8 474	8 474	66.3%	3.0%	11 506	12 081	12 782	14.7%	3.1%
Sales of capital assets	138	612	1 999	180	180	9.3%	0.2%	967	1 021	1 080	81.7%	0.2%
Transactions in financial assets and liabilities	79 561	43 537	69 901	20 070	20 070	-36.8%	14.1%	70 124	73 979	78 270	57.4%	16.9%
Total	457 341	416 149	337 557	300 954	300 954	-13.0%	100.0%	358 186	376 385	398 217	9.8%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimate

Table 21.6 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
Ministry	31.8	30.8	29.6	32.6	0.9%	1.8%	34.9	36.6	38.1	5.3%	1.7%
Management	88.6	107.9	112.2	118.7	10.3%	6.2%	128.0	141.9	148.9	7.8%	6.5%
Corporate Services	348.9	430.7	441.8	428.1	7.1%	23.8%	465.8	411.5	416.6	-0.9%	20.8%
Financial Administration	168.9	171.7	183.4	189.7	4.0%	10.3%	194.6	202.7	201.2	2.0%	9.5%
Internal Audit	62.4	62.2	66.5	76.8	7.1%	3.9%	86.6	97.5	92.8	6.5%	4.3%
Office Accommodation	766.0	958.2	1 002.7	1 026.9	10.3%	54.1%	1 170.1	1 228.6	1 299.9	8.2%	57.1%
Total	1 466.5	1 761.5	1 836.2	1 872.9	8.5%	100.0%	2 079.9	2 118.8	2 197.4	5.5%	100.0%
Change to 2015 Budget estimate				15.1			79.4	27.8	(12.5)		
Economic classification											
Current payments	1 443.6	1 744.8	1 801.5	1 841.8	8.5%	98.5%	2 053.2	2 090.6	2 167.6	5.6%	98.6%
Compensation of employees	363.4	417.6	453.5	494.9	10.8%	24.9%	552.3	572.7	563.9	4.4%	26.4%
Goods and services	1 080.2	1 327.1	1 348.0	1 346.9	7.6%	73.6%	1 500.9	1 517.9	1 603.7	6.0%	72.2%
of which:											
Administrative fees	17.8	22.7	7.5	15.9	-3.8%	0.9%	41.8	31.1	33.4	28.1%	1.5%
Audit costs: External	38.5	49.9	40.3	56.9	13.9%	2.7%	48.0	47.5	51.0	-3.6%	2.5%
Computer services	30.6	25.7	27.5	22.2	-10.2%	1.5%	27.5	32.8	35.3	16.7%	1.4%
Operating leases	477.5	679.6	715.5	567.4	5.9%	35.2%	767.5	821.9	858.0	14.8%	36.5%
Property payments	290.1	278.9	287.1	466.3	17.1%	19.1%	403.1	407.0	442.2	-1.7%	20.8%
Travel and subsistence	108.6	104.2	110.7	90.8	-5.8%	6.0%	60.8	61.8	63.0	-11.5%	3.3%
Transfers and subsidies	8.0	7.8	2.3	20.6	36.9%	0.6%	14.9	15.8	16.8	-6.6%	0.8%
Departmental agencies and accounts	4.8	5.8	-	20.0	60.4%	0.4%	14.6	15.5	16.4	-6.3%	0.8%
Foreign governments and international organisations	1.3	0.8	-	-	-100.0%	-	-	-	-	-	-
Households	1.9	1.2	2.3	0.5	-34.6%	0.1%	0.3	0.3	0.3	-18.5%	-
Payments for capital assets	13.4	7.3	15.2	10.3	-8.3%	0.7%	11.8	12.4	13.0	8.1%	0.6%
Machinery and equipment	13.3	7.2	15.1	10.2	-8.4%	0.7%	11.8	12.4	13.0	8.4%	0.6%
Software and other intangible assets	0.1	0.1	0.1	0.1	0.4%	-	-	-	-	-100.0%	-
Payments for financial assets	1.5	1.7	17.2	0.2	-47.0%	0.3%	-	-	-	-100.0%	-
Total	1 466.5	1 761.5	1 836.2	1 872.9	8.5%	100.0%	2 079.9	2 118.8	2 197.4	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	11.9%	13.5%	12.9%	12.5%	-	-	13.0%	12.5%	12.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4.8	5.8	-	20.0	60.4%	0.4%	14.6	15.5	16.4	-6.3%	0.8%
Safety and Security Sector Education and Training Authority	4.8	5.8	-	20.0	60.4%	0.4%	14.6	15.5	16.4	-6.3%	0.8%

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 timely, efficient and effective justice proceedings by:
 - reducing the backlog of criminal cases in the lower courts from 31 942 in 2016/17 to 28 827 in 2018/19
 - reducing the percentage of cases postponed due to the unavailability of administration staff in the lower courts from 3 per cent in 2015/16 to 1 per cent in 2018/19
 - re-designating 15 branch courts into full services courts (detached courts) per year until 2018/19 through upgrading infrastructure; conferring new and extended jurisdiction; and providing additional staff, training and accommodation
 - increasing the percentage of requests for default judgments dealt with by the clerk of the court within 14 working days of receipt (district courts) from 85 per cent in 2015/16 to 87 per cent in 2018/19

- increasing the percentage of unopposed taxations processed within 14 working days from the date the matter is set down in the district court from 92 per cent in 2015/16 to 96 per cent in 2018/19.
- Enhance the protection of vulnerable groups by:
 - increasing the percentage of maintenance cases finalised within 90 days from 55 per cent in 2015/16 to 70 per cent in 2018/19
 - increasing the percentage of convictions recorded electronically on the national register of sexual offences from 92 per cent in 2015/16 to 98 per cent in 2018/19.
- Increase access to justice services for historically marginalised communities by establishing 38 small claims courts to ensure 100 per cent coverage in all magisterial districts by 2017/18.
- Increase the protection and promotion of family cohesion through mediation services by:
 - increasing the percentage of court reports filed by the family advocate within 15 days of the finalisation of an enquiry from 85 per cent in 2015/16 to 95 per cent in 2018/19
 - increasing the percentage of finalised non-litigation matters from 79 per cent in 2015/16 to 82 per cent in 2018/19.

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.
- *Government Motor Transport* funds vehicles and transport related expenses for departmental officials.
- *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 21.7 Court Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million											
Lower Courts	3 394.3	3 628.6	3 769.9	4 080.2	6.3%	73.0%	4 336.1	4 583.4	4 841.5	5.9%	71.4%
Family Advocate	125.8	148.7	177.9	206.6	18.0%	3.2%	211.4	224.2	234.3	4.3%	3.5%
Magistrates' Commission	11.9	10.1	11.4	16.4	11.5%	0.2%	16.7	17.8	18.7	4.3%	0.3%
Government Motor Transport	37.0	28.4	29.4	18.2	-21.1%	0.6%	14.0	14.4	15.1	-6.0%	0.2%
Facilities Management	813.4	480.0	760.7	754.8	-2.5%	13.8%	991.5	1 039.6	1 097.2	13.3%	15.5%
Administration of Lower Courts	422.3	459.0	486.1	502.9	6.0%	9.2%	551.8	584.2	620.5	7.3%	9.0%
Total	4 804.7	4 754.9	5 235.3	5 579.1	5.1%	100.0%	6 121.6	6 463.6	6 827.1	7.0%	100.0%
Change to 2015 Budget estimate				52.7			128.2	134.7	132.5		

Table 21.7 Court Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Current payments	4 075.5	4 206.8	4 380.6	4 784.3	5.5%	85.6%	5 091.6	5 384.9	5 688.5	5.9%	83.8%
Compensation of employees	2 553.8	2 867.7	3 097.9	3 387.5	9.9%	58.4%	3 573.4	3 797.8	4 008.5	5.8%	59.1%
Goods and services	1 521.7	1 339.2	1 282.7	1 396.8	-2.8%	27.2%	1 518.1	1 587.0	1 680.0	6.3%	24.7%
<i>of which:</i>											
Communication	101.4	100.9	97.0	100.0	-0.5%	2.0%	80.0	83.3	88.1	-4.1%	1.4%
Agency and support/outsourced services	299.2	156.9	152.3	114.2	-27.5%	3.5%	158.2	160.7	163.5	12.7%	2.4%
Consumables: Stationery, printing and office supplies	151.0	193.3	173.9	185.0	7.0%	3.5%	187.3	193.2	196.8	2.1%	3.1%
Property payments	520.5	464.5	418.8	434.7	-5.8%	9.0%	548.7	576.3	625.0	12.9%	8.7%
Travel and subsistence	219.4	181.8	186.3	187.5	-5.1%	3.8%	194.7	202.2	210.8	4.0%	3.2%
Operating payments	90.8	78.8	76.6	152.3	18.8%	2.0%	125.2	129.1	141.6	-2.4%	2.2%
Transfers and subsidies	19.1	19.6	31.9	20.5	2.3%	0.4%	21.4	22.5	23.8	5.0%	0.4%
Provinces and municipalities	0.4	0.5	0.5	0.4	4.2%	-	0.4	0.5	0.5	4.9%	-
Households	18.8	19.1	31.3	20.1	2.3%	0.4%	20.9	22.0	23.3	5.0%	0.3%
Payments for capital assets	707.6	524.9	813.5	773.0	3.0%	13.8%	1 008.6	1 056.3	1 114.9	13.0%	15.8%
Buildings and other fixed structures	621.2	387.6	712.3	661.5	2.1%	11.7%	911.1	956.1	1 011.2	15.2%	14.2%
Machinery and equipment	86.4	137.2	101.2	111.5	8.9%	2.1%	97.5	100.2	103.7	-2.4%	1.7%
Payments for financial assets	2.5	3.6	9.3	1.4	-18.2%	0.1%	-	-	-	-100.0%	-
Total	4 804.7	4 754.9	5 235.3	5 579.1	5.1%	100.0%	6 121.6	6 463.6	6 827.1	7.0%	100.0%
Proportion of total programme expenditure to vote expenditure	39.0%	36.4%	36.8%	37.2%	-	-	38.1%	38.1%	38.3%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	18.0	19.1	31.1	18.6	1.1%	0.4%	19.4	20.4	21.6	5.1%	0.3%
Employee social benefits	18.0	19.1	31.1	18.6	1.1%	0.4%	19.4	20.4	21.6	5.1%	0.3%

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 the legal system by:
 - preparing 22 legislative instruments relating to the effective and efficient delivery of justice services for submission to the Minister of Justice and Correctional Services for approval in 2016/17
 - preparing 13 research papers for consideration and approval in 2016/17
 - preparing 13 court rules for consideration and approval in 2016/17
 - finalising 15 socioeconomic impact assessment reports for submission to the Department of Planning, Monitoring and Evaluation for certification in 2016/17.
- Provide legal advisory services by increasing the percentage of preliminary opinions on draft bills for Cabinet consideration from 70 per cent in 2015/16 to 75 per cent in 2018/19.
- Improve litigation on behalf of the state to reduce costs and transform the legal profession by increasing the percentage value of briefs allocated to counsel who were previously disadvantaged from 76 per cent in 2015/16 to 79 per cent in 2018/19.
- Enhance the re-integration of petty offenders into the socioeconomic environment by increasing the percentage of expungements completed within 3 months from 80 per cent in 2015/16 to 83 per cent in 2018/19.
- Enhance efficiency in the provision of services to beneficiaries of the Guardian's Fund, trusts, and insolvent and deceased estates by:

- increasing the percentage of letters of appointment for executors issued in deceased estates within 15 days of receipt of all required documents from 92 per cent in 2015/16 to 94 per cent in 2018/19
- increasing the percentage of liquidation and distribution accounts in large estates (over R125 000) examined within 15 days of receipt of all required documents from 93 per cent in 2015/16 to 96 per cent in 2018/19
- increasing the percentage of beneficiaries in receipt of services within 40 days of receipt of all required documents (Guardian’s Fund) from 91 per cent in 2015/16 to 94 per cent in 2018/19
- increasing the percentage of certificates of appointment issued in all bankruptcy matters within 10 days of receipt of all required documents from 87 per cent in 2015/16 to 93 per cent in 2018/19
- increasing the percentage of liquidation and distribution accounts in bankruptcy matters examined within 15 days of receipt of all required documents from 95 per cent in 2015/16 to 97 per cent in 2018/19
- increasing the percentage of letters of authority issued in trusts within 14 days of receipt of all required documents from 90 per cent in 2015/16 to 91 per cent in 2018/19
- increasing the percentage of new deceased estates registered on the paperless estate administration system from 85 per cent in 2015/16 to 100 per cent in 2018/19.
- Promote constitutional development and strengthen participatory democracy to ensure respect for fundamental human rights by:
 - increasing the percentage of resolved complaints filed by chapter 9 institutions against the Department of Justice and Constitutional Development from 70 per cent in 2015/16 to 80 per cent in 2018/19
 - increasing the number of people reached through awareness campaigns that popularise socioeconomic rights from 4 million in 2015/16 to 9 million in 2018/19
 - conducting 5 provincial dialogues on combating racism, racial discrimination, xenophobia and intolerance by 2018/19.

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 21.8 State Legal Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
State Law Advisors	53.0	57.5	56.4	66.7	7.9%	6.4%	69.3	72.9	77.2	5.0%	6.1%
Litigation and Legal Services	315.0	332.8	346.9	401.9	8.5%	38.5%	433.4	474.8	503.5	7.8%	38.7%
Legislative Development and Law Reform	41.7	47.0	51.2	56.6	10.7%	5.4%	69.3	88.5	92.2	17.7%	6.6%
Master of the High Court	353.4	385.0	401.3	447.9	8.2%	43.8%	479.5	504.1	527.2	5.6%	41.8%
Constitutional Development	28.4	45.7	63.2	72.6	36.7%	5.8%	76.4	80.8	85.5	5.6%	6.7%
Total	791.6	868.1	919.0	1 045.7	9.7%	100.0%	1 128.0	1 221.2	1 285.7	7.1%	100.0%
Change to 2015 Budget estimate				13.5			13.2	24.7	16.3		
Economic classification											
Current payments	779.1	830.0	862.6	1 012.6	9.1%	96.1%	1 097.3	1 186.7	1 249.4	7.3%	97.1%
Compensation of employees	651.2	713.2	749.7	890.7	11.0%	82.9%	960.0	1 022.0	1 071.5	6.4%	84.3%
Goods and services	127.9	116.8	112.9	121.9	-1.6%	13.2%	137.3	164.6	177.9	13.4%	12.9%
of which:											
Communication	16.1	13.7	13.5	14.3	-3.9%	1.6%	14.1	15.4	16.3	4.4%	1.3%
Legal services	53.9	39.9	39.5	33.2	-14.9%	4.6%	37.9	39.7	42.3	8.4%	3.3%
Consumables: Stationery, printing and office supplies	10.0	13.6	13.1	15.9	16.7%	1.4%	16.5	17.7	18.8	5.9%	1.5%
Travel and subsistence	23.8	23.3	26.3	25.9	2.9%	2.7%	24.8	30.2	31.4	6.5%	2.4%
Training and development	1.1	0.9	0.7	4.1	57.5%	0.2%	16.0	31.0	36.2	106.4%	1.9%
Operating payments	7.5	8.7	6.0	9.3	7.4%	0.9%	9.1	9.4	10.4	3.6%	0.8%
Transfers and subsidies	3.7	20.7	36.0	20.3	76.0%	2.2%	17.0	17.8	18.8	-2.4%	1.6%
Foreign governments and international organisations	-	10.4	23.9	14.4	-	1.3%	15.2	16.0	16.9	5.4%	1.3%
Households	3.7	10.2	12.1	5.8	16.3%	0.9%	1.7	1.8	1.9	-31.4%	0.2%
Payments for capital assets	8.8	14.7	8.7	12.8	13.3%	1.2%	13.8	16.8	17.5	11.0%	1.3%
Machinery and equipment	8.8	14.7	8.7	12.8	13.4%	1.2%	13.8	16.8	17.5	11.0%	1.3%
Payments for financial assets	0.0	2.7	11.7	-	-100.0%	0.4%	-	-	-	-	-
Total	791.6	868.1	919.0	1 045.7	9.7%	100.0%	1 128.0	1 221.2	1 285.7	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	6.4%	6.7%	6.5%	7.0%	-	-	7.0%	7.2%	7.2%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	0.5	6.1	5.1	4.0	103.6%	0.4%	-	-	-	-100.0%	0.1%
Employee social benefits	0.0	0.0	1.1	-	-100.0%	-	-	-	-	-	-
Claims against state	0.4	6.0	4.0	4.0	107.6%	0.4%	-	-	-	-100.0%	0.1%
Households											
Social benefits											
Current	3.2	4.2	7.0	1.8	-17.3%	0.4%	1.7	1.8	1.9	1.1%	0.2%
Employee social benefits	3.2	4.2	7.0	1.8	-17.3%	0.4%	1.7	1.8	1.9	1.1%	0.2%
Foreign governments and international organisations											
Current	-	10.4	23.9	14.4	-	1.3%	15.2	16.0	16.9	5.4%	1.3%
International Criminal Court	-	10.4	23.9	14.4	-	1.3%	15.2	16.0	16.9	5.4%	1.3%

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

- Improve the rate of successful prosecution by increasing the number of criminal court cases finalised from 479 707 in 2015/16 to 498 946 in 2018/19.

- Fight corruption by improving the conviction rate in cases that require specialised prosecution by ensuring that between 2015/16 and 2018/19, 97 people are convicted of corruption or offences relating to corruption where the amount involved per case is more than R5 million.
- Remove the profit from crime by increasing the impact of asset forfeiture by:
 - increasing the number of completed forfeiture cases from 420 in 2015/16 to 450 in 2018/19
 - increasing the number of freezing orders from 321 in 2015/16 to 330 in 2018/19
 - increasing the value of freezing orders from R1 billion in 2015/16 to R1.3 billion in 2018/19
 - increasing the value of completed forfeiture cases from R210 million in 2015/16 to R300 million in 2018/19.
 - maintaining a success rate of 93 per cent from 2015/16 to 2018/19, 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 threatened witnesses and related persons are not harmed.

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 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 21.9 National Prosecuting Authority expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
National Prosecutions Service	2 143.4	2 225.2	2 413.6	2 621.3	6.9%	74.9%	2 799.4	2 897.0	3 011.3	4.7%	78.3%
Asset Forfeiture Unit	103.7	179.8	133.6	126.3	6.8%	4.3%	127.1	131.9	137.6	2.9%	3.6%
Office for Witness Protection	149.3	146.5	160.7	168.4	4.1%	5.0%	168.9	175.7	184.2	3.0%	4.8%
Support Services	443.4	516.7	546.2	478.5	2.6%	15.8%	462.0	479.7	503.7	1.7%	13.3%
Total	2 839.8	3 068.2	3 254.1	3 394.5	6.1%	100.0%	3 557.5	3 684.3	3 836.8	4.2%	100.0%
Change to 2015 Budget estimate				20.6			–	(86.9)	(153.1)		
Economic classification											
Current payments	2 761.1	2 998.3	3 175.4	3 305.4	6.2%	97.5%	3 490.1	3 615.7	3 765.0	4.4%	97.9%
Compensation of employees	2 310.8	2 431.5	2 623.1	2 821.4	6.9%	81.1%	3 007.5	3 111.2	3 229.2	4.6%	84.1%
Goods and services	450.3	566.8	552.3	484.0	2.4%	16.4%	482.7	504.5	535.8	3.5%	13.9%
of which:											
Computer services	50.1	57.9	88.2	64.5	8.8%	2.1%	51.8	51.7	54.7	-5.3%	1.5%
Agency and support/outourced services	16.4	2.3	23.8	32.2	25.2%	0.6%	36.1	36.7	37.7	5.5%	1.0%
Operating leases	15.4	23.5	23.4	48.1	46.0%	0.9%	51.9	51.0	54.5	4.3%	1.4%
Property payments	63.7	144.9	96.7	71.6	4.0%	3.0%	84.9	92.3	98.3	11.1%	2.4%
Travel and subsistence	80.2	63.7	73.5	68.1	-5.3%	2.3%	43.9	45.3	47.3	-11.5%	1.4%
Operating payments	54.3	45.1	58.6	63.0	5.1%	1.8%	64.5	68.3	73.1	5.0%	1.9%
Transfers and subsidies	6.6	11.2	16.3	34.7	74.1%	0.5%	16.1	16.9	17.9	-19.8%	0.6%
Departmental agencies and accounts	2.2	9.3	7.9	8.1	53.5%	0.2%	8.6	9.0	9.5	5.7%	0.2%
Households	4.3	1.9	8.4	26.6	83.0%	0.3%	7.6	7.9	8.4	-31.9%	0.3%

Table 21.9 National Prosecuting Authority expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Payments for capital assets	68.5	54.5	61.5	54.3	-7.5%	1.9%	51.3	51.6	53.9	-0.3%	1.5%
Buildings and other fixed structures	17.7	11.2	10.6	-	-100.0%	0.3%	-	-	-	-	-
Machinery and equipment	50.9	43.3	51.0	54.3	2.2%	1.6%	51.3	51.6	53.9	-0.3%	1.5%
Payments for financial assets	3.6	4.3	0.9	0.2	-63.9%	0.1%	-	-	-	-100.0%	-
Total	2 839.8	3 068.2	3 254.1	3 394.5	6.1%	100.0%	3 557.5	3 684.3	3 836.8	4.2%	100.0%
Proportion of total programme expenditure to vote expenditure	23.1%	23.5%	22.9%	22.6%	-	-	22.2%	21.7%	21.5%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2.2	9.3	7.9	8.1	53.5%	0.2%	8.6	9.0	9.5	5.7%	0.2%
Safety and Security Sector Education and Training Authority	2.2	9.3	7.9	8.1	54.1%	0.2%	8.6	9.0	9.5	5.7%	0.2%
Households											
Social benefits											
Current	4.3	1.9	8.4	26.6	83.0%	0.3%	7.6	7.9	8.4	-31.9%	0.3%
Employee social benefits	4.3	1.9	8.4	26.6	83.0%	0.3%	7.6	7.9	8.4	-31.9%	0.3%

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 as well as transfer payments to public entities and constitutional institutions.

Objectives

- Contribute to the successful implementation of the integrated justice system, in line with the national development plan, by:
 - establishing a person integration information system that registers and tracks offenders from the time they enter until the time they exit the criminal justice system, by 2018/19
 - developing a measurement system for key performance indicators for the criminal justice system by 2018/19
 - developing and implementing information systems for case integration within the criminal justice system by 2018/19.

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 21.10 Auxiliary and Associated Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Legal Aid South Africa	1 255.1	1 375.4	1 504.7	1 523.0	6.7%	51.0%	1 577.2	1 754.4	1 856.1	6.8%	49.8%
Special Investigating Unit	340.7	295.9	296.8	304.5	-3.7%	11.2%	316.7	346.2	366.3	6.4%	9.9%
Public Protector of South Africa	183.1	199.3	217.6	245.4	10.2%	7.6%	262.6	301.1	318.5	9.1%	8.4%
South African Human Rights Commission	101.5	119.3	130.1	144.3	12.4%	4.5%	153.5	173.4	183.4	8.3%	4.9%
Justice Modernisation	528.1	606.1	824.2	901.4	19.5%	25.8%	852.7	920.1	973.8	2.6%	27.1%
President's Fund				0.0	-	-	0.0	0.0	0.0	-	-
Total	2 408.6	2 596.0	2 973.4	3 118.5	9.0%	100.0%	3 162.7	3 495.2	3 698.1	5.8%	100.0%
Change to 2015				(75.0)			(168.9)	(114.2)	(120.9)		
Budget estimate											
Economic classification											
Current payments	432.6	470.1	656.6	779.5	21.7%	21.1%	658.6	724.0	764.7	-0.6%	21.7%
Goods and services	432.6	470.1	656.6	779.5	21.7%	21.1%	658.6	724.0	764.7	-0.6%	21.7%
of which:											
Minor Assets	5.9	9.4	3.8	4.7	-7.4%	0.2%	5.7	6.9	7.4	16.4%	0.2%
Computer services	409.7	441.3	619.3	723.3	20.9%	19.8%	498.9	554.9	586.9	-6.7%	17.5%
Contractors	6.2	2.3	0.9	1.2	-42.2%	0.1%	1.1	1.1	1.2	-1.0%	-
Agency and support/outourced services	10.7	6.8	28.3	48.1	64.9%	0.8%	150.0	158.0	165.9	51.1%	3.9%
Training and development	-	0.0	0.5	0.2	-	-	0.7	0.7	0.7	50.0%	-
Operating payments	0.0	9.6	0.2	0.1	67.1%	0.1%	1.0	1.1	1.2	106.0%	-
Transfers and subsidies	1 880.5	1 989.9	2 149.2	2 217.2	5.6%	74.2%	2 310.0	2 575.0	2 724.4	7.1%	72.9%
Departmental agencies and accounts	1 880.5	1 989.9	2 149.2	2 217.2	5.6%	74.2%	2 310.0	2 575.0	2 724.4	7.1%	72.9%
Payments for capital assets	95.5	131.7	167.6	121.9	8.5%	4.7%	194.2	196.1	209.1	19.7%	5.4%
Machinery and equipment	87.0	131.7	152.8	71.9	-6.2%	4.0%	194.2	196.1	209.1	42.8%	5.0%
Software and other intangible assets	8.4	-	14.8	50.0	81.0%	0.7%	-	-	-	-100.0%	0.4%
Payments for financial assets	-	4.4	-	-	-	-	-	-	-	-	-
Total	2 408.6	2 596.0	2 973.4	3 118.5	9.0%	100.0%	3 162.7	3 495.2	3 698.1	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	19.6%	19.9%	20.9%	20.8%	-	-	19.7%	20.6%	20.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 880.5	1 989.9	2 149.2	2 217.2	5.6%	74.2%	2 310.0	2 575.0	2 724.4	7.1%	72.9%
Legal Aid South Africa	1 255.1	1 375.4	1 504.7	1 523.0	6.7%	51.0%	1 577.2	1 754.4	1 856.1	6.8%	49.8%
Special Investigating Unit	340.7	295.9	296.8	304.5	-3.7%	11.2%	316.7	346.2	366.3	6.4%	9.9%
Public Protector of South Africa	183.1	199.3	217.6	245.4	10.2%	7.6%	262.6	301.1	318.5	9.1%	8.4%
South African Human Rights Commission	101.5	119.3	130.1	144.3	12.4%	4.5%	153.5	173.4	183.4	8.3%	4.9%
President's Fund	-	-	-	0.0	-	-	0.0	0.0	0.0	-	-

Entities

Legal Aid South Africa

Mandate

Legal Aid South Africa was established in terms of section 2 of the Legal Aid South Africa Act (2014) as amended, 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; every detained person, including sentenced prisoners; every accused person who wishes 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 eviction cases.

Selected performance indicators

Table 21.11 Legal Aid South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of new legal matters approved for legal aid per year:	Legal aid services and special projects	Outcome 3: All people in South Africa are and feel safe	438 844	447 301	448 195	451 785	454 044	456 314	458 596
- Criminal matters			383 567	390 567	394 172	397 571	399 559	401 556	403 564
- Civil matters			55 277	57 183 ¹	54 023	54 214	54 485	54 758	55 032
Number of legal matters finalised per year:	Legal aid services and special projects		432 002	433 532	444 630	446 853	449 087	451 333	453 590
- Criminal matters			389 624	383 287 ²	391 274	393 231	395 197	397 173	399 159
- Civil matters			42 378	50 245	53 356	53 622	53 890	54 160	54 431
Ratio of legal aid practitioners per district court per year	Legal aid services and special projects		1.09:1	1.1:1	1.1:1	1.1:1	1.1:1	1.1:1	1.1:1
Ratio of legal aid practitioners per regional court per year	Legal aid services and special projects		1.23:1	1.24:1	1.24:1	1.24:1	1.24:1	1.24:1	1.24:1

1. The higher output achieved in 2013/14 can be attributed to the initiative taken to reduce the backlog in matters relating to estates.

2. The lower number of finalised criminal matters in 2013/14 was as a result of court processes and postponements.

Expenditure analysis

In ensuring outcome 3 (all the people in South Africa are and feel safe) of government's 2014-2019 medium term strategic framework, the national development plan envisages the right to equality and justice services for all, and an effective and efficient criminal justice system by 2030. In line with this, Legal Aid South Africa's focus over the medium term will be on expanding access to justice by accelerating the provision of legal advice and representation to poor and vulnerable groups on both criminal and civil matters.

The organisation plans to increase the number of civil matters finalised from 53 622 in 2015/16 to 54 431 in 2018/19, and the number of legal matters finalised per year from 446 853 in 2015/16 to 453 590 in 2018/19. To achieve these targets, 54 additional legal aid practitioners will be appointed from 2015 medium term expenditure framework reprioritised funding of R126.8 million from the Department of Justice and Constitutional Development. This will support the 213 additional magistrates appointed between July 2014 and November 2015, and will contribute to the efficient resolution of court cases, and help to reduce the backlog of criminal cases on the roll.

The number of personnel in the organisation is expected to increase from 2 663 in 2015/16 to 2 717 in 2018/19. As a result, expenditure on compensation of employees is expected to increase at an average annual rate of 5 per cent, from R1.3 billion in 2015/16 to R1.5 billion in 2018/19. The legal aid services and special projects programmes will continue to be the largest drivers of spending over the medium term, accounting for an estimated 82.1 per cent of the approved budget of R5.2 billion over the period.

Programmes/objectives/activities

Table 21.12 Legal Aid South Africa expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16					2015/16 - 2018/19	
Administration	218.4	244.2	285.0	298.7	11.0%	18.3%	288.3	291.2	307.5	1.0%	17.3%
Legal aid services	977.5	1 071.1	1 126.7	1 298.4	9.9%	78.2%	1 263.0	1 434.3	1 517.2	5.3%	79.9%
Special projects	57.1	43.8	53.0	44.1	-8.3%	3.5%	47.3	50.4	52.9	6.2%	2.8%
Total	1 253.0	1 359.1	1 464.7	1 641.2	9.4%	100.0%	1 598.7	1 775.9	1 877.6	4.6%	100.0%

Statements of historical financial performance and position

Table 21.13 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	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	15.6	22.5	17.5	26.1	19.8	31.2	19.6	19.6	137.0%
Other non-tax revenue	15.6	22.5	17.5	26.1	19.8	31.2	19.6	19.6	137.0%
Transfers received	1 232.7	1 255.1	1 360.7	1 377.2	1 465.9	1 504.7	1 523.0	1 523.0	101.4%
Total revenue	1 248.3	1 277.7	1 378.2	1 403.3	1 485.8	1 535.9	1 542.6	1 542.6	101.8%
Expenses									
Current expenses	1 248.3	1 253.0	1 378.2	1 359.1	1 485.8	1 464.7	1 641.2	1 641.2	99.4%
Compensation of employees	898.5	976.6	1 004.1	1 062.2	1 133.1	1 109.4	1 279.6	1 279.6	102.6%
Goods and services	311.0	245.1	333.2	276.3	310.4	331.0	330.9	330.9	92.0%
Depreciation	38.7	31.0	40.7	20.1	42.2	23.8	30.7	30.7	69.4%
Interest, dividends and rent on land	0.1	0.3	0.1	0.6	0.1	0.4	0.0	0.0	318.6%
Total expenses	1 248.3	1 253.0	1 378.2	1 359.1	1 485.8	1 464.7	1 641.2	1 641.2	99.4%
Surplus/(Deficit)	-	25.0	-	44.0	-	71.0	(99.0)	(99.0)	-
Statement of financial position									
Carrying value of assets	82.2	110.7	88.4	127.1	146.7	156.8	114.5	114.5	117.9%
Acquisition of assets	(24.8)	(24.8)	(26.0)	(21.3)	(30.6)	(53.5)	(24.3)	(24.3)	117.3%
Investments	-	1.8	-	1.9	3.6	1.8	3.5	3.5	126.3%
Inventory	-	1.1	-	1.3	-	1.4	1.2	1.2	411.8%
Receivables and prepayments	6.2	27.6	6.4	41.9	44.8	31.9	44.4	44.4	143.1%
Cash and cash equivalents	262.2	342.5	328.4	386.4	303.3	437.2	386.3	386.3	121.3%
Non-current assets held for sale	8.2	-	0.1	0.0	0.1	-	0.1	-	0.3%
Total assets	358.9	483.6	423.3	558.6	498.5	629.0	550.1	549.9	121.3%
Accumulated surplus/(deficit)	194.8	251.8	205.4	309.3	242.4	380.4	282.5	282.5	132.3%
Finance lease	0.4	4.1	2.3	4.9	3.2	4.1	3.8	3.7	174.1%
Trade and other payables	46.1	94.4	71.5	116.0	104.8	113.1	122.5	122.5	129.3%
Provisions	117.6	133.3	144.1	128.5	148.1	131.4	141.2	141.2	97.0%
Total equity and liabilities	358.9	483.6	423.3	558.6	498.5	629.0	550.1	549.9	121.3%

Statements of estimates of financial performance and position

Table 21.14 Legal Aid South Africa statements of estimates of financial performance and position

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	19.6	-4.5%	1.7%	21.5	21.5	21.5	3.1%	1.2%
Other non-tax revenue	19.6	-4.5%	1.7%	21.5	21.5	21.5	3.1%	1.2%
Transfers received	1 523.0	6.7%	98.3%	1 577.2	1 754.4	1 856.1	6.8%	98.8%
Total revenue	1 542.6	6.5%	100.0%	1 598.7	1 775.9	1 877.6	6.8%	100.0%
Expenses								
Current expenses	1 641.2	9.4%	100.0%	1 598.7	1 775.9	1 877.6	4.6%	124.2%
Compensation of employees	1 279.6	9.4%	77.4%	1 328.6	1 414.7	1 480.6	5.0%	79.9%
Goods and services	330.9	10.5%	20.7%	236.4	330.4	369.4	3.7%	18.3%
Depreciation	30.7	-0.3%	1.9%	33.7	30.7	27.7	-3.4%	1.8%
Total expenses	1 641.2	9.4%	100.0%	1 598.7	1 775.9	1 877.6	4.6%	100.0%
Surplus/(Deficit)	(99.0)	(3)	-	-	-	-	-100.0%	-
Statement of financial position								
Carrying value of assets	114.5	1.1%	22.8%	114.4	115.0	-	-100.0%	-
of which:								
Acquisition of assets	(24.3)	-0.8%	-5.5%	(25.7)	(28.0)	(32.3)	10.0%	-
Investments	3.5	25.5%	0.4%	3.4	3.3	-	-100.0%	-
Inventory	1.2	3.7%	0.2%	1.1	1.2	-	-100.0%	-
Receivables and prepayments	44.4	17.2%	6.6%	44.1	43.8	-	-100.0%	-
Cash and cash equivalents	386.3	4.1%	69.9%	390.2	394.1	-	-100.0%	-
Total assets	549.9	4.4%	100.0%	553.2	557.4	-	-100.0%	-
Accumulated surplus/(deficit)	282.5	3.9%	54.8%	275.0	268.0	-	-100.0%	-
Finance lease	3.7	-3.7%	0.8%	3.6	3.4	-	-100.0%	-
Trade and other payables	122.5	9.1%	20.1%	126.5	130.7	-	-100.0%	-
Provisions	141.2	1.9%	24.3%	148.0	155.3	-	-100.0%	-
Total equity and liabilities	549.9	4.4%	100.0%	553.2	557.4	-	-400.0%	-

Personnel information

Table 21.15 Legal Aid South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Legal Aid South Africa																			
Salary level	2 714	2 839	2 619	1 109.4	0.4	2 663	1 279.6	0.5	2 717	1 328.6	0.5	2 717	1 414.7	0.5	2 717	1 480.6	0.5	5.0%	100.0%
1 – 6	527	549	525	64.7	0.1	525	89.3	0.2	525	91.1	0.2	525	96.6	0.2	525	101.3	0.2	4.3%	19.4%
7 – 10	1 328	1 354	1 255	408.4	0.3	1 293	449.7	0.3	1 347	481.1	0.4	1 347	508.7	0.4	1 347	537.7	0.4	6.1%	49.3%
11 – 12	741	816	726	489.0	0.7	731	570.5	0.8	731	580.3	0.8	731	621.0	0.8	731	642.6	0.9	4.0%	27.0%
13 – 16	118	120	113	147.3	1.3	114	170.1	1.5	114	176.0	1.5	114	188.4	1.7	114	198.8	1.7	5.3%	4.2%

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 **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 2016/17 is R263.3 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 2016/17 is R154.2 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. The unit's total budget for 2016/17 is R572.6 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
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)	New building	Identification	1 264.2	–	–	–	0.5	49.2	88.6	108.4
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Nelspruit high court	New building for the province	Construction	706.4	14.4	60.2	150.4	213.7	60.5	2.0	–
Polokwane high court	New building for the province	Construction	876.3	72.7	130.2	318.7	43.8	2.0	–	–
Ntuzuma magistrate's office	New building	Complete	274.3	14.0	9.0	–	–	–	–	–
Port Shepstone magistrate's office	New building	Construction	362.1	12.2	4.9	13.8	155.2	107.0	–	–
South Gauteng high court	Extensions to existing building	Construction	480.7	150.5	62.8	23.1	4.2	39.5	–	–
Katlehong magistrate's office	New building	Complete	332.2	90.3	0.5	8.3	–	–	–	–
Booyens magistrate's office	New building	Tender	262.4	–	4.3	–	24.0	65.6	68.9	72.9
Small projects (total project cost of less than R250 million over the project life cycle)										
Accessibility programme (phase 2)										
Mamelodi magistrate's office	Accessability to court facilities	On-going	105.9	12.5	–	20.6	11.5	22.6	20.7	22.1
Plettenberg Bay magistrate's office	New building	Construction	126.4	14.7	0.4	15.6	19.8	41.0	32.5	34.4
Richards Bay magistrate's office	New building	Design	207.1	–	19.8	13.6	39.2	42.0	62.0	41.1
Kagiso magistrate's office	New building	Hand over	110.6	1.8	7.5	6.2	16.4	–	–	–
Jan Kempdorp magistrate's office	New building	Design	45.0	0.1	–	–	3.0	5.0	5.3	5.6
Hankey magistrate's office	New building	Handed over	32.2	13.9	1.3	–	–	–	–	–
Tsakane magistrate's office	New building	Handed over	16.2	–	0.4	0.6	–	–	–	–
Ekangala magistrate's office	New building	Handed over	22.3	7.7	–	–	–	–	–	–
Gaites magistrate's office	New building	Design	86.8	0.4	–	–	1.0	5.0	5.3	5.3
Lothair periodical court	New building	Design	31.7	0.7	0.3	–	1.0	5.0	15.0	15.9
Lutzuville periodical court	New building	Handed over	11.8	5.2	–	–	–	–	–	–
Bityi periodical court	New building	Design	78.3	1.0	0.4	2.1	9.4	10.0	55.5	88.3
Dimbaza periodical court	New building	Construction	104.2	3.6	1.1	4.6	10.0	35.9	42.8	45.2
Supreme Court of Appeal (Bloemfontein)	Extensions to existing building	Handed over	129.8	65.3	7.2	0.7	–	–	–	–
Pietermaritzburg master's office: Old Colonial Building	Extensions to existing building	Handed over	138.5	7.4	1.7	–	–	–	–	–
Butterworth magistrate's office	Extensions to existing building	Handed over	52.5	4.4	0.3	–	–	–	–	–
Stanger magistrate's office	Extensions to existing building	Handed over	52.8	7.0	0.5	1.1	–	–	–	–
Soshanguve magistrate's office	Extensions to existing building	Design	69.9	4.6	–	–	1.0	2.0	42.1	44.5
Port Elizabeth high court	Extensions to existing building	Construction	140.5	2.8	5.3	25.7	17.9	25.0	26.2	27.8
National Prosecuting Authority building (Pietermaritzburg)	Extensions to existing building	Design	75.0	–	0.1	–	4.5	5.0	25.3	21.4
Humansdorp magistrate's office	Extensions to existing building	Design	19.7	0.3	–	–	0.5	1.5	2.1	2.2
Bredasdorp magistrate's office	Extensions to existing building	Handed over	27.4	21.2	–	–	–	–	–	–
KwaMbonambi periodical court	Extensions to existing building	Design	61.4	0.8	–	–	1.0	2.0	2.6	2.8
Umtata magistrate's office	Extensions to existing building	Design	162.4	–	8.2	0.9	10.0	20.0	21.0	22.2
Cala magistrate's office	Extensions to existing building	Design	12.2	–	–	–	0.5	1.5	2.1	2.2
Tankstad magistrate's office	Extensions to existing building	Handed over	9.4	–	1.1	6.3	–	–	–	–
Schweizer-Reneke magistrate's office	Extensions to existing building	Handed over	11.3	–	2.1	4.8	–	–	–	–
Danielskuil periodical court	Extensions to existing building	Handed over	9.5	3.7	–	–	–	–	–	–

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2015/16	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Nyoni periodical court	Extensions to existing building	Design	13.8	1.5	0.5	2.6	1.5	2.0	2.6	2.8
Wolmarstad magistrate's office	Extensions to existing building	Design	29.9	1.4	-	-	0.5	1.0	1.6	1.6
Bisho high court	Extensions to existing building	Feasibility	28.3	-	0.0	12.9	0.8	1.0	1.6	1.6
Mount Ayliff magistrate's office	Extensions to existing building	Design	55.6	-	-	-	0.5	1.0	1.6	1.6
Barkley East magistrate's office	Extensions to existing building	Design	6.6	-	-	-	0.5	1.0	1.6	1.4
Whitflessea magistrate's office	Extensions to existing building	Design	68.5	-	-	1.4	3.0	30.0	31.5	33.3
Christiana magistrate's office	Extensions to existing building	Design	18.2	0.4	0.2	-	0.8	1.4	2.0	2.1
Fraserburg magistrate's office	Extensions to existing building	Design	9.6	-	0.1	-	0.5	1.0	1.6	0.6
Deben periodical court	Extensions to existing building	Handed over	3.6	-	-	-	-	-	-	-
Umbumbulu magistrate's office	Extensions to existing building	Construction	48.3	2.9	1.3	11.3	4.3	4.7	4.9	5.2
Riversdale magistrate's office	Extensions to existing building	Handed over	20.2	5.1	-	-	-	-	-	-
Galvendale magistrate's office	Extensions to existing building	Handed over	54.1	28.8	0.9	0.8	-	-	-	-
Goodwood magistrate's office	New building	Pre-feasibility	145.5	-	-	-	0.5	2.0	2.1	2.2
Tshilwabusiku magistrate's office	New building	Design	100.0	0.4	0.1	0.1	1.5	7.0	7.4	7.8
Second Gelvandale magistrate's office	Upgrading of various offices	Handed over	6.8	0.2	4.2	1.8	-	-	-	-
Odendaalsrus magistrate's office	Extensions to existing building	Feasibility	0.7	-	-	-	0.1	-	-	-
Villiers magistrate's office	Extensions to existing building	Feasibility	7.7	-	-	-	0.5	1.0	1.6	1.6
Bultfontein magistrate's office	Extensions to existing building	Feasibility	1.1	-	-	-	1.0	-	-	-
Bloemfontein high court	Extensions to existing building	Design	1.6	-	-	-	0.5	-	-	-
Kroonstad magistrate's office	Extensions to existing building	Design	2.6	-	-	-	1.0	-	-	-
Welkom magistrate's office	Extensions to existing building	Design	18.2	-	-	0.7	0.5	2.0	2.1	2.3
Caledon magistrate's office	Extensions to existing building	Hand over	19.1	14.4	2.8	0.8	1.0	-	-	-
Ladysmith magistrate's office (Western Cape)	Extensions to existing building	Design	10.9	0.9	0.7	0.4	6.3	1.0	1.1	1.1
Grabouw magistrate's office	Extensions to existing building	Design	8.5	0.3	2.2	5.7	2.0	0.8	1.3	1.4
Clanwilliam magistrate's office	Extensions to existing building	Design	9.4	0.0	2.8	7.3	1.5	-	-	-
Cape Town magistrate's office	Extensions to existing building	Design	24.2	0.2	0.8	12.7	1.0	3.0	3.2	3.3
Justitia Building (Cape Town)	Extensions to existing building	Construction	192.7	0.3	1.8	7.3	9.5	55.0	57.8	61.1
Masinga magistrate's office	Extensions to existing building	Design	22.0	6.6	0.3	0.4	1.6	1.7	1.8	1.9
Umzimkulu magistrate's office	Extensions to existing building	Design	45.8	1.0	12.7	2.3	2.0	3.0	3.2	3.3
Ixopo justice cluster	Extensions to existing building	Design	25.2	1.7	1.3	0.4	0.5	3.0	3.2	3.3
Ingwavuma justice cluster	Extensions to existing building	Design	32.4	1.8	1.5	-	1.0	2.0	2.1	2.2
Kranskop justice cluster	Extensions to existing building	Design	5.1	0.7	-	-	1.0	1.0	0.1	0.1
Greytown justice cluster	Extensions to existing building	Design	21.8	2.7	-	-	1.0	1.9	2.0	2.1
Bergville justice cluster	Extensions to existing building	Design	25.7	0.1	1.2	0.0	1.0	2.0	2.6	2.8
Paulpietersburg justice cluster	Extensions to existing building	Design	17.2	1.3	0.3	0.5	1.0	1.6	2.2	2.3
Magudu justice cluster	Extensions to existing building	Design	18.2	0.5	-	-	0.5	1.7	2.3	2.4
Sundumbili magistrate's office	Extensions to existing building	Design	16.5	-	-	-	0.5	2.0	2.6	2.8
Newcastle magistrate's office	Extensions to existing building	Design	98.0	1.5	4.8	0.2	0.3	1.0	1.6	1.6
Chatsworth (Durban) magistrate's office	Extensions to existing building	Tender	196.3	4.1	6.0	1.0	1.3	2.5	3.1	3.3
Vulamehlo magistrate's office	Extensions to existing building	Design	40.4	-	0.8	1.4	1.0	1.0	1.6	1.6
Pofadder magistrate's office	Extensions to existing building	Design	20.0	-	-	0.4	0.5	0.5	1.0	1.1
Hopetown magistrate's office	Extensions to existing building	Design	34.0	0.8	-	-	-	1.0	1.6	1.6

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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Kakamas magistrate's office	Extensions to existing building	Design	95.0	-	-	0.1	0.5	18.1	19.5	20.6
Keimoes magistrate's office	Construction of new Court	Design	19.1	-	0.0	0.7	1.0	3.0	3.7	3.9
Mankwe magistrate's office	Extensions to existing building	Hand over	2.4	0.1	2.3	0.8	-	-	0.5	0.0
Klerksdorp magistrate's office	Extensions to existing building	Design	29.8	0.8	-	0.5	0.5	3.0	3.6	3.8
Evander magistrate's office	Extensions to existing building	Design	75.0	0.1	1.1	-	0.2	3.5	4.2	4.4
Tzaneen magistrate's office	Extensions to existing building	Design	85.0	0.4	0.0	-	0.3	20.0	15.0	13.9
Dzanani magistrate's office	Extensions to existing building	Design	19.8	0.6	0.2	1.5	-	10.0	10.5	11.1
Naboomspruit magistrate's office	Extensions to existing building	Design	30.8	0.1	-	-	0.5	5.0	4.2	4.5
Ezibeleni magistrate's office	Extensions to existing building	Design	17.9	0.9	0.2	0.1	0.7	1.0	1.1	1.1
King William's Town magistrate's office	Extensions to existing building	Design	6.4	0.1	0.6	0.1	0.8	1.5	2.1	2.2
Grahamstown magistrate's office	Extensions to existing building	Design	5.1	-	-	-	0.8	0.8	1.4	1.5
Seymour magistrate's office	Extensions to existing building	Design	22.1	0.0	-	0.2	0.5	3.0	3.7	3.9
Middelburg magistrate's office (Eastern Cape)	Extensions to existing building	Design	47.4	0.8	-	-	0.5	6.5	7.3	7.8
Port Elizabeth magistrate's office	Extensions to existing building	Design	58.3	0.7	0.1	0.0	0.5	5.0	25.3	26.7
Bedford magistrate's office	Extensions to existing building	Design	12.8	0.2	-	-	0.7	1.3	1.4	1.5
Odi magistrate's office	Extensions to existing building	Design	165.7	-	-	-	0.5	40.0	60.8	64.4
Palace of Justice (Pretoria)	Extensions to existing building	Construction	25.8	2.8	-	8.4	7.0	-	-	-
Rustenburg magistrate's office	Extensions to existing building	Design	182.5	-	2.8	6.4	6.0	49.5	62.9	55.0
Various smaller courts	Upgrading, renovations and refurbishments of various offices	Design	218.0	0.9	-	-	-	-	-	-
Various smaller courts	Maintenance and repairs of various offices	On-going	124.6	0.0	-	-	-	-	-	-
Total			9 624.2	621.2	387.6	712.3	661.5	911.1	956.1	1 011.2

Vote 22

Office of the Chief Justice and Judicial Administration

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	161.2	159.1	0.0	2.0	202.3	212.9
Judicial Support and Court Administration	666.0	640.8	2.6	22.6	749.5	787.8
Judicial Education and Research	37.8	37.1	0.0	0.7	57.2	60.1
Subtotal	865.0	837.0	2.6	25.4	1 009.0	1 060.9
Direct charge against the National Revenue Fund						
Judges' salaries	920.1	865.0	55.1	–	966.1	1 022.1
Total expenditure estimates	1 785.0	1 702.0	57.7	25.4	1 975.1	2 082.9

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 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 policy, and norms and standards; 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 indicators by programme and related outcome

Indicator	Programme	Outcome	Past ¹			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of cases finalised per year ^{2, 3} :	Judicial Support and Court Administration	Outcome 3: All people in South Africa are and feel safe	65% (159)	66% (190)	85% (208)	80%	80%	80%	80%
- Constitutional Court			68% (176)	52% (164)	94% (235)	80%	80%	80%	80%
- Supreme Court of Appeal			61% (1 304)	66% (1 140)	50% (978)	62%	64%	66%	70%
- High courts			– ⁴	– ⁴	– ⁴	52%	54%	56%	60%
• Criminal (with verdict)			– ⁴	– ⁴	50% (123)	52%	54%	56%	58%
• Civil			75% (6 700)	86% (10 555)	81% (14 053)	52%	54%	56%	58%
- Specialised courts									
• Land claims									
• Labour cases									

Table 22.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past ¹			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of criminal cases on the backlog roll in the high courts ^{3, 5}	Judicial Support and Court Administration	Outcome 3: All people in South Africa are and feel safe	362	287	274	206	156	106	56
Number of judicial education courses conducted per year	Judicial Education and Research		58	53	87	65	70	75	80

1. Information from 2012/13 to 2014/15 was supplied by the Department of Justice and Constitutional Development, except for the judicial education indicator.

2. Because the exact number of cases finalised cannot be predicted, the targets for this indicator from 2015/16 to 2018/19 are expressed only as percentages.

3. It is important to note that the targets for court performance related indicators are within the control of the judiciary and the department is only responsible for providing administrative support and collecting data, as well as compiling reports for the attention of the Chief Justice.

4. No historical data is available as these are new indicators.

5. Targets for this indicator from 2015/16 to 2018/19 differ from those listed in outcome 3 of government's 2014-2019 medium term strategic framework as it is expected that the number of criminal cases on the backlog roll will be reduced quicker than originally anticipated following the issuance of judicial norms and standards in February 2014.

Expenditure analysis

Over the medium term, the Office of the Chief Justice will focus on improving the efficiency and effectiveness of the court system, specifically through implementing and monitoring judicial norms and standards and facilitating the appointment and training of judicial officers. This focus supports 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. The focus also supports outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium term strategic framework.

The department has 2 272 posts (including 243 judicial officers), which are all funded and filled. Judicial officers include justices for the peace, magistrates and judges. The number of posts is expected to increase to 2 312 in 2018/19 to provide for capacity in provincial service centres, which will be responsible for administrative support to the superior courts.

Implementing and monitoring judicial norms and standards

Judicial norms and standards were developed and gazetted in February 2014. The judiciary also established national and provincial efficiency enhancement committees to ensure that all stakeholders in the justice, crime prevention and security cluster meet regularly to improve efficiency. Courts are supposed to implement judicial norms and standards and report on performance, and the Office of the Chief Justice is responsible for monitoring and reporting on compliance. Quarterly reports from provincial efficiency enhancement committees are collated and the information analysed by the department. The aim is to reduce case backlogs in high courts, and to finalise significant proportions per year of cases at the Constitutional Court, the Supreme Court of Appeal, in the high courts, and at the specialised courts. The department will ensure that in 2016/17, the monitoring systems are strengthened to ensure effective monitoring and evaluation of court performance.

Over the medium term, the department will fund the operationalisation of the Superior Courts Act (2013), including creating capacity in judge president offices to coordinate judicial functions and ensure that judicial norms and standards are implemented, monitored and reported on. The department receives increased funding of R34.5 million in 2017/18 and R36.3 million in 2018/19 in the *Judicial Support and Court Administration* programme for this work. Excluding direct charges, the bulk of the department's spending is in this programme, accounting for R2.3 billion or 38.3 per cent of the total departmental budget of R5.9 billion over the medium term.

Because the work in this programme is labour intensive, most of the spending is on compensation of employees and related goods and services items. The number of personnel in the programme is expected to increase from 1 709 in 2016/17 to 1 793 in 2018/19, resulting in average annual growth of 12.3 per cent in expenditure on compensation of employees over the period. This increased capacity will enable the department to increase the percentage of cases finalised with a verdict from 64 per cent in 2016/17 to 70 per cent in 2018/19, while reducing the number of cases on the backlog roll for more than 12 months from 156 in 2016/17 to 56 in 2018/19.

Facilitating the appointment and training of judicial officers

The department will 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 public to enhance public trust in the judiciary. Over the medium term, R82.3 million is budgeted for

the work of the commission under the *Judicial Service Commission* subprogramme in the *Judicial Support and Court Administration* programme.

Judicial officers receive continuous training from the South African Judicial Education Institute. 225 judicial education courses will be provided over the medium term, including on new legislation on domestic violence, maintenance, and immigration. For facilitating the appointment and training of judicial officers, the department receives increases of R17.2 million in 2017/18 and R17.9 million in 2018/19 in the *Judicial Education and Research* programme. The programme's budget is expected to increase from R37.8 million in 2016/17 to R60.1 million in 2018/19. The bulk of the spending is in the *South African Judicial Education Institute* subprogramme, which accounts for 83.9 per cent of the programme's budget over the medium term.

Expenditure trends

Table 22.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Judicial Support and Court Administration														
3. Judicial Education and Research														
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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	23.7	23.7	6.2	17.8	15.5	40.7	33.2	36.9	27.5	69.4	99.5	99.5	120.6%	99.0%
Programme 2	500.7	461.4	582.6	477.5	471.0	606.4	505.4	510.6	626.4	640.4	649.5	649.5	116.0%	117.8%
Programme 3	26.1	26.1	8.3	29.0	31.0	32.0	26.5	26.5	26.4	32.6	34.4	34.4	88.5%	85.7%
Subtotal	550.5	511.2	597.1	524.4	517.6	679.1	565.1	574.0	680.2	742.4	783.4	783.4	115.0%	114.8%
Direct charge against the National Revenue Fund	579.1	702.6	744.8	621.2	786.5	788.7	829.0	856.0	872.2	873.7	873.7	873.7	113.0%	101.9%
Judges' salaries	579.1	702.6	744.8	621.2	786.5	788.7	829.0	856.0	872.2	873.7	873.7	873.7	113.0%	101.9%
Total	1 129.6	1 213.8	1 342.0	1 145.5	1 304.1	1 467.7	1 394.1	1 430.0	1 552.5	1 616.2	1 657.1	1 657.1	113.9%	107.4%
Change to 2015 Budget estimate											41.0			
Economic classification														
Current payments	1 058.3	1 128.4	1 287.3	1 101.8	1 247.6	1 312.0	1 336.3	1 345.9	1 415.3	1 547.1	1 576.6	1 576.6	110.9%	105.5%
Compensation of employees	846.9	925.1	1 014.4	900.4	1 037.5	1 099.8	1 121.0	1 133.8	1 203.5	1 279.5	1 323.8	1 323.8	111.9%	105.0%
Goods and services	211.4	203.2	272.9	201.4	210.1	212.2	215.3	212.1	211.7	267.6	252.8	252.8	106.0%	108.1%
of which:														
Communication	15.6	16.2	16.0	16.7	16.5	16.0	18.9	18.9	16.2	21.6	13.4	13.4	84.8%	94.8%
Computer services	3.8	4.5	2.1	3.9	6.2	4.7	3.5	4.1	2.0	3.7	26.0	26.0	234.9%	85.3%
Agency and support/outsourced services	17.2	12.3	16.0	17.5	12.6	11.3	15.7	14.2	9.4	16.5	10.9	10.9	71.3%	95.0%
Consumables: Stationery, printing and office supplies	20.9	13.5	7.4	17.5	11.8	8.2	8.2	10.3	8.5	13.5	11.7	11.7	59.5%	75.7%
Operating leases	5.8	5.8	0.2	4.2	2.6	–	3.5	9.5	28.1	10.5	3.9	3.9	134.7%	147.7%
Travel and subsistence	0.7	1.8	0.9	0.7	1.5	101.2	14.3	1.3	91.9	119.3	102.9	102.9	220.1%	276.2%
Transfers and subsidies	69.9	69.9	46.3	39.9	48.6	51.7	52.4	67.5	76.1	55.3	53.7	53.7	104.7%	95.0%
Provinces and municipalities	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.1	89.2%	94.1%
Households	69.9	69.9	46.2	39.8	48.5	51.7	52.4	67.4	76.0	55.2	53.6	53.6	104.7%	95.0%
Payments for capital assets	1.4	15.6	8.2	3.8	7.9	103.8	5.3	16.6	61.1	13.8	26.9	26.9	820.6%	298.5%
Machinery and equipment	1.4	15.5	8.1	3.8	7.9	103.8	5.3	16.6	60.9	13.8	26.9	26.9	820.6%	298.3%
Software and other intangible assets	0.0	0.0	0.0	–	–	–	–	–	0.2	–	–	–	685.3%	685.3%
Payments for financial assets	–	–	0.2	–	–	0.2	–	–	0.1	–	–	–	–	–
Total	1 129.6	1 213.8	1 342.0	1 145.5	1 304.1	1 467.7	1 394.1	1 430.0	1 552.5	1 616.2	1 657.1	1 657.1	113.9%	107.4%

1. The Office of the Chief Justice is a new department that became fully operational in April 2015. Its budget allocations were transferred from the Justice and Constitutional Development vote. The higher than planned spending in 2012/13 and 2014/15 was financed by means of virements carried out within the Justice and Constitutional Development vote. The audited outcomes for these years should therefore not be regarded as overspending.

Expenditure estimates

Table 22.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Judicial Support and Court Administration									
3. Judicial Education and Research									
Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million									
Programme 1	99.5	61.4%	2.9%	161.2	202.3	212.9	28.9%	9.0%	
Programme 2	649.5	12.1%	41.0%	666.0	749.5	787.8	6.6%	38.0%	
Programme 3	34.4	9.6%	1.7%	37.8	57.2	60.1	20.5%	2.5%	
Subtotal	783.4	15.3%	45.5%	865.0	1 009.0	1 060.9	10.6%	49.6%	
Direct charge against the National Revenue Fund	873.7	7.5%	54.5%	920.1	966.1	1 022.1	5.4%	50.4%	
Judges' salaries	873.7	7.5%	54.5%	920.1	966.1	1 022.1	5.4%	50.4%	
Total	1 657.1	10.9%	100.0%	1 785.0	1 975.1	2 082.9	7.9%	100.0%	
Change to 2015 Budget estimate				60.7	159.1	161.6			
Economic classification									
Current payments	1 576.6	11.8%	92.9%	1 702.0	1 883.1	1 982.6	7.9%	95.3%	
Compensation of employees	1 323.8	12.7%	77.1%	1 411.9	1 524.0	1 609.1	6.7%	78.2%	
Goods and services	252.8	7.5%	15.8%	290.2	359.1	373.5	13.9%	17.0%	
of which:									
Communication	13.4	-6.0%	1.0%	17.7	19.5	20.2	14.5%	0.9%	
Computer services	26.0	79.2%	0.6%	20.8	40.3	42.5	17.8%	1.7%	
Agency and support/outourced services	10.9	-4.0%	0.8%	18.4	22.5	21.3	25.1%	1.0%	
Consumables: Stationery, printing and office supplies	11.7	-4.8%	0.6%	15.1	16.7	16.2	11.6%	0.8%	
Operating leases	3.9	-11.9%	0.5%	17.8	20.3	21.8	76.8%	0.9%	
Travel and subsistence	102.9	283.2%	4.9%	104.8	137.3	143.0	11.6%	6.5%	
Transfers and subsidies	53.7	-8.4%	3.8%	57.7	60.5	63.9	6.0%	3.1%	
Provinces and municipalities	0.1	17.3%	0.0%	0.1	0.1	0.1	17.4%	0.0%	
Households	53.6	-8.4%	3.8%	57.5	60.4	63.8	6.0%	3.1%	
Payments for capital assets	26.9	20.0%	3.3%	25.4	31.5	36.4	10.7%	1.6%	
Machinery and equipment	26.9	20.1%	3.3%	25.4	31.5	36.4	10.7%	1.6%	
Total	1 657.1	10.9%	100.0%	1 785.0	1 975.1	2 082.9	7.9%	100.0%	

Personnel information

Table 22.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																			
1. Administration																			
2. Judicial Support and Court Administration																			
3. Judicial Education and Research																			
Office of the Chief Justice and Judicial Administration	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)			
			2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost					
Salary level	2 272	-	2 107	1 203.5	0.6	2 272	1 323.8	0.6	2 200	1 411.9	0.6	2 309	1 545.7	0.7	2 312	1 644.8	0.7	0.6%	100.0%
1 – 6	1 158	-	1 081	153.7	0.1	1 158	190.0	0.2	978	163.3	0.2	992	179.8	0.2	993	193.7	0.2	-5.0%	45.3%
7 – 10	710	-	666	177.1	0.3	710	198.4	0.3	790	240.4	0.3	861	285.3	0.3	862	306.2	0.4	6.7%	35.4%
11 – 12	103	-	85	44.7	0.5	103	60.2	0.6	125	79.1	0.6	146	100.3	0.7	147	107.6	0.7	12.6%	5.7%
13 – 16	58	-	32	28.9	0.9	58	53.7	0.9	64	64.1	1.0	67	72.1	1.1	67	76.4	1.1	4.9%	2.8%
Other	243	-	243	799.1	3.3	243	821.5	3.4	243	865.0	3.6	243	908.2	3.7	243	960.9	4.0	-	10.7%
Programme	2 272	-	2 107	1 203.5	0.6	2 272	1 323.8	0.6	2 200	1 411.9	0.6	2 309	1 545.7	0.7	2 312	1 644.8	0.7	0.6%	100.0%
Programme 1	112	-	46	18.7	0.4	112	53.9	0.5	224	97.1	0.4	247	111.5	0.5	250	118.2	0.5	30.7%	9.2%
Programme 2	1 898	-	1 806	380.5	0.2	1 898	437.7	0.2	1 709	434.3	0.3	1 793	508.1	0.3	1 793	546.8	0.3	-1.9%	79.1%
Programme 3	19	-	12	5.3	0.4	19	10.8	0.6	24	15.5	0.6	26	17.9	0.7	26	19.0	0.7	11.0%	1.0%
Direct charges	243	-	243	799.1	3.3	243	821.5	3.4	243	865.0	3.6	243	908.2	3.7	243	960.9	4.0	-	10.7%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(21.7)	-	-	(35.8)	-	-	-
Total	2 272	-	2 107	1 203.5	0.6	2 272	1 323.8	0.6	2 200	1 411.9	0.6	-	1 524.0	-	-	1 609.1	-	-	-

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

2. The department's compensation of employees budget has been reduced by R57.5 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 22.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	-	-	-	354	772	-	100.0%	784	796	810	1.6%	100.0%
Sales of goods and services produced by department	-	-	-	247	502	-	65.0%	510	518	527	1.6%	65.1%
Sales by market establishments	-	-	-	43	85	-	11.0%	87	89	91	2.3%	11.1%
of which:												
Rental dwellings	-	-	-	22	43	-	5.6%	44	45	46	2.3%	5.6%
Rental parking: Covered and open	-	-	-	21	42	-	5.4%	43	44	45	2.3%	5.5%
Other sales	-	-	-	204	417	-	54.0%	423	429	436	1.5%	53.9%
of which:												
Services rendered: Commission insurance and garnishee	-	-	-	158	323	-	41.8%	328	333	338	1.5%	41.8%
Services rendered: Photocopies and faxes	-	-	-	46	94	-	12.2%	95	96	98	1.4%	12.1%
Fines, penalties and forfeits	-	-	-	-	40	-	5.2%	41	41	42	1.6%	5.2%
Transactions in financial assets and liabilities	-	-	-	107	230	-	29.8%	233	237	241	1.6%	29.8%
Total	-	-	-	354	772	-	100.0%	784	796	810	1.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 22.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Management	-	14.4	9.0	27.2	-	29.1%	36.9	38.9	41.2	14.8%	21.3%
Corporate Services	6.2	12.4	5.6	39.4	85.2%	36.6%	63.2	96.6	100.4	36.6%	44.3%
Financial Administration	-	10.3	7.8	17.5	-	20.5%	25.5	27.0	28.5	17.8%	14.6%
Internal Audit and Risk Management	-	1.2	2.1	10.3	-	7.9%	14.5	16.8	17.7	19.8%	8.8%
Office Accommodation	-	2.3	2.9	5.1	-	6.0%	21.2	23.1	25.0	69.6%	11.0%
Total	6.2	40.7	27.5	99.5	152.2%	100.0%	161.2	202.3	212.9	28.9%	100.0%
Change to 2015 Budget estimate				30.1			87.8	124.5	130.6		
Economic classification											
Current payments	4.6	37.3	25.3	89.4	168.0%	90.1%	159.1	199.6	209.6	32.9%	97.3%
Compensation of employees	-	29.5	18.7	53.9	-	58.7%	97.1	111.5	118.2	29.9%	56.3%
Goods and services	4.6	7.8	6.7	35.4	96.9%	31.4%	62.0	88.1	91.4	37.1%	41.0%
of which:											
Audit costs: External	-	-	-	-	-	-	4.5	4.7	5.0	-	2.1%
Computer services	0.0	2.6	0.8	23.4	842.4%	15.5%	18.4	37.9	39.7	19.2%	17.7%
Agency and support/outourced services	0.5	0.1	0.1	0.6	2.7%	0.7%	5.8	9.0	7.4	134.2%	3.4%
Operating leases	-	-	-	-	-	-	12.8	14.3	15.7	-	6.3%
Travel and subsistence	2.0	2.3	3.2	4.9	34.7%	7.2%	6.4	6.8	7.1	12.8%	3.7%
Training and development	0.1	0.1	0.1	0.6	103.2%	0.5%	5.8	6.5	6.9	127.1%	2.9%
Payments for capital assets	1.6	3.3	2.1	10.1	86.5%	9.8%	2.0	2.7	3.3	-31.2%	2.7%
Machinery and equipment	1.6	3.3	2.1	10.1	86.5%	9.8%	2.0	2.7	3.3	-31.2%	2.7%
Total	6.2	40.7	27.5	99.5	152.2%	100.0%	161.2	202.3	212.9	28.9%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	6.0%	4.0%	12.7%	-	-	18.6%	20.1%	20.1%	-	-

Programme 2: Judicial Support and Court Administration

Programme purpose

Provide judicial support and court administration services to the superior courts, including secretariat and administrative support services to the Judicial Service Commission.

Objectives

- Ensure the effective and efficient administration of the superior courts by:
 - producing 5 monitoring reports on the performance of the superior courts per year between 2016/17 and 2018/19
 - producing 5 monitoring reports on judicial norms and standards per year between 2016/17 and 2018/19.
- Enhance efficiency and the timeous delivery of judgments in the superior courts by:
 - monitoring the implementation of norms and standards, and producing performance reports that support the Constitutional Court and the Supreme Court of Appeal in finalising 80 per cent of cases per year between 2015/16 and 2018/19
 - monitoring the implementation of norms and standards, and producing performance reports that support the high courts in reducing the number of criminal case backlogs from a projected 156 cases in 2016/17 to 56 cases in 2018/19
 - monitoring the implementation of norms and standards, and producing performance reports that support the high courts in finalising criminal cases with a verdict from a projected 64 per cent in 2016/17 to 70 per cent in 2018/19
 - monitoring the implementation of norms and standards, and producing performance reports that support the high courts in finalising civil cases from a projected 54 per cent in 2016/17 to 60 per cent in 2018/19
 - monitoring the implementation of norms and standards, and producing performance reports that support the labour and land claims courts in finalising cases from a projected 54 per cent in 2016/17 to 58 per cent in 2018/19
 - monitoring the implementation of norms and standards, and producing performance reports that support the electoral court in finalising 90 per cent of cases per year between 2016/17 and 2018/19
 - monitoring the implementation of norms and standards, and producing performance reports that support the competition appeal court in finalising 74 per cent of cases per year between 2016/17 and 2018/19.

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.
- *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.
- *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 over various types of matters excluded from the jurisdiction of the various high court divisions and lower courts.

Expenditure trends and estimates

Table 22.7 Judicial Support and Court Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Administration of Superior Courts	–	0.6	9.7	20.6	–	1.3%	44.0	46.5	49.2	33.7%	5.6%
Judicial Service Commission	4.6	5.7	5.4	10.0	29.8%	1.0%	25.3	27.8	29.2	43.1%	3.2%
Constitutional Court	73.1	76.1	72.1	70.2	-1.4%	11.8%	49.3	59.2	61.6	-4.2%	8.4%
Supreme Court of Appeal	26.4	29.8	25.9	25.2	-1.5%	4.4%	27.2	28.6	30.1	6.1%	3.9%
High Courts	419.2	441.2	463.4	481.8	4.7%	73.4%	478.8	539.9	564.4	5.4%	72.4%
Specialised Courts	55.9	52.9	49.9	41.8	-9.2%	8.1%	41.4	47.6	53.3	8.4%	6.5%
Total	579.1	606.4	626.4	649.5	3.9%	100.0%	666.0	749.5	787.8	6.6%	100.0%
Change to 2015				9.2			(30.5)	13.8	9.4		
Budget estimate											
Economic classification											
Current payments	570.6	504.7	564.9	632.1	3.5%	92.3%	640.8	718.9	752.8	6.0%	96.2%
Compensation of employees	310.7	327.2	380.5	437.7	12.1%	59.2%	434.3	486.4	511.0	5.3%	65.5%
Goods and services	259.9	177.5	184.4	194.4	-9.2%	33.2%	206.5	232.5	241.8	7.5%	30.7%
<i>of which:</i>											
Minor assets	4.5	5.2	3.3	13.8	45.5%	1.1%	13.6	14.6	16.5	6.0%	2.1%
Communication	15.5	15.5	16.0	12.9	-5.8%	2.4%	16.8	18.5	19.1	13.9%	2.4%
Agency and support/outourced services	15.4	11.2	9.4	10.3	-12.5%	1.9%	12.6	13.6	13.9	10.4%	1.8%
Fleet services (including government motor transport)	15.5	34.2	27.5	9.5	-15.2%	3.5%	14.2	14.9	15.5	17.8%	1.9%
Consumables: Stationery, printing and office supplies	7.2	7.5	7.0	9.6	10.1%	1.3%	10.8	11.4	11.8	7.0%	1.5%
Travel and subsistence	180.3	80.7	75.0	85.3	-22.1%	17.1%	87.2	103.6	106.6	7.7%	13.4%
Transfers and subsidies	1.7	1.1	2.9	1.4	-6.4%	0.3%	2.6	2.7	2.7	25.9%	0.3%
Provinces and municipalities	0.1	0.0	0.0	0.1	-2.0%	–	0.1	0.1	0.1	17.4%	–
Households	1.6	1.0	2.8	1.3	-6.6%	0.3%	2.5	2.5	2.6	26.2%	0.3%
Payments for capital assets	6.6	100.4	58.6	16.1	34.6%	7.4%	22.6	27.9	32.3	26.1%	3.5%
Machinery and equipment	6.6	100.4	58.4	16.1	34.9%	7.4%	22.6	27.9	32.3	26.1%	3.5%
Software and other intangible assets	0.0	–	0.2	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	0.2	0.2	0.1	–	-100.0%	–	–	–	–	–	–
Total	579.1	606.4	626.4	649.5	3.9%	100.0%	666.0	749.5	787.8	6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	97.0%	89.3%	92.1%	82.9%	–	–	77.0%	74.3%	74.3%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	1.5	1.0	2.8	1.3	-3.5%	0.3%	2.5	2.5	2.6	26.2%	0.3%
Employee social benefits	1.5	1.0	2.8	1.3	-3.5%	0.3%	2.5	2.5	2.6	26.2%	0.3%

Programme 3: Judicial Education and Research

Programme purpose

Provide education programmes to judicial officers, including policy development and research services, for the optimal administration of justice.

Objectives

- Provide capacity for serving and aspirant judicial officers to perform optimally by increasing the number of judicial education courses conducted from a projected 70 in 2016/17 to 80 in 2018/19.
- Enhance the governance of the judiciary and the department by providing 100 per cent of the requested advisory opinions on policy development and regulatory services annually.

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.

Expenditure trends and estimates

Table 22.8 Judicial Education and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
South African Judicial Education Institute	11.8	31.0	24.2	28.6	34.2%	91.5%	30.2	49.1	51.6	21.8%	84.2%
Judicial Policy and Research	–	1.0	2.1	5.8	–	8.5%	7.6	8.1	8.5	13.9%	15.8%
Total	11.8	32.0	26.4	34.4	42.7%	100.0%	37.8	57.2	60.1	20.5%	100.0%
Change to 2015 Budget estimate				1.7			3.3	20.8	21.6		
Economic classification											
Current payments	11.8	31.9	26.0	33.7	42.0%	98.9%	37.1	56.4	59.3	20.7%	98.4%
Compensation of employees	3.5	5.0	5.3	10.8	45.7%	23.4%	15.5	17.9	19.0	20.8%	33.3%
Goods and services	8.3	26.9	20.7	23.0	40.3%	75.4%	21.6	38.5	40.3	20.7%	65.1%
<i>of which:</i>											
Administrative fees	0.1	0.0	0.8	0.4	74.1%	1.2%	0.5	0.5	0.6	13.3%	1.0%
Consultants: Business and advisory services	0.0	–	–	0.5	179.2%	0.5%	1.2	1.1	1.1	25.5%	2.1%
Consumables: Stationery, printing and office supplies	0.0	0.4	0.8	1.1	191.6%	2.2%	2.6	3.4	2.4	28.7%	5.0%
Travel and subsistence	7.7	18.2	13.7	12.7	18.3%	49.9%	11.1	26.9	29.3	32.3%	42.2%
Training and development	0.3	0.9	0.3	4.4	138.4%	5.6%	4.7	4.9	5.2	6.0%	10.1%
Operating payments	–	0.0	0.0	0.5	–	0.4%	0.8	0.8	0.8	22.1%	1.5%
Payments for capital assets	0.0	0.1	0.4	0.6	179.8%	1.1%	0.7	0.8	0.8	9.1%	1.6%
Machinery and equipment	0.0	0.1	0.4	0.6	179.8%	1.1%	0.7	0.8	0.8	9.1%	1.6%
Total	11.8	32.0	26.4	34.4	42.7%	100.0%	37.8	57.2	60.1	20.5%	100.0%
Proportion of total programme expenditure to vote expenditure	2.0%	4.7%	3.9%	4.4%	–	–	4.4%	5.7%	5.7%	–	–

Vote 23

Police

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	17 559.8	15 583.6	643.3	1 332.9	18 674.7	19 814.6
Visible Policing	40 675.8	39 587.5	213.6	874.6	44 237.1	47 208.1
Detective Services	16 789.6	16 035.3	86.9	667.5	18 054.4	19 240.0
Crime Intelligence	3 350.5	3 298.4	12.0	40.1	3 561.1	3 780.4
Protection and Security Services	2 609.1	2 502.9	5.1	101.2	2 724.8	2 911.2
Total expenditure estimates	80 984.9	77 007.6	961.0	3 016.3	87 252.2	92 954.3
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 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		
			2012/13	2013/14	2014/15	2015/16 ¹	2016/17	2017/18	2018/19
Number of serious crimes reported per year ²	Visible Policing	Outcome 3: All people in South Africa are and feel safe	1 833 775	1 826 967	1 820 796	1 790 428	1 754 619 ²	1 719 527 ²	1 685 136 ²
Number of reported crimes for unlawful possession of, and dealing in, drugs per year ³	Visible Policing		206 825	260 732	267 034	294 627	332 929 ³	376 210 ³	425 117 ³
Total number of rural and rural/urban mixed police stations implementing the minimum criteria of the four pillars of the rural safety strategy	Visible Policing		– ⁴	– ⁴	605	637	759	879	879
Percentage of police stations rendering a victim friendly service to victims of rape, sexual offences and abuse ⁵	Visible Policing		81.2% (919)	83.3% (947)	100% ⁵ (1 138)	100% ⁵	100% ⁵	100% ⁵	100% ⁵
Percentage of crime related hits ⁶ reacted to as a result of the movement control screening of:	Visible Policing		100% (3 435)	100% (3 159)	100% (2 746)	100%	100%	100%	100%
- Wanted persons			100% (3 331)	100% (3 926)	100% (3 874)	100%	100%	100%	100%
- Circulated stolen or robbed vehicles			100% (15 762)	100% (16 107)	100% (17 197)	100%	100%	100%	100%
Percentage of medium to high risk incidents stabilised ⁷ in relation to requests received	Visible Policing		39.61% (851 851)	38.14% (834 538)	37.40% (820 598)	41.05% (858 405)	38% ²	39% ²	40% ²
Detection rate ⁸ for serious crimes per year	Detective Services		68.42% (253 971)	68.38% (260 797)	63.63% ⁸ (237 362)	69% (262 414)	64% ^{2, 9}	65% ^{2, 9}	66% ^{2, 9}
Percentage of trial ready case dockets ⁹ for serious crimes per year	Detective Services								

Table 23.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16 ¹	2016/17	2017/18	2018/19
Percentage of trial ready case dockets for crimes dependent on police action for detection per year	Detective Services	Outcome 3: All people in South Africa are and feel safe	61.80% (115 233)	64.40% (138 141)	55.89% ¹⁰ (122 304)	65% (138 970)	65.04% (139 025)	65.09% (139 094)	65.14% (133 502)
Percentage of trial ready case dockets for serious commercial crime related charges per year ¹¹	Detective Services		56.5%	54.9%	58.8%	53% ¹¹	53% ¹¹	53% ¹¹	53% ¹¹
Percentage of original previous conviction reports for formally charged individuals generated within 15 calendar days per year	Detective Services		97% (1 164 990 from a total of 1 201 643) generated within 20 days ¹²	91.88% (1 119 843 out of a total of 1 218 869) generated within 15 calendar days ¹²	93% (1 138 275 out of a total of 1 223 005) generated within 15 calendar days	94% generated within 15 calendar days	95% generated within 15 calendar days	96% generated within 15 calendar days ¹²	96% generated within 15 calendar days ¹²
Number of network operations ¹³ conducted	Crime Intelligence		37 188 ¹³	34 534 ¹³	47 846 ¹³	759 ¹³	833 ¹³	875 ¹³	918 ¹³
Percentage of national key points evaluated in compliance with the National Key Points Act (1980)	Protection and Security Services		96.2% (175/182)	101% ¹⁴ (199)	100% (197)	100% (204)	100% (204)	100% (206)	100% (206)

1. The figures for 2015/16 are based on the published targets, as indicated in the department's 2015/16 annual performance plan.

2. 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.

3. This crime is normally not reported to the police but 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 generally welcome as it is indicative of more active and effective policing. The medium term targets are aligned with the five-year targets as outlined in government's 2014-2019 medium term strategic framework.

4. As reporting on this indicator began in 2014/15, there are no performance outcomes for 2012/13 and 2013/14.

5. A police station is deemed capable of rendering a victim friendly service if it meets two of the following three requirements: at least 50 per cent of the station's operational and/or frontline members have completed prescribed training in this area; the station has dedicated infrastructure for taking statements from victims of rape, sexual offences and abuse; and a station order has been issued to direct the management of victim friendly services at the police station. This indicator is calculated against the number of police stations in operation in a specific financial year. As at the end of 2014/15, all police stations were rendering victim friendly services, resulting in targets remaining constant at 100 per cent over the medium term. The target of 84 per cent for 2015/16, as included in the 2015 Estimates of National Expenditure, was determined prior to the finalisation of the department's 2015/16 annual performance plan. Accordingly, this target has been revised to 100 per cent in line with the department's 2015/16 annual performance plan.

6. Crime related hits are tip offs generated from the movement control system. Reaction to hits includes arrests and confiscations.

7. 'Stabilise' means to reach a state where there are no longer any major challenges or problems to the extent that specialised policing intervention is no longer required, and that it is unlikely that the situation will worsen and can be managed through normal day-to-day policing.

8. The calculation for 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.

9. A trial ready docket is a fully investigated case docket (whether it includes one or more charges) that can be used by the National Prosecuting Authority for the prosecution of an offender. To determine the trial ready rate, the total number of case dockets certified as 'investigation finalised' on the crime administration system is divided by the total number of outstanding charges. The department's medium term targets were revised downwards taking into account actual performance in 2014/15.

10. The decline in performance in 2014/15 was due to long outstanding forensic (toxicology) reports from the Department of Health, specifically for cases of persons driving a motor vehicle under the influence of alcohol.

11. As this percentage is a composite calculation, single absolute numbers cannot be provided. Due to the unpredictable and complex nature of serious commercial crimes, the 2015/16 and medium term targets for this indicator are constant and based on past average performance.

12. In 2012/13, the indicator measured the percentage of original previous conviction reports generated within 20 days. From 2013/14, the indicator was revised to measure the generation of reports within 15 calendar days. The targets for 2017/18 and 2018/19 for this indicator remain constant as the department is in the process of upgrading the automated fingerprint identification system. A deviation of 4 per cent is intended to make provision for instances in which fingerprints received are of poor quality and need further analysis, which may take longer than 15 days.

13. Network operations refer to 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 over the medium term.

14. In 2013/14, the department was requested to evaluate 2 more national key points than initially planned. This explains the overachievement when comparing actual performance to the planned target of 197 for 2013/14.

Expenditure analysis

Over the medium term, the strategic focus of the South African Police Service will continue to be on strengthening the criminal justice system and professionalising the police service. In addition, the department will focus on transforming the police service and capacitating its public order policing units. These priorities and related interventions are in line with government's priorities for building safer communities, as outlined in chapter 12 of the national development plan, and outcome 3 of the 2014-2019 medium term strategic framework (ensuring that all people in South Africa are and feel safe).

The implementation of the department's medium term priorities is mainly budgeted for in the department's core service delivery programmes, *Visible Policing* and *Detective Services*. Together, these two programmes constitute an average 71.3 per cent of the department's budget over the medium term.

Strengthening the criminal justice system

Over the medium term, the department will continue to strengthen the implementation of the criminal justice system's 7-point plan, which outlines the changes that the justice, crime prevention and security cluster must put in place to establish a modernised and transformed criminal justice system. The plan is endorsed by the national development plan, and R6 billion is allocated over the medium term for its ongoing implementation: R852 million in the *Administration* programme and R5.1 billion in the *Detective Services* programme. The cornerstone of implementing the 7-point plan is the rollout of the integrated justice system, which seeks to ensure greater efficiency in the management of cases, persons and exhibits. Various case, person and exhibit management systems will be implemented over the medium term at a total cost of R1.1 billion. These management systems are expected to lead to improved performance in, among others, the detection rate for serious crimes and the percentage of trial ready case dockets for serious crimes. Case cycle times are expected to decrease, more cases to move through the criminal justice system, and fewer cases to be withdrawn. The remaining R4.9 billion for the implementation of the 7-point plan will be used for capacitating the detective and forensic services units with ICT and other infrastructure, such as mobile connectivity devices, CCTV capabilities for forensic science laboratories, and end user computer equipment for police stations.

Professionalising the police service

The White Paper on Police, developed to provide the framework for the department's vision for professionalising the police service as outlined in the national development plan, will be presented to Cabinet for final approval at the end of February 2016. Over the medium term, the department, jointly with the Civilian Secretariat for the Police Service, will develop an implementation plan for the white paper. The plan will outline costs and key responsibilities for both departments to ensure a professional, accountable and transparent police service.

Adequate human resource capability is key to a professional police service, and the department will maintain at least 98 per cent of its funded posts of 198 062 over the medium term. Policing is labour intensive, and compensation of employees remains the department's largest budget item, constituting an average 76 per cent of the total budget over the medium term. The anticipated higher than inflation average annual growth of 6.6 per cent between 2015/16 and 2018/19 is due to increased funding (R1.3 billion in 2016/17, R2.4 billion in 2017/18 and R3 billion in 2018/19) allocated to the department by Cabinet for the implementation of the 2015 public sector wage agreement and related cost of living adjustments. However, Cabinet has also approved reductions of R800 million in 2016/17, R1.5 billion in 2017/18 and R1.4 billion in 2018/19 to the department's compensation of employees budget as part of its decision to lower the national aggregate expenditure ceiling. In addition, the department's goods and services budget has been reduced by R803.2 million over the medium term, following the implementation of cost containment measures on, among other items, fleet services, computer services and consumables. After consultation with the Department of Public Service and Administration and the National Treasury, the department will develop and implement a plan to manage its personnel expenditure within this reduced budget.

Transformation of the South African Police Service and capacitation of public order policing units

The violent events at the Lonmin mine at Marikana in 2012 and the subsequent investigations and recommendations of the Farlam Commission of Enquiry necessitated a review of the prescripts and processes governing public order policing in the South African Police Service. Over the medium term, the department will establish an independent panel of experts to, among other things, review and amend all prescripts relevant to public order policing in line with international best practice. The panel will also assess the adequacy of the training of members of the police service who use specialised equipment such as water cannons and video cameras, and make recommendations for improvements. A task force, to be chaired by the Deputy Minister of Police, will be established to oversee the implementation of the recommendations of the panel, and to formulate a proposal and develop a plan on the transformation and professionalisation of the police service, including public order policing. The work and related activities of the independent panel of experts is budgeted for in the *Visible Policing* programme.

The department receives increases of R242 million in 2017/18 and R355.8 million in 2018/19 to strengthen public order policing capacity. The funds will be used to procure specialised equipment for public order policing, such as cameras for aircrafts, video and recording equipment, water cannons and armoured vehicles.

The increases explain the above inflation average annual growth of 10.5 per cent between 2015/16 and 2018/19 in the *Specialised Interventions* subprogramme in the *Visible Policing* programme.

Between 2012/13 and 2014/15, the department stabilised 100 per cent of medium to high risk incidents in relation to requests received. Of the 14 470 protests the public order policing unit was requested to respond to in 2014/15, 2 019 were not peaceful protests. The objective of capacitating public order policing is not to encroach on citizens' democratic right to protest, but to ensure that protests are lawful and peaceful.

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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	13 441.9	13 094.0	12 782.2	14 318.2	14 524.9	14 179.2	15 304.0	15 304.0	15 570.2	16 264.2	16 609.3	16 609.3	99.7%	99.3%
Programme 2	31 523.7	32 354.4	32 315.2	34 570.1	35 015.1	35 149.1	37 008.8	37 043.8	36 700.3	38 855.0	38 444.4	38 444.4	100.5%	99.8%
Programme 3	13 159.8	13 542.9	13 693.7	14 348.5	14 550.9	14 704.0	15 242.7	15 133.0	15 149.7	15 816.0	16 092.4	15 592.4	101.0%	99.7%
Programme 4	2 549.2	2 590.6	2 570.1	2 715.3	2 735.6	2 740.0	2 880.8	2 880.8	2 884.1	3 110.4	3 146.9	3 146.9	100.8%	99.9%
Programme 5	1 810.8	1 806.8	1 795.5	1 964.9	1 964.9	2 019.0	2 070.9	2 145.6	2 202.9	2 331.5	2 427.7	2 427.7	103.3%	101.2%
Total	62 485.4	63 388.7	63 156.6	67 917.1	68 791.4	68 791.4	72 507.2	72 507.2	72 507.2	76 377.1	76 720.8	76 220.8	100.5%	99.7%
Change to 2015 Budget estimate											343.8			
Economic classification														
Current payments	58 685.0	59 936.1	59 234.4	64 212.7	65 084.8	64 818.6	68 924.4	68 766.5	68 576.5	72 604.4	72 903.2	72 403.2	100.2%	99.4%
Compensation of employees	45 013.9	46 804.9	46 796.3	50 358.5	51 231.6	51 241.8	54 210.0	54 449.0	54 332.2	57 884.9	58 277.1	58 277.1	101.5%	99.9%
Goods and services	13 671.1	13 131.1	12 438.2	13 854.2	13 853.2	13 576.8	14 714.4	14 317.5	14 244.3	14 719.6	14 626.1	14 126.1	95.5%	97.2%
of which:														
Communication	759.2	733.8	674.3	814.0	814.0	707.4	895.3	760.0	696.1	736.9	726.7	726.7	87.5%	92.4%
Computer services	3 450.9	3 288.9	2 296.9	3 073.8	2 985.5	2 550.1	2 939.7	2 747.2	2 787.0	2 890.1	2 804.1	2 604.1	82.9%	86.6%
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	3 739.4	-	3 925.9	3 725.9	-	190.2%
Operating leases	2 132.4	2 132.4	2 057.9	2 254.0	2 254.0	2 308.2	2 395.5	2 396.0	2 386.9	2 462.9	2 466.8	2 466.8	99.7%	99.7%
Property payments	991.2	922.7	933.7	1 073.7	1 073.7	929.2	1 145.7	924.6	976.4	991.6	992.2	992.2	91.2%	97.9%
Travel and subsistence	801.0	738.4	707.6	821.0	813.7	754.9	877.2	971.4	867.7	864.7	845.4	845.4	94.4%	94.3%
Transfers and subsidies	532.0	533.7	605.7	637.3	639.6	812.8	737.1	852.0	899.0	911.9	952.4	952.4	116.0%	109.8%
Provinces and municipalities	26.6	26.6	31.2	28.0	28.0	34.6	33.4	33.4	38.1	37.0	37.0	37.0	112.8%	112.8%
Departmental agencies and accounts	67.6	69.3	69.5	115.5	116.7	93.0	133.8	134.7	134.7	142.0	150.0	150.0	97.5%	95.0%
Non-profit institutions	-	-	-	-	1.0	1.0	1.0	1.0	1.0	-	1.0	1.0	300.0%	100.0%
Households	437.8	437.8	505.0	493.9	493.9	684.3	568.9	682.9	725.2	732.9	764.4	764.4	119.9%	112.6%
Payments for capital assets	3 268.4	2 918.9	3 310.8	3 067.1	3 067.1	3 146.4	2 845.7	2 888.8	3 003.5	2 860.8	2 865.3	2 865.3	102.4%	105.0%
Buildings and other fixed structures	1 344.6	794.6	691.6	1 036.9	1 036.9	868.1	1 099.9	984.9	884.8	998.7	998.7	998.7	76.9%	90.3%
Machinery and equipment	1 923.6	2 124.1	2 618.8	2 029.9	2 029.9	2 278.1	1 745.5	1 898.5	2 118.4	1 856.5	1 856.5	1 856.5	117.4%	112.2%
Biological assets	0.3	0.3	0.3	0.3	0.3	0.2	0.3	5.4	0.2	5.5	10.0	10.0	171.7%	67.9%
Payments for financial assets	-	-	5.7	-	-	13.6	-	-	28.3	-	-	-	-	-
Total	62 485.4	63 388.7	63 156.6	67 917.1	68 791.4	68 791.4	72 507.2	72 507.2	72 507.2	76 377.1	76 720.8	76 220.8	100.5%	99.7%

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	16 609.3	8.2%	21.1%	17 559.8	18 674.7	19 814.6	6.1%	21.5%
Programme 2	38 444.4	5.9%	50.8%	40 675.8	44 237.1	47 208.1	7.1%	50.6%
Programme 3	15 592.4	4.8%	21.1%	16 789.6	18 054.4	19 240.0	7.3%	20.7%
Programme 4	3 146.9	6.7%	4.0%	3 350.5	3 561.1	3 780.4	6.3%	4.1%
Programme 5	2 427.7	10.3%	3.0%	2 609.1	2 724.8	2 911.2	6.2%	3.2%
Total	76 220.8	6.3%	100.0%	80 984.9	87 252.2	92 954.3	6.8%	100.0%
Change to 2015 Budget estimate				169.2	879.5	1 572.0		
Economic classification								
Current payments	72 403.2	6.5%	94.4%	77 007.6	82 001.4	87 335.2	6.4%	94.5%
Compensation of employees	58 277.1	7.6%	75.1%	62 070.4	66 196.8	70 655.4	6.6%	76.2%
Goods and services	14 126.1	2.5%	19.4%	14 937.1	15 804.6	16 679.8	5.7%	18.2%
of which:								
Communication	726.7	-0.3%	1.0%	725.0	749.1	781.3	2.4%	0.9%
Computer services	2 604.1	-7.5%	3.6%	2 915.8	3 014.2	3 143.9	6.5%	3.5%
Fleet services (including government motor transport)	3 725.9	-	2.7%	3 912.4	4 185.6	4 440.6	6.0%	4.8%
Operating leases	2 466.8	5.0%	3.3%	2 551.4	2 679.0	2 834.4	4.7%	3.1%
Property payments	992.2	2.5%	1.4%	1 086.9	1 144.1	1 210.5	6.9%	1.3%
Travel and subsistence	845.4	4.6%	1.1%	854.7	900.5	988.6	5.4%	1.1%
Transfers and subsidies	952.4	21.3%	1.2%	961.0	1 020.4	1 081.6	4.3%	1.2%
Provinces and municipalities	37.0	11.6%	0.1%	40.6	50.0	52.1	12.1%	0.1%
Departmental agencies and accounts	150.0	29.4%	0.2%	149.4	166.8	179.2	6.1%	0.2%
Non-profit institutions	1.0	-	0.0%	-	-	-	-100.0%	0.0%
Households	764.4	20.4%	1.0%	771.0	803.6	850.3	3.6%	0.9%
Payments for capital assets	2 865.3	-0.6%	4.4%	3 016.3	4 230.3	4 537.5	16.6%	4.3%
Buildings and other fixed structures	998.7	7.9%	1.2%	1 051.4	1 103.9	1 167.9	5.4%	1.3%
Machinery and equipment	1 856.5	-4.4%	3.2%	1 959.2	3 120.3	3 363.2	21.9%	3.1%
Biological assets	10.0	242.0%	0.0%	5.7	6.1	6.3	-14.1%	0.0%
Total	76 220.8	6.3%	100.0%	80 984.9	87 252.2	92 954.3	6.8%	100.0%

Personnel information

Table 23.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																				
1. Administration																				
2. Visible Policing																				
3. Detective Services																				
4. Crime Intelligence																				
5. Protection and Security Services																				
Police	Number of posts estimated for 31 March 2016	Number of funded posts	Number of posts additional to the establishment	Number and cost ³ of personnel posts filled / planned for on funded establishment												Number				
				Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
				2014/15	Unit Cost	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Unit Cost	Unit Cost	Unit Cost						
Salary level	198 042	-	-	193 694	54 332.2	0.3	198 042	58 277.1	0.3	198 062	62 070.4	0.3	198 062	67 062.3	0.3	198 062	72 022.1	0.4	0.0%	100.0%
1 – 6	131 814	-	-	131 104	28 086.4	0.2	131 814	29 181.3	0.2	133 314	31 116.1	0.2	134 814	33 638.3	0.2	134 814	36 154.7	0.3	0.8%	67.5%
7 – 10	63 309	-	-	59 749	23 860.5	0.4	63 309	26 142.5	0.4	61 829	27 790.7	0.4	60 329	29 978.7	0.5	60 329	32 150.6	0.5	-1.6%	31.0%
11 – 12	2 179	-	-	2 113	1 660.1	0.8	2 179	2 027.3	0.9	2 179	2 167.5	1.0	2 179	2 355.7	1.1	2 179	2 537.5	1.2	-	1.1%
13 – 16	738	-	-	726	721.3	1.0	738	921.8	1.2	738	991.7	1.3	738	1 084.8	1.5	738	1 174.2	1.6	-	0.4%
Other	2	-	-	2	4.0	2.0	2	4.2	2.1	2	4.4	2.2	2	4.7	2.4	2	5.1	2.6	-	0.0%
Programme	198 042	-	-	193 694	54 332.2	0.3	198 042	58 277.1	0.3	198 062	62 070.4	0.3	198 062	67 062.3	0.3	198 062	72 022.1	0.4	0.0%	100.0%
Programme 1	37 058	-	-	37 025	9 390.8	0.3	37 058	10 485.1	0.3	37 058	11 205.5	0.3	37 058	12 089.9	0.3	37 058	12 875.8	0.3	-	18.7%
Programme 2	106 004	-	-	102 713	28 893.5	0.3	106 004	30 333.8	0.3	106 004	32 265.3	0.3	106 004	34 946.4	0.3	106 004	37 673.6	0.4	-	53.5%
Programme 3	39 854	-	-	39 088	11 506.7	0.3	39 854	12 457.3	0.3	39 874	13 227.4	0.3	39 874	14 251.6	0.4	39 874	15 316.9	0.4	0.0%	20.1%
Programme 4	8 681	-	-	8 470	2 615.1	0.3	8 681	2 852.6	0.3	8 681	3 045.9	0.4	8 681	3 264.7	0.4	8 681	3 469.0	0.4	-	4.4%
Programme 5	6 445	-	-	6 398	1 926.2	0.3	6 445	2 148.3	0.3	6 445	2 326.4	0.4	6 445	2 509.8	0.4	6 445	2 686.9	0.4	-	3.3%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	(865.5)	-	-	(1 366.7)	-	-	-
Total	198 042	-	-	193 694	54 332.2	0.3	198 042	58 277.1	0.3	198 062	62 070.4	0.3	198 062	66 196.8	-	198 062	70 655.4	-	-	-

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

2. The department's compensation of employees budget has been reduced by R2232.3 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 23.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2015/16	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%) 2015/16 - 2018/19	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2016/17	2017/18	2018/19		
Departmental receipts	342 023	386 341	389 406	343 841	343 841	0.2%	100.0%	296 700	305 304	308 178	-3.6%	100.0%
Sales of goods and services produced by department	139 491	153 412	179 121	161 511	161 511	5.0%	43.3%	140 870	146 870	148 670	-2.7%	47.7%
Administrative fees	20 518	23 255	26 206	25 191	25 191	7.1%	6.5%	18 850	20 850	21 650	-4.9%	6.9%
<i>of which:</i>												
Firearm licences	20 518	23 255	26 206	25 191	25 191	7.1%	6.5%	18 850	20 850	21 650	-4.9%	6.9%
Other sales	118 973	130 157	152 915	136 320	136 320	4.6%	36.8%	122 020	126 020	127 020	-2.3%	40.8%
<i>of which:</i>												
House rentals	32 651	31 844	32 753	29 106	29 106	-3.8%	8.6%	30 500	30 500	30 500	1.6%	9.6%
Commission on insurance	48 905	54 444	58 971	59 738	59 738	6.9%	15.2%	54 000	56 000	56 000	-2.1%	18.0%
Other	37 417	43 869	61 191	47 476	47 476	8.3%	13.0%	37 520	39 520	40 520	-5.1%	13.2%
Sales of scrap, waste, arms and other used current goods	10 844	12 388	33 045	15 838	15 838	13.5%	4.9%	9 900	9 900	9 900	-14.5%	3.6%
<i>of which:</i>												
Sales of scrap, waste and other used goods	10 844	12 388	33 045	15 838	15 838	13.5%	4.9%	9 900	9 900	9 900	-14.5%	3.6%
Fines, penalties and forfeits	22 710	50 563	18 929	10 650	10 650	-22.3%	7.0%	10 520	11 480	11 680	3.1%	3.5%
Interest, dividends and rent on land	780	769	1 210	821	821	1.7%	0.2%	765	765	765	-2.3%	0.2%
Interest	780	769	1 210	821	821	1.7%	0.2%	765	765	765	-2.3%	0.2%
Sales of capital assets	2 751	3 757	15 541	19 108	19 108	90.8%	2.8%	2 700	2 900	3 100	-45.5%	2.2%
Transactions in financial assets and liabilities	165 447	165 452	141 560	135 913	135 913	-6.3%	41.6%	131 945	133 389	134 063	-0.5%	42.7%
Total	342 023	386 341	389 406	343 841	343 841	0.2%	100.0%	296 700	305 304	308 178	-3.6%	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 23.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million												
Ministry	22.5	24.3	30.1	40.8	21.9%	0.2%	39.3	42.4	45.0	3.3%	0.2%	
Management	59.2	59.8	66.1	67.1	4.2%	0.4%	72.3	76.7	81.4	6.7%	0.4%	
Corporate Services	12 660.6	14 034.1	15 374.2	16 388.3	9.0%	98.8%	17 337.6	18 429.6	19 552.1	6.1%	98.7%	
Civilian Secretariat	39.9	61.0	99.8	113.2	41.5%	0.5%	110.6	126.1	136.1	6.3%	0.7%	
Total	12 782.2	14 179.2	15 570.2	16 609.3	9.1%	100.0%	17 559.8	18 674.7	19 814.6	6.1%	100.0%	
Change to 2015 Budget estimate				345.1			426.5	560.0	649.2			

Table 23.6 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Current payments	11 426.1	12 539.4	13 800.2	14 719.0	8.8%	88.7%	15 583.6	16 571.5	17 586.6	6.1%	88.7%
Compensation of employees	7 815.8	8 701.8	9 390.8	10 485.1	10.3%	61.5%	11 205.5	12 004.7	12 800.8	6.9%	64.0%
Goods and services	3 610.4	3 837.6	4 409.5	4 233.9	5.5%	27.2%	4 378.1	4 566.8	4 785.9	4.2%	24.7%
<i>of which:</i>											
Communication	118.3	162.8	147.9	146.5	7.4%	1.0%	146.5	154.9	163.8	3.8%	0.8%
Computer services	1 973.3	2 114.6	2 494.8	2 309.4	5.4%	15.0%	2 435.8	2 500.2	2 601.0	4.0%	13.6%
Legal services	165.7	291.3	340.2	301.8	22.1%	1.9%	318.7	341.3	361.1	6.2%	1.8%
Fleet services (including government motor transport)	283.5	308.3	296.6	292.4	1.0%	2.0%	279.9	296.5	314.2	2.4%	1.6%
Inventory: Clothing material and accessories	169.5	96.0	172.6	242.0	12.6%	1.1%	251.7	264.3	279.6	4.9%	1.4%
Travel and subsistence	188.8	213.3	200.7	215.9	4.6%	1.4%	213.5	224.1	236.4	3.1%	1.2%
Transfers and subsidies	377.5	529.0	589.5	620.0	18.0%	3.6%	643.3	679.4	721.5	5.2%	3.7%
Provinces and municipalities	6.2	5.8	6.9	7.0	4.0%	–	7.2	7.3	7.8	3.4%	–
Departmental agencies and accounts	69.5	93.0	134.7	150.0	29.3%	0.8%	149.4	166.8	179.2	6.1%	0.9%
Households	301.8	430.3	447.8	462.9	15.3%	2.8%	486.7	505.2	534.5	4.9%	2.7%
Payments for capital assets	972.9	1 097.1	1 152.2	1 270.3	9.3%	7.6%	1 332.9	1 423.8	1 506.4	5.8%	7.6%
Buildings and other fixed structures	690.8	867.0	881.6	998.7	13.1%	5.8%	1 051.4	1 103.9	1 167.9	5.4%	5.9%
Machinery and equipment	281.9	229.9	270.4	261.6	-2.5%	1.8%	275.8	313.8	332.1	8.3%	1.6%
Biological assets	0.2	0.2	0.2	10.0	280.9%	–	5.7	6.1	6.3	-14.1%	–
Payments for financial assets	5.7	13.6	28.3	–	-100.0%	0.1%	–	–	–	–	–
Total	12 782.2	14 179.2	15 570.2	16 609.3	9.1%	100.0%	17 559.8	18 674.7	19 814.6	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	20.2%	20.6%	21.5%	21.6%	–	–	21.7%	21.4%	21.3%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	195.4	287.6	300.0	312.1	16.9%	1.9%	328.0	338.6	358.2	4.7%	1.8%
Claims against the state	195.4	287.6	300.0	312.1	16.9%	1.9%	328.0	338.6	358.2	4.7%	1.8%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	69.5	93.0	134.7	150.0	29.3%	0.8%	149.4	166.8	179.2	6.1%	0.9%
Safety and Security Sector Education and Training Authority	29.6	32.0	34.9	36.9	7.6%	0.2%	38.8	40.8	43.2	5.4%	0.2%
Civilian Secretariat for the Police Service	39.9	61.0	99.8	113.2	41.5%	0.5%	110.6	126.1	136.1	6.3%	0.7%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	6.2	5.8	6.9	7.0	4.0%	–	7.2	7.3	7.8	3.4%	–
Vehicle licences	6.2	5.8	6.9	7.0	4.0%	–	7.2	7.3	7.8	3.4%	–
Households											
Social benefits											
Current	106.4	142.7	147.8	150.8	12.3%	0.9%	158.7	166.7	176.3	5.3%	0.9%
Employee social benefits	106.4	142.7	147.8	150.8	12.3%	0.9%	158.7	166.7	176.3	5.3%	0.9%

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.

Objectives

- Provide a proactive and responsive policing service to discourage and prevent serious crimes by:
 - reducing the number of serious crimes reported, from 1 820 796 in 2014/15 to 1 685 136 in 2018/19, through the implementation of sector policing at all stations and crime prevention operations in identified hotspots; and the provision of enhanced training for detectives and forensic specialists

- increasing the number of reported crimes for the unlawful possession of and dealing in drugs, from 267 034 in 2014/15 to 425 117 in 2018/19, through focused crime prevention and intelligence led police operations
- increasing the implementation of the 4 pillars of the rural safety strategy, from 605 rural police stations in 2014/15 to 879 rural police stations in 2018/19, through the establishment of mobile contact points and rural safety priority committees, as well as the use of reservists to enhance capacity for rural policing
- ensuring that 100 per cent of police stations provide victim friendly services to victims of rape, sexual offences and abuse over the medium term
- reacting to 100 per cent of crime related hits over the medium term through the screening of wanted persons and circulated stolen vehicles using the movement control system.

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 23.7 Visible Policing expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R million											
Crime Prevention	25 556.0	27 764.4	28 860.6	30 264.5	5.8%	78.8%	31 989.6	34 781.4	37 014.9	6.9%	78.6%
Border Security	1 467.3	1 550.7	1 625.0	1 741.0	5.9%	4.5%	1 846.0	1 980.0	2 129.1	6.9%	4.5%
Specialised Interventions	2 503.8	2 747.0	2 967.4	3 078.9	7.1%	7.9%	3 317.1	3 775.7	4 148.6	10.5%	8.4%
Facilities	2 788.1	3 087.0	3 247.2	3 360.0	6.4%	8.8%	3 523.1	3 700.0	3 915.5	5.2%	8.5%
Total	32 315.2	35 149.1	36 700.3	38 444.4	6.0%	100.0%	40 675.8	44 237.1	47 208.1	7.1%	100.0%
Change to 2015				(410.5)			(479.5)	129.9	542.6		
Budget estimate											
Economic classification											
Current payments	31 355.2	33 945.6	35 797.5	37 468.8	6.1%	97.2%	39 587.5	42 283.2	45 073.4	6.4%	96.4%
Compensation of employees	25 182.8	27 299.2	28 893.5	30 333.8	6.4%	78.3%	32 304.5	34 474.6	36 807.8	6.7%	78.5%
Goods and services	6 172.5	6 646.4	6 904.0	7 135.0	4.9%	18.8%	7 283.0	7 808.6	8 265.6	5.0%	17.9%
of which:											
Communication	353.8	344.0	343.4	350.9	-0.3%	1.0%	358.7	366.6	376.7	2.4%	0.9%
Contractors	147.5	176.3	185.7	244.7	18.4%	0.5%	228.4	244.7	261.7	2.3%	0.6%
Fleet services (including government motor transport)	1 971.5	2 204.6	2 137.8	2 222.9	4.1%	6.0%	2 205.6	2 414.7	2 562.2	4.8%	5.5%
Operating leases	2 001.6	2 224.0	2 312.6	2 388.5	6.1%	6.3%	2 472.6	2 596.2	2 746.7	4.8%	6.0%
Property payments	874.2	919.0	964.7	978.4	3.8%	2.6%	1 071.8	1 126.1	1 191.4	6.8%	2.6%
Travel and subsistence	246.2	245.7	360.7	302.3	7.1%	0.8%	306.9	330.2	386.8	8.6%	0.8%
Transfers and subsidies	156.1	194.8	205.0	226.8	13.3%	0.5%	213.6	232.0	244.8	2.6%	0.5%
Provinces and municipalities	17.0	18.9	20.2	19.8	5.1%	0.1%	21.8	30.6	31.7	17.1%	0.1%
Non-profit institutions	–	1.0	1.0	1.0	–	–	–	–	–	-100.0%	–
Households	139.1	174.9	183.9	206.0	14.0%	0.5%	191.8	201.4	213.1	1.1%	0.5%
Payments for capital assets	803.8	1 008.7	697.8	748.8	-2.3%	2.3%	874.6	1 722.0	1 889.9	36.2%	3.1%
Buildings and other fixed structures	0.8	0.7	0.4	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	802.9	1 008.0	697.3	748.8	-2.3%	2.3%	874.6	1 722.0	1 889.9	36.2%	3.1%
Biological assets	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Total	32 315.2	35 149.1	36 700.3	38 444.4	6.0%	100.0%	40 675.8	44 237.1	47 208.1	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	51.2%	51.1%	50.6%	50.1%	–	–	50.2%	50.7%	50.8%	–	–

Table 23.7 Visible Policing expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Households											
Other transfers to households											
Current	42.2	50.0	41.6	50.7	6.3%	0.1%	53.4	56.1	59.3	5.4%	0.1%
Claims against the state	8.8	3.4	1.6	–	-100.0%	–	–	–	–	–	–
Detainee medical expenses	33.4	46.6	40.0	50.7	14.9%	0.1%	53.4	56.1	59.3	5.4%	0.1%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	17.0	18.9	20.2	19.8	5.1%	0.1%	21.8	30.6	31.7	17.1%	0.1%
Vehicle licences	17.0	18.9	20.2	19.8	5.1%	0.1%	21.8	30.6	31.7	17.1%	0.1%
Households											
Social benefits											
Current	97.0	124.9	142.3	155.4	17.0%	0.4%	138.5	145.4	153.8	-0.3%	0.3%
Employee social benefits	97.0	124.9	142.3	155.4	17.0%	0.4%	138.5	145.4	153.8	-0.3%	0.3%

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 the criminal record centre.

Objectives

- Contribute to the successful prosecution of offenders by:
 - increasing the detection rate for serious crimes, from 37.4 per cent in 2014/15 to 40 per cent in 2018/19, through the provision of specialised training to detectives and enhancing dedicated specialised capabilities in different detective services units
 - increasing the percentage of trial ready case dockets for serious crimes, from 63.63 per cent in 2014/15 to 66 per cent in 2018/19, through ensuring that dockets are fully investigated and ready for prosecution
 - increasing the percentage of trial ready case dockets for crimes dependent on police action for detection, from 55.89 per cent in 2014/15 to 65.14 per cent in 2018/19, through the timeous submission of dockets for prosecution
 - generating 96 per cent of original previous conviction reports for formally charged individuals within 15 calendar days by 2018/19 from a baseline of 93 per cent in 2014/15.

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 23.8 Detective Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Crime Investigations	8 978.5	9 728.4	10 115.1	10 745.8	6.2%	66.3%	11 235.0	12 119.8	12 934.6	6.4%	67.0%
Criminal Record Centre	1 582.4	1 924.9	2 015.8	2 144.9	10.7%	12.9%	2 251.8	2 425.3	2 582.3	6.4%	13.4%
Forensic Science Laboratory	1 922.4	1 779.1	1 736.6	1 841.8	-1.4%	12.2%	1 871.8	1 980.5	2 105.7	4.6%	11.1%
Specialised Investigations	1 210.3	1 271.6	1 282.2	1 359.9	4.0%	8.6%	1 431.1	1 528.8	1 617.5	6.0%	8.5%
Total	13 693.7	14 704.0	15 149.7	16 092.4	5.5%	100.0%	16 789.6	18 054.4	19 240.0	6.1%	100.0%
Change to 2015				276.4			73.4	111.2	256.1		
Budget estimate											
Economic classification											
Current payments	12 179.0	13 693.0	13 994.2	15 255.5	7.8%	92.4%	16 035.3	17 015.5	18 141.3	5.9%	94.7%
Compensation of employees	9 934.0	11 043.8	11 506.7	12 457.3	7.8%	75.4%	13 227.4	14 080.4	15 035.4	6.5%	78.1%
Goods and services	2 245.0	2 649.3	2 487.5	2 798.2	7.6%	17.1%	2 807.9	2 935.1	3 105.8	3.5%	16.6%
of which:											
Communication	165.1	165.4	168.7	188.6	4.5%	1.2%	178.9	184.6	195.3	1.2%	1.1%
Computer services	321.7	434.0	289.6	491.8	15.2%	2.6%	476.6	510.3	539.0	3.1%	2.9%
Fleet services (including government motor transport)	1 034.7	1 209.2	1 134.3	1 223.2	5.7%	7.7%	1 233.4	1 270.1	1 348.1	3.3%	7.2%
Consumable supplies	175.7	193.6	205.5	263.8	14.5%	1.4%	277.0	293.2	308.8	5.4%	1.6%
Consumables: Stationery, printing and office supplies	60.9	109.3	101.0	118.6	24.9%	0.7%	111.0	121.0	126.9	2.3%	0.7%
Travel and subsistence	144.9	153.2	152.8	170.8	5.6%	1.0%	177.1	182.1	191.7	3.9%	1.0%
Transfers and subsidies	54.5	71.0	86.4	84.4	15.7%	0.5%	86.9	91.1	96.2	4.5%	0.5%
Provinces and municipalities	6.6	8.2	8.9	8.4	8.2%	0.1%	9.6	9.9	10.4	7.4%	0.1%
Households	47.9	62.8	77.5	76.0	16.6%	0.4%	77.3	81.1	85.9	4.1%	0.5%
Payments for capital assets	1 460.1	940.0	1 069.1	752.5	-19.8%	7.1%	667.5	947.8	1 002.5	10.0%	4.8%
Buildings and other fixed structures	0.1	0.4	2.3	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	1 460.1	939.7	1 066.8	752.5	-19.8%	7.1%	667.5	947.8	1 002.5	10.0%	4.8%
Total	13 693.7	14 704.0	15 149.7	16 092.4	5.5%	100.0%	16 789.6	18 054.4	19 240.0	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	21.7%	21.4%	20.9%	21.0%	-	-	20.7%	20.7%	20.7%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	6.6	8.2	8.9	8.4	8.2%	0.1%	9.6	9.9	10.4	7.4%	0.1%
Vehicle licences	6.6	8.2	8.9	8.4	8.2%	0.1%	9.6	9.9	10.4	7.4%	0.1%
Households											
Social benefits											
Current	47.8	62.2	77.0	76.0	16.7%	0.4%	77.3	81.1	85.9	4.1%	0.5%
Employee social benefits	47.8	62.2	77.0	76.0	16.7%	0.4%	77.3	81.1	85.9	4.1%	0.5%

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 by conducting 918 network operations by 2018/19 in support of crime prevention, investigation and prosecution.

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 23.9 Crime Intelligence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Crime Intelligence Operations	1 016.2	1 121.8	1 210.9	1 311.2	8.9%	41.1%	1 381.1	1 456.6	1 549.5	5.7%	41.2%
Intelligence and Information Management	1 553.9	1 618.2	1 673.2	1 835.8	5.7%	58.9%	1 969.5	2 104.5	2 230.9	6.7%	58.8%
Total	2 570.1	2 740.0	2 884.1	3 146.9	7.0%	100.0%	3 350.5	3 561.1	3 780.4	6.3%	100.0%
Change to 2015 Budget estimate				36.6			21.7	(11.2)	0.9		
Economic classification											
Current payments	2 524.3	2 690.2	2 838.2	3 095.4	7.0%	98.3%	3 298.4	3 484.9	3 699.8	6.1%	98.1%
Compensation of employees	2 287.3	2 457.3	2 615.1	2 852.6	7.6%	90.0%	3 054.0	3 227.7	3 427.8	6.3%	90.8%
Goods and services	237.0	232.9	223.1	242.8	0.8%	8.3%	244.4	257.2	272.0	3.9%	7.3%
of which:											
Communication	29.5	27.6	28.0	31.4	2.2%	1.0%	31.2	32.9	34.8	3.5%	0.9%
Fleet services (including government motor transport)	115.4	117.6	108.9	121.3	1.7%	4.1%	123.7	128.0	135.4	3.7%	3.7%
Consumables: Stationery, printing and office supplies	12.8	9.1	11.6	12.4	-1.0%	0.4%	13.0	13.7	14.5	5.4%	0.4%
Operating leases	6.0	24.1	15.0	15.1	35.9%	0.5%	12.2	12.8	13.5	-3.7%	0.4%
Travel and subsistence	39.0	27.6	35.5	38.6	-0.3%	1.2%	37.9	40.2	42.5	3.2%	1.2%
Operating payments	16.0	9.7	8.2	8.5	-18.8%	0.4%	14.4	16.8	17.6	27.3%	0.4%
Transfers and subsidies	15.0	13.7	14.8	15.4	0.7%	0.5%	12.0	12.6	13.3	-4.6%	0.4%
Provinces and municipalities	0.8	0.9	1.2	1.0	8.3%	-	1.0	1.1	1.2	5.1%	-
Households	14.3	12.8	13.7	14.4	0.3%	0.5%	11.0	11.5	12.2	-5.4%	0.4%
Payments for capital assets	30.8	36.1	31.1	36.2	5.5%	1.2%	40.1	63.6	67.3	23.0%	1.5%
Machinery and equipment	30.8	36.1	31.1	36.2	5.5%	1.2%	40.1	63.6	67.3	23.0%	1.5%
Total	2 570.1	2 740.0	2 884.1	3 146.9	7.0%	100.0%	3 350.5	3 561.1	3 780.4	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	4.1%	4.0%	4.0%	4.1%	-	-	4.1%	4.1%	4.1%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	14.3	12.7	13.5	14.4	0.3%	0.5%	11.0	11.5	12.2	-5.4%	0.4%
Employee social benefits	14.3	12.7	13.5	14.4	0.3%	0.5%	11.0	11.5	12.2	-5.4%	0.4%

Programme 5: Protection and Security Services

Programme purpose

Provide protection and security services to all identified dignitaries and government interests.

Objectives

- Minimise security violations through:
 - the protection of all identified local and foreign dignitaries, while in transit, without any security breaches, on an ongoing basis
 - the protection of the locations in which dignitaries, including persons related to the president and deputy president, are present, without any security breaches, on an ongoing basis
 - the auditing of 50 per cent of strategic installations per year over the medium term
 - the annual evaluation of 100 per cent of national key points 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 23.10 Protection and Security Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16	2016/17 - 2018/19	2015/16 - 2018/19				
VIP Protection Services	748.2	876.4	977.9	1 123.2	14.5%	44.1%	1 263.9	1 315.6	1 402.8	7.7%	47.8%
Static and Mobile Security	784.9	863.0	909.7	949.2	6.5%	41.5%	967.2	1 004.5	1 078.9	4.4%	37.5%
Government Security Regulator	89.5	90.9	107.6	116.3	9.1%	4.8%	124.1	132.9	141.0	6.6%	4.8%
Operational Support	172.9	188.7	207.7	239.0	11.4%	9.6%	254.0	271.8	288.4	6.5%	9.9%
Total	1 795.5	2 019.0	2 202.9	2 427.7	10.6%	100.0%	2 609.1	2 724.8	2 911.2	6.2%	100.0%
Change to 2015				96.2			127.0	89.5	123.2		
Budget estimate											
Economic classification											
Current payments	1 749.8	1 950.2	2 146.4	2 364.6	10.6%	97.2%	2 502.9	2 646.3	2 834.2	6.2%	97.0%
Compensation of employees	1 580.6	1 739.7	1 926.2	2 148.3	10.8%	87.6%	2 279.1	2 409.4	2 583.6	6.3%	88.3%
Goods and services	169.2	210.6	220.2	216.2	8.5%	9.7%	223.8	236.9	250.6	5.0%	8.7%
<i>of which:</i>											
Minor assets	2.4	2.5	3.7	3.5	13.4%	0.1%	4.0	4.3	4.6	9.7%	0.2%
Communication	7.7	7.5	8.2	9.3	6.6%	0.4%	9.7	10.2	10.8	5.0%	0.4%
Fleet services (including government motor transport)	52.9	62.7	61.8	66.2	7.8%	2.9%	69.9	76.3	80.7	6.8%	2.7%
Consumables: Stationery, printing and office supplies	4.9	5.1	5.8	6.5	9.7%	0.3%	6.3	6.6	7.0	2.4%	0.2%
Travel and subsistence	88.7	115.0	118.0	117.8	9.9%	5.2%	119.3	124.0	131.2	3.7%	4.6%
Operating payments	0.2	6.2	11.7	2.8	143.6%	0.2%	3.5	3.6	3.8	9.7%	0.1%
Transfers and subsidies	2.5	4.3	3.3	5.8	32.1%	0.2%	5.1	5.4	5.7	-0.8%	0.2%
Provinces and municipalities	0.6	0.8	0.9	0.8	11.0%	-	1.0	1.0	1.1	9.4%	-
Households	1.9	3.5	2.4	5.0	37.5%	0.2%	4.1	4.3	4.6	-2.6%	0.2%
Payments for capital assets	43.2	64.4	53.2	57.4	9.9%	2.6%	101.2	73.1	71.4	7.6%	2.8%
Buildings and other fixed structures	-	-	0.5	-	-	-	-	-	-	-	-
Machinery and equipment	43.2	64.4	52.8	57.4	9.9%	2.6%	101.2	73.1	71.4	7.6%	2.8%
Total	1 795.5	2 019.0	2 202.9	2 427.7	10.6%	100.0%	2 609.1	2 724.8	2 911.2	6.2%	100.0%
Proportion of total programme expenditure to vote expenditure	2.8%	2.9%	3.0%	3.2%	-	-	3.2%	3.1%	3.1%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	1.9	3.4	2.4	5.0	37.5%	0.1%	4.1	4.3	4.6	-2.6%	0.2%
Employee social benefits	1.9	3.4	2.4	5.0	37.5%	0.1%	4.1	4.3	4.6	-2.6%	0.2%

Other departments within the vote

Civilian Secretariat for the Police Service

Table 23.11 Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	42.9	42.0	0.2	0.7	48.6	52.3
Intersectoral Coordination and Strategic Partnerships	22.2	21.9	-	0.3	25.2	27.3
Legislation and Policy Development	24.4	24.1	-	0.3	28.4	30.5
Civilian Oversight, Monitoring and Evaluations	21.1	20.8	-	0.3	23.8	25.9
Total expenditure estimates	110.6	108.8	0.2	1.5	126.1	136.1
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 service delivery, where appropriate.

Department purpose

Provide strategic advice and administrative 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, administrative and strategic support to the minister. The act also mandates the secretariat to monitor and implement the Domestic Violence Act (1998).

Selected performance indicators

Table 23.12 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
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	8	- ¹	9	9	9	9	9
Number of policies on policing developed per year	Legislation and Policy Development		0 ²	0 ²	0 ²	2 ²	2 ²	2 ²	2 ²
Number of bills on policing developed per year	Legislation and Policy Development		2	3 ³	0 ³	1 ⁴	4 ⁴	1 ⁴	1 ⁴
Number of oversight visits to police stations conducted per year	Civilian Oversight, Monitoring and Evaluations		429	529 ⁵	585 ⁵	500	20 ⁵	22 ⁵	24 ⁵
Number of audit reports related to the Domestic Violence Act (1998) finalised per year	Civilian Oversight, Monitoring and Evaluations		3	2	3 ⁶	3 ⁶	3 ⁶	3 ⁶	3 ⁶

1. Due to inconsistencies observed when measuring this indicator in 2013/14, it was not included in the department's 2013/14 annual performance plan. This is why there is no performance outcome in this year.

2. No policies were finalised in 2012/13 and 2013/14 as the department was conducting investigative work in support of current policies being developed, which resulted in zero performance outcomes for both years. In 2014/15, the department did not meet its target for this indicator due to delays in the finalisation of the Draft White Paper on Police and the policy on serious crimes in order to accommodate further consultation within government. As the development of new policies requires a lengthy consultation process with multiple stakeholders, the department's targets remain constant in 2015/16 and over the medium term, as they take past performance in this regard into account.

3. In 2013/14, the department developed 2 more bills than initially planned, resulting in the target being exceeded, when comparing planned performance to actual performance for 2013/14. No bills were developed in 2014/15 due to the deferment of the Critical Infrastructure Protection Bill to 2015/16. The non-finalisation of the Draft White Paper on Police also affected the finalisation of the South African Police Service Amendment Bill as the documents are aligned.

4. 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, resulting in an increase in the target for 2016/17 compared to 2017/18 and 2018/19. There will not be more than 1 new bill developed in 2015/16, 2017/18 and 2018/19 as no major changes in policing legislation are expected.

5. In 2013/14 and 2014/15, provinces conducted more oversight visits on behalf of the department than estimated, which resulted in over performance in these years when comparing planned performance to actual performance. With effect from 2016/17, targets for the indicator have been revised to exclude oversight visits conducted by provinces on behalf of the department, resulting in the reduction in the medium term targets for this indicator.

6. From 2014/15 to 2018/19, targets for audit reports on the Domestic Violence Act (1998) have been aligned with the number of reports (3 per year) that must be submitted to Parliament. In 2013/14, only 2 reports were required to be submitted.

Programmes

Programme 1: Administration

Programme purpose

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

Programme 2: Intersectoral Coordination and Strategic Partnerships

Programme purpose

Manage and encourage national dialogue on community safety and crime prevention.

Programme 3: Legislation and Policy Development

Programme purpose

Develop policy and legislation for the police sector and conduct research on policing and crime.

Programme 4: Civilian Oversight, Monitoring and Evaluations

Programme purpose

Oversee, monitor and report on the performance of the South African Police Service.

Expenditure analysis

The national development plan and the 2014-2019 medium term strategic framework outline government's strategic priorities for tackling the fundamental causes of crime. The national development plan states that crime prevention and detection should be carried out through an integrated approach between state and non-state institutions, with active involvement from civil society. In support of this, the secretariat's medium term strategic focus will be on enhancing stakeholder and community participation in safety and crime prevention. To further improve the effectiveness of policing in South Africa, the secretariat will focus on developing policies and legislation for the police service, and regular monitoring and evaluation of its performance.

Over the medium term, the bulk of the secretariat's expenditure is expected to be in the Administration programme, where spending on computer services, transversal systems and transport equipment is centralised. Because oversight is a labour intensive function, compensation of employees is the secretariat's largest budget item, set to constitute an average 82.3 per cent of the total medium term budget.

The Civilian Secretariat for the Police Service was proclaimed a designated department with effect from 1 April 2014. As a result of vacant posts, the secretariat was not able to meet some of its 2014/15 performance targets. Vacancies were particularly high at senior management level, where there were 27 unfilled posts, including for the Secretary of Police and the chief financial officer. The Minister of Police has since appointed an acting secretary for 12 months until August 2016. The appointment of the chief financial officer will be finalised in 2016/17. Over the medium term, the number of personnel is projected to stabilise at 133 posts, including vacant posts that will be filled in 2016/17. To provide for the implementation of the 2015 public sector wage agreement and related cost of living adjustments, Cabinet has approved increases of R5 million in 2017/18 and R8 million in 2018/19 for compensation of employees. This explains the above inflation average annual growth rate of 13 per cent on compensation of employees over the medium term.

In 2014/15, the secretariat recorded underspending of R17.4 million mainly because its operational systems were only put in place towards the end of that financial year. The appointment of the acting Secretary of Police is expected to bring leadership to decision making in the department, including about appointments and meeting performance targets. This is expected to improve spending over the medium term.

Enhancing stakeholder and community participation in safety and crime prevention

To enhance stakeholder and community participation in safety and crime prevention, the secretariat will strengthen programmes such as imbizos, working groups and community policing forums. These programmes encourage civil society and communities to partner with the police on crime prevention and safety. They are implemented in collaboration with the secretariat's stakeholders, such as the Minister of Police, the Independent Police Investigative Directorate, the South African Police Service, traditional leaders, religious leaders, community leaders and provincial departments of safety through memorandums of understanding and multi-stakeholder forums. In addition, the secretariat will assess 50 community policing forums across all provinces over the medium term and ensure that all provinces are implementing the secretariat's community policing forum guidelines from 2015/16. The secretariat will also undertake outreach campaigns in all the provinces to promote partnerships on safety in communities. This work is funded in the Intersectoral Coordination and Strategic Partnerships programme, with spending expected to increase at an average annual rate of 8.1 per cent. Spending will be mainly on travel and subsistence, due to planned stakeholder engagements with communities in rural areas across the country and with provincial governments.

Developing legislation and policies for the police service

The Legislation and Policy Development programme receives the second largest share of the secretariat's total budget over the medium term, an average 22.2 per cent. Over this period, the department will facilitate the review of key legislation such as the South African Police Service Amendment Bill, the Critical Infrastructure Protection Bill, the Fire Arms Control Amendment Bill, the Protection of Constitutional Democracy against Terrorism and Related Activities Amendment Bill, and the Animal Movement and Animal Produce Bill. The

department anticipates that all but the South African Police Service Amendment Bill will be finalised in 2016/17. From a policy development point of view, the secretariat's medium term focus will be on finalising the White Paper on Police and the White Paper on Safety and Security for approval and implementation. It is anticipated that the White Paper on Police will be presented to Cabinet for approval at the end of February 2016 and that implementation will start in 2016/17. Planned travel for public consultations on policies and bills as well as for meetings of the national forensic oversight and ethics board account for spending on travel and subsistence in goods and services in this programme, constituting an average of 16 per cent of the programme's total budget over the medium term.

Monitoring and evaluating the performance of the South African Police Service

The secretariat is mandated to monitor and evaluate the performance of the South African Police Service in collaboration with provincial departments of community safety. Among other collaborative work, provinces assist the secretariat with annual oversight visits at police stations to assess individual stations' service delivery trends and budget performance. Over the medium term, the secretariat is expected to conduct 66 station visits, which explains the higher than inflation average annual growth of 14.5 per cent on travel and subsistence in the Civilian Oversight, Monitoring and Evaluations programme.

The secretariat will also conduct evaluations of the following areas of service delivery in the South African Police Service: complaints management within the police service; critical areas of police conduct; implementation of the recommendations made to the police service by the Independent Police Investigative Directorate; and compliance with the Domestic Violence Act (1998). These evaluations seek to strengthen accountability and professionalism in the police service. In addition, the secretariat will closely monitor the police service's implementation of the recommendations outlined in police station reports and the national police station service delivery trend analysis reports, as prepared by the secretariat and presented to police stations. Monitoring and evaluation activities are labour intensive, and compensation of employees accounts for 66.5 per cent of the total medium term budget for the Civilian Oversight, Monitoring and Evaluations programme.

Expenditure trends

Table 23.13 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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	34.3	34.3	11.6	34.7	34.7	26.8	28.3	32.4	31.2	36.5	46.6	46.6	86.8%	78.5%
Programme 2	10.6	10.6	8.9	16.5	16.5	10.5	20.4	19.5	23.7	22.5	21.6	21.6	92.3%	94.8%
Programme 3	8.3	8.3	6.6	14.9	14.9	11.6	26.3	28.4	13.2	23.4	24.4	24.4	76.4%	73.3%
Programme 4	10.2	10.2	12.9	18.7	18.7	12.2	24.7	19.5	14.3	22.7	20.6	20.6	78.5%	86.8%
Total	63.4	63.4	39.9	84.8	84.8	61.0	99.8	99.8	82.4	105.1	113.2	113.2	84.0%	82.1%
Change to 2015 Budget estimate											8.1			
Economic classification														
Current payments	62.7	62.7	39.3	84.1	84.1	58.9	98.8	98.8	82.1	103.2	111.3	111.3	83.6%	81.7%
Compensation of employees	45.5	45.5	28.3	58.3	58.3	42.9	71.5	69.4	60.9	68.3	68.3	68.3	82.3%	83.0%
Goods and services	17.2	17.2	11.0	25.8	25.8	15.9	27.3	29.4	21.2	34.9	43.0	43.0	86.5%	78.9%
of which:														
Minor assets	0.2	0.2	0.1	0.4	0.4	0.4	2.5	2.8	0.2	2.4	2.4	2.4	55.1%	52.5%
Catering: Departmental activities	2.7	2.7	2.4	3.1	3.1	3.1	3.9	3.4	2.4	3.5	3.5	3.5	85.9%	89.8%
Communication	1.0	1.0	0.7	1.0	1.0	1.0	1.8	2.2	1.4	2.6	2.6	2.6	88.7%	83.8%
Computer services	-	-	-	1.2	1.2	1.2	2.1	3.6	-	5.2	13.3	13.3	169.6%	80.0%
Contractors	0.6	0.6	0.1	0.2	0.2	0.2	1.4	1.0	0.1	0.5	0.5	0.5	32.4%	38.2%
Travel and subsistence	0.6	0.6	0.4	16.0	16.0	6.1	11.9	11.9	8.1	13.5	13.5	13.5	67.0%	66.9%

Table 23.13 Departmental expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Transfers and subsidies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	99.1%	99.1%
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	0.2	0.2	0.2	100.0%	100.0%
Payments for capital assets	0.7	0.7	0.6	0.7	0.7	2.1	0.9	1.0	0.3	1.7	1.7	1.7	119.4%	117.6%
Machinery and equipment	0.7	0.7	0.6	0.7	0.7	2.1	0.9	1.0	0.3	1.6	1.6	1.6	121.4%	119.5%
Software and other intangible assets	-	-	-	-	-	-	0.1	0.1	-	0.1	0.1	0.1	51.3%	51.3%
Total	63.4	63.4	39.9	84.8	84.8	61.0	99.8	99.8	82.4	105.1	113.2	113.2	84.0%	82.1%

Expenditure estimates

Table 23.14 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Programme 1	46.6	10.7%	39.2%	42.9	48.6	52.3	4.0%	39.2%
Programme 2	21.6	26.8%	21.8%	22.2	25.2	27.3	8.1%	19.8%
Programme 3	24.4	43.1%	18.8%	24.4	28.4	30.5	7.8%	22.2%
Programme 4	20.6	26.4%	20.2%	21.1	23.8	25.9	7.9%	18.8%
Total	113.2	21.3%	100.0%	110.6	126.1	136.1	6.3%	100.0%
Change to 2015 Budget estimate				-	5.0	8.0		
Economic classification								
Current payments	111.3	21.1%	98.3%	108.8	124.2	134.1	6.4%	98.5%
Compensation of employees	68.3	14.5%	67.6%	79.4	89.8	98.5	13.0%	69.2%
Goods and services	43.0	35.6%	30.7%	29.4	34.4	35.6	-6.1%	29.3%
of which:								
Minor assets	2.4	128.7%	1.0%	2.0	2.9	3.0	8.0%	2.1%
Catering: Departmental activities	3.5	9.4%	3.8%	2.9	3.1	3.2	-2.9%	2.6%
Communication	2.6	36.9%	1.9%	2.2	2.4	2.5	-0.8%	2.0%
Computer services	13.3	-	4.9%	5.3	6.4	6.2	-22.4%	6.4%
Contractors	0.5	-3.8%	0.3%	1.0	1.1	1.2	30.7%	0.8%
Travel and subsistence	13.5	182.5%	9.5%	10.8	12.3	12.9	-1.6%	10.2%
Transfers and subsidies	0.2	371.0%	0.1%	0.2	0.2	0.2	5.3%	0.2%
Departmental agencies and accounts	0.2	-	0.1%	0.2	0.2	0.2	5.4%	0.2%
Payments for capital assets	1.7	33.3%	1.6%	1.5	1.6	1.7	0.9%	1.3%
Machinery and equipment	1.6	31.8%	1.6%	1.5	1.6	1.6	0.9%	1.3%
Software and other intangible assets	0.1	-	0.0%	0.1	0.1	0.1	0.6%	0.0%
Total	113.2	21.3%	100.0%	110.6	126.1	136.1	6.3%	100.0%

Personnel information

Table 23.15 Departmental personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Civilian Secretariat																			
Salary level	133	31	128	60.9	0.5	137	68.3	0.5	137	79.4	0.6	137	89.8	0.7	137	98.5	0.7	-	100.0%
1 – 6	33	13	26	3.5	0.1	33	4.1	0.1	33	4.7	0.1	33	5.4	0.2	33	6.3	0.2	-	24.1%
7 – 10	48	11	47	16.9	0.4	48	17.0	0.4	48	19.6	0.4	48	22.5	0.5	48	25.9	0.5	-	35.0%
11 – 12	24	2	23	16.8	0.7	24	18.9	0.8	24	21.7	0.9	24	24.9	1.0	24	27.6	1.1	-	17.5%
13 – 16	28	5	32	23.8	0.7	32	28.3	0.9	32	33.4	1.0	32	37.0	1.2	32	38.8	1.2	-	23.4%
Programme	133	31	128	60.9	0.5	137	68.3	0.5	137	79.4	0.6	137	89.8	0.7	137	98.5	0.7	-	100.0%
Programme 1	64	12	56	26.3	0.5	64	28.2	0.4	64	33.3	0.5	64	37.7	0.6	64	41.3	0.6	-	46.7%
Programme 2	21	-	21	13.6	0.6	21	13.7	0.7	21	15.4	0.7	21	17.4	0.8	21	19.1	0.9	-	15.3%
Programme 3	24	12	28	10.5	0.4	28	14.1	0.5	28	16.4	0.6	28	18.5	0.7	28	20.3	0.7	-	20.4%
Programme 4	24	7	23	10.5	0.5	24	12.3	0.5	24	14.4	0.6	24	16.2	0.7	24	17.8	0.7	-	17.5%
Total	133	31	128	60.9	0.5	137	68.3	0.5	137	79.4	0.6	-	89.8	-	-	98.5	-	-	-

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

2. Rand million.

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 **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 2016/17 is R236.6 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
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	Hand over	659.6	11.0	1.0	4.0	–	–	–	–
Telkom Towers	Office accommodation	Complete	–	–	–	–	149.7	295.7	295.7	–
Small projects (total project cost of less than R250 million over the project life cycle)										
Police stations	New and re-established police stations	Various	4 257.3	488.6	653.2	345.0	661.8	558.6	601.3	949.0
Member and office accommodation	Living quarters and offices	Construction	689.4	21.8	47.6	134.6	112.2	118.1	124.0	131.2
Small infrastructure projects	Repaired and renovated infrastructure	Construction	281.5	14.1	136.4	3.3	29.5	31.1	32.6	34.5
Forensic science laboratory	Repaired and renovated infrastructure	Hand over	1.7	–	0.1	0.0	0.4	0.4	0.4	0.4
Shooting ranges	Facilities to improve shooting competency of police officers	Construction	183.0	4.2	–	1.8	40.9	43.1	45.2	47.8
Training facilities	Facilities to improve police personnel capabilities	Construction	420.7	149.2	29.8	235.0	1.5	1.6	1.7	1.8
Mobile homes and storage facilities	Basic services for accommodation and storage	Various	54.4	2.8	–	161.1	2.8	2.9	3.0	3.2
Total			6 547.6	691.6	868.1	884.8	998.7	1 051.4	1 103.9	1 167.9

Vote 24

Agriculture, Forestry and Fisheries

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	788.1	731.8	18.4	37.8	803.2	839.9
Agricultural Production, Health and Food Safety	1 953.4	634.6	1 316.8	2.1	2 183.2	2 292.6
Food Security and Agrarian Reform	1 889.7	255.0	1 597.4	37.3	2 018.0	2 090.6
Trade Promotion and Market Access	297.6	133.2	163.9	0.6	264.8	275.4
Forestry and Natural Resources Management	945.6	744.6	157.9	43.0	961.4	1 002.5
Fisheries	458.6	216.8	241.8	–	475.7	498.0
Total expenditure estimates	6 333.0	2 716.1	3 496.1	120.8	6 706.3	6 999.0
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 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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	– ¹	4	4	4	4	4
Number of surveillances on animal diseases conducted per year	Agricultural Production, Health and Food Safety		2	2	2	2	2	2	1
Number of surveillances on plant diseases conducted per year	Agricultural Production, Health and Food Safety		– ¹	1	1	1	1	1	1
Number of mobile veterinary clinics provided to improve animal health in rural areas per year	Agricultural Production, Health and Food Safety		– ¹	27	41	18	10	– ²	– ²
Number of veterinary graduates deployed for the compulsory veterinary services programme per year	Agricultural Production, Health and Food Safety		– ¹	– ¹	– ¹	140	140	150	150
Number of subsistence and smallholder producers supported per year	Food Security and Agrarian Reform		139 671	56 000 ³	156 500	145 000	145 000	145 000	145 000

Table 24.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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	105 040 ha	154 211 ha	107 151 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		- ¹	- ¹	10 000	15 000	20 000	20 000	20 000
Number of agro-processing entrepreneurs trained on processing norms and standards per year	Trade Promotion and Market Access		- ¹	- ¹	- ¹	- ¹	12	14	18
Number of hectares of land restored through reforestation and land rehabilitation per year	Forestry and Natural Resources Management		46 779 ha	40 941 ha	30 500 ha	30 500 ha	16 300 ha ⁴	16 300 ha ⁴	16 300 ha ⁴
Number of jobs created through the refurbishment of category B and C plantations for the expanded public works programme per year	Forestry and Natural Resources Management	Outcome 4: Decent employment through inclusive economic growth	1 719	1 987	2 400	2 400	2 400	2 400	2 400
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	- ¹	12 925 ha	2 300 ha	2 300 ha	1 725 ha ⁵	1 725 ha ⁵	1 725 ha ⁵
Number of full time equivalent LandCare jobs created per year	Forestry and Natural Resources Management	Outcome 4: Decent employment through inclusive economic growth	908	1 431	900	800 ⁶	800 ⁶	800 ⁶	800 ⁶

1. No historical data is available as these indicators were not measured in these years.

2. There are no targets for 2017/18 and 2018/19 as no more mobile clinics will be procured since rural areas have been fully capacitated with animal clinics.

3. In 2013/14, the target was measured in terms of number of households.

4. Targets have been revised down as most of the work has been done on land rehabilitation. Funds for this have been reprioritised to fund shortfalls in compensation of employees.

5. Target was slightly reduced as more hectares have been planted to reduce temporary unplanted areas. Funds have also been reprioritised.

6. Targets have been revised due to the reprioritisation of funds.

Expenditure analysis

Over the medium term, the Department of Agriculture, Forestry and Fisheries will prioritise improving food security, creating jobs, and increasing the contribution of the agriculture sector to GDP. Subsistence and smallholder farmers are a focus within all of these priorities, which are informed by the national development plan's broad vision of eliminating poverty and reducing inequality by 2030. The department's work supports this broad vision by contributing directly to outcome 4 (decent employment through inclusive economic growth), outcome 7 (comprehensive rural development and land reform), and outcome 10 (protect and enhance our environmental assets and natural resources) of the 2014-2019 medium term strategic framework. In addition, the president's 2015 9-point plan to ignite growth and create jobs includes the revitalisation of agriculture and agro-processing value chains.

The department's compensation of employees budget has been decreased by R149.3 million for 2017/18 and R233.9 million for 2018/19 as part of the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

Improving food security

The department promotes food security by supporting food producers through the following channels: the Micro Agricultural Financial Institutions of South Africa, which provides agricultural production loans to smallholder operators in the agriculture, forestry and fishery sectors; the comprehensive agricultural support programme grant, which provides post-settlement support to targeted beneficiaries of land reform and redistribution, as well as to other producers who have acquired land privately and are engaged in domestic value-adding enterprises or exporting agricultural produce; and the Ilima/Letsema projects grant, which provides production inputs to subsistence and smallholder farmers.

The comprehensive agricultural support programme grant has been decreased by R150 million over the medium term to meet government's immediate national priorities. The grant will fund less infrastructure as a result of the decrease. R60 million of the grant that would usually go to provinces will be retained in the national department

for the monitoring and evaluation of provinces' use of the grant over the medium term, including project plans and grant indicators, and project reports. The department is committed to ensuring that subsistence and smallholder farmers are enabled to enter the mainstream agricultural economy.

The Ilima/Letsema projects grant has a budget of R1.6 billion over the medium term to support 145 000 subsistence and smallholder farmers per year.

Government's 2012-2017 food security initiative, Fetsa Tlala, is aimed at the production of staple foods on fallow land that has the potential for agricultural production. R2.8 billion over the medium term has been reprioritised to Fetsa Tlala from the infrastructure allocation of the comprehensive agricultural support programme grant. The reprioritisation is a response to the shift in farmers' needs, from infrastructure to production inputs such as fertilisers, seeds, and small production equipment, as food security becomes a major priority. The department will support subsistence and smallholder farmers with these inputs and advice, aiming to get 1 million hectares of land in rural areas producing food for subsistence consumption by 2030. The department aims to get approximately 120 000 hectares under productive use in each year of the medium term to benefit 145 000 subsistence and smallholder producers. This joint spending through the Ilima/Letsema projects grant and Fetsa Tlala of R4.4 billion over the medium term represents 21.5 per cent of the department's total budget.

The current drought in KwaZulu-Natal, Free State, North West, Limpopo and Mpumalanga is expected to lead to an increase in the cost of food. In addition to funds offered by provincial departments of agriculture to farmers affected by the drought, the department has set aside about R205 million for drought relief in 2015/16. These funds will support interventions such as drilling boreholes, moving some cattle herds to state farms, and water carting. Most of the funds will be mobilised from the comprehensive agricultural support programme grant and the Ilima/Letsema projects grant.

In 2013, the department identified fisheries as key to addressing food security. In addition, the industry is in need of transformation to become more equitable. The department's 2012 small scale fisheries policy and the Marine Living Resources Amendment Act (2014) support both these priorities. A total of R117 million over the medium term is budgeted in the *Aquaculture* subprogramme. This will fund fishing equipment and training to harvest fish for subsistence consumption in fishing communities in rural and coastal areas. South Africa's aquaculture sector has been given a boost through its inclusion in Operation Phakisa in 2014, and R40 million of the R125 million budget will fund 24 aquaculture projects over the medium term. (Aquaculture refers to breeding, rearing, and harvesting plants and animals in all types of water environments.) The projects are expected to increase current production of 4 000 tonnes of fish per year to 20 000 tonnes per year over the period, significantly contributing to food production. In addition, 210 000 jobs are expected to be created by 2030.

Creating jobs

The agricultural policy action plan, approved by Cabinet in March 2015, will promote the revitalisation of agriculture and agro-processing value chains in priority commodities such as maize, soyabeans, poultry and red meat. These commodities have been identified in the national development plan as having high growth potential and high labour absorption capacity, hence contributing to creating 1 million jobs by 2030.

The LandCare programme aims to promote sustainable land and soil management practices, prevent land degradation and desertification in rural areas and contribute to job creation. The programme is projected to create 2 400 full time equivalent jobs in rehabilitating 48 900 hectares of land over the medium term, and 4 725 jobs in planting 5 175 hectares to refurbish industrial plantations and community woodlots. The total LandCare grant allocation is R220.7 million over the medium term. Planned work also includes reducing the spread of invasive alien plants, fencing and protecting agricultural land against degradation, conserving water resources, and combating the loss of topsoil.

The expanded public works programme's Working for Fisheries projects encourage communities to responsibly manage and conserve aquatic environments through, for example, cleaning fishing harbours and conducting harbour patrols. The department transfers R242 million for these projects to the Marine Living Resources Fund. 1 695 full time equivalent jobs are expected to be created in the fishery sector over the medium term.

Increasing the contribution of the agriculture sector to GDP

According to official 2013 statistics, agriculture directly contributes about 2.5 per cent to GDP and indirectly a further 12 per cent through related manufacturing and processing. South Africa is a net exporter of agricultural products, but these are mainly primary products and the country is a net importer of processed products. By 2018/19, the department will introduce a strategy for replacing imports with locally produced products, guided by the 2015 agriculture policy action plan. As local agricultural production increases, jobs will be created and agriculture's contribution to GDP will increase.

The department will provide extension services (farming advice) and financial support to 145 000 subsistence and smallholder farmers through a projected R1.1 billion conditional grant to provinces over the medium term, intended to boost production. Access to financial resources for these farmers will also be expanded through an allocation of R50 million in 2016/17 to the Land and Agricultural Bank of South Africa's retail emerging markets programme, which aims to support 10 000 black emerging farmers with low interest loans. This non-financial and financial support will boost agricultural production.

The department introduced the primary animal health care programme in 2011/12 to support the health of smallholders' animals. This will contribute to productivity and food security. The programme has delivered 96 veterinary mobile clinics in remote rural areas, and will include compulsory community service for veterinarians from 2016/17. Over the medium term, a projected 140 veterinarian graduates per year will be deployed to rural areas at a cost of R124 million in 2016/17, increasing to R138.3million in 2017/18, budgeted for in the *Animal Production and Health* subprogramme of the *Agricultural Production, Health and Food Safety* programme.

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			Outcome/Annual budget Average (%)			Outcome/Adjusted appropriation Average (%)		
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16			2012/13 - 2015/16			2012/13 - 2015/16			2012/13 - 2015/16			2012/13 - 2015/16			2012/13 - 2015/16					
Programme 1	612.9	624.6	644.9	663.9	670.9	681.6	694.6	718.9	738.4	729.9	739.4	729.4	103.4%			101.5%			103.4%			101.5%			103.4%			101.5%					
Programme 2	1 891.6	1 889.9	1 874.8	2 066.1	2 036.5	2 000.9	2 199.8	2 187.1	2 183.7	2 134.8	2 144.5	2 144.5	98.9%			99.3%			98.9%			98.9%			98.9%			98.9%					
Programme 3	1 408.6	1 413.3	1 405.2	1 597.7	1 599.3	1 590.1	1 711.1	1 711.7	1 656.3	1 930.3	1 919.4	1 919.4	98.8%			98.9%			98.8%			98.9%			98.8%			98.9%					
Programme 4	212.0	209.4	212.2	231.6	258.2	256.3	294.2	298.3	307.0	238.2	233.9	233.9	103.4%			101.0%			103.4%			101.0%			103.4%			101.0%					
Programme 5	1 261.8	1 242.7	1 191.8	1 184.5	1 183.6	1 144.7	1 364.9	1 348.7	1 303.6	906.6	906.2	906.2	96.4%			97.1%			96.4%			97.1%			96.4%			97.1%					
Programme 6	411.8	489.1	484.3	434.0	433.7	437.7	427.8	427.8	439.8	443.3	465.3	465.3	106.4%			100.6%			106.4%			100.6%			106.4%			100.6%					
Total	5 798.8	5 868.9	5 813.2	6 178.0	6 182.3	6 111.3	6 692.4	6 692.4	6 628.9	6 383.0	6 408.8	6 398.8	99.6%			99.2%			99.6%			99.2%			99.6%			99.2%					
Change to 2015 Budget estimate											25.7																						
Economic classification																																	
Current payments	2 250.6	2 234.3	2 149.6	2 421.4	2 395.8	2 271.8	2 555.3	2 509.3	2 394.0	2 586.3	2 536.9	2 536.9	95.3%			96.7%			95.3%			96.7%			95.3%			96.7%					
Compensation of employees	1 502.6	1 473.8	1 419.1	1 656.0	1 603.3	1 525.0	1 697.9	1 698.4	1 661.6	1 737.8	1 763.0	1 763.0	96.6%			97.4%			96.6%			97.4%			96.6%			97.4%					
Goods and services	746.4	759.0	729.6	763.4	791.4	746.4	856.2	809.5	732.1	847.0	772.3	772.3	92.8%			95.2%			92.8%			95.2%			92.8%			95.2%					
of which:																																	
Agency and support/outourced services	59.1	51.7	69.6	68.7	62.4	53.3	58.1	41.2	30.7	42.7	60.6	60.6	93.7%			99.2%			93.7%			99.2%			93.7%			99.2%					
Consumable supplies	60.8	89.9	47.3	-	66.5	41.6	41.4	54.6	42.6	59.1	74.5	74.5	127.7%			72.2%			127.7%			72.2%			127.7%			72.2%					

Table 24.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)									
	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	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Operating leases	58.1	66.5	85.9	71.5	71.4	85.7	67.3	53.7	84.5	53.3	53.8	53.8	123.9%	126.3%
Property payments	37.6	37.2	38.1	37.2	119.0	112.6	64.3	151.5	144.3	149.8	152.5	152.5	154.9%	97.2%
Travel and subsistence	125.3	119.8	143.1	104.3	114.7	119.3	109.6	118.9	128.6	159.8	140.0	140.0	106.4%	107.6%
Training and development	35.9	41.6	29.0	36.9	43.6	31.9	49.3	49.8	36.4	36.7	30.8	30.8	80.7%	77.3%
Interest and rent on land	1.6	1.5	0.9	2.1	1.2	0.4	1.2	1.4	0.3	1.5	1.5	1.5	47.6%	55.1%
Transfers and subsidies	3 419.1	3 488.9	3 493.0	3 658.1	3 639.3	3 637.9	4 035.4	4 047.7	4 028.7	3 700.5	3 694.9	3 694.9	100.3%	99.9%
Provinces and municipalities	2 066.9	2 067.0	2 062.8	2 148.5	2 152.9	2 149.7	2 390.1	2 390.1	2 363.3	2 189.2	2 172.6	2 172.6	99.5%	99.6%
Departmental agencies and accounts	1 271.4	1 311.7	1 310.0	1 313.1	1 269.6	1 266.6	1 354.6	1 354.6	1 354.2	1 132.5	1 138.1	1 138.1	99.9%	99.9%
Higher education institutions	5.8	5.0	4.7	7.0	5.8	2.8	7.1	7.0	3.0	7.8	3.3	3.3	49.8%	65.4%
Foreign governments and international organisations	22.5	23.4	32.0	33.7	45.9	46.4	34.7	38.7	38.8	29.5	32.4	32.4	124.2%	106.5%
Public corporations and private enterprises	37.4	39.7	40.0	137.8	139.4	140.1	220.2	222.0	222.3	312.9	314.7	314.7	101.3%	100.2%
Non-profit institutions	13.3	13.3	11.2	16.2	20.3	19.0	26.9	26.8	25.2	26.7	25.9	25.9	97.8%	94.2%
Households	1.8	28.9	32.2	1.8	5.4	13.2	1.9	8.4	21.9	1.9	7.9	7.9	1 013.8%	148.5%
Payments for capital assets	129.1	145.7	169.4	98.5	147.1	200.2	101.6	135.4	206.0	96.2	176.9	166.9	174.5%	122.7%
Buildings and other fixed structures	36.9	40.4	57.8	38.4	37.7	55.7	42.7	41.3	48.0	42.5	48.6	41.6	126.6%	120.9%
Machinery and equipment	91.8	104.9	111.3	59.2	107.6	143.0	58.2	93.9	157.5	53.2	128.2	125.2	204.7%	123.5%
Biological assets	0.3	0.3	–	0.7	0.5	0.1	0.8	0.2	–	0.5	0.2	0.2	10.8%	20.8%
Software and other intangible assets	0.1	0.0	0.4	0.2	1.3	1.4	0.0	0.1	0.4	–	–	–	699.7%	162.8%
Payments for financial assets	–	–	1.3	–	–	1.4	–	–	0.2	–	–	–	–	–
Total	5 798.8	5 868.9	5 813.2	6 178.0	6 182.3	6 111.3	6 692.4	6 692.4	6 628.9	6 383.0	6 408.8	6 398.8	99.6%	99.2%

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2016/17	2017/18	2018/19		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	729.4	5.3%	11.2%	788.1	803.2	839.9	4.8%	12.0%
Programme 2	2 144.5	4.3%	32.9%	1 953.4	2 183.2	2 292.6	2.3%	32.4%
Programme 3	1 919.4	10.7%	26.3%	1 889.7	2 018.0	2 090.6	2.9%	29.9%
Programme 4	233.9	3.8%	4.0%	297.6	264.8	275.4	5.6%	4.1%
Programme 5	906.2	-10.0%	18.2%	945.6	961.4	1 002.5	3.4%	14.4%
Programme 6	465.3	-1.6%	7.3%	458.6	475.7	498.0	2.3%	7.2%
Total	6 398.8	2.9%	100.0%	6 333.0	6 706.3	6 999.0	3.0%	100.0%
Change to 2015 Budget estimate				(9.6)	(71.2)	(129.2)		

Table 24.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2016/17	2017/18	2018/19		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	2 536.9	4.3%	37.5%	2 716.1	2 817.6	2 891.1	4.5%	41.5%
Compensation of employees	1 763.0	6.2%	25.5%	2 055.4	2 129.2	2 201.9	7.7%	30.8%
Goods and services	772.3	0.6%	11.9%	659.7	687.0	687.8	-3.8%	10.6%
of which:								
Agency and support/outsource services	60.6	5.4%	0.9%	50.1	50.8	51.5	-5.2%	0.8%
Consumable supplies	74.5	-6.1%	0.8%	48.8	49.7	40.7	-18.2%	0.8%
Operating leases	53.8	-6.8%	1.2%	47.2	35.2	26.6	-20.9%	0.6%
Property payments	152.5	60.1%	1.8%	138.6	162.2	175.6	4.8%	2.4%
Travel and subsistence	140.0	5.3%	2.1%	112.7	110.7	122.8	-4.3%	1.8%
Training and development	30.8	-9.5%	0.5%	28.1	33.7	34.3	3.6%	0.5%
Interest and rent on land	1.5	1.2%	0.0%	1.0	1.3	1.4	-2.6%	0.0%
Transfers and subsidies	3 694.9	1.9%	59.5%	3 496.1	3 766.4	3 975.4	2.5%	56.5%
Provinces and municipalities	2 172.6	1.7%	35.1%	2 203.5	2 335.6	2 465.1	4.3%	34.7%
Departmental agencies and accounts	1 138.1	-4.6%	20.3%	1 129.6	1 310.1	1 383.9	6.7%	18.8%
Higher education institutions	3.3	-12.6%	0.1%	8.5	9.2	10.0	44.8%	0.1%
Foreign governments and international organisations	32.4	11.4%	0.6%	34.5	36.3	37.6	5.1%	0.5%
Public corporations and private enterprises	314.7	99.5%	2.9%	98.3	50.8	53.8	-44.5%	2.0%
Non-profit institutions	25.9	25.0%	0.3%	19.4	22.1	22.5	-4.5%	0.3%
Households	7.9	-35.1%	0.3%	2.2	2.3	2.5	-32.3%	0.1%
Payments for capital assets	166.9	4.6%	3.0%	120.8	122.3	132.5	-7.4%	2.1%
Buildings and other fixed structures	41.6	1.0%	0.8%	67.4	66.3	74.3	21.3%	0.9%
Machinery and equipment	125.2	6.1%	2.2%	53.3	55.8	58.1	-22.6%	1.1%
Biological assets	0.2	-19.9%	0.0%	0.1	0.1	0.1	-10.1%	0.0%
Software and other intangible assets	-	-100.0%	0.0%	0.1	0.1	0.1	-	0.0%
Total	6 398.8	2.9%	100.0%	6 333.0	6 706.3	6 999.0	3.0%	100.0%

Personnel information

Table 24.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number	
Number of posts estimated for 31 March 2016		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)			
Number of funded posts	Number of posts additional to the establishment	2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19							2015/16 - 2018/19				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Agriculture, Forestry and Fisheries		6 622	5 685 1 661.6	0.3	6 331 1 763.0	0.3	6 481 2 055.4	0.3	6 481 2 278.0	0.4	6 481 2 434.9	0.4	6 481 2 278.0	0.4	6 481 2 434.9	0.4	0.8%	100.0%
Salary level		6 622	291		6 331	1 763.0	0.3	6 481	2 055.4	0.3	6 481	2 278.0	0.4	6 481	2 434.9	0.4	0.8%	100.0%
1 - 6		3 774	261		3 513	550.4	0.2	3 513	609.2	0.2	3 513	673.8	0.2	3 513	723.5	0.2	-	54.5%
7 - 10		2 226	2		2 224	748.4	0.3	2 224	834.6	0.4	2 224	929.5	0.4	2 224	993.2	0.4	-	34.5%
11 - 12		487	20		467	314.0	0.7	617	445.7	0.7	617	490.0	0.8	617	521.0	0.8	9.7%	9.0%
13 - 16		133	8		125	146.0	1.2	125	161.5	1.3	125	180.0	1.4	125	192.3	1.5	-	1.9%
Other		2	-		2	4.2	2.1	2	4.4	2.2	2	4.6	2.3	2	4.9	2.5	-	0.0%
Programme		6 622	291		6 331 1 763.0	0.3	6 481 2 055.4	0.3	6 481 2 278.0	0.4	6 481 2 434.9	0.4	6 481 2 278.0	0.4	6 481 2 434.9	0.4	0.8%	100.0%
Programme 1		1 178	10		1 168	385.7	0.3	1 168	434.6	0.4	1 168	483.6	0.4	1 168	516.2	0.4	-	18.1%
Programme 2		1 485	7		1 478	437.3	0.3	1 628	591.8	0.4	1 628	658.0	0.4	1 628	703.5	0.4	3.3%	24.7%
Programme 3		695	247		448	133.3	0.3	448	156.8	0.3	448	177.1	0.4	448	189.5	0.4	-	7.0%
Programme 4		170	4		166	92.8	0.6	166	101.6	0.6	166	114.2	0.7	166	121.6	0.7	-	2.6%
Programme 5		2 513	3		2 510	507.4	0.2	2 510	553.7	0.2	2 510	605.7	0.2	2 510	648.0	0.3	-	39.0%
Programme 6		581	20		561	206.6	0.4	561	216.8	0.4	561	239.4	0.4	561	256.1	0.5	-	8.7%
Reduction		-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		6 622	291		6 331 1 763.0	0.3	6 481 2 055.4	0.3	- (148.8)	-	- (232.9)	-	- (232.9)	-	- (232.9)	-	-	-

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

2. The department's compensation of employees budget has been reduced by R381.7 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 24.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2012/13 - 2015/16	2016/17		
Departmental receipts	198 029	809 584	191 652	206 326	206 326	1.4%	100.0%	216 643	227 476	238 850	5.0%	100.0%
Sales of goods and services produced by department	153 648	153 690	163 186	164 632	164 632	2.3%	45.2%	172 863	181 506	190 582	5.0%	79.8%
Sales by market establishments	3 224	2 953	2 370	3 255	3 255	0.3%	0.8%	3 417	3 588	3 767	5.0%	1.6%
<i>of which:</i>												
Dwellings	2 937	2 452	1 959	2 468	2 468	-5.6%	0.7%	2 591	2 721	2 857	5.0%	1.2%
Rental parking: Covered and open	278	289	313	383	383	11.3%	0.1%	402	422	443	5.0%	0.2%
Wool and skin	9	212	98	404	404	255.4%	0.1%	424	445	467	4.9%	0.2%
Administrative fees	110 464	114 491	129 749	119 279	119 279	2.6%	33.7%	125 242	131 505	138 081	5.0%	57.8%
<i>of which:</i>												
Farm feeds registration	9 515	6 295	6 485	11 518	11 518	6.6%	2.4%	12 094	12 699	13 334	5.0%	5.6%
Plant breeders right	2 518	2 543	2 834	5 288	5 288	28.1%	0.9%	5 552	5 830	6 122	5.0%	2.6%
Stock remedy	1 473	1 020	8 045	6 825	6 825	66.7%	1.2%	7 166	7 524	7 900	5.0%	3.3%
Inspection fees: Statutory services	60 948	70 245	73 190	55 648	55 648	-3.0%	18.5%	58 430	61 352	64 420	5.0%	27.0%
Other	36 010	34 388	39 195	40 000	40 000	3.6%	10.6%	42 000	44 100	46 305	5.0%	19.4%
Other sales	39 960	36 246	31 067	42 098	42 098	1.8%	10.6%	44 204	46 413	48 734	5.0%	20.4%
<i>of which:</i>												
Service rendered: Boarding services: Private	1 610	1 687	1 736	2 232	2 232	11.5%	0.5%	2 344	2 461	2 584	5.0%	1.1%
Service rendered: Commission insurance	1 657	1 368	1 425	1 715	1 715	1.2%	0.4%	1 801	1 891	1 986	5.0%	0.8%
Service rendered: Course fees	1 195	1 079	1 036	2 115	2 115	21.0%	0.4%	2 221	2 332	2 449	5.0%	1.0%
Laboratory services: Plant	942	963	629	2 656	2 656	41.3%	0.4%	2 789	2 928	3 074	5.0%	1.3%
Other	34 556	31 149	26 241	33 380	33 380	-1.1%	8.9%	35 049	36 801	38 641	5.0%	16.2%
Sales of scrap, waste, arms and other used current goods	41	28	44	50	50	6.8%	-	53	56	59	5.7%	-
<i>of which:</i>												
Waste paper	41	28	44	50	50	6.8%	-	53	56	59	5.7%	-
Transfers received	169	173	727	400	400	33.3%	0.1%	420	441	463	5.0%	0.2%
Fines, penalties and forfeits	44	49	33	29	29	-13.0%	-	30	31	32	3.3%	-
Interest, dividends and rent on land	8 871	8 236	6 727	17 629	17 629	25.7%	2.9%	18 511	19 437	20 409	5.0%	8.5%
Interest	8 148	6 992	5 565	14 456	14 456	21.1%	2.5%	15 179	15 938	16 735	5.0%	7.0%
Rent on land	723	1 244	1 162	3 173	3 173	63.7%	0.4%	3 332	3 499	3 674	5.0%	1.5%
Sales of capital assets	7 018	757	1 034	1 176	1 176	-44.9%	0.7%	1 235	1 297	1 362	5.0%	0.6%
Transactions in financial assets and liabilities	28 238	646 651	19 901	22 410	22 410	-7.4%	51.0%	23 531	24 708	25 943	5.0%	10.9%
Total	198 029	809 584	191 652	206 326	206 326	1.4%	100.0%	216 643	227 476	238 850	5.0%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 24.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Ministry	28.4	28.6	38.0	35.4	7.6%	4.7%	39.6	37.7	39.2	3.5%	4.8%
Department Management	24.6	18.9	22.9	23.6	-1.4%	3.2%	29.9	28.9	30.0	8.4%	3.5%
Financial Administration	122.6	133.1	158.6	170.2	11.6%	20.8%	196.4	197.4	207.6	6.8%	24.3%
Internal Audit	6.1	5.0	4.0	7.0	4.9%	0.8%	9.4	9.6	10.0	12.6%	1.1%
Corporate Services	148.4	170.3	170.0	163.3	3.2%	23.3%	171.2	177.9	184.4	4.1%	22.0%
Stakeholder Relations, Communication and Legal Services	76.1	92.8	90.4	76.6	0.2%	12.0%	74.7	77.1	80.2	1.6%	9.7%
Policy, Planning, Monitoring and Evaluation	72.6	65.9	72.1	83.7	4.9%	10.5%	81.7	83.8	87.3	1.4%	10.6%
Office Accommodation	166.1	167.1	182.4	179.7	2.7%	24.8%	185.1	190.6	201.1	3.8%	23.9%
Total	644.9	681.6	738.4	739.4	4.7%	100.0%	788.1	803.2	839.9	4.3%	100.0%
Change to 2015				9.5			22.7	0.9	(9.0)		
Budget estimate											
Economic classification											
Current payments	620.6	657.2	701.2	697.2	4.0%	95.4%	731.8	748.9	777.5	3.7%	93.2%
Compensation of employees	281.6	311.6	362.0	385.7	11.1%	47.8%	434.6	452.1	467.0	6.6%	54.9%
Goods and services	339.0	345.7	339.2	311.5	-2.8%	47.6%	297.2	296.8	310.5	-0.1%	38.4%
of which:											
Audit costs: External	8.6	9.9	9.8	14.1	17.8%	1.5%	15.8	14.3	15.2	2.6%	1.9%
Communication	15.6	15.4	15.6	9.5	-15.1%	2.0%	11.0	11.0	11.1	5.2%	1.3%
Computer services	36.7	42.7	30.2	18.9	-19.8%	4.6%	16.0	16.3	17.1	-3.3%	2.2%
Operating leases	80.3	76.8	74.9	48.8	-15.3%	10.0%	44.1	31.7	23.1	-22.1%	4.7%
Property payments	26.2	92.7	111.0	127.6	69.6%	12.7%	117.2	136.8	149.6	5.4%	16.8%
Travel and subsistence	37.0	26.7	32.1	35.0	-1.8%	4.7%	41.3	30.4	32.7	-2.3%	4.4%
Transfers and subsidies	7.9	9.2	18.8	23.2	43.1%	2.1%	18.4	19.1	20.5	-4.1%	2.6%
Provinces and municipalities	0.0	0.1	0.0	0.1	8.2%	-	0.0	0.0	0.0	-10.4%	-
Departmental agencies and accounts	1.6	8.7	16.4	22.6	142.1%	1.8%	18.4	19.0	20.4	-3.3%	2.5%
Public corporations and private enterprises	0.2	0.2	0.1	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Households	6.1	0.3	2.3	0.6	-54.2%	0.3%	-	-	-	-100.0%	-
Payments for capital assets	16.4	15.0	18.5	19.0	5.0%	2.5%	37.8	35.2	41.9	30.3%	4.2%
Buildings and other fixed structures	3.5	3.5	6.4	10.5	44.0%	0.9%	34.2	31.6	38.2	53.8%	3.6%
Machinery and equipment	12.5	10.5	12.1	8.5	-12.2%	1.6%	3.6	3.6	3.7	-24.1%	0.6%
Software and other intangible assets	0.4	1.1	-	-	-100.0%	0.1%	0.1	0.1	0.1	-	-
Payments for financial assets	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Total	644.9	681.6	738.4	739.4	4.7%	100.0%	788.1	803.2	839.9	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	11.1%	11.2%	11.1%	11.5%	-	-	12.4%	12.0%	12.0%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	4.7	-	0.5	-	-100.0%	0.2%	-	-	-	-	-
Claims against the state	4.7	-	0.5	-	-100.0%	0.2%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1.6	8.7	16.4	22.6	142.1%	1.8%	18.4	19.0	20.4	-3.3%	2.5%
Communication	0.1	0.0	0.0	0.0	-28.0%	-	0.0	0.0	0.0	2.3%	-
Public Service Sector Education and Training Authority	-	-	-	0.4	-	-	-	-	-	-100.0%	-
Primary Agriculture Sector Education and Training Authority	1.5	1.7	0.9	0.9	-14.9%	0.2%	1.2	1.2	1.3	10.5%	0.1%
National Research Foundation	-	7.0	15.0	20.8	-	1.5%	16.7	17.3	18.6	-3.6%	2.3%
Fibre Processing and Manufacturing Sector Education and Training Authority	-	-	0.4	0.4	-	-	0.5	0.5	0.5	4.3%	0.1%

Programme 2: Agricultural Production, Health and Food Safety

Programme purpose

Manage the risk associated with animal diseases, plant pests and genetically modified organisms. Provide for the registration of products used in agriculture. Promote food safety and create an enabling environment for increased and sustainable agricultural production.

Objectives

- Promote productivity in prioritised agriculture value chains through:
 - the implementation of 6 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 poultry diseases, by 2018
 - the implementation of 6 plant improvement schemes and 3 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 2018.
- 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 2 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 3 planned disease risk surveillances on the exotic fruit fly by 2019
 - implementing regulatory compliance and monitoring to prevent plant and animal pest and disease outbreaks, including quarantine inspections, surveillance and testing by 2018.
- Ensure access to primary animal health care services through the implementation of the animal diseases and management plan and compulsory community services by:
 - deploying 440 veterinary graduates to rural areas by 2018
 - delivering 10 primary animal health care clinics to rural areas in 2016/17.
- 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 2 on-site genetic resources in the natural populations of plant and animal species (1 animal, 1 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 and 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 Agricultural Research Council.

Expenditure trends and estimates

Table 24.7 Agricultural Production, Health and Food Safety expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Management	1.0	2.4	1.6	2.8	41.0%	0.1%	2.8	2.5	2.6	-1.5%	0.1%
Inspection and Laboratory Services	272.6	296.6	317.5	325.6	6.1%	14.8%	335.3	348.2	360.5	3.5%	16.0%
Plant Production and Health	488.9	507.0	536.4	545.5	3.7%	25.3%	575.8	610.8	643.7	5.7%	27.7%
Animal Production and Health	169.3	244.7	299.1	466.8	40.2%	14.4%	226.4	247.1	254.6	-18.3%	13.9%
Agriculture Research	943.0	950.3	1 029.2	803.9	-5.2%	45.4%	813.0	974.6	1 031.1	8.6%	42.3%
Total	1 874.8	2 000.9	2 183.7	2 144.5	4.6%	100.0%	1 953.4	2 183.2	2 292.6	2.3%	100.0%
Change to 2015				9.8			31.6	29.4	13.9		
Budget estimate											
Economic classification											
Current payments	474.1	461.3	490.6	539.3	4.4%	24.0%	634.6	669.7	692.3	8.7%	29.6%
Compensation of employees	347.5	361.3	401.7	437.3	8.0%	18.9%	591.8	615.3	636.4	13.3%	26.6%
Goods and services	126.7	100.0	88.9	102.0	-7.0%	5.1%	42.8	54.4	55.9	-18.2%	3.0%
of which:											
Communication	3.8	3.9	4.0	4.4	5.0%	0.2%	4.1	4.2	4.3	-0.8%	0.2%
Inventory: Medicine	6.0	6.1	0.9	1.2	-42.2%	0.2%	0.9	8.9	8.9	97.8%	0.2%
Consumables: Stationery, printing and office supplies	3.3	4.0	3.1	4.4	10.0%	0.2%	3.2	3.0	3.1	-11.0%	0.2%
Property payments	2.7	2.6	3.8	4.1	15.6%	0.2%	3.3	5.1	5.2	7.9%	0.2%
Travel and subsistence	32.0	27.7	29.4	26.5	-6.1%	1.4%	14.0	14.5	15.3	-16.7%	0.8%
Operating payments	4.1	4.5	5.1	5.2	8.1%	0.2%	4.0	4.0	4.1	-7.7%	0.2%
Transfers and subsidies	1 368.7	1 494.9	1 629.2	1 549.8	4.2%	73.7%	1 316.8	1 511.4	1 598.2	1.0%	69.7%
Provinces and municipalities	415.9	438.6	460.7	466.8	3.9%	21.7%	491.4	522.1	552.4	5.8%	23.7%
Departmental agencies and accounts	943.1	950.3	1 029.2	804.1	-5.2%	45.4%	813.2	974.8	1 031.3	8.6%	42.3%
Public corporations and private enterprises	0.3	97.6	127.7	268.4	825.1%	6.0%	-	-	-	-100.0%	3.1%
Non-profit institutions	7.3	7.6	10.2	10.0	11.3%	0.4%	12.1	14.4	14.4	13.0%	0.6%
Households	2.2	0.8	1.4	0.5	-38.8%	0.1%	0.1	0.1	0.1	-44.6%	-
Payments for capital assets	30.8	43.5	63.8	55.4	21.6%	2.4%	2.1	2.0	2.1	-66.4%	0.7%
Machinery and equipment	30.8	43.4	63.8	55.4	21.6%	2.4%	2.1	2.0	2.1	-66.4%	0.7%
Software and other intangible assets	-	0.1	-	-	-	-	-	-	-	-	-
Payments for financial assets	1.1	1.2	0.1	-	-100.0%	-	-	-	-	-	-
Total	1 874.8	2 000.9	2 183.7	2 144.5	4.6%	100.0%	1 953.4	2 183.2	2 292.6	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	32.3%	32.7%	32.9%	33.5%	-	-	30.8%	32.6%	32.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	726.8	848.7	921.5	691.5	-1.6%	38.9%	694.6	850.2	899.5	9.2%	36.6%
Agricultural Research Council	726.7	848.7	921.5	691.5	-1.6%	38.9%	694.6	850.2	899.5	9.2%	36.6%
Capital	216.3	101.6	107.7	112.6	-19.5%	6.6%	118.6	124.6	131.8	5.4%	5.7%
Agricultural Research Council	216.3	101.6	107.7	112.6	-19.5%	6.6%	118.6	124.6	131.8	5.4%	5.7%
Non-profit institutions											
Current	7.3	7.6	10.2	10.0	11.3%	0.4%	12.1	14.4	14.4	13.0%	0.6%
Deciduous Fruit Producers' Trust	7.3	7.6	10.0	10.0	11.3%	0.4%	12.1	14.4	14.4	13.0%	0.6%
Annual Beef Cattle Improvement Scheme Awards	-	-	0.2	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	-	96.5	127.5	268.4	-	6.0%	-	-	-	-100.0%	3.1%
Onderstepoort Biological Products	-	96.5	127.5	268.4	-	6.0%	-	-	-	-100.0%	3.1%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	415.8	438.5	460.6	466.7	3.9%	21.7%	491.4	522.1	552.4	5.8%	23.7%
Ilima/Letsema projects grant	415.8	438.5	460.6	466.7	3.9%	21.7%	491.4	522.1	552.4	5.8%	23.7%

Programme 3: Food Security and Agrarian Reform

Programme purpose

Facilitate and promote food security and agrarian reform programmes and initiatives.

Objectives

- Institutionalise the national policy on food and nutrition security by 2019/20 through:
 - the coordination of food and nutrition security initiatives such as the Fetsa Tlala programme and country livelihood zone maps
 - the provision of production inputs such as seeds and fertilisers to increase the number of households benefiting from food and nutrition security by 200 000
 - the establishment of and provision of support to 80 000 smallholder producers
 - the cultivation of 600 000 hectares of underutilised land in communal areas for food production.
- 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.
- Provide strategic leadership in the agriculture sector to ensure the effective and efficient utilisation of all support given to food producers through the development and implementation of a comprehensive producer support policy by 2019/20.

Subprogrammes

- *Management* oversees and manages the programme.
- *Food Security* provides national frameworks to promote the sustainable 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 promotion of 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 24.8 Food Security and Agrarian Reform expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Management	2.2	4.8	2.5	3.8	20.4%	0.2%	2.9	2.9	3.0	-7.2%	0.2%
Food Security	868.1	1 025.4	1 037.5	1 283.0	13.9%	64.1%	1 273.4	1 382.6	1 467.0	4.6%	68.3%
Sector Capacity Development	185.9	191.0	232.8	262.0	12.1%	13.3%	244.1	245.0	217.9	-6.0%	12.2%
National Extension Support Services	349.0	368.8	383.5	370.6	2.0%	22.4%	369.3	387.5	402.7	2.8%	19.3%
Total	1 405.2	1 590.1	1 656.3	1 919.4	11.0%	100.0%	1 889.7	2 018.0	2 090.6	2.9%	100.0%
Change to 2015 Budget estimate				(10.9)			(53.1)	(63.5)	(69.3)		

Table 24.8 Food Security and Agrarian Reform 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Current payments	183.1	199.4	213.5	256.5	11.9%	13.0%	255.0	267.2	244.4	-1.6%	12.9%
Compensation of employees	100.3	112.3	120.9	133.3	9.9%	7.1%	156.8	165.1	170.9	8.6%	7.9%
Goods and services	82.8	87.1	92.6	123.2	14.2%	5.9%	98.2	102.1	73.6	-15.8%	5.0%
<i>of which:</i>											
Minor assets	0.7	2.1	3.8	3.4	67.1%	0.2%	9.1	5.2	0.4	-50.1%	0.2%
Contractors	0.3	0.5	1.8	0.6	18.0%	-	6.4	3.9	0.0	-63.6%	0.1%
Consumable supplies	3.4	4.8	6.3	34.4	116.2%	0.7%	16.2	15.7	3.6	-52.8%	0.9%
Consumables: Stationery, printing and office supplies	1.0	0.6	1.1	5.8	80.7%	0.1%	8.9	7.2	1.7	-34.1%	0.3%
Travel and subsistence	15.9	18.3	16.9	32.3	26.7%	1.3%	17.9	23.1	29.7	-2.8%	1.3%
Training and development	24.4	23.9	26.0	21.7	-3.9%	1.5%	19.9	25.6	25.3	5.4%	1.2%
Transfers and subsidies	1 160.2	1 326.9	1 366.7	1 607.0	11.5%	83.1%	1 597.4	1 712.6	1 806.3	4.0%	84.9%
Provinces and municipalities	1 137.1	1 301.4	1 340.3	1 581.4	11.6%	81.6%	1 565.3	1 678.7	1 770.1	3.8%	83.3%
Departmental agencies and accounts	14.6	15.3	16.5	15.1	1.2%	0.9%	16.5	17.3	18.2	6.5%	0.8%
Higher education institutions	0.7	0.6	0.7	0.8	4.4%	-	5.8	6.4	7.0	110.7%	0.3%
Public corporations and private enterprises	5.0	5.3	5.5	5.6	4.0%	0.3%	5.9	6.2	6.6	5.5%	0.3%
Non-profit institutions	0.4	1.5	0.8	2.0	70.6%	0.1%	2.2	2.3	2.5	7.5%	0.1%
Households	2.5	2.7	2.9	2.1	-5.0%	0.2%	1.6	1.8	1.9	-4.3%	0.1%
Payments for capital assets	61.9	63.9	76.2	55.9	-3.3%	3.9%	37.3	38.2	39.9	-10.6%	2.2%
Buildings and other fixed structures	54.1	46.6	41.6	38.1	-11.1%	2.7%	33.2	34.7	36.1	-1.8%	1.8%
Machinery and equipment	7.8	17.0	34.2	17.9	32.0%	1.2%	4.1	3.5	3.8	-40.1%	0.4%
Biological assets	-	0.1	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	0.3	0.4	-	-	-	-	-	-	-	-
Total	1 405.2	1 590.1	1 656.3	1 919.4	11.0%	100.0%	1 889.7	2 018.0	2 090.6	2.9%	100.0%
Proportion of total programme expenditure to vote expenditure	24.2%	26.0%	25.0%	29.9%	-	-	29.8%	30.1%	29.9%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	2.1	2.4	2.0	1.9	-3.0%	0.1%	1.5	1.6	1.7	-4.3%	0.1%
Bursaries for non-employees	1.3	1.3	1.4	1.4	1.6%	0.1%	1.4	1.5	1.6	4.8%	0.1%
Female entrepreneur of the year awards	0.8	1.1	0.6	0.6	-11.7%	-	0.1	0.1	0.1	-43.3%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	14.6	15.3	16.5	15.1	1.2%	0.9%	16.5	17.3	18.2	6.5%	0.8%
National Student Financial Aid Scheme	14.0	14.7	15.9	14.5	1.2%	0.9%	15.9	16.7	17.6	6.7%	0.8%
Perishable Products Export Control Board	0.6	0.6	0.6	0.6	-	-	0.6	0.6	0.6	-	-
Non-profit institutions											
Current	0.4	1.5	0.8	2.0	70.6%	0.1%	2.2	2.3	2.5	7.5%	0.1%
Agricultural colleges	0.4	1.5	0.8	2.0	70.6%	0.1%	2.2	2.3	2.5	7.5%	0.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	5.0	5.0	5.4	5.6	4.1%	0.3%	5.9	6.2	6.6	5.5%	0.3%
Ncera Farms	5.0	5.0	5.4	5.6	4.1%	0.3%	5.9	6.2	6.6	5.5%	0.3%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	1 136.8	1 301.1	1 339.9	1 581.1	11.6%	81.6%	1 565.1	1 678.4	1 769.8	3.8%	83.3%
Comprehensive agricultural support programme grant: Infrastructure	762.1	905.7	929.5	1 167.8	15.3%	57.3%	1 148.1	1 243.7	1 313.7	4.0%	61.5%
Comprehensive agricultural support programme grant: Extension recovery plan	322.2	339.9	352.7	343.9	2.2%	20.7%	346.1	357.9	371.6	2.6%	17.9%
Comprehensive agricultural support programme grant: Upgrading of provincial agricultural colleges	52.5	55.4	57.7	69.5	9.8%	3.6%	70.8	76.8	84.5	6.7%	3.8%
Higher education institutions											
Current	0.7	0.6	0.7	0.8	4.4%	-	5.8	6.4	7.0	110.7%	0.3%
University of KwaZulu-Natal	0.7	0.6	0.7	0.8	4.4%	-	0.8	0.9	1.0	10.1%	-
University of Fort Hare	-	-	-	-	-	-	5.0	5.5	6.0	-	0.2%

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 fishery products by:
 - improving the agricultural, forestry and fisheries production certification programme and value chain round table networks by 2019/20
 - establishing 78 new cooperatives and providing training to 595 existing cooperatives by 2019/20
 - monitoring the implementation of and compliance with the AgriBEE Sector Charter and Forestry Sector Charter by 2019/20
 - implementing marketing and agro-processing strategies aimed at increasing access to markets and agro-processing opportunities to small and medium agro-processing entrepreneurs through providing pack houses and washing and grading facilities by 2018.
- Provide technical sector leadership in trade negotiations and implement trade agreements to improve market access by linking farmers to high value markets by 2018.
- Implement the building of national skills capabilities in international market research by providing marketing skills transfer to small and medium agro-processing entrepreneurs by 2018.

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 24.9 Trade Promotion and Market Access expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19
Management	1.8	1.4	2.6	3.2	20.9%	0.9%	2.8	2.9	3.0	-2.8%	1.1%
International Relations and Trade	103.6	134.5	133.8	106.1	0.8%	47.4%	118.5	125.4	130.9	7.2%	44.9%
Cooperatives and Rural Enterprise Development	61.5	60.5	112.6	68.2	3.5%	30.0%	120.3	73.1	74.9	3.1%	31.4%
Agro-processing and Marketing	45.3	60.0	57.9	56.3	7.5%	21.7%	55.9	63.4	66.7	5.8%	22.6%
Total	212.2	256.3	307.0	233.9	3.3%	100.0%	297.6	264.8	275.4	5.6%	100.0%
Change to 2015 Budget estimate				(4.3)			2.0	0.9	(3.8)		
Economic classification											
Current payments	113.1	135.3	139.4	124.4	3.2%	50.7%	133.2	139.6	145.6	5.4%	50.6%
Compensation of employees	67.5	79.5	97.8	92.8	11.2%	33.4%	101.6	106.9	110.1	5.9%	38.4%
Goods and services	45.7	55.8	41.6	31.6	-11.5%	17.3%	31.5	32.7	35.6	4.0%	12.3%
of which:											
Communication	0.7	0.9	1.1	1.0	11.4%	0.4%	1.1	1.2	1.3	9.8%	0.4%
Infrastructure and planning services	9.7	11.2	2.6	-	-100.0%	2.3%	10.4	10.9	11.5	-	3.1%
Agency and support/outsourced services	3.2	12.7	4.7	1.7	-18.6%	2.2%	1.4	1.5	1.5	-3.8%	0.6%
Operating leases	5.4	8.7	9.4	4.4	-6.5%	2.8%	2.3	2.6	2.6	-16.1%	1.1%
Travel and subsistence	11.9	10.9	11.5	14.4	6.5%	4.8%	10.3	10.2	11.6	-7.0%	4.3%
Operating payments	3.8	2.7	5.0	2.5	-13.1%	1.4%	2.1	2.0	2.2	-4.6%	0.8%

Table 24.9 Trade Promotion and Market Access expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13	2015/16	2016/17	2017/18	2018/19	2015/16	2018/19
R million											
Transfers and subsidies	98.0	119.2	166.7	108.8	3.6%	48.8%	163.9	124.7	129.2	5.9%	49.1%
Departmental agencies and accounts	31.4	35.8	37.8	34.6	3.3%	13.8%	36.8	43.7	44.3	8.6%	14.9%
Higher education institutions	–	–	–	0.1	–	–	0.1	0.1	0.1	–	–
Foreign governments and international organisations	32.0	46.4	38.8	32.4	0.4%	14.8%	34.5	36.3	37.6	5.1%	13.1%
Public corporations and private enterprises	34.5	36.9	89.1	40.7	5.7%	19.9%	92.4	44.6	47.2	5.0%	21.0%
Non-profit institutions	–	–	–	1.0	–	0.1%	–	–	–	-100.0%	0.1%
Households	0.1	0.0	1.0	0.0	-44.2%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	1.0	1.8	0.9	0.7	-13.4%	0.4%	0.6	0.5	0.6	-6.0%	0.2%
Machinery and equipment	1.0	1.8	0.9	0.7	-13.4%	0.4%	0.6	0.5	0.6	-6.0%	0.2%
Total	212.2	256.3	307.0	233.9	3.3%	100.0%	297.6	264.8	275.4	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	3.6%	4.2%	4.6%	3.6%	–	–	4.7%	3.9%	3.9%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	31.4	35.8	37.8	34.6	3.3%	13.8%	36.8	43.7	44.3	8.6%	14.9%
National Agricultural Marketing Council	31.4	33.8	36.0	34.6	3.3%	13.5%	35.0	41.9	44.3	8.6%	14.5%
Small Enterprise Development Agency	–	2.0	1.8	–	–	0.4%	1.8	1.8	–	–	0.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	34.3	36.9	89.1	40.7	5.9%	19.9%	92.4	44.6	47.2	5.0%	21.0%
Land and Agricultural Development Bank of South Africa	31.1	33.3	85.3	36.8	5.7%	18.5%	88.2	40.2	42.5	5.0%	19.4%
Forest Sector Charter Council	3.2	3.5	3.7	3.9	7.5%	1.4%	4.2	4.4	4.7	5.9%	1.6%
Foreign governments and international organisations											
Current	32.0	46.4	38.8	32.4	0.4%	14.8%	34.5	36.3	37.6	5.1%	13.1%
Consultative Group on International Agricultural Research	4.5	4.0	7.1	6.4	12.5%	2.2%	6.6	7.0	7.1	3.7%	2.5%
International Union for the Protection of New Varieties of Plants	0.5	0.5	0.6	0.7	13.4%	0.2%	0.7	0.7	0.8	3.5%	0.3%
Commonwealth Agricultural Bureau International	0.2	0.2	0.3	0.3	19.4%	0.1%	0.3	0.3	0.3	3.9%	0.1%
International Commission of Agricultural Engineering	0.1	–	0.0	0.0	-38.3%	–	0.0	0.0	0.0	–	–
Food and Agriculture Organisation of the United Nations	23.6	31.0	24.6	21.2	-3.5%	10.0%	23.5	24.6	25.8	6.7%	8.9%
Foreign rates and taxes	0.1	0.3	0.3	0.4	45.0%	0.1%	0.3	0.4	0.4	4.5%	0.1%
International Fund for Agricultural Development	–	3.0	2.2	–	–	0.5%	–	–	–	–	–
International Cotton Advisory Council	0.2	0.2	0.8	0.3	18.1%	0.1%	0.3	0.3	0.3	–	0.1%
International Dairy Federation	0.1	0.1	0.1	0.1	–	–	0.1	0.1	0.1	–	–
International Grains Council	0.2	0.2	0.2	0.2	11.9%	0.1%	0.2	0.2	0.2	2.9%	0.1%
International Seed Testing Association	0.1	0.1	0.1	0.2	33.0%	–	0.2	0.2	0.2	–	0.1%
International Organisation of Vine and Wine	0.6	0.6	0.8	0.8	10.7%	0.3%	0.8	0.8	0.8	0.8%	0.3%
World Organisation for Animal Health	2.0	1.2	1.3	1.5	-8.6%	0.6%	1.4	1.4	1.4	-1.6%	0.5%
Organisation for Economic Cooperation and Development	0.1	0.1	0.3	0.4	78.2%	0.1%	0.2	0.2	0.2	-23.8%	0.1%
Centre for Coordination of Agricultural Research and Development for Southern Africa	–	3.0	–	–	–	0.3%	–	–	–	–	–
Food and Agriculture Organisation of the United Nations: African Solidarity Trust Fund	–	2.0	–	–	–	0.2%	–	–	–	–	–

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 8 625 hectares in temporary unplanted areas by 2018/2019
 - obtaining certifications for 3 plantations from the Forestry Stewardship Council, which is responsible for monitoring and evaluating the standard of state plantations, by 2018/2019
 - conducting environmental impact assessments to enable small, medium and micro forestry enterprises to obtain afforestation licences by 2018/19
 - restoring and rehabilitating 48 900 hectares of agricultural land, and 1 500 hectares of state indigenous forests and woodlands by 2018/19.
- Ensure adaptation to climate change by implementing an effective climate change mitigation plan to improve the adaptability and productivity of livestock and plant species by 2019/20.

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 24.10 Forestry and Natural Resources Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Management	2.0	4.3	6.0	41.8	177.6%	1.2%	3.5	3.6	3.8	-55.1%	1.4%
Forestry Operations	429.4	468.2	454.8	450.7	1.6%	39.7%	477.1	493.2	512.8	4.4%	50.7%
Forestry Oversight and Regulation	46.2	48.4	49.3	56.6	7.0%	4.4%	57.3	59.2	61.7	2.9%	6.2%
Natural Resources Management	714.2	623.8	793.5	357.2	-20.6%	54.7%	407.7	405.3	424.3	5.9%	41.8%
Total	1 191.8	1 144.7	1 303.6	906.2	-8.7%	100.0%	945.6	961.4	1 002.5	3.4%	100.0%
Change to 2015 Budget estimate				(0.3)			(8.5)	(26.1)	(42.2)		
Economic classification											
Current payments	591.9	640.7	661.3	712.9	6.4%	57.3%	744.6	768.7	800.0	3.9%	79.3%
Compensation of employees	455.6	482.5	491.2	507.4	3.7%	42.6%	553.7	566.3	586.3	4.9%	58.0%
Goods and services	135.5	157.8	169.8	203.9	14.6%	14.7%	189.9	201.0	212.3	1.3%	21.2%
of which:											
Contractors	2.8	19.0	19.5	11.4	59.1%	1.2%	16.0	15.8	16.4	12.9%	1.6%
Agency and support/outsourced services	15.5	15.7	19.8	25.9	18.7%	1.7%	40.6	40.8	41.7	17.2%	3.9%

Table 24.10 Forestry and Natural Resources Management 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
<i>Fleet services (including government motor transport)</i>	2.2	3.6	5.3	8.2	55.9%	0.4%	8.2	8.3	9.5	5.1%	0.9%
<i>Consumable supplies</i>	28.3	28.0	25.4	29.3	1.2%	2.4%	27.0	28.5	31.2	2.1%	3.0%
<i>Property payments</i>	8.9	15.4	20.7	19.6	29.9%	1.4%	17.5	19.5	20.1	0.8%	2.0%
<i>Travel and subsistence</i>	46.3	35.6	38.7	31.8	-11.8%	3.3%	29.2	32.5	33.5	1.8%	3.3%
<i>Interest and rent on land</i>	0.9	0.4	0.3	1.5	21.0%	0.1%	1.0	1.3	1.4	-2.6%	0.1%
Transfers and subsidies	540.5	433.6	595.6	147.4	-35.1%	37.8%	157.9	146.3	154.6	1.6%	15.9%
Provinces and municipalities	509.8	409.7	562.3	124.4	-37.5%	35.3%	146.8	134.7	142.5	4.6%	14.4%
Departmental agencies and accounts	3.0	3.0	3.0	3.0	-0.1%	0.3%	3.0	3.0	3.0	-	0.3%
Higher education institutions	4.0	2.2	2.3	2.5	-15.1%	0.2%	2.6	2.8	2.9	6.0%	0.3%
Public corporations and private enterprises	0.1	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	3.5	9.9	14.2	12.9	54.5%	0.9%	5.1	5.4	5.6	-24.1%	0.8%
Households	20.1	8.8	13.8	4.7	-38.4%	1.0%	0.4	0.5	0.5	-52.2%	0.2%
Payments for capital assets	59.3	70.3	46.7	45.9	-8.2%	4.9%	43.0	46.3	48.0	1.5%	4.8%
Buildings and other fixed structures	0.1	0.0	0.1	0.0	-37.5%	-	-	-	-	-100.0%	-
Machinery and equipment	59.1	70.3	46.6	45.7	-8.2%	4.9%	42.9	46.2	47.9	1.5%	4.8%
Biological assets	-	-	-	0.2	-	-	0.1	0.1	0.1	-10.1%	-
Payments for financial assets	0.1	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Total	1 191.8	1 144.7	1 303.6	906.2	-8.7%	100.0%	945.6	961.4	1 002.5	3.4%	100.0%
Proportion of total programme expenditure to vote expenditure	20.5%	18.7%	19.7%	14.1%	-	-	14.9%	14.3%	14.3%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	13.8	0.0	0.0	-	-100.0%	0.3%	-	-	-	-	-
Avian influenza	13.8	-	-	-	-100.0%	0.3%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3.0	3.0	3.0	3.0	-0.1%	0.3%	3.0	3.0	3.0	-	0.3%
Water Research Commission	3.0	3.0	3.0	3.0	-	0.3%	3.0	3.0	3.0	-	0.3%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	0.0	0.6	0.7	0.8	181.4%	-	0.8	0.8	0.8	0.8%	0.1%
Vehicle licences	0.0	0.1	0.2	0.2	72.6%	-	0.2	0.2	0.2	3.2%	-
Forestry Arbour City Awards	-	0.5	0.5	0.6	-	-	0.6	0.6	0.6	-	0.1%
Households											
Social benefits											
Current	6.2	8.7	13.8	4.7	-9.0%	0.7%	0.4	0.5	0.5	-52.2%	0.2%
Employee social benefits	6.2	8.7	13.8	4.7	-9.0%	0.7%	0.4	0.5	0.5	-52.2%	0.2%
Non-profit institutions											
Current	3.5	9.9	14.2	12.9	54.5%	0.9%	5.1	5.4	5.6	-24.1%	0.8%
Forestry South Africa	3.5	5.8	6.0	4.4	8.1%	0.4%	4.7	5.0	5.2	5.9%	0.5%
Centre for International Forestry Research	-	-	0.1	-	-	-	-	-	-	-	-
Food and Trees for Africa	-	-	0.2	0.4	-	-	0.4	0.4	0.4	-	-
Lima Rural Development Foundation	-	4.1	7.8	8.1	-	0.4%	-	-	-	-100.0%	0.2%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	509.8	409.1	561.6	123.6	-37.6%	35.3%	146.0	133.9	141.7	4.7%	14.3%
LandCare programme grant: Poverty relief and infrastructure development	111.6	105.8	67.8	65.0	-16.5%	7.7%	69.3	73.6	77.9	6.2%	7.5%
Comprehensive agricultural support programme grant: Disasters: Flood damaged infrastructure	398.2	303.3	493.8	58.6	-47.2%	27.6%	76.7	60.3	63.8	2.9%	6.8%
Higher education institutions											
Current	4.0	2.2	2.3	2.5	-15.1%	0.2%	2.6	2.8	2.9	6.0%	0.3%
University of Pretoria	4.0	2.2	2.3	2.5	-15.1%	0.2%	2.6	2.8	2.9	6.0%	0.3%

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 productivity in prioritised areas as well as value chains by:
 - supporting 24 Operation Phakisa aquaculture projects by 2018/19
 - conducting 2 new research studies on genetics and nutrition for aquaculture species by 2018.
- Lead and coordinate government food security initiatives by:
 - developing sector specific policies and allocating rights to 9 fishing sectors by 2018/19
 - allocating rights to registered small scale fisheries cooperatives by 2018/19.
- Contribute to poverty alleviation and promote food security by:
 - developing and implementing the small scale fisheries policy for the allocation of fishing rights to 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 2018/19
 - compiling 1 research report to indicate the levels of fish stock to ensure the sustainability of resources and the industry by 2018/19
 - conducting 4 548 compliance and enforcement measures in the 4 prioritised fisheries sectors (abalone, west coast rock lobster, line fish and deep water hake) over the medium.

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, as well as proceeds from the sale of confiscated fish and fish products.

Expenditure trends and estimates

Table 24.11 Fisheries expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Management	0.9	0.7	3.2	2.2	32.8%	0.4%	3.0	3.1	3.2	14.2%	0.6%
Aquaculture	28.7	35.8	30.0	32.8	4.5%	7.0%	37.8	39.0	40.3	7.1%	7.9%
Monitoring Control and Surveillance	68.2	72.6	78.1	88.0	8.8%	16.8%	84.9	87.5	90.6	1.0%	18.5%
Marine Resources Management	17.4	18.0	19.2	20.4	5.4%	4.1%	22.3	23.0	23.8	5.4%	4.7%
Fisheries Research and Development	52.7	57.0	58.1	63.4	6.3%	12.7%	68.8	70.8	73.4	5.0%	14.6%
Marine Living Resources Fund	316.4	253.5	251.3	258.6	-6.5%	59.1%	241.8	252.3	266.6	1.0%	53.7%
Total	484.3	437.7	439.8	465.3	-1.3%	100.0%	458.6	475.7	498.0	2.3%	100.0%
Change to 2015 Budget estimate				22.0			(4.3)	(12.8)	(18.9)		
Economic classification											
Current payments	166.7	177.9	188.0	206.6	7.4%	40.5%	216.8	223.5	231.3	3.8%	46.3%
Compensation of employees	166.7	177.9	188.0	206.6	7.4%	40.5%	216.8	223.5	231.3	3.8%	46.3%
Transfers and subsidies	317.7	254.1	251.7	258.6	-6.6%	59.2%	241.8	252.3	266.6	1.0%	53.7%
Departmental agencies and accounts	316.4	253.5	251.3	258.6	-6.5%	59.1%	241.8	252.3	266.6	1.0%	53.7%
Households	1.3	0.6	0.4	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	-	5.7	-	-	-	0.3%	-	-	-	-	-
Buildings and other fixed structures	-	5.7	-	-	-	0.3%	-	-	-	-	-
Total	484.3	437.7	439.8	465.3	-1.3%	100.0%	458.6	475.7	498.0	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	8.3%	7.2%	6.6%	7.3%	-	-	7.2%	7.1%	7.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	316.4	253.5	251.3	258.6	-6.5%	59.1%	241.8	252.3	266.6	1.0%	53.7%
Marine Living Resources Fund	316.4	253.5	251.3	258.6	-6.5%	59.1%	241.8	252.3	266.6	1.0%	53.7%

Entities

Agricultural Research Council

Mandate

The Agricultural Research Council was established in terms of 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 the conservation of natural resources.

Selected performance indicators

Table 24.12 Agricultural Research Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of peer reviewed scientific publications per year	Crop production, improvement and protection	Outcome 7: Comprehensive rural development and land reform	87	90	110	94	105	132	131
Number of cultivars registered per year	Crop production, improvement and protection		12	13	12	12	16	17	17
Number of peer reviewed scientific publications per year	Animal health, improvement and protection		84	75	92	90	98	107	117
Number of peer reviewed scientific publications per year	Natural resource management		65	54	109	79	85	94	103
Number of peer reviewed scientific publications per year	Mechanisation and engineering		1	0 ¹	3	7	8	9	10
Number of peer reviewed scientific publications per year	Agro-processing, food technology and safety		24	22	15	35	38	43	48
Number of peer reviewed scientific publications per year	Smallholder Agricultural development		7	1	0 ¹	4	8	8	9

Table 24.12 Agricultural Research Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of smallholder farmers/clients supported per year	Smallholder agricultural development	Outcome 7: Comprehensive rural development and land reform	6 107	6 248	7 000	1 506	1 647	1 818	2 014
Number of farmers trained per year	Training and extension		5 389	9 189	8 500	10 947	11 319	11 800	12 179
Number of extension officers trained per year	Training and extension		- ²	- ²	- ²	613	636	669	709

1. Targets were not achieved in these years.

2. No historical data is available as this indicator was introduced in 2015/16.

Expenditure analysis

The Agricultural Research Council contributes to the achievement of the national development plan's vision of improved productivity, competitiveness and sustainability for animal and crop production; national biodiversity and the integrity of the ecosystem; and an increased number of smallholder farmers who have access to agriculture technologies and extension services. In line with this, the council's focus over the medium term will be on research and development, the transfer of technology to promote the agriculture sector, and the conservation of natural resources through promoting agro-processing to smallholder farmers. This focus also contributes 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.

The council plans to focus on research and development through the publication of a projected 1 153 scientific reports over the medium term. Approximately 50 research studies into new crop cultivars will be conducted, and these will also be registered, and the production facility for the vaccine for foot and mouth disease, which was allocated R180 million in 2012/13, will be completed. The council will encourage the conservation of natural resources such as soil by providing support in the form of conservation skills to more than 5 400 smallholder farmers by 2018/19 to ensure production efficiencies, and vibrant, equitable and sustainable rural communities, at an estimated cost of R425.8 million over the medium term. Advisory services will be provided to farmers at an estimated cost of R80.5 million over the medium term.

The council's focus on the transfer of technology to promote the agriculture sector includes initiatives carried out in the following programmes: agro-processing, food technology and safety; natural resource management; animal health improvement and protection; and crop production, improvement and protection. The council plans to train an estimated 2 000 extension officers and collaborate with universities to train smallholder farmers so that they are fully able to utilise technology in the agriculture sector, at an estimated cost of R80.5 million over the MTEF period.

The council's work is labour intensive and is carried out by 3 297 personnel. Expenditure on compensation of employees is estimated to be R2.5 billion over the medium term, reflecting 69 per cent of the council's total budget.

The council receives transfers of R2.7 billion over the medium term from the Department of Agriculture, Forestry and Fisheries, accounting for 67.5 per cent of its total revenue. Projected external income of R1.3 billion over the medium term is generated through research and development contracts, the sale of farm products, and royalties, increasing at an average annual rate of 5.8 per cent, from R413.6 million in 2015/16 to R489.1 million in 2018/19. This projected growth is due to an expected increase in the number of scientific agricultural research studies conducted for clients such as the Department of Rural Development and Land Reform, and an operational allocation of R124 million over the medium term from the Department of Science and Technology.

Programmes/objectives/activities

Table 24.13 Agricultural Research Council expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	188.5	165.1	172.5	168.6	-3.7%	15.2%	170.2	190.5	199.0	5.7%	15.2%
Crop production, improvement and protection	216.1	287.2	292.9	282.3	9.3%	23.3%	292.9	324.3	342.2	6.6%	26.0%
Animal health, improvement and protection	226.3	283.9	288.9	227.6	0.2%	22.1%	234.1	288.8	304.9	10.2%	22.0%
Natural resource management	169.0	213.0	175.7	140.3	-6.0%	15.1%	144.9	163.3	175.1	7.7%	13.0%
Mechanisation and engineering	-	14.9	14.3	15.9	-	0.9%	16.4	18.8	19.9	7.7%	1.5%
Agro-processing, food technology and safety	171.1	60.6	59.7	47.8	-34.6%	7.7%	49.2	56.5	59.9	7.8%	4.5%
Smallholder agricultural development	-	59.2	137.2	125.1	-	6.7%	125.4	145.1	155.4	7.5%	11.5%
Agricultural economics and commercialisation	-	32.4	31.1	44.6	-	2.3%	45.9	52.7	55.8	7.8%	4.2%
Training and extension	-	18.5	17.7	23.3	-	1.3%	24.0	27.5	29.0	7.6%	2.2%
Other projects	44.3	92.2	135.0	-	-100.0%	5.5%	-	-	-	-	-
Total	1 015.3	1 226.9	1 325.0	1 075.7	1.9%	100.0%	1 103.0	1 267.5	1 341.2	7.6%	100.0%

Statements of historical financial performance and position

Table 24.14 Agricultural Research Council statements of historical financial performance and position

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
R million									
Revenue									
Non-tax revenue	323.6	356.5	356.8	496.9	391.2	439.1	413.6	413.6	114.9%
Sale of goods and services other than capital assets	308.1	317.9	332.0	447.3	364.8	386.5	386.7	386.7	110.5%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>308.1</i>	<i>317.9</i>	<i>332.0</i>	<i>447.3</i>	<i>364.8</i>	<i>386.5</i>	<i>386.7</i>	<i>386.7</i>	<i>110.5%</i>
Other non-tax revenue	15.4	38.7	24.8	49.5	26.4	52.6	27.0	27.0	179.2%
Transfers received	869.6	747.4	888.4	865.8	956.8	919.3	760.1	744.7	94.3%
Total revenue	1 193.1	1 103.9	1 245.3	1 362.6	1 348.0	1 358.4	1 173.7	1 158.3	100.5%
Expenses									
Current expenses	1 014.5	1 015.3	1 128.6	1 226.9	1 269.1	1 325.0	1 075.7	1 075.7	103.5%
Compensation of employees	586.0	611.8	663.5	685.2	738.9	760.4	779.3	779.3	102.5%
Goods and services	403.7	379.8	431.6	511.2	496.7	517.7	261.4	261.4	104.8%
Depreciation	24.8	23.8	33.5	30.4	33.5	47.0	35.0	35.0	107.3%
Interest, dividends and rent on land	-	0.0	0.0	0.1	-	-	-	-	1 573.5%
Total expenses	1 014.5	1 015.3	1 128.6	1 226.9	1 269.1	1 325.0	1 075.7	1 075.7	103.5%
Surplus/(Deficit)	179.0	89.0	117.0	136.0	79.0	33.0	98.0	83.0	-
Statement of financial position									
Carrying value of assets	896.6	783.8	1 116.0	880.1	992.3	941.9	991.8	991.8	90.0%
<i>Acquisition of assets</i>	<i>(146.2)</i>	<i>(111.0)</i>	<i>(109.1)</i>	<i>(146.4)</i>	<i>(150.4)</i>	<i>(111.1)</i>	<i>(82.6)</i>	<i>(141.0)</i>	<i>104.4%</i>
Investments	2.2	3.8	2.0	4.3	2.0	5.3	4.3	4.3	168.5%
Inventory	12.4	10.4	13.2	18.9	13.9	12.4	14.7	14.7	104.1%
Receivables and prepayments	78.5	77.0	86.8	122.2	93.6	114.0	98.8	98.8	115.2%
Cash and cash equivalents	250.2	496.7	128.0	480.2	401.5	508.2	316.9	316.9	164.3%
Total assets	1 239.9	1 372.3	1 346.1	1 505.8	1 503.4	1 581.8	1 426.4	1 426.4	106.7%
Accumulated surplus/(deficit)	865.1	720.0	917.2	855.6	875.8	888.9	876.3	888.9	94.9%
Capital and reserves	111.0	2.4	111.3	2.4	2.4	2.6	2.4	2.4	4.3%
Capital reserve fund	-	109.6	-	109.6	109.6	109.6	109.6	109.6	200.0%
Deferred income	43.9	192.6	74.3	192.6	192.6	192.6	192.6	192.6	153.0%
Trade and other payables	128.3	226.7	174.1	228.6	248.0	267.7	176.5	163.9	122.0%
Taxation	-	14.0	-	7.8	-	12.8	-	-	-
Provisions	74.5	107.2	69.1	109.1	75.0	107.5	69.1	69.1	136.6%
Total equity and liabilities	1 222.9	1 372.3	1 346.1	1 505.8	1 503.4	1 581.8	1 426.4	1 426.4	107.0%

Statements of estimates of financial performance

Table 24.15 Agricultural Research Council statements of estimates of financial performance

Statement of financial performance	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Revenue								
Non-tax revenue	413.6	5.1%	34.2%	437.4	462.5	489.1	5.7%	35.1%
Sale of goods and services other than capital assets	386.7	6.8%	30.9%	409.9	434.5	460.5	6.0%	33.0%
of which:								
Sales by market establishment	386.7	6.8%	30.9%	409.9	434.5	460.5	6.0%	33.0%
Other non-tax revenue	27.0	-11.3%	3.3%	27.5	28.0	28.6	2.0%	2.2%
Transfers received	744.7	-0.1%	65.8%	752.6	896.3	948.0	8.4%	64.9%
Total revenue	1 158.3	1.6%	100.0%	1 190.0	1 358.9	1 437.1	7.5%	100.0%
Expenses								
Current expenses	1 075.7	1.9%	100.0%	1 103.0	1 267.5	1 341.2	7.6%	99.3%
Compensation of employees	779.3	8.4%	61.5%	818.3	859.2	902.1	5.0%	70.4%
Goods and services	261.4	-11.7%	35.6%	247.7	369.3	398.0	15.0%	26.4%
Depreciation	35.0	13.7%	2.9%	37.0	39.0	41.1	5.5%	3.2%
Total expenses	1 075.7	1.9%	100.0%	1 103.0	1 267.5	1 341.2	7.6%	100.0%
Surplus/(Deficit)	83.0	-	-	87.0	91.0	96.0	5.0%	-
Carrying value of assets	991.8	8.2%	61.2%	1 104.0	1 155.7	1 210.5	6.9%	70.8%
of which:								
Acquisition of assets	(141.0)	8.3%	-8.7%	(87.0)	(91.3)	(95.9)	-12.1%	-6.7%
Investments	4.3	4.0%	0.3%	4.3	4.3	4.3	-	0.3%
Inventory	14.7	12.0%	1.0%	15.4	16.5	16.5	4.0%	1.0%
Receivables and prepayments	98.8	8.6%	7.0%	103.3	116.0	104.0	1.7%	6.7%
Cash and cash equivalents	316.9	-13.9%	30.6%	285.7	360.8	371.9	5.5%	21.2%
Total assets	1 426.4	1.3%	100.0%	1 512.8	1 653.2	1 707.2	6.2%	100.0%
Accumulated surplus/(deficit)	888.9	7.3%	57.0%	975.9	1 067.3	1 163.2	9.4%	64.9%
Capital and reserves	2.4	-	0.2%	2.4	2.4	2.4	-	0.2%
Capital reserve fund	109.6	-0.0%	7.5%	109.6	109.6	109.6	-	7.0%
Deferred income	192.6	-	13.1%	192.6	192.6	192.6	-	12.3%
Trade and other payables	163.9	-10.2%	15.0%	164.2	209.5	167.5	0.7%	11.2%
Provisions	69.1	-13.6%	6.7%	68.1	71.9	71.9	1.4%	4.5%
Total equity and liabilities	1 426.4	1.3%	100.0%	1 512.8	1 653.2	1 707.2	11.5%	100.0%

Personnel information

Table 24.16 Agricultural Research Council personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Agricultural Research Council																			
Salary level	3 297	3 297	3 426	760.4	0.2	3 297	779.3	0.2	3 297	818.3	0.2	3 297	859.2	0.3	3 297	902.1	0.3	5.0%	100.0%
1 – 6	1 974	1 974	2 060	207.6	0.1	1 974	214.6	0.1	1 974	225.4	0.1	1 974	236.6	0.1	1 974	248.5	0.1	5.0%	59.9%
7 – 10	1 061	1 061	1 104	365.8	0.3	1 061	368.6	0.3	1 061	387.0	0.4	1 061	406.4	0.4	1 061	426.7	0.4	5.0%	32.2%
11 – 12	182	182	182	106.3	0.6	182	111.7	0.6	182	117.2	0.6	182	123.1	0.7	182	129.3	0.7	5.0%	5.5%
13 – 16	77	77	77	74.2	1.0	77	77.6	1.0	77	81.5	1.1	77	85.6	1.1	77	89.9	1.2	5.0%	2.3%
17 – 22	3	3	3	6.4	2.1	3	6.8	2.3	3	7.1	2.4	3	7.5	2.5	3	7.8	2.6	5.0%	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 and core business is to manage the development and sustainable use of South Africa's

marine resources, as well as to protect the integrity and quality of the marine ecosystem. The fund's total budget for 2016/17 is R241.7 million.

- The **National Agricultural Marketing Council** was established in terms of sections 3 and 4 of the Marketing of Agricultural Products Act (1996), as amended. The council is mandated to investigate the establishment, continuation, amendment or revocation of statutory measures affecting the marketing of agricultural products; evaluate the desirability, necessity or efficiency of statutory measures; and, 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 2016/17 is R35 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 services, and training and agricultural support services to the farmers settled on Ncera farmland and neighbouring communities. The entity's total budget for 2016/17 is R6 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 2016/17 is R128.2 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; and 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 2016/17 is R314.2 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
R million										
Drilling of boreholes	Siting, drilling and testing of boreholes for small scale farmers identified in priority projects by provinces	Various	200.0	8.3	10.4	10.6	9.6	9.4	10.0	10.5
Foot-and-mouth disease border fence	Repair and construction of foot and mouth disease fence in priority areas identified by the animal health directorate	Various	250.0	21.9	23.7	29.5	28.2	24.3	25.7	27.1
KwaZulu-Natal: Durban	Site clearance	Feasibility	17.7	0.1	0.1	0.1	-	-	-	-
Western Cape: Stellenbosch	Construction of additional office accommodation	Handed over	16.3	0.2	-	-	-	-	-	-
Northern Cape: Upington	Upgrading of offices, storeroom and construction of evaporation pan and laboratory	Feasibility	5.0	-	0.4	-	0.4	0.2	1.2	2.8
Western Cape: Stellenbosch	Construction of agrochemical store	Handed over	44.0	0.4	-	-	-	-	-	-
Groenfontein Agricultural Development Institute	Minor upgrading and repairs	Handed over	1.9	1.3	0.9	0.1	-	-	-	-
Western Cape: Cape Town	Sniffer dog kennels	Feasibility	5.8	-	-	-	0.2	2.6	1.0	2.0
Gauteng: Pretoria	Upgrading of reception areas: Agriculture Place, Harvest House and Sefala	Design	2.6	-	0.8	-	0.9	0.4	0.3	0.2
Limpopo: Muthale municipal district	Construction of a seed bank Mutale (Project on hold pending the finalisation of site clearance for construction)	On hold	3.8	-	-	0.2	0.6	0.7	1.3	1.1
Eastern Cape: Sterkspruit	Construction of a seed bank: Mthatha (Project on hold pending the finalisation of site clearance for construction)	On hold	6.4	-	-	0.1	0.8	0.5	2.0	3.0
Western Cape: Stellenbosch (plant health laboratory)	Alterations to Polka Draai Road entrance in terms of traffic regulations	On hold	1.3	-	-	-	0.3	0.2	0.4	0.4
Mpumalanga: Skukuza (alterations to offices/laboratories)	Upgrading of existing buildings and laboratories	Design	5.3	0.2	0.3	0.1	0.2	3.7	0.5	0.3
Western Cape: Stellenbosch	Upgrading of electrical substation	Construction	0.7	-	-	-	0.7	-	-	-
Installation of back up generator/s	Installation of back up generators	Identification	4.0	-	-	-	-	1.7	2.7	-
Gauteng: Pretoria	Revamping of parking area at Harvest House	Design	4.9	-	-	0.4	2.4	1.3	0.3	0.5
Western Cape: Cape Town	Minor capital projects along South Africa's coastline	Design	0.9	-	-	0.4	0.6	0.5	-	-
KwaZulu-Natal: Durban	Construction of animal quarantine station	Design	58.7	-	-	3.0	1.0	0.7	11.4	13.5
Western Cape: Stellenbosch (plant health laboratory)	Upgrade and maintenance of building and laboratory facility (glasshouses and tunnels)	Design	54.6	-	-	2.6	21.9	15.3	-	-
Gauteng: Roodeplaat	Repair and installation of the infrastructure at the Plant Genetic Resources Centre	Design	18.0	0.3	0.3	-	2.5	3.0	8.0	4.0
Western Cape: Cape Town	Repair and maintenance of fisheries harbours along the coastline	Design	2.6	-	-	-	1.6	-	1.0	-
Western Cape: Cape Town	Upgrade of student centre and laboratories at Sea Point	Pre-feasibility	4.8	-	-	-	1.1	0.7	1.0	2.0

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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Mutale	Site clearance and acquisition of land for the construction of a seed bank at Mutale	Feasibility	0.7	-	-	-	0.5	0.3	-	-
Gauteng: Pretoria	Repair and maintenance of Sefala building	Handed over	1.1	1.1	-	-	-	-	-	-
Gauteng: Pretoria	Repair and maintenance of Harvest House	Complete	0.1	0.1	-	-	-	-	-	-
Gauteng: Pretoria	Repair and maintenance of Agriculture Place	Complete	0.7	0.7	-	-	-	-	-	-
Pretoria: 110 Hamilton building	Repair and maintenance	Complete	1.1	1.1	-	-	-	-	-	-
Gauteng: Pretoria multi-locking systems	Installation of multilocking systems in various forestry offices	Various	2.3	2.3	-	-	-	-	-	-
Various maintenance and repair projects	Various maintenance and repair projects	Identification	6.4	-	1.9	-	0.2	1.5	0.9	1.0
Spitskop Conservation Area	Maintenance and repair of existing soil conservation structures	Various	8.4	-	8.4	-	-	-	-	-
Gauteng: Pretoria	Upgrading of offices/laboratories at Roodeplaat	Complete	0.1	-	0.1	-	-	-	-	-
Gauteng: Kempton Park	Repairs and maintenance of animal quarantine station	Feasibility	7.1	-	-	-	0.2	0.2	4.2	2.5
Western Cape: Milnerton	Upgrading of animal quarantine station	Complete	4.7	-	-	-	-	0.5	0.2	4.0
Groenfontein Agricultural Development Institute	Upgrading of infrastructure of Groenfontein Agriculture Development Institute	Feasibility	10.8	-	-	-	0.4	3.4	3.0	4.1
Eastern Cape: Sterkspruit	Site clearance of seed bank at Sterkspruit	Feasibility	1.1	-	-	-	0.8	0.3	-	0.3
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	Facility for vaccine for foot and mouth disease	Complete	149.1	105.3	-	-	-	-	-	-
Comprehensive agricultural support programme grant: Flood damaged infrastructure	Damaged agricultural infrastructure repaired and soil rehabilitation undertaken	Various	1 845.0	398.2	303.3	493.8	58.6	76.7	60.3	63.8
Understepport Biological Products	Building and facility for 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	84.1	13.9	14.6	15.5	16.2	17.1	17.9	19.0
Total			3 324.2	555.2	461.5	684.0	418.1	165.0	153.3	162.1

Vote 25

Economic Development

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	79.2	77.0	–	2.2	80.7	79.4
Growth Path and Social Dialogue	36.0	35.5	–	0.5	35.6	39.6
Investment, Competition and Trade	559.4	30.5	528.8	0.2	598.0	632.0
Total expenditure estimates	674.7	143.0	528.8	2.9	714.3	751.0

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 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 economic growth, including the implementation of certain aspects of the national development plan, the new growth path and the national infrastructure plan as captured in outcomes 4, 6 and 7 of government's 2014-2019 medium term strategic framework.

The department is also responsible for five public entities, comprising three regulatory bodies and two development finance institutions. These are: the Competition Commission, the Competition Tribunal, the International Trade Administration Commission of South Africa, the Industrial Development Corporation of South Africa 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of interventions to integrate the new growth path framework into government's macroeconomic and microeconomic policy, and infrastructure initiatives per year	Growth Path and Social Dialogue	Outcome 4: Decent employment through inclusive economic growth	– ¹	– ¹	6	5	4	4 ²	3 ²
Number of spatial, local and provincial initiatives to promote employment, empowerment and development per year	Growth Path and Social Dialogue		– ¹	– ¹	6	8	10	10	10

Table 25.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of quarterly Cabinet level progress reports on strategic integrated projects per year	Investment, Competition and Trade	Outcome 4: Decent employment through inclusive economic growth	-1	71	72	60	60	60	60
Number of infrastructure projects unblocked, fast-tracked or facilitated per year	Investment, Competition and Trade		-1	8	14	8	8	10	10
Number of Cabinet and presidential infrastructure coordinating committee strategic decisions on infrastructure implemented per year	Investment, Competition and Trade		-1	-1	5	4	4	4	4
Number of strategic engagements with development finance institutions to improve efficiencies/decrease turnaround times for project approvals per year ²	Investment, Competition and Trade		8	6	4	5	4	4	4
Number of investment initiatives facilitated, fast tracked and/or unblocked per year	Investment, Competition and Trade		-1	-1	13	10	12	14	14
Number of reports to monitor and facilitate the improvement of the impact of industrial funding on job creation per year	Investment, Competition and Trade		-1	-1	4	4	4	4	4
Number of reports on the increase in industrial finance available from development finance institutions and departments, and its impact on job creation, per year	Investment, Competition and Trade		-1	-1	4	2	4	4	4
Number of strategic engagements with trade and competition authorities to increase administrative efficiencies per year	Investment, Competition and Trade		-1	-1	-1	3	4	5	5

1. No historical data is available as these are new indicators.

2. Target decreases over the medium term to align with implementation.

Expenditure analysis

The department aims to drive government's priorities of job creation, inclusive economic growth, and industrialisation, and to support the alignment of the state in implementing policies. The department focuses its work in relation to outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium term strategic framework. The department's 2009 new growth path for creating the jobs that South Africa needs aims for the collective achievement of a more developed and equitable economy and society over the medium term, in the context of sustained growth. It sets out critical markers for employment creation and growth, and identifies where viable changes in the structure and character of production can generate a more inclusive and greener economy over the medium to longer term. To that end, it combines macroeconomic and microeconomic interventions. Over the medium term, the department will make interventions aimed at integrating its new growth path, including: interventions in infrastructure initiatives, support to provinces on economic planning, and strategic support to development finance institutions and regulatory bodies.

Cabinet has approved reductions of R8.3 million for 2017/18 and R13.5 million for 2018/19 to the department's compensation of employees budget. The reductions are part of Cabinet's decision to lower the national aggregate expenditure ceiling. The department's operational expenditure is largely on compensation of employees for the skilled personnel required to drive its policy and coordination interventions. A reduction in personnel will be mitigated through partnerships with higher education institutions to provide technical expertise as it is required. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget. The department's goods and services budget has been reduced, by R1.2 million for 2016/17, R1.2 million for 2017/18 and R1.4 million for 2018/19, particularly in travel and subsistence. The department plans to mitigate the impact of the reductions by shifting expenditure from non-performing areas.

Interventions in infrastructure initiatives

The department continues its work as secretariat to the Presidential Infrastructure Coordinating Commission. The commission is focused on 18 national strategic integrated projects. The secretariat's work is budgeted for in

the *Investment, Competition and Trade* programme. R51.5 million over the medium term is allocated to compensation of employees in this programme.

The department will provide 60 annual progress reports to Cabinet on the strategic integrated projects, and unblock, fast-track and facilitate other infrastructure projects. The focus includes unblocking water use licence applications and environmental impact assessments so that projects can commence. 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

Support to provinces on economic planning

The department will continue to support provinces on economic planning through a number of spatial, local and provincial economic initiatives. Support is currently being provided to Free State, Eastern Cape, Northern Cape, North West, Limpopo and KwaZulu-Natal. Over the medium term, the department expects to make use of 30 economic development initiatives to promote employment, empowerment and development in all the provinces. Support to provinces on economic planning is budgeted for in the *Growth Path and Social Dialogue* programme, and the increase in activities over the medium term drives expenditure to grow at an average annual rate of 12.4 per cent, from R27.9 million in 2015/16 to R39.6 million by 2018/19.

Strategic support to development finance institutions and regulatory bodies

The department continues to oversee and provide strategic direction to the development finance institutions and regulatory bodies reporting to it. This work accounts for 81 per cent of total departmental spending over the medium term, or R1.7 billion, in the *Investment, Competition and Trade* programme.

The department will evaluate development finance institutions' performance on the impact of jobs. The department expects to have 4 strategic engagements per year with development finance institutions over the medium term, to improve administrative efficiencies and decrease turnaround times for project approvals.

The department will also undertake 14 engagements with the trade and competition regulatory bodies to improve administrative efficiencies and ensure that the competition authorities address the abuse of market power and support government's employment, industrialisation and development objectives. To further support the work of the competition authorities, the allocation over the medium term to the Competition Tribunal has been increased to strengthen its capacity.

Expenditure trends

Table 25.2 Vote expenditure trends by programme and economic classification

Programmes																
1. Administration																
2. Growth Path and Social Dialogue																
3. Investment, Competition and Trade																
Programme																
	Annual budget			Annual budget			Annual budget			Annual budget			Outcome/Annual budget Average (%)		Outcome/Adjusted appropriation Average (%)	
	2012/13	Adjusted appropriation	Audited outcome	2013/14	Adjusted appropriation	Audited outcome	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Revised estimate	2012/13 - 2015/16			
R million																
Programme 1	60.1	52.3	55.4	63.6	95.8	91.3	79.5	94.9	87.4	83.2	83.2	83.2	110.8%	97.3%		
Programme 2	47.2	31.2	20.6	44.1	36.3	35.6	38.3	20.9	22.0	27.9	27.9	27.9	67.3%	91.2%		
Programme 3	565.5	613.0	597.5	663.8	639.4	644.5	579.1	581.1	585.5	774.7	774.7	774.7	100.7%	99.8%		
Total	672.7	696.5	673.5	771.5	771.5	771.4	696.9	696.9	694.9	885.8	885.8	885.8	100.0%	99.2%		
Change to 2015 Budget estimate																

Table 25.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Current payments	141.8	161.3	120.6	151.0	157.0	139.7	160.8	132.0	116.3	150.3	140.9	140.9	85.7%	87.5%
Compensation of employees	91.6	63.9	62.1	98.0	72.4	70.9	107.8	76.9	75.7	96.1	87.8	87.8	75.3%	98.5%
Goods and services	50.2	97.5	58.5	53.0	84.5	68.8	53.0	55.0	40.6	54.2	53.1	53.1	105.1%	76.2%
<i>of which:</i>														
Advertising	1.6	1.5	16.1	1.7	32.3	20.1	11.8	16.5	6.1	0.8	10.7	10.7	335.7%	87.0%
Audit costs: External	0.2	0.2	2.6	1.6	1.6	3.2	1.7	2.6	3.0	1.8	3.4	3.4	234.0%	156.5%
Communication	0.6	0.6	2.1	0.6	0.6	2.3	0.7	0.6	1.5	0.7	1.0	1.0	271.9%	248.7%
Legal services	-	-	-	-	-	6.8	-	-	3.4	3.6	3.6	3.6	376.8%	382.3%
Operating leases	7.5	4.4	3.7	4.9	9.1	9.2	7.4	9.9	9.2	18.2	9.4	9.4	83.0%	96.0%
Travel and subsistence	16.4	15.7	13.0	17.3	15.9	11.8	13.6	10.4	9.6	14.0	9.7	9.7	71.9%	85.4%
Transfers and subsidies	523.5	529.7	551.0	612.6	612.6	628.1	533.9	560.5	575.9	733.2	742.3	742.3	103.9%	102.1%
Departmental agencies and accounts	339.5	247.4	249.2	381.6	381.6	273.6	291.3	291.6	306.8	326.8	330.8	330.8	86.6%	92.7%
Higher education institutions	-	2.3	10.1	-	-	0.2	-	-	-	-	-	-	-	450.2%
Public corporations and private enterprises	183.9	280.0	289.3	231.0	231.0	354.0	242.6	268.8	268.8	406.4	411.4	411.4	124.4%	111.1%
Non-profit institutions	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Households	-	-	2.4	-	-	0.3	-	-	0.2	-	0.1	0.1	-	3 743.2%
Payments for capital assets	7.5	5.5	1.8	7.9	1.9	3.6	2.2	4.4	2.7	2.2	2.6	2.6	53.9%	74.0%
Machinery and equipment	6.0	4.0	1.7	6.3	1.9	2.5	1.7	4.0	2.7	1.8	2.1	2.1	56.8%	75.1%
Software and other intangible assets	1.5	1.5	0.1	1.6	0.0	1.1	0.5	0.5	-	0.5	0.5	0.5	42.5%	68.8%
Total	672.7	696.5	673.5	771.5	771.5	771.4	696.9	696.9	694.9	885.8	885.8	885.8	100.0%	99.2%

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million									
Programme 1	83.2	16.7%	10.5%	79.2	80.7	79.4	-1.6%	10.7%	
Programme 2	27.9	-3.7%	3.5%	36.0	35.6	39.6	12.4%	4.6%	
Programme 3	774.7	8.1%	86.0%	559.4	598.0	632.0	-6.6%	84.7%	
Total	885.8	8.3%	100.0%	674.7	714.3	751.0	-5.4%	100.0%	
Change to 2015 Budget estimate				(11.0)	(13.6)	(19.1)			
Economic classification									
Current payments	140.9	-4.4%	17.1%	143.0	141.2	139.6	-0.3%	18.7%	
Compensation of employees	87.8	11.2%	9.8%	94.0	91.1	91.8	1.5%	12.1%	
Goods and services	53.1	-18.3%	7.3%	49.0	50.1	47.8	-3.4%	6.6%	
<i>of which:</i>									
Advertising	10.7	94.1%	1.8%	5.1	1.5	1.3	-50.0%	0.6%	
Audit costs: External	3.4	149.4%	0.4%	3.3	3.5	3.7	2.8%	0.5%	
Communication	1.0	21.7%	0.2%	2.0	2.1	2.3	31.0%	0.2%	
Legal services	3.6	-	0.5%	3.8	4.0	4.3	5.9%	0.5%	
Operating leases	9.4	28.9%	1.0%	10.4	12.8	9.2	-0.7%	1.4%	
Travel and subsistence	9.7	-14.7%	1.5%	9.7	10.7	11.7	6.3%	1.4%	
Transfers and subsidies	742.3	11.9%	82.5%	528.8	571.9	608.3	-6.4%	81.0%	
Departmental agencies and accounts	330.8	10.2%	38.4%	315.7	348.1	371.6	3.9%	45.2%	
Public corporations and private enterprises	411.4	13.7%	43.7%	213.1	223.8	236.8	-16.8%	35.9%	
Households	0.1	-	0.1%	-	-	-	-100.0%	0.0%	
Payments for capital assets	2.6	-22.3%	0.4%	2.9	1.2	3.1	6.6%	0.3%	
Machinery and equipment	2.1	-19.4%	0.3%	2.5	0.8	2.7	8.3%	0.3%	
Software and other intangible assets	0.5	-31.1%	0.1%	0.4	0.4	0.5	-1.4%	0.1%	
Total	885.8	8.3%	100.0%	674.7	714.3	751.0	-5.4%	100.0%	

Personnel information

Table 25.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Number and cost ³ of personnel posts filled / planned for on funded establishment															Average growth rate (%)	Salary level/Total: Average (%)	
		Actual 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						2015/16 - 2018/19					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19							
							Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				
Economic Development																			
Salary level	166	-	149	75.7	0.5	150	87.8	0.6	147	94.0	0.6	147	99.4	0.7	147	105.3	0.7	-0.7%	100.0%
1 – 6	23	-	23	4.3	0.2	23	5.3	0.2	23	4.8	0.2	23	5.1	0.2	23	5.3	0.2	-	15.6%
7 – 10	36	-	36	10.8	0.3	36	14.7	0.4	38	14.0	0.4	38	15.2	0.4	38	17.0	0.4	1.8%	25.4%
11 – 12	39	-	33	15.3	0.5	33	18.1	0.5	38	25.8	0.7	38	26.8	0.7	38	29.1	0.8	4.8%	24.9%
13 – 16	66	-	55	41.7	0.8	56	46.7	0.8	46	46.4	1.0	46	49.2	1.1	46	50.8	1.1	-6.3%	32.8%
Other	2	-	2	3.5	1.8	2	3.0	1.5	2	2.9	1.5	2	3.2	1.6	2	3.1	1.6	-	1.4%
Programme	166	-	149	75.7	0.5	150	87.8	0.6	147	94.0	0.6	147	99.4	0.7	147	105.3	0.7	-0.7%	100.0%
Programme 1	82	-	81	39.5	0.5	82	42.8	0.5	82	45.8	0.6	82	49.0	0.6	82	49.0	0.6	-	55.5%
Programme 2	41	-	35	18.4	0.5	35	23.3	0.7	38	30.1	0.8	38	32.2	0.8	38	37.1	1.0	2.8%	25.2%
Programme 3	43	-	33	17.7	0.5	33	21.7	0.7	27	18.1	0.7	27	18.1	0.7	27	19.3	0.7	-6.5%	19.3%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(8.3)	-	-	(13.5)	-	-	-
Total	166	-	149	75.7	0.5	150	87.8	0.6	147	94.0	0.6	-	91.1	-	-	91.8	-	-	-

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

2. The department's compensation of employees budget has been reduced by R21.9 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 25.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16				
	2012/13	2013/14	2014/15	2015/16	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
Departmental receipts	668 662	1 097 542	930 728	668 650	668 650	-	100.0%	908 329	951 288	980 772	13.6%	100.0%
Sales of goods and services produced by department	21	23	85	32	32	15.1%	-	20	21	22	-11.7%	-
Sales by market establishments of which:	21	23	85	22	22	1.6%	-	20	21	22	-	-
Rental: Parking	21	23	85	22	22	1.6%	-	20	21	22	-	-
Administrative fees of which:	-	-	-	10	10	-	-	-	-	-	-100.0%	-
Other administrative fees	-	-	-	10	10	-	-	-	-	-	-100.0%	-
Fines, penalties and forfeits	617 344	1 037 454	880 361	618 549	618 549	0.1%	93.7%	858 159	901 067	930 500	14.6%	94.3%
Interest, dividends and rent on land	50 106	50 229	50 237	50 049	50 049	-	6.0%	50 150	50 200	50 250	0.1%	5.7%
Interest	106	229	237	49	49	-22.7%	-	150	200	250	72.2%	-
Dividends of which:	50 000	50 000	50 000	50 000	50 000	-	5.9%	50 000	50 000	50 000	-	5.7%
Dividends from the Industrial Development Corporation	50 000	50 000	50 000	50 000	50 000	-	5.9%	50 000	50 000	50 000	-	5.7%
Transactions in financial assets and liabilities	1 191	9 836	45	20	20	-74.4%	0.3%	-	-	-	-100.0%	-
Total	668 662	1 097 542	930 728	668 650	668 650	-	100.0%	908 329	951 288	980 772	13.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 25.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19		
R million											
Ministry	16.3	21.0	19.8	20.6	8.0%	24.5%	27.4	27.5	25.3	7.2%	31.3%
Office of the Director General	11.0	10.8	12.6	9.3	-5.3%	13.8%	10.1	10.1	10.4	3.8%	12.4%
Corporate Management Services	16.3	46.1	42.2	41.5	36.7%	46.0%	29.0	31.7	30.1	-10.2%	41.0%
Financial Management	11.8	13.4	12.8	11.8	-0.1%	15.7%	12.7	11.4	13.5	4.7%	15.3%
Total	55.4	91.3	87.4	83.2	14.5%	100.0%	79.2	80.7	79.4	-1.6%	100.0%
Change to 2015 Budget estimate							(8.4)	(9.2)	(7.7)		
Economic classification											
Current payments	53.5	88.7	74.5	80.9	14.8%	93.8%	77.0	80.2	77.0	-1.6%	97.7%
Compensation of employees	30.9	38.1	39.5	42.8	11.5%	47.7%	45.8	44.9	42.7	-0.1%	54.7%
Goods and services	22.6	50.6	35.0	38.1	19.0%	46.1%	31.2	35.3	34.3	-3.4%	43.1%
of which:											
Audit costs: External	2.6	3.2	3.0	3.4	9.2%	3.9%	3.3	3.5	3.7	2.8%	4.3%
Communication	1.6	1.7	1.3	0.8	-20.9%	1.7%	1.5	1.6	1.7	30.8%	1.8%
Legal services	1.0	2.5	3.4	3.6	52.5%	3.3%	3.8	4.0	4.3	5.9%	4.9%
Consumables: Stationery, printing and office supplies	1.5	1.3	1.0	0.9	-14.9%	1.5%	1.3	1.3	1.4	15.9%	1.5%
Operating leases	3.7	9.2	9.2	9.4	36.5%	10.0%	10.4	12.8	9.2	-0.7%	13.0%
Travel and subsistence	7.0	7.3	7.1	6.6	-1.9%	8.8%	5.9	6.5	6.8	1.0%	8.0%
Transfers and subsidies	0.1	0.2	10.5	0.1	-18.8%	3.4%	-	-	-	-100.0%	-
Departmental agencies and accounts	-	-	10.4	-	-	3.3%	-	-	-	-	-
Households	0.1	0.2	0.1	0.1	-18.8%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	1.8	2.4	2.4	2.2	7.5%	2.8%	2.2	0.5	2.3	1.5%	2.3%
Machinery and equipment	1.7	2.4	2.4	1.8	0.9%	2.6%	2.2	0.4	2.3	9.4%	2.1%
Software and other intangible assets	0.1	0.0	-	0.5	69.3%	0.2%	0.0	0.0	0.0	-53.6%	0.2%
Total	55.4	91.3	87.4	83.2	14.5%	100.0%	79.2	80.7	79.4	-1.6%	100.0%
Proportion of total programme expenditure to vote expenditure	8.2%	11.8%	12.6%	9.4%	-	-	11.7%	11.3%	10.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	10.4	-	-	3.3%	-	-	-	-	-
Public Service Sector Education and Training Authority	-	-	0.3	-	-	0.1%	-	-	-	-	-
Competition Commission	-	-	10.1	-	-	3.2%	-	-	-	-	-

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.
- Facilitate social dialogue and the implementation of social accords; and support productivity, innovation and entrepreneurship that will lead to increased employment at sectoral and workplace levels 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 national development plan, 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 25.7 Growth Path and Social Dialogue expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Growth Path and Job Drivers	11.6	23.9	12.8	16.4	12.3%	60.9%	25.1	25.7	24.9	14.9%	66.2%
Social Dialogue, Productivity and Innovation	9.0	11.7	9.3	11.5	8.5%	39.1%	10.9	9.9	14.7	8.7%	33.8%
Total	20.6	35.6	22.0	27.9	10.7%	100.0%	36.0	35.6	39.6	12.4%	100.0%
Change to 2015 Budget estimate							6.0	3.0	(6.8)		
Economic classification											
Current payments	20.5	25.3	21.8	27.7	10.5%	89.9%	35.5	35.1	39.0	12.1%	98.7%
Compensation of employees	13.7	17.7	18.4	23.3	19.3%	69.0%	30.1	29.5	32.3	11.4%	82.9%
Goods and services	6.8	7.6	3.4	4.4	-13.7%	20.9%	5.4	5.5	6.7	15.4%	15.8%
of which:											
Catering: Departmental activities	0.5	1.0	0.2	0.2	-31.8%	1.7%	0.5	0.6	0.6	60.8%	1.4%
Computer services	0.2	0.5	1.2	0.0	-47.3%	1.8%	0.6	0.7	0.7	212.6%	1.5%
Consultants: Business and advisory services	1.0	0.4	-	0.0	-69.7%	1.3%	0.5	0.1	0.5	165.2%	0.8%
Travel and subsistence	2.5	2.2	1.2	1.8	-10.2%	7.2%	1.4	1.7	2.2	6.9%	5.1%
Operating payments	0.2	0.7	0.1	0.3	9.8%	1.2%	0.4	0.4	0.4	15.1%	1.0%
Venues and facilities	1.6	1.1	0.3	1.6	0.7%	4.4%	1.0	1.1	1.2	-11.0%	3.5%
Transfers and subsidies	0.0	9.1	0.1	0.0	-3.0%	8.7%	-	-	-	-100.0%	-
Public corporations and private enterprises	-	9.0	-	-	-	8.5%	-	-	-	-	-
Households	0.0	0.1	0.1	0.0	-3.0%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	-	1.2	0.1	0.2	-	1.4%	0.5	0.6	0.6	53.2%	1.3%
Machinery and equipment	-	0.1	0.1	0.2	-	0.4%	0.1	0.2	0.2	1.0%	0.5%
Software and other intangible assets	-	1.1	-	-	-	1.0%	0.4	0.4	0.4	-	0.9%
Total	20.6	35.6	22.0	27.9	10.7%	100.0%	36.0	35.6	39.6	12.4%	100.0%
Proportion of total programme expenditure to vote expenditure	3.1%	4.6%	3.2%	3.1%	-	-	5.3%	5.0%	5.3%	-	-
Details of transfers and subsidies											
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	-	9.0	-	-	-	8.5%	-	-	-	-	-
Small Enterprise Finance Agency	-	9.0	-	-	-	8.5%	-	-	-	-	-

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 industrial and small, medium and micro enterprise (SMME) development 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 Committee.

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 25.8 Investment, Competition and Trade expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Development Investment, Industrial Funding and Entrepreneurship	306.9	347.7	273.6	417.4	10.8%	51.7%	217.5	228.1	241.2	-16.7%	43.1%
Competition, Trade and other Economic Regulation	250.4	277.5	302.1	332.6	9.9%	44.7%	319.8	352.2	375.8	4.1%	53.8%
Infrastructure Development Coordination	40.2	19.4	9.8	24.6	-15.1%	3.6%	22.1	17.7	15.1	-15.0%	3.1%
Total	597.5	644.5	585.5	774.7	9.0%	100.0%	559.4	598.0	632.0	-6.6%	100.0%
Change to 2015 Budget estimate							(8.6)	(7.3)	(4.6)		
Economic classification											
Current payments	46.6	25.7	19.9	32.2	-11.6%	4.8%	30.5	26.0	23.5	-10.0%	4.4%
Compensation of employees	17.4	15.1	17.7	21.7	7.5%	2.8%	18.1	16.6	16.8	-8.1%	2.9%
Goods and services	29.2	10.6	2.2	10.6	-28.7%	2.0%	12.4	9.3	6.7	-14.0%	1.5%
of which:											
Advertising	15.1	0.1	–	–	-100.0%	0.6%	5.0	1.4	–	–	0.3%
Consultants: Business and advisory services	0.0	2.7	0.0	8.6	472.4%	0.4%	0.9	1.0	1.1	-50.1%	0.5%
Contractors	5.6	0.0	0.1	–	-100.0%	0.2%	1.8	2.0	0.4	–	0.2%
Travel and subsistence	3.6	2.3	1.3	1.3	-27.8%	0.3%	2.4	2.5	2.7	26.1%	0.3%
Operating payments	0.7	0.4	0.1	0.1	-55.3%	–	0.4	0.4	0.5	90.6%	0.1%
Venues and facilities	2.6	0.2	0.0	0.0	-74.2%	0.1%	0.9	1.0	1.1	189.1%	0.1%
Transfers and subsidies	550.9	618.8	565.4	742.2	10.4%	95.2%	528.8	571.9	608.3	-6.4%	95.6%
Departmental agencies and accounts	249.2	273.6	296.4	330.8	9.9%	44.2%	315.7	348.1	371.6	3.9%	53.3%
Higher education institutions	12.3	–	–	–	-100.0%	0.5%	–	–	–	–	–
Public corporations and private enterprises	289.3	345.0	268.8	411.4	12.4%	50.5%	213.1	223.8	236.8	-16.8%	42.3%
Non-profit institutions	–	–	0.1	–	–	–	–	–	–	–	–
Households	0.1	0.2	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	–	–	0.1	0.2	–	–	0.2	0.2	0.2	3.1%	–
Machinery and equipment	–	–	0.1	0.2	–	–	0.2	0.2	0.2	3.1%	–
Total	597.5	644.5	585.5	774.7	9.0%	100.0%	559.4	598.0	632.0	-6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	88.7%	83.6%	84.2%	87.5%	–	–	82.9%	83.7%	84.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	249.2	273.6	296.4	330.8	9.9%	44.2%	315.7	348.1	371.6	3.9%	53.3%
Competition Commission	157.2	176.9	188.1	223.0	12.4%	28.6%	208.5	219.0	231.7	1.3%	34.4%
Competition Tribunal	15.8	16.9	19.9	19.1	6.5%	2.8%	20.1	30.0	35.1	22.5%	4.1%
International Trade Administration Commission	74.4	79.8	88.4	88.7	6.0%	12.7%	87.0	99.1	104.8	5.7%	14.8%
Council for Scientific and Industrial Research	1.8	–	–	–	-100.0%	0.1%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	289.3	345.0	268.8	411.4	12.4%	50.5%	213.1	223.8	236.8	-16.8%	42.3%
Small Enterprise Finance Agency	171.3	237.0	268.8	406.4	33.4%	41.6%	213.1	223.8	236.8	-16.5%	42.1%
Industrial Development Corporation	109.0	108.0	–	5.0	-64.2%	8.5%	–	–	–	-100.0%	0.2%
South African Institute of Chartered Accountants	9.0	–	–	–	-100.0%	0.3%	–	–	–	–	–
Higher education institutions											
Current	12.3	–	–	–	-100.0%	0.5%	–	–	–	–	–
University of the Witwatersrand: Economic development capacity building course: Municipalities	2.3	–	–	–	-100.0%	0.1%	–	–	–	–	–
University of Johannesburg: Academy for social economy	10.0	–	–	–	-100.0%	0.4%	–	–	–	–	–

Entities

Industrial Development Corporation

Mandate

The Industrial Development Corporation of South Africa 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 national development plan, the new growth path and the industrial policy action plan.

Selected performance indicators

Table 25.9 Industrial Development Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Value of funding disbursed per year	Administration		R16bn	R11.2bn	R10.9bn	R12.5bn	R14.3bn	R15bn	R16.2bn
Number of jobs expected to be created or saved per year	Administration		24 223	19 689	20 388	14 062	17 805	18 968	20 000
Value of funding to black industrialists per year	Administration	Outcome 4: Decent employment through inclusive economic growth	- ¹	- ¹	R2.1bn	R2bn	R2.6bn	R3bn	R3.5bn
Funding for localisation initiatives per year	Administration		- ¹	- ¹	R2.8bn	R1.5bn	R2.5bn	R3bn	R3.5bn
Turnaround time for non-complex transactions	Administration		- ¹	18 days	14 days	17 days	17 days	17 days	17 days

¹ No historical data is available as these are new indicators.

Expenditure analysis

The Industrial Development Corporation of South Africa is a self-financing national development finance institution whose primary objectives are to contribute to the generation of balanced, sustainable economic growth in Africa, and the economic empowerment of the South African population. Thus, the corporation's focus over the medium term will continue to be on the development of industrial capacity that is balanced with long term sustainability.

The corporation began implementing Project Evolve in April 2015 as a response to the need to strengthen industrialisation efforts towards the achievement of the long term goals of the national development plan, and the economic objectives of the new growth path, the industrial policy action plan, the agricultural policy action plan, and the national infrastructure plan. The intention of the project is to ensure that the corporation focuses its activities on industrial sectors that have significant potential for economic growth. It seeks to improve systems and processes to ensure greater responsiveness and more effective delivery of services to clients. This is also in line with outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework, which articulates the importance of increasing production and employment.

As a development finance institution, the corporation plans to be more proactive when investing in competitive value chains of the economy (particularly the metals and mining value chain, the chemicals value chain, and the agro-processing and agriculture value chain) to increase their potential to create jobs in the long term, and will seek to identify emerging industries that hold potential for South Africa. The corporation aims to play a greater role in ensuring that a more enabling environment is created for industrial development through engaging on policy issues, pursuing strategies within the companies it invests in to facilitate outcomes that are aligned with its mandate, and investing in industrial infrastructure to unlock industrial development. Through these efforts, the corporation envisages that 56 773 jobs will be created or saved over the medium term.

To assist in creating an environment in which industry can thrive, the corporation plans to develop prioritised industries proactively through the provision of finance and project development, and close cooperation with other industry stakeholders, including government and the private sector. In line with its commitment to support the implementation of the new growth path and the industrial policy action plan, investment over the medium term will continue to focus on manufacturing, green industries, mining and minerals beneficiation, and the agricultural value chain. To do this, the corporation is targeting funding approvals of between R85 billion and R100 billion over 5 years.

The corporation plans are to support the development of black industrialists to facilitate their participation in the productive sectors of the economy and assist in steering industrial development. Expenditure for the funding of black industrialists is estimated at R23 billion over the medium term.

Investments over the medium term are funded through new borrowings, the repayment of existing loans, the disposal of mature investments, and retained income. The corporation generates revenue mainly from the sale of investments and related interest and dividends. Revenue over the medium term is expected to increase from R20.4 billion in 2015/16 to R25.4 billion in 2018/19, mainly as a result of interest income as the corporation increases the levels of funding it provides to drive industrial development.

As a result of the drive to increase its operational efficiency, the number of personnel the corporation employs is expected to remain constant at 816 over the medium term.

Programmes/objectives/activities

Table 25.10 Industrial Development Corporation expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	12 611.0	18 378.0	20 478.0	20 577.9	17.7%	100.0%	21 780.1	22 869.1	24 686.7	6.3%	100.0%
Total	12 611.0	18 378.0	20 478.0	20 577.9	17.7%	100.0%	21 780.1	22 869.1	24 686.7	6.3%	100.0%

Statements of historical financial performance and position

Table 25.11 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	Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	11 815.3	14 420.0	18 546.0	19 790.0	20 697.7	21 443.2	22 424.7	19 967.9	102.9%
Sale of goods and services other than capital assets	7 500.0	8 603.0	6 500.0	13 908.0	13 629.7	14 005.2	15 017.7	14 615.9	119.9%
of which:									
Administrative fees	–	632.0	–	545.0	710.1	707.0	285.0	684.8	258.1%
Sales by market establishment	–	–	–	–	–	–	–	33.1	–
Other sales	7 500.0	7 971.0	6 500.0	13 363.0	12 919.6	13 298.2	14 732.7	13 898.0	116.5%
Other non-tax revenue	4 315.3	5 817.0	12 046.0	5 882.0	7 068.0	7 438.0	7 407.0	5 352.0	79.4%
Transfers received	108.0	169.0	339.0	231.0	242.6	283.8	292.6	407.1	111.1%
Total revenue	11 923.3	14 589.0	18 885.0	20 021.0	21 011.1	22 131.0	22 717.3	20 375.0	103.5%
Expenses									
Current expenses	7 912.5	12 545.0	11 018.8	17 740.0	19 269.9	20 309.0	19 807.6	20 297.6	122.2%
Compensation of employees	1 753.5	723.2	1 919.9	843.0	887.8	885.2	926.0	926.0	61.6%
Goods and services	5 209.0	10 691.8	7 800.4	15 337.0	17 112.5	17 423.9	17 041.9	16 431.5	127.0%
Depreciation	350.0	441.0	383.5	534.0	495.5	598.0	588.7	576.2	118.2%
Interest, dividends and rent on land	600.0	689.0	915.0	1 026.0	774.2	1 402.0	1 251.0	2 363.9	154.8%
Transfers and subsidies	–	–	55.5	–	–	–	–	–	–
Total expenses	8 191.7	12 611.0	11 227.8	18 378.0	19 755.2	20 478.0	19 963.6	20 577.9	121.8%
Surplus/(Deficit)	3 732.0	1 978.0	7 657.0	1 643.0	1 256.0	1 653.0	2 754.0	(203.0)	–
Statement of financial position									
Carrying value of assets	4 730.0	8 295.0	5 241.0	9 401.0	5 646.0	10 557.0	10 540.6	10 540.6	148.3%
Acquisition of assets	(704.0)	(1 538.0)	(1 630.3)	(1 549.0)	(1 728.1)	(1 268.0)	(1 675.3)	(1 675.3)	105.1%
Investments	79 411.0	84 116.0	95 231.0	92 363.0	92 652.0	73 179.0	97 751.3	97 751.3	95.2%
Inventory	1 300.0	3 390.0	2 100.0	3 854.0	2 310.0	3 853.0	4 249.0	4 249.0	154.1%
Loans	26 297.0	18 666.0	23 500.0	20 818.0	33 608.0	22 412.0	17 985.0	17 985.0	78.8%

Table 25.11 Industrial Development Corporation 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	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Receivables and prepayments	1 200.0	2 961.0	1 450.0	3 813.0	1 595.0	3 702.0	4 203.8	4 203.8	173.7%
Cash and cash equivalents	878.3	9 009.0	3 636.0	7 877.0	5 655.4	8 257.0	10 152.0	10 152.0	173.7%
Taxation	–	399.0	120.0	396.0	132.0	325.0	433.5	433.5	226.6%
Derivatives financial instruments	255.0	49.0	–	71.0	–	4.0	–	–	48.6%
Total assets	114 071.3	126 885.0	131 278.0	138 593.0	141 598.4	122 289.0	145 315.3	145 315.3	100.2%
Accumulated surplus/(deficit)	23 116.2	35 744.0	37 719.0	37 415.0	39 763.4	39 187.0	40 269.9	40 269.9	108.3%
Capital and reserves	79 000.0	61 196.0	55 320.0	69 569.0	55 485.4	50 735.0	69 856.5	69 856.5	96.8%
Borrowings	6 500.0	19 033.0	25 876.0	21 456.0	33 938.0	24 049.0	23 991.7	23 991.7	98.0%
Trade and other payables	2 200.0	3 190.0	2 286.0	3 560.0	2 514.6	3 748.0	3 924.9	3 924.9	132.0%
Taxation	–	6 526.0	9 500.0	5 528.0	9 310.0	3 372.0	6 094.6	6 094.6	86.4%
Provisions	230.0	1 134.0	300.0	1 015.0	530.0	1 124.0	1 119.0	1 119.0	201.6%
Managed funds (e.g. poverty alleviation fund)	2 942.1	56.0	57.0	24.0	57.0	18.0	30.0	30.0	4.1%
Derivatives financial instruments	–	6.0	–	26.0	–	56.0	28.7	28.7	407.0%
Total equity and liabilities	113 988.3	126 885.0	131 058.0	138 593.0	141 598.4	122 289.0	145 315.3	145 315.3	100.2%

Statements of estimates of financial performance and position**Table 25.12 Industrial Development Corporation statements of estimates of financial performance and position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	19 967.9	11.5%	98.1%	23 834.4	25 546.8	25 089.3	7.9%	98.8%	
Sale of goods and services other than capital assets	14 615.9	19.3%	65.9%	15 774.4	16 555.8	17 331.0	5.8%	67.5%	
<i>of which:</i>									
Administrative fees	684.8	2.7%	3.4%	305.0	313.0	794.7	5.1%	2.2%	
Sales by market establishment	33.1	–	0.0%	–	–	14.8	-23.5%	0.1%	
Other sales	13 898.0	20.4%	62.4%	15 469.4	16 242.8	16 521.5	5.9%	65.2%	
Other non-tax revenue	5 352.0	-2.7%	32.3%	8 060.0	8 991.0	7 758.3	13.2%	31.3%	
Transfers received	407.1	34.1%	1.4%	213.1	223.8	293.6	-10.3%	1.2%	
Total revenue	20 375.0	11.8%	100.0%	24 047.5	25 770.6	25 382.9	7.6%	100.0%	
Expenses									
Current expenses	20 297.6	17.4%	98.5%	21 447.8	22 572.3	24 475.1	6.4%	149.6%	
Compensation of employees	926.0	8.6%	4.8%	975.9	1 024.7	1 075.9	5.1%	4.5%	
Goods and services	16 431.5	15.4%	83.3%	17 663.8	18 236.6	18 540.0	4.1%	78.9%	
Depreciation	576.2	9.3%	3.0%	618.2	649.1	685.9	6.0%	2.8%	
Interest, dividends and rent on land	2 363.9	50.8%	7.3%	2 190.0	2 662.0	4 173.3	20.9%	12.5%	
Transfers and subsidies	–	–	–	–	–	44.4	–	0.0%	
Total expenses	20 577.9	17.7%	100.0%	21 780.1	22 869.1	24 686.7	6.3%	100.0%	
Surplus/(Deficit)	(203.0)	(1)	–	2 267.0	2 901.0	696.0	-250.8%	–	
Statement of financial position									
Carrying value of assets	10 540.6	8.3%	7.3%	11 168.9	11 834.7	8 643.0	-6.4%	6.7%	
<i>of which:</i>									
Acquisition of assets	(1 675.3)	2.9%	-1.1%	(1 757.8)	(1 844.4)	(1 951.4)	5.2%	-1.1%	
Investments	97 751.3	5.1%	65.0%	103 052.3	106 088.5	173 022.6	21.0%	72.9%	
Inventory	4 249.0	7.8%	2.9%	4 461.5	4 684.6	3 665.9	-4.8%	2.7%	
Loans	17 985.0	-1.2%	15.1%	16 408.7	17 592.9	1 791.3	-53.6%	8.9%	
Receivables and prepayments	4 203.8	12.4%	2.8%	4 414.0	4 634.7	4 092.4	-0.9%	2.7%	
Cash and cash equivalents	10 152.0	4.1%	6.6%	9 810.0	9 688.0	6 803.3	-12.5%	5.8%	
Non-current assets held for sale	–	–	–	–	–	12.6	–	0.0%	
Taxation	433.5	2.8%	0.3%	461.2	490.7	727.3	18.8%	0.3%	
Total assets	145 315.3	4.6%	100.0%	149 776.5	155 014.0	198 758.4	11.0%	100.0%	
Accumulated surplus/(deficit)	40 269.9	4.1%	28.7%	42 537.3	45 438.7	22 364.6	-17.8%	24.2%	
Capital and reserves	69 856.5	4.5%	47.0%	66 249.8	65 265.9	98 607.2	12.2%	46.0%	
Capital reserve fund	–	–	–	–	–	326.2	–	0.0%	
Borrowings	23 991.7	8.0%	16.7%	29 233.9	31 967.4	60 310.9	36.0%	21.7%	
Finance lease	–	–	–	–	–	14.9	–	0.0%	
Trade and other payables	3 924.9	7.2%	2.7%	4 121.1	4 327.2	3 868.0	-0.5%	2.5%	
Taxation	6 094.6	-2.3%	4.0%	6 399.4	6 719.3	12 071.5	25.6%	4.7%	
Provisions	1 119.0	-0.4%	0.8%	1 175.0	1 233.7	762.3	-12.0%	0.7%	
Managed funds (e.g. poverty alleviation fund)	30.0	-18.8%	0.0%	30.0	30.0	–	-100.0%	0.0%	
Derivatives financial instruments	28.7	68.4%	0.0%	30.1	31.6	433.0	147.2%	0.1%	
Total equity and liabilities	145 315.3	4.6%	100.0%	149 776.5	155 014.0	198 758.4	90.6%	100.0%	

Personnel information

Table 25.13 Industrial Development Corporation personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Industrial Development Corporation	816	816	816	885.1	1.1	816	926.0	1.1	816	975.9	1.2	816	1 024.7	1.3	816	1 075.9	1.3	5.1%	100.0%
Salary level	816	816	816	885.1	1.1	816	926.0	1.1	816	975.9	1.2	816	1 024.7	1.3	816	1 075.9	1.3	5.1%	100.0%
1 – 6	32	32	32	5.9	0.2	32	6.2	0.2	32	6.5	0.2	32	6.8	0.2	32	7.1	0.2	5.1%	3.9%
7 – 10	294	294	294	145.7	0.5	294	152.4	0.5	294	160.7	0.5	294	168.7	0.6	294	177.1	0.6	5.1%	36.0%
11 – 12	219	219	219	242.7	1.1	219	253.9	1.2	219	267.6	1.2	219	280.9	1.3	219	295.0	1.3	5.1%	26.8%
13 – 16	260	260	260	446.6	1.7	260	467.3	1.8	260	492.4	1.9	260	517.1	2.0	260	542.9	2.1	5.1%	31.9%
17 – 22	11	11	11	44.2	4.0	11	46.3	4.2	11	48.8	4.4	11	51.2	4.7	11	53.7	4.9	5.1%	1.3%

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 **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 2016/17 is R268.7 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 2016/17 is R41.4 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 2016/17 is R88.7 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 of South Africa's small business operations. The agency's total budget for 2016/17 is R581.5 million.

Vote 26

Energy

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	240.1	232.9	3.2	4.1	250.5	259.2
Energy Policy and Planning	46.7	46.7	–	–	46.3	50.1
Petroleum and Petroleum Products Regulation	77.9	77.9	–	–	77.0	80.4
Electrification and Energy Programme and Project Management	5 699.9	60.9	5 639.0	–	6 216.1	6 466.1
Nuclear Energy	863.6	230.2	633.3	–	764.5	807.5
Clean Energy	616.9	90.4	526.6	–	774.6	823.1
Total expenditure estimates	7 545.2	739.0	6 802.1	4.1	8 129.0	8 486.4
Executive authority	Minister of Energy					
Accounting officer	Director General of Energy					
Website address	www.energy.gov.za					

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

Vote purpose

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

Mandate

The Department of Energy is mandated to ensure the secure and sustainable provision of energy for socioeconomic development. It is to achieve this by developing an integrated energy plan for the entire energy sector, regulating energy industries, and promoting investment in accordance with the integrated resource plan (which focuses on 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 the transformation of 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of new petroleum retail site inspections per year	Petroleum and Petroleum Products Regulation	Outcome 6: An efficient, competitive and responsive economic infrastructure network	1 500	1 945	2 070	1 500	1 500	1 500	1 500
Number of additional households electrified per year	Electrification and Energy Programme and Project Management	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	166 130	292 714	233 455	260 000	240 000	255 000	260 000
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	4	2	5	4	3	3	3
Number of additional substations upgraded per year	Electrification and Energy Programme and Project Management		5	2	15	6	3	4	4
Kilometres of new medium voltage power lines constructed per year	Electrification and Energy Programme and Project Management		275 km	370 km	440 km	100 km	90 km	95 km	100 km
Kilometres of existing medium voltage power lines upgraded per year	Electrification and Energy Programme and Project Management		200 km	283 km	12.3 km	90 km	90 km	95 km	100 km
Number of non-grid connections per year	Electrification and Energy Programme and Project Management	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	9 343	14 059	14 030	20 000	20 000	25 000	25 000
Number of new operational integrated energy centres established per year	Electrification and Energy Programme and Project Management	Departmental mandate	2	2	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	1.2 TWh	0.5 TWh	1.5 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		111 188	46 954	31 190	15 000	38 375	44 771	48 000

Expenditure analysis

The national development plan envisages that by 2030 South Africa will have an adequate supply of electricity and liquid fuels to ensure the wellbeing of the economy and that economic activity is not disrupted. The plan also envisages economic growth, development and social equity through expanded access to energy services that are environmentally sustainable. In addition, the plan envisages that more than 90 per cent of the population should enjoy access to electricity by 2030. 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, increasing energy efficiency, diversifying the energy generation mix, and improving the quality and security of petroleum fuels.

Increasing household access to electricity

The department's spending over the medium term remains largely on household electrification. Approximately 75.3 per cent of the department's budget is transferred to implementing municipalities, non-grid service providers and the state owned company Eskom for this purpose.

755 000 grid connections to households are expected to be made over the medium term, funded by earmarked allocations for the integrated national electrification programme. The programme electrifies households through grid and non-grid connections, and builds and upgrades substations and electricity networks. The department funds the programme through transfers to Eskom and municipalities in the *Electrification and Energy Programme and Project Management* programme. Transfers to municipalities are expected to increase from

R1.9 billion in 2016/17 to R2.2 billion in 2018/19, and transfers to Eskom from R3.5 billion in 2016/17 to R4 billion in 2018/19.

The cost of electrification 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 electrification infrastructure, budgeted for in the *Integrated National Electrification Programme* subprogramme in the *Electrification and Energy Programme and Project Management* programme, is expected to increase to R6.4 billion by 2018/19.

Non-grid electrification projects, mainly solar energy, will be extended countrywide. The projects will be implemented in any areas where extending the grid would not be cost-effective, and not only, as previously, in concessionary areas (low density and low consumption households where non-grid service providers have been given concessions to provide solar home systems). 70 000 non-grid connections to households are expected to be made over the medium term, with spending on non-grid electrification projects expected to increase from R166.4 million in 2016/17 to R201.6 million in 2018/19 in the *Integrated National Electrification Programme* subprogramme. Increased funding of R10.9 million over the medium term in the *Integrated National Electrification Programme* subprogramme is for the oversight, monitoring and evaluation of non-grid electrification.

Increasing energy efficiency

Targets for installing solar water heaters had not been met due to delays in finalising the implementing contract with Eskom and the local content verification outcomes projected by the South African Bureau of Standards. The solar water heaters programme will now be managed by the Department of Energy. Spending of R1.2 billion over the medium term on 131 146 solar water heaters is projected. The budget for solar water heater service providers is in the *Energy Efficiency* subprogramme of the *Clean Energy* programme and is expected to grow at an average annual rate of 49.8 per cent over the medium term. The high growth rate can be attributed to the low base in 2015/16, due to slow spending at the inception of the project. Spending on agency and support services in the *Clean Energy* programme is expected to grow at an average annual rate of 46.9 per cent over the medium term to pay for services such as the transportation and warehousing of solar water heating systems.

The department's energy efficiency and demand side management conditional grant provides subsidies to municipalities to reduce energy consumption and increase energy efficiency through efficient public lighting and the retrofitting of energy efficient technologies in municipal buildings. Subsidies totalling R603.9 million over the medium term will be transferred to municipalities. Energy savings of approximately 0.5 TWh per year are projected.

Diversifying the energy generation mix

In line with the 2010-2030 integrated resource plan, the department will pursue a balanced energy mix that includes clean and renewable resources, thus meeting the needs of South Africa's growing economy without compromising government's commitment to sustainable development. The department aims to expand both traditional and green energy, including safe and environmentally sustainable nuclear energy.

The department is developing a gas utilisation master plan, which will take a 30-year view of the gas industry from a regulatory, economic and social perspective. The integrated resource plan targets new gas fired power generation capacity, plus the supply of gas for converting gas to liquid petroleum products at the plant of the state owned company, the Mossel Bay Petroleum Oil and Gas Corporation of South Africa. The department has designed a programme to procure 3 126 megawatts (MW) of electricity produced from gas from selected providers, and a request for information for gas to electricity is expected to be released by the end of April 2016.

The Department of Energy, National Treasury and the Development Bank of Southern Africa established the independent power producer procurement programme at the end of 2010 to secure electrical energy generated from renewable and non-renewable sources from the private sector. The programme is designed to be self-funding through revenue derived from development fees paid by bidders and investors. As at 31 December 2015, the department has procured 6 377 MW of renewable energy through the programme and connected 44 projects with a capacity of 2 021 MW to the national grid. The energy contribution of independent power producers is expected to grow to approximately 7 000 MW with the first 47 renewable energy independent power producers fully operational by mid 2016. Private investment in the programme currently exceeds

R194 billion. The programme also seeks to procure energy from small scale independent power producers, with projects that generate between 1 MW and 5 MW of energy from solar, wind, biomass and landfill gas projects.

Additional funding of R200 million in the *Nuclear Energy* programme is made available in 2016/17 for a transactional advisors and consulting services for the new nuclear build programme. The advisors will assist with the call for proposals for procuring nuclear energy and provide transactional advice to the department as a procuring agent for the new nuclear build programme.

Improving the quality and security of petroleum fuels

The department plans to undertake 4 500 inspections of petroleum retail sites to ensure that petroleum fuel meets regulated quality standards. Spending on inspections is projected at R235.3 million over the medium term in the *Petroleum and Petroleum Products Regulation* programme.

The department is currently reviewing the proposed biofuels subsidy models and addressing related concerns about food security.

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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 -	2015/16
Programme 1	181.7	242.4	216.8	221.0	219.6	232.6	244.1	257.3	257.2	242.6	246.6	268.4	109.6%	100.9%
Programme 2	1 548.6	1 570.2	1 545.3	51.2	47.2	47.8	52.6	57.6	41.7	45.1	44.1	36.0	98.4%	97.2%
Programme 3	15.7	18.5	44.4	49.7	68.8	25.8	82.7	84.5	64.5	74.4	73.4	70.6	92.3%	83.7%
Programme 4	3 158.1	3 170.0	3 116.0	3 942.8	3 952.5	3 958.5	4 199.2	4 208.6	4 181.0	5 778.3	5 813.8	5 811.4	99.9%	99.5%
Programme 5	598.4	643.0	643.2	710.0	708.8	722.5	850.5	843.8	845.4	654.4	653.9	644.6	101.5%	100.2%
Programme 6	1 303.4	1 090.3	1 093.3	1 623.6	1 506.3	1 489.9	1 986.5	1 986.0	830.3	687.3	435.8	426.9	68.6%	76.5%
Total	6 805.9	6 734.5	6 659.0	6 598.2	6 503.2	6 477.1	7 415.6	7 437.8	6 220.1	7 482.1	7 267.6	7 257.9	94.0%	95.2%
Change to 2015 Budget estimate											(214.5)			
Economic classification														
Current payments	307.3	417.7	371.7	468.8	460.3	414.8	518.3	530.7	473.6	492.6	508.8	509.5	99.0%	92.3%
Compensation of employees	196.3	207.4	201.5	247.6	242.6	228.5	291.9	286.0	264.3	289.5	289.5	292.7	96.3%	96.2%
Goods and services	111.0	210.3	170.2	221.3	217.7	186.2	226.4	244.7	209.3	203.1	219.3	216.9	102.7%	87.7%
of which:														
Advertising	3.6	4.2	3.5	8.1	8.0	16.0	7.7	10.3	8.7	12.3	9.6	10.2	120.4%	119.4%
Consultants: Business and advisory services	6.0	61.2	15.4	18.4	17.9	25.4	34.9	43.1	43.8	46.8	58.5	45.1	122.2%	71.7%
Agency and support/outourced services	1.0	1.0	0.4	10.4	10.0	1.0	2.5	0.9	0.3	0.8	5.2	5.0	45.2%	38.9%
Operating leases	41.3	49.8	28.6	41.3	36.7	26.7	36.9	36.2	27.1	36.1	29.1	30.6	72.6%	74.5%
Travel and subsistence	31.6	28.0	37.0	61.2	62.9	58.0	57.8	4.4	56.3	45.1	43.2	54.2	105.1%	148.6%
Venues and facilities	4.1	5.7	4.2	27.2	28.5	11.1	27.3	0.4	19.7	9.1	11.9	13.3	71.5%	104.0%
Transfers and subsidies	6 493.6	6 304.8	6 276.7	6 124.2	6 034.3	6 050.6	6 892.1	6 901.9	5 742.7	6 985.5	6 754.8	6 743.8	93.7%	95.5%
Provinces and municipalities	1 351.4	1 351.4	1 351.4	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	100.0%	100.0%
Departmental agencies and accounts	81.0	99.0	99.0	202.5	202.5	202.5	196.4	197.3	197.2	87.3	87.1	87.1	103.3%	100.0%
Foreign governments and international organisations	-	-	-	13.6	13.6	38.9	12.1	12.1	21.3	16.6	19.6	19.0	187.5%	175.0%
Public corporations and private enterprises	5 060.7	4 854.0	4 825.9	4 092.3	4 002.3	3 993.4	5 441.7	5 450.6	4 278.7	4 723.0	4 489.5	4 476.7	91.0%	93.5%
Households	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.4	4.0	0.4	0.4	2.7	485.1%	485.1%
Payments for capital assets	5.1	11.9	10.6	5.2	8.7	11.7	5.2	5.2	3.8	4.0	4.0	4.6	157.5%	102.6%
Machinery and equipment	5.1	10.6	9.9	5.2	8.7	11.3	5.2	5.2	3.8	4.0	4.0	4.6	152.5%	104.0%
Software and other intangible assets	-	1.3	0.6	-	-	0.3	-	-	-	-	-	-	-	71.9%
Total	6 805.9	6 734.5	6 659.0	6 598.2	6 503.2	6 477.1	7 415.6	7 437.8	6 220.1	7 482.1	7 267.6	7 257.9	94.0%	95.2%

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million									
Programme 1	268.4	3.4%	3.7%	240.1	250.5	259.2	-1.2%	3.2%	
Programme 2	36.0	-71.6%	6.3%	46.7	46.3	50.1	11.6%	0.6%	
Programme 3	70.6	56.1%	0.8%	77.9	77.0	80.4	4.4%	1.0%	
Programme 4	5 811.4	22.4%	64.1%	5 699.9	6 216.1	6 466.1	3.6%	77.0%	
Programme 5	644.6	0.1%	10.7%	863.6	764.5	807.5	7.8%	9.8%	
Programme 6	426.9	-26.8%	14.4%	616.9	774.6	823.1	24.5%	8.4%	
Total	7 257.9	2.5%	100.0%	7 545.2	8 129.0	8 486.4	5.4%	100.0%	
Change to 2015 Budget estimate				(149.8)	(205.4)	(331.3)			
Economic classification									
Current payments	509.5	6.8%	6.6%	739.0	566.2	595.8	5.4%	7.7%	
Compensation of employees	292.7	12.2%	3.7%	310.8	314.1	327.5	3.8%	4.0%	
Goods and services	216.9	1.0%	2.9%	428.2	252.1	268.3	7.4%	3.7%	
<i>of which:</i>									
Advertising	10.2	34.4%	0.1%	7.6	7.9	8.1	-7.4%	0.1%	
Consultants: Business and advisory services	45.1	-9.7%	0.5%	283.5	99.7	109.5	34.4%	1.7%	
Agency and support/outourced services	5.0	72.3%	0.0%	7.9	9.9	10.3	27.4%	0.1%	
Operating leases	30.6	-14.9%	0.4%	32.8	34.1	36.1	5.6%	0.4%	
Travel and subsistence	54.2	24.7%	0.8%	42.7	42.9	44.4	-6.4%	0.6%	
Venues and facilities	13.3	32.4%	0.2%	8.8	9.1	9.8	-9.7%	0.1%	
Transfers and subsidies	6 743.8	2.3%	93.2%	6 802.1	7 558.4	7 886.0	5.4%	92.3%	
Provinces and municipalities	2 158.2	16.9%	24.7%	2 131.9	2 290.3	2 419.5	3.9%	28.6%	
Departmental agencies and accounts	87.1	-4.2%	2.2%	38.2	99.4	105.2	6.5%	1.1%	
Foreign governments and international organisations	19.0	-	0.3%	17.4	17.9	18.9	-0.1%	0.2%	
Public corporations and private enterprises	4 476.7	-2.7%	66.0%	4 612.4	5 148.4	5 341.9	6.1%	62.3%	
Households	2.7	92.9%	0.0%	2.2	2.4	0.5	-44.5%	0.0%	
Payments for capital assets	4.6	-27.3%	0.1%	4.1	4.3	4.6	-0.1%	0.1%	
Machinery and equipment	4.6	-24.4%	0.1%	4.1	4.3	4.6	-0.1%	0.1%	
Total	7 257.9	2.5%	100.0%	7 545.2	8 129.0	8 486.4	5.4%	100.0%	

Personnel information

Table 26.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)			
			2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Energy	622	-	583	264.3	0.5	585	292.7	0.5	561	310.8	0.6	570	338.7	0.6	585	366.5	0.6	-	100.0%
Salary level	622	-	583	264.3	0.5	585	292.7	0.5	561	310.8	0.6	570	338.7	0.6	585	366.5	0.6	-	100.0%
1 - 6	122	-	141	26.7	0.2	126	27.3	0.2	110	26.3	0.2	110	27.8	0.3	113	30.0	0.3	-3.6%	19.9%
7 - 10	290	-	267	95.3	0.4	270	102.9	0.4	269	117.7	0.4	274	127.0	0.5	281	137.0	0.5	1.3%	47.5%
11 - 12	104	-	95	62.8	0.7	99	66.2	0.7	98	71.7	0.7	99	77.4	0.8	102	84.6	0.8	1.0%	17.3%
13 - 16	104	-	78	75.4	1.0	88	92.3	1.0	82	91.2	1.1	85	102.4	1.2	87	110.6	1.3	-0.4%	14.9%
Other	2	-	2	4.1	2.0	2	4.1	2.0	2	3.9	1.9	2	4.1	2.1	2	4.3	2.1	-	0.3%
Programme	622	-	583	264.3	0.5	585	292.7	0.5	561	310.8	0.6	570	338.7	0.6	585	366.5	0.6	-	100.0%
Programme 1	327	-	290	131.5	0.5	292	136.4	0.5	273	136.8	0.5	280	151.3	0.5	285	161.3	0.6	-0.8%	49.1%
Programme 2	59	-	52	28.8	0.6	50	31.7	0.6	50	34.8	0.7	50	37.1	0.7	54	42.5	0.8	2.6%	8.9%
Programme 3	103	-	117	41.9	0.4	118	51.7	0.4	113	56.8	0.5	113	60.4	0.5	117	65.9	0.6	-0.3%	20.0%
Programme 4	69	-	78	36.2	0.5	74	41.9	0.6	73	45.7	0.6	74	49.5	0.7	75	53.4	0.7	0.4%	12.9%
Programme 5	34	-	23	13.4	0.6	27	16.7	0.6	27	19.4	0.7	28	22.1	0.8	28	23.3	0.8	1.2%	4.8%
Programme 6	30	-	23	12.4	0.5	24	14.3	0.6	25	17.3	0.7	25	18.4	0.7	26	20.1	0.8	2.7%	4.3%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(24.6)	-	-	(39.0)	-	-	-
Total	622	-	583	264.3	0.5	585	292.7	0.5	561	310.8	0.6	570	338.7	0.6	585	366.5	0.6	-	-

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

2. The department's compensation of employees budget has been reduced by R63.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 26.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	2 516	6 472	5 277	3 950	4 381	20.3%	4.2%	4 840	5 004	5 190	5.8%	100.0%
Sales of goods and services produced by department	2 296	2 758	3 132	2 849	2 849	7.5%	2.5%	3 353	3 508	3 684	8.9%	69.0%
Sales by market establishments	233	132	139	140	140	-15.6%	0.1%	143	146	149	2.1%	3.0%
of which:												
Sales by market establishment: parking	233	132	139	140	140	-15.6%	0.1%	143	146	149	2.1%	3.0%
Administrative fees	2 056	2 536	2 896	2 601	2 601	8.2%	2.3%	3 100	3 250	3 420	9.6%	63.7%
of which:												
Administration fees: petroleum license fees	2 056	2 536	2 896	2 601	2 601	8.2%	2.3%	3 100	3 250	3 420	9.6%	63.7%
Other sales	7	90	97	108	108	148.9%	0.1%	110	112	115	2.1%	2.3%
of which:												
Other sales: gamishee, photocopy, faxes	7	90	97	108	108	148.9%	0.1%	110	112	115	2.1%	2.3%
Sales of scrap, waste, arms and other used current goods	1	2	1	2	2	26.0%	-	2	2	2	-	-
of which:												
Sales: Waste paper	1	2	1	2	2	26.0%	-	2	2	2	-	-
Transfers received	-	3 270	1 587	513	944	-	1.3%	1 000	1 000	1 000	1.9%	20.3%
Interest, dividends and rent on land	85	24	47	28	28	-30.9%	-	29	29	30	2.3%	0.6%
Interest	85	24	47	28	28	-30.9%	-	29	29	30	2.3%	0.6%
Sales of capital assets	-	-	-	111	111	-	-	-	-	-	-100.0%	0.6%
Transactions in financial assets and liabilities	134	418	510	447	447	49.4%	0.3%	456	465	474	2.0%	9.5%
National Revenue Fund receipts	387 618	37 000	-	-	-	-100.0%	95.8%	-	-	-	-	-
of which:												
Electricity Distribution Industry Holdings	387 618	37 000	-	-	-	-100.0%	95.8%	-	-	-	-	-
Total	390 134	43 472	5 277	3 950	4 381	-77.6%	100.0%	4 840	5 004	5 190	5.8%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 26.6 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
Ministry	20.8	35.5	41.8	27.3	9.4%	13.2%	27.0	28.3	29.8	3.0%	11.3%
Departmental Management	36.5	43.3	45.8	52.1	12.6%	18.6%	52.3	59.3	63.0	6.5%	22.7%
Finance Administration	53.2	27.2	29.4	34.3	-13.6%	15.1%	34.4	34.7	36.4	2.0%	14.0%
Audit Services	5.9	4.6	6.8	7.7	9.6%	2.6%	7.8	7.7	7.9	0.7%	3.1%
Corporate Services	74.8	122.0	109.1	94.7	8.2%	42.0%	86.5	87.2	86.9	-2.8%	35.7%
Office Accommodation	25.6	-	24.4	30.5	6.0%	8.4%	32.1	33.3	35.2	4.9%	13.2%
Total	216.8	232.6	257.2	246.6	4.4%	100.0%	240.1	250.5	259.2	1.7%	100.0%
Change to 2015				4.0			(5.4)	(7.5)	(13.8)		
Budget estimate											
Economic classification											
Current payments	206.0	221.1	248.4	241.4	5.4%	96.2%	232.9	242.7	253.1	1.6%	97.4%
Compensation of employees	92.9	112.6	131.5	131.2	12.2%	49.1%	136.8	143.1	148.6	4.2%	56.2%
Goods and services	113.1	108.4	116.9	110.2	-0.9%	47.1%	96.1	99.6	104.5	-1.8%	41.2%
of which:											
Audit costs: External	4.8	4.5	3.6	3.6	-9.4%	1.7%	3.9	4.0	4.2	5.8%	1.6%
Computer services	7.4	7.4	10.2	10.2	11.2%	3.7%	6.0	6.2	6.5	-13.9%	2.9%
Consultants: Business and advisory services	4.6	3.5	5.1	4.3	-2.3%	1.8%	4.9	5.1	5.3	7.2%	2.0%
Operating leases	28.6	26.3	26.7	29.0	0.5%	11.6%	32.8	34.1	36.1	7.6%	13.2%
Travel and subsistence	19.3	29.9	27.8	21.8	4.1%	10.4%	19.6	20.0	20.3	-2.4%	8.2%
Training and development	1.4	3.1	5.6	4.4	46.6%	1.5%	3.8	3.9	4.1	-2.4%	1.6%
Transfers and subsidies	0.2	0.2	5.0	1.2	87.5%	0.7%	3.2	3.5	1.6	9.8%	0.9%
Departmental agencies and accounts	-	-	0.8	0.8	-	0.2%	1.0	1.0	1.1	11.8%	0.4%
Foreign governments and international organisations	-	-	0.3	-	-	-	-	-	-	-	-
Households	0.2	0.2	3.9	0.4	29.4%	0.5%	2.2	2.4	0.5	5.4%	0.5%
Payments for capital assets	10.5	11.3	3.8	4.0	-27.6%	3.1%	4.1	4.3	4.6	4.5%	1.7%
Machinery and equipment	9.9	11.3	3.8	4.0	-26.1%	3.0%	4.1	4.3	4.6	4.5%	1.7%
Software and other intangible assets	0.6	-	-	-	-100.0%	0.1%	-	-	-	-	-
Payments for financial assets	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Total	216.8	232.6	257.2	246.6	4.4%	100.0%	240.1	250.5	259.2	1.7%	100.0%
Proportion of total programme expenditure to vote expenditure	3.3%	3.6%	4.1%	3.4%	-	-	3.2%	3.1%	3.1%	-	-

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
 - improving efficiency through the introduction of regulations for liquefied petroleum gas supply and distribution in order to reduce prices by March 2016
 - developing key indicators to effectively monitor energy sector policies on an ongoing basis
 - planning interventions to expand energy infrastructure through the development of a policy framework for the integrated energy plan, the integrated resource plan, the liquid fuels infrastructure roadmap, the transmission development plan and the major distribution infrastructure plan over the medium term
 - publishing an annual energy statistics report to facilitate information-based decision making.
- Address current and envisaged energy supply and distribution constraints through the development of an approach to distribution asset management norms and standards in order to rehabilitate critical municipal electricity distribution infrastructure over the medium term.

- Improve liquid fuels energy security by developing and implementing the liquid fuels 20-year infrastructure plan over the medium term.
- Develop a regulatory framework that supports carbon capture and storage test injection by 2016.
- 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 of renewable energy to at least 42 per cent by 2030.

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 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 impact on 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 energy supply and distribution constraints, and addresses them through the integrated energy plan; manages the overall collection, collation, validation, integrity and quality of energy data; and is responsible for managing 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 a secure energy supply, well managed demand, and enhanced access to hydrocarbons; 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 a secure energy supply, well managed demand and a transformed energy sector, and energy regulation and competition that is improved 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 26.7 Energy Policy and Planning expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Policy Analysis and Research	11.8	2.3	0.5	1.5	-50.3%	1.0%	2.4	2.4	2.5	19.3%	4.7%
Energy Planning	15.3	18.4	23.1	22.0	12.9%	4.7%	24.1	24.0	26.2	6.0%	51.4%
Hydrocarbon Policy	1 513.1	15.4	11.7	12.9	-79.6%	92.5%	12.4	12.1	13.1	0.6%	26.9%
Electricity, Energy Efficiency and Environmental Policy	5.2	11.6	6.4	7.8	14.5%	1.8%	7.9	7.8	8.4	2.4%	17.0%
Total	1 545.3	47.8	41.7	44.1	-69.4%	100.0%	46.7	46.3	50.1	4.3%	100.0%
Change to 2015 Budget estimate				(1.0)			0.3	(2.7)	(1.7)		
Economic classification											
Current payments	45.3	47.7	41.7	44.1	-0.9%	10.7%	46.7	46.3	50.1	4.3%	100.0%
Compensation of employees	32.9	28.3	28.8	31.7	-1.2%	7.3%	34.8	33.8	37.1	5.3%	73.4%
Goods and services	12.4	19.4	13.0	12.4	-0.1%	3.4%	12.0	12.5	13.0	1.8%	26.6%
of which:											
Administrative fees	0.3	0.4	0.2	0.5	25.9%	0.1%	0.4	0.5	0.5	-0.9%	1.0%
Communication	0.4	0.4	0.4	0.6	10.2%	0.1%	0.5	0.5	0.6	-0.9%	1.2%
Consultants: Business and advisory services	5.9	9.6	8.1	5.0	-5.6%	1.7%	4.7	4.9	5.1	0.8%	10.5%
Consumables: Stationery, printing and office supplies	0.1	0.3	0.0	0.3	75.4%	-	0.3	0.3	0.3	0.4%	0.7%
Travel and subsistence	4.3	5.0	2.9	4.2	-0.9%	1.0%	3.9	4.1	4.3	0.9%	8.8%
Venues and facilities	0.6	1.5	0.2	0.8	13.4%	0.2%	1.2	1.2	1.2	12.5%	2.3%
Transfers and subsidies	1 500.0	0.0	0.0	-	-100.0%	89.3%	-	-	-	-	-
Public corporations and private enterprises	1 500.0	-	-	-	-100.0%	89.3%	-	-	-	-	-
Total	1 545.3	47.8	41.7	44.1	-69.4%	100.0%	46.7	46.3	50.1	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	23.2%	0.7%	0.7%	0.6%	-	-	0.6%	0.6%	0.6%	-	-

Table 26.7 Energy Policy and Planning expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)		Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17		2017/18	2018/19	2015/16 - 2018/19			
R million													
Public corporations and private enterprises													
Public corporations													
Public corporations - subsidies on products and production													
Capital	1 500.0	-	-	-	-100.0%	89.3%		-	-	-	-	-	-
Transnet	1 500.0	-	-	-	-100.0%	89.3%		-	-	-	-	-	-

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, wholesaling and retailing activities on an ongoing basis.
- Strengthen the regulatory framework in the liquid fuels petroleum industry by implementing the regulatory accounting system on an ongoing basis to introduce a transparent fuel pricing mechanism that will provide 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 sub-programme also processes arbitration requests as well as 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 and ensuring the supply of hydrocarbons and compliance with permits and the 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. Fuel price administration includes developing, evaluating and monitoring price models; updating elements of the basic fuel price; and ensuring secure audit services for the auditing of fuel prices to ensure internationally competitive pricing of petroleum products 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 26.8 Petroleum and Petroleum Products Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
Petroleum Compliance, Monitoring and Enforcement	5.1	6.8	13.5	15.1	43.6%	19.5%	13.7	13.9	14.4	-1.8%	18.5%
Petroleum Licensing and Fuel Supply	12.4	15.5	19.4	20.3	17.9%	32.5%	24.1	23.9	25.4	7.8%	30.3%
Fuel Pricing	12.4	3.6	9.2	8.6	-11.4%	16.2%	7.5	7.6	7.8	-3.4%	10.2%
Regional Petroleum Regulation Offices	14.5	-	22.4	29.3	26.6%	31.8%	32.6	31.7	32.8	3.8%	40.9%
Total	44.4	25.8	64.5	73.4	18.2%	100.0%	77.9	77.0	80.4	3.1%	100.0%
Change to 2015 Budget estimate				(1.0)			1.3	(3.6)	(5.0)		
Economic classification											
Current payments	44.4	25.8	62.2	73.4	18.2%	98.9%	77.9	77.0	80.4	3.1%	100.0%
Compensation of employees	35.6	19.1	41.9	50.9	12.7%	70.9%	56.8	55.1	57.5	4.1%	71.4%
Goods and services	8.8	6.7	20.3	22.5	36.7%	28.0%	21.1	21.9	22.9	0.7%	28.6%
<i>of which:</i>											
Advertising	0.4	3.2	0.5	0.8	30.3%	2.3%	1.0	1.0	1.0	7.5%	1.2%
Communication	0.4	0.3	0.3	0.7	21.5%	0.8%	0.6	0.6	0.6	-1.0%	0.8%
Consultants: Business and advisory services	1.7	0.4	9.1	10.3	80.5%	10.3%	9.3	10.0	10.5	0.8%	13.0%
Travel and subsistence	4.6	1.6	5.7	4.5	-0.6%	7.9%	4.6	4.4	4.6	0.7%	5.9%
Operating payments	0.1	0.1	3.0	2.8	220.1%	2.9%	2.5	2.6	2.7	-1.5%	3.4%
Venues and facilities	0.3	0.1	0.4	1.3	57.6%	1.0%	1.3	1.4	1.4	4.2%	1.8%
Transfers and subsidies	0.0	0.1	2.3	-	-100.0%	1.1%	-	-	-	-	-
Foreign governments and international organisations	-	-	2.3	-	-	1.1%	-	-	-	-	-
Households	0.0	0.1	-	-	-100.0%	-	-	-	-	-	-
Total	44.4	25.8	64.5	73.4	18.2%	100.0%	77.9	77.0	80.4	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.4%	1.0%	1.0%	-	-	1.0%	0.9%	0.9%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	-	-	2.3	-	-	1.1%	-	-	-	-	-
African Petroleum Producer Association	-	-	2.3	-	-	1.1%	-	-	-	-	-

Programme 4: Electrification and Energy Programme and Project Management

Programme purpose

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

Objectives

- Increase access to electricity by managing 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 26.9 Electrification and Energy Programme and Project Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)		Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
R million													
Integrated National Electrification Programme	3 106.4	3 907.9	4 142.6	5 777.2	23.0%	99.2%	5 657.0	6 173.2	6 421.6	3.6%	99.3%		
Energy Regional Offices	5.1	33.2	17.6	12.0	32.6%	0.4%	15.7	15.3	16.4	11.2%	0.2%		
Programme and Project Management Office	–	5.9	7.2	9.6	–	0.1%	11.5	11.6	11.9	7.1%	0.2%		
Electricity Infrastructure/Industry Transformation	0.8	4.3	6.6	9.4	126.2%	0.1%	9.7	10.2	10.3	3.1%	0.2%		
Community Upliftment Programmes and Projects	3.6	7.2	7.0	5.6	15.3%	0.1%	5.9	5.9	6.0	2.3%	0.1%		
Total	3 116.0	3 958.5	4 181.0	5 813.8	23.1%	100.0%	5 699.9	6 216.1	6 466.1	3.6%	100.0%		
Change to 2015 Budget estimate				35.5			(334.4)	(177.1)	(297.9)				
Economic classification													
Current payments	26.7	72.0	58.2	53.6	26.1%	1.2%	60.9	63.1	65.0	6.6%	1.0%		
Compensation of employees	19.7	46.1	36.2	38.9	25.5%	0.8%	45.7	45.1	46.6	6.2%	0.7%		
Goods and services	7.1	26.0	22.0	14.8	27.9%	0.4%	15.2	17.9	18.4	7.6%	0.3%		
of which:													
Administrative fees	0.2	1.2	1.0	0.9	55.4%	–	0.8	0.8	0.9	-1.7%	–		
Catering: Departmental activities	0.3	1.1	0.3	0.6	22.1%	–	0.7	0.7	0.7	4.4%	–		
Communication	0.3	0.5	0.5	0.8	37.0%	–	0.7	0.7	0.7	-0.9%	–		
Consultants: Business and advisory services	0.0	0.0	0.0	–	-100.0%	–	2.0	3.5	4.1	–	–		
Travel and subsistence	4.2	15.3	14.3	8.6	26.8%	0.2%	8.3	8.6	9.0	1.6%	0.1%		
Venues and facilities	1.0	5.2	4.4	2.6	39.4%	0.1%	1.6	1.7	1.8	-12.0%	–		
Transfers and subsidies	3 089.2	3 886.2	4 122.7	5 760.2	23.1%	98.8%	5 639.0	6 153.0	6 401.2	3.6%	99.0%		
Provinces and municipalities	1 151.4	1 634.8	1 104.7	1 980.3	19.8%	34.4%	1 946.2	2 087.0	2 204.5	3.6%	34.0%		
Public corporations and private enterprises	1 937.7	2 251.3	3 018.0	3 779.8	24.9%	64.4%	3 692.8	4 066.0	4 196.7	3.5%	65.0%		
Households	0.1	0.0	0.0	–	-100.0%	–	–	–	–	–	–		
Payments for capital assets	–	0.4	–	–	–	–	–	–	–	–	–		
Software and other intangible assets	–	0.3	–	–	–	–	–	–	–	–	–		
Total	3 116.0	3 958.5	4 181.0	5 813.8	23.1%	100.0%	5 699.9	6 216.1	6 466.1	3.6%	100.0%		
Proportion of total programme expenditure to vote expenditure	46.8%	61.1%	67.2%	80.0%	–	–	75.5%	76.5%	76.2%	–	–		

Table 26.9 Electrification and Energy Programme and Project Management expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome			2015/16				2012/13 - 2015/16	2016/17	2017/18		
R million	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	1 151.4	1 634.8	1 104.7	1 980.3	19.8%	34.4%	1 946.2	2 087.0	2 204.5	3.6%	34.0%
Integrated national electrification programme grant	1 151.4	1 314.8	1 104.7	1 980.3	19.8%	32.5%	1 946.2	2 087.0	2 204.5	3.6%	34.0%
Integrated national electrification programme: Approach to distribution asset management	–	320.0	–	–	–	1.9%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Capital	1 879.4	2 141.0	2 948.0	3 613.2	24.3%	62.0%	3 526.3	3 876.2	3 995.0	3.4%	62.0%
Eskom: Integrated national electrification programme allocation-in-kind	1 879.4	2 141.0	2 948.0	3 613.2	24.3%	62.0%	3 526.3	3 876.2	3 995.0	3.4%	62.0%
Private enterprises											
Private enterprises - subsidies on products and production											
Capital	58.3	110.3	70.0	166.6	41.9%	2.4%	166.4	189.8	201.6	6.6%	3.0%
Integrated national electrification programme	58.3	110.3	70.0	166.6	41.9%	2.4%	166.4	189.8	201.6	6.6%	3.0%

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 2016/17, as provided for in the radioactive waste management policy and strategy of 2005, and the the National Radioactive Waste Disposal Institute Act (2008).
- Contribute towards ensuring the security of energy supply through initiating a request for proposal to the market on the new nuclear build programme and undertake the necessary work over the medium term.
- Manage the procurement process for the new nuclear build programme in line with the Integrated Resource Plan.
- 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, 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 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 also makes transfers to the South African Nuclear Energy Corporation and the National Nuclear Regulator.

- *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 control of nuclear material through authorisation; ensuring compliance by conducting inspections and audits; and regulating security of nuclear material by implementing the security measures during transportation, use, storage as well as during the 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, legislation, and provides advice accordingly. This subprogramme will manage the call for proposals for the new nuclear build procurement and the necessary due diligence on the proposed transaction.

Expenditure trends and estimates

Table 26.10 Nuclear Energy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Nuclear Safety and Technology	638.7	712.4	832.3	638.5	–	98.5%	651.7	746.5	789.2	7.3%	91.5%
Nuclear Non-proliferation and Radiation Security	3.8	5.5	6.2	7.4	24.3%	0.8%	8.3	8.2	8.5	4.6%	1.0%
Nuclear Policy	0.7	4.7	7.0	8.0	126.8%	0.7%	203.6	9.8	9.9	7.4%	7.5%
Total	643.2	722.5	845.4	653.9	0.5%	100.0%	863.6	764.5	807.5	7.3%	100.0%
Change to 2015 Budget estimate				(0.5)			194.2	(1.5)	(2.9)		
Economic classification											
Current payments	32.7	23.2	34.0	32.4	-0.3%	4.3%	230.2	36.6	37.4	4.9%	10.9%
Compensation of employees	8.7	10.1	13.4	18.5	28.6%	1.8%	19.4	20.1	20.3	3.2%	2.5%
Goods and services	24.0	13.2	20.6	14.0	-16.6%	2.5%	210.8	16.5	17.1	7.0%	8.4%
of which:											
Advertising	1.3	4.1	0.5	1.9	13.3%	0.3%	2.3	2.4	2.3	5.8%	0.3%
Communication	0.2	0.2	0.1	0.2	7.8%	–	0.2	0.2	0.3	10.5%	–
Consultants: Business and advisory services	2.7	3.3	11.8	7.3	38.7%	0.9%	205.3	10.7	11.0	14.7%	7.6%
Consumables: Stationery, printing and office supplies	0.1	0.2	0.5	0.4	87.8%	–	0.4	0.5	0.5	7.4%	0.1%
Travel and subsistence	1.8	3.5	3.4	2.1	5.7%	0.4%	1.7	1.8	2.0	-0.6%	0.2%
Venues and facilities	0.4	0.8	3.4	1.5	60.7%	0.2%	0.6	0.7	0.7	-22.1%	0.1%
Transfers and subsidies	610.5	699.3	811.4	621.5	0.6%	95.7%	633.3	727.9	770.1	7.4%	89.1%
Departmental agencies and accounts	42.9	68.2	33.7	21.5	-20.6%	5.8%	16.6	38.6	40.8	23.8%	3.8%
Foreign governments and international organisations	–	38.9	17.0	19.6	–	2.6%	17.4	17.9	18.9	-1.1%	2.4%
Public corporations and private enterprises	567.6	592.2	760.7	580.4	0.7%	87.3%	599.3	671.4	710.3	7.0%	82.9%
Total	643.2	722.5	845.4	653.9	0.5%	100.0%	863.6	764.5	807.5	7.3%	100.0%
Proportion of total programme expenditure to vote expenditure	9.7%	11.2%	13.6%	9.0%	–	–	11.4%	9.4%	9.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	42.5	67.8	33.3	21.1	-20.8%	5.8%	16.2	38.2	40.4	24.1%	3.8%
National Nuclear Regulator	42.5	48.0	33.3	21.1	-20.8%	5.1%	16.2	38.2	40.4	24.1%	3.8%
National Radioactive Waste Disposal Institute	–	19.8	–	–	–	0.7%	–	–	–	–	–
Foreign governments and international organisations											
Current	–	–	–	0.6	–	–	0.7	0.7	0.7	7.3%	0.1%
Generation IV International Forum	–	–	–	0.6	–	–	0.7	0.7	0.7	7.3%	0.1%
Capital	–	38.9	17.0	19.0	–	2.6%	16.7	17.2	18.2	-1.4%	2.3%
International Atomic Energy Agency	–	38.9	17.0	19.0	–	2.6%	16.7	17.2	18.2	-1.4%	2.3%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	489.1	460.4	491.9	498.8	0.7%	67.7%	513.5	581.2	614.9	7.2%	71.5%
South African Nuclear Energy Corporation	489.1	460.4	491.9	482.7	-0.4%	67.2%	496.4	563.1	595.7	7.3%	69.2%
South African Nuclear Energy Corporation	–	–	–	16.1	–	0.6%	17.1	18.1	19.2	5.9%	2.3%
Capital	78.5	131.8	268.8	81.6	1.3%	19.6%	85.9	90.2	95.4	5.4%	11.4%
South African Nuclear Energy Corporation	78.5	131.8	268.8	81.6	1.3%	19.6%	85.9	90.2	95.4	5.4%	11.4%

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
 - publishing climate change strategies and plans
 - developing a regulatory framework that supports carbon capture and storage test injection by 2016.
- 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 energy management plan annually.

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 environment response measures, in terms of mitigation and adaptation, are implemented within the energy sector. It also ensures the fulfilment of international energy commitments and obligations under the United Nations Framework Convention on Climate Change pertaining to the Kyoto Protocol.

Expenditure trends and estimates

Table 26.11 Clean Energy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16					2015/16 - 2018/19	
Energy Efficiency	1 027.0	1 347.5	658.7	357.1	-29.7%	88.1%	582.0	700.7	744.9	27.8%	90.0%
Renewable Energy	62.8	137.5	167.4	71.2	4.3%	11.4%	27.1	66.2	69.8	-0.7%	8.8%
Climate Change and Designated National Authority	3.6	4.8	4.2	7.5	27.6%	0.5%	7.8	7.7	8.3	3.7%	1.2%
Total	1 093.3	1 489.9	830.3	435.8	-26.4%	100.0%	616.9	774.6	823.1	23.6%	100.0%
Change to 2015 Budget estimate				(251.5)			(5.9)	(12.9)	(10.1)		

Table 26.11 Clean Energy expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Current payments	16.5	24.9	29.0	63.8	56.8%	3.5%	90.4	100.5	109.9	19.9%	13.8%
Compensation of employees	11.7	12.4	12.4	18.3	15.9%	1.4%	17.3	16.8	17.5	-1.4%	2.6%
Goods and services	4.8	12.5	16.6	45.5	111.7%	2.1%	73.1	83.7	92.4	26.6%	11.1%
<i>of which:</i>											
Advertising	0.2	0.4	0.6	2.4	147.1%	0.1%	0.8	0.9	1.0	-25.8%	0.2%
Consultants: Business and advisory services	0.3	8.6	9.6	31.6	367.7%	1.3%	57.4	65.6	73.4	32.5%	8.6%
Agency and support/outourced services	-	-	-	3.0	-	0.1%	7.1	9.1	9.5	46.9%	1.1%
Property payments	-	-	-	-	-	-	0.7	0.7	0.7	-	0.1%
Travel and subsistence	2.9	2.8	2.2	2.1	-10.3%	0.3%	4.6	4.0	4.2	27.0%	0.6%
Venues and facilities	0.1	0.2	3.7	2.5	223.4%	0.2%	1.4	1.5	1.5	-15.5%	0.3%
Transfers and subsidies	1 076.8	1 465.0	801.3	372.0	-29.8%	96.5%	526.6	674.1	713.2	24.2%	86.2%
Provinces and municipalities	200.0	180.7	136.9	177.9	-3.8%	18.1%	185.6	203.2	215.0	6.5%	29.5%
Departmental agencies and accounts	56.1	134.3	162.7	64.9	4.9%	10.9%	20.6	59.8	63.2	-0.8%	7.9%
Foreign governments and international organisations	-	(0.0)	1.7	-	-	-	-	-	-	-	-
Public corporations and private enterprises	820.6	1 149.9	500.0	129.3	-46.0%	67.5%	320.3	411.1	434.9	49.8%	48.9%
Total	1 093.3	1 489.9	830.3	435.8	-26.4%	100.0%	616.9	774.6	823.1	23.6%	100.0%
Proportion of total programme expenditure to vote expenditure	16.4%	23.0%	13.3%	6.0%	-	-	8.2%	9.5%	9.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	56.1	63.3	51.7	64.9	4.9%	6.1%	20.6	59.8	63.2	-0.8%	7.9%
South African National Energy Development Institute	56.1	63.3	51.7	64.9	4.9%	6.1%	20.6	59.8	63.2	-0.8%	7.9%
Capital	-	71.0	111.0	-	-	4.7%	-	-	-	-	-
South African National Energy Development Institute	-	71.0	111.0	-	-	4.7%	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	200.0	180.7	136.9	177.9	-3.8%	18.1%	185.6	203.2	215.0	6.5%	29.5%
Energy efficiency and demand side management grant	200.0	180.7	136.9	177.9	-3.8%	18.1%	185.6	203.2	215.0	6.5%	29.5%
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	820.6	1 149.9	500.0	129.3	-46.0%	67.5%	320.3	411.1	434.9	49.8%	48.9%
Various institutions: Solar water heater project	820.6	1 149.9	500.0	129.3	-46.0%	67.5%	320.3	411.1	434.9	49.8%	48.9%

Entities

Central Energy Fund

Mandate

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

Through its 8 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. The 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 26.12 Central Energy Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of crude oil barrels maintained as per ministerial directive per year	Ensure the security of energy supply by diversifying sources, and by building and managing strategic energy stocks and energy infrastructure	Outcome 6: An efficient, competitive and responsive economic infrastructure network	10.3 million						
Number of demonstrations of the Basa njengo Magogo method for cleaner coal usage in townships per year ¹	Invest in relevant research and development activities		40 000	40 000	-1	-1	-1	-1	-1
Number of new solar water heating units installed per year ¹	Invest in relevant research and development activities		1 500	6 600	-1	-1	-1	-1	-1
Number of tons (in thousands) of coal produced at Vlakfontein by the African Exploration Mining And Finance Corporation per year	Acquire, hold and develop exploration and mining rights		1 200	1 700	1 150	1 416	1 560	2 689	4 838
Volume of liquid fuel supplied to the South African market per year	Ensure the security of energy supply by diversifying sources, and by building and managing strategic energy stocks and energy infrastructure		-2	-2	4.4 million	4.8 million	5.3 million	5.8 million	6.8 million
Number of reportable environmental incidents at PetroSA per year	Ensure the security of energy supply by diversifying sources, and by building and managing strategic energy stocks and energy infrastructure		-2	-2	7	11	12	12	12

1. These indicators are discontinued from 2014/15 onwards.

2. No historical data is available as these indicators were introduced in 2014/15.

Expenditure analysis

The national development plan envisages that, by 2030, South Africa should have an adequate supply of electricity and liquid fuels so that economic activity and welfare are not disrupted. This is in line with outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium term strategic framework. A number of the main operational activities of the Central Energy Fund, such as the manufacturing of liquid fuel, and the acquisition, generation, manufacturing, marketing or distribution of any other forms of energy, support the visions of these guiding policy documents.

The fund's Vision 2025 strategy was completed in 2014 with the aim of restructuring the organisation. The strategy aims to stabilise and grow the business in the short term, and to lay foundations for much stronger growth in the medium term. The three key phases are stabilisation, growth, and leading, and these will be the main focus areas over the medium term.

The stabilisation phase includes PetroSA's turnaround project, which aims to steady its financial and operating environment; tank refurbishment at Milnerton and Saldanha to enable the Strategic Fuel Fund to increase the storage of crude oil in line with government policy; the consideration of a gas to power project to divert tail gas to Eskom's Gourikwa power station; and a condensate project (a process of extracting raw gas and turning it into a liquid state), which seeks to address feedstock challenges. These projects will require the acquisition of assets, which are expected to amount to R9.6 billion over the medium term.

The growth phase of Vision 2025 involves the implementation of projects that will enable the fund to achieve its mandate and ensure long term financial sustainability.

The lead phase seeks to achieve the long term objective of making the fund a market leader in the security of energy supply, and to generate investment income from the refinery, gas infrastructure, and renewable energy projects. In particular, the Strategic Fuel Fund, the Petroleum Agency South Africa, iGas and PetroSA will be involved in increasing storage capacities, holding increased volumes of strategic stocks, and distributing petroleum products. iGas will be positioned to become an active infrastructure partner for increased gas supply into South Africa, as market indications are that global demand for gas will grow at about 2.5 per cent per year until 2018. The fund also aims to comply with the ministerial directive of maintaining 10.3 million barrels of crude oil per year, and to supply the South African market with 4.8 million barrels of liquid fuel per year over the medium term, made possible by the increased coal production at Vlakfontein. As a result of these initiatives,

expenditure in the invest in relevant research and development activities programme is expected to grow at an average annual rate of 19.5 per cent over the medium term, while expenditure in the acquire, hold and develop exploration and mining rights programme is expected to increase at an average annual rate of 39.7 per cent over the same period.

The fund is experiencing a lack of feedstock and heavy reliance on condensate refining, but the introduction of the delivery of gas to Eskom's Gourikwa power station, which is planned to come on stream from 2017/18, will allow for feedstock for the production of gas to liquid petroleum products. Revenue is thus expected to increase at a rate of 1.9 per cent over the medium term from R20 billion in 2015/16 to R21.1 billion in 2018/19. The fund derives revenue mostly from the sale of fuel and crude oil products.

The cost of acquiring goods sold, such as oil, gas and coal, is expected to drive an increase in total expenditure from R19.5 billion in 2015/16 to R21.4 billion in 2018/19. Expenditure on goods and services is set to increase at an average annual rate of 2.3 per cent over the medium term due to the costs associated with infrastructure expansion, strategic stocks, and restructuring initiatives.

The fund has 1 886 filled posts, and this number is expected to remain constant over the medium term. Expenditure on compensation of employees is expected to increase from R1 billion in 2015/16 to R1.2 billion in 2018/19 due to inflationary adjustments.

Programmes/objectives/activities

Table 26.13 Central Energy Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	183.3	279.9	267.0	275.5	14.5%	1.0%	348.3	512.5	780.0	41.5%	2.3%
Invest in relevant research and development activities	189.3	12.7	223.3	330.6	20.4%	0.8%	381.8	458.1	563.9	19.5%	2.1%
Ensure the security of energy supply by diversifying sources, and by building and managing strategic energy stocks and energy infrastructure	19 843.4	24 411.7	33 551.9	18 014.2	-3.2%	95.6%	18 159.0	18 299.2	17 959.2	-0.1%	87.9%
Acquire, hold and develop exploration and mining rights	263.0	335.7	679.2	709.4	39.2%	2.1%	1 305.2	1 845.8	1 932.0	39.7%	6.9%
Promote exploration and exploitation of natural oil and gas	75.5	83.6	115.7	140.9	23.1%	0.4%	158.0	165.9	174.2	7.3%	0.8%
Total	20 554.6	25 123.5	34 837.2	19 470.6	-1.8%	100.0%	20 352.3	21 281.4	21 409.2	3.2%	100.0%

Statements of historical financial performance and position

Table 26.14 Central Energy Fund statements of historical financial performance and position

Statement of financial performance									
R million	2012/13		2013/14		2014/15		2015/16		Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	16 477.2	21 406.1	26 303.6	23 670.7	19 289.0	19 719.5	27 547.0	19 936.4	94.6%
Sale of goods and services other than capital assets	15 753.6	19 453.1	22 915.4	21 553.2	18 481.3	18 515.2	26 797.8	19 187.2	93.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	15 753.6	19 453.1	22 915.4	21 553.2	18 481.3	18 515.2	26 797.8	19 187.2	93.8%
Other non-tax revenue	723.5	1 953.0	3 388.1	2 117.5	807.7	1 204.4	749.2	749.2	106.3%
Total revenue	16 477.2	21 435.3	26 303.6	23 670.7	19 289.0	20 562.8	27 571.5	19 960.9	95.5%
Expenses									
Current expenses	15 039.7	20 554.6	24 517.8	24 995.7	117 272.1	34 837.2	19 348.7	19 348.7	56.6%
Compensation of employees	1 313.6	1 045.1	1 492.6	756.6	1 629.2	1 408.6	1 013.4	1 013.4	77.5%
Goods and services	12 718.5	18 382.2	20 051.7	23 315.8	115 515.5	29 725.6	18 139.6	18 139.6	53.8%
Depreciation	888.1	384.3	1 800.3	21.9	83.5	2 372.6	73.3	73.3	100.2%
Interest, dividends and rent on land	119.5	743.0	1 173.2	901.4	43.9	1 330.5	122.4	122.4	212.3%
Total expenses	15 039.7	20 554.6	24 517.8	25 123.5	117 506.3	34 837.2	19 470.6	19 470.6	56.6%
Surplus/(Deficit)	1 438.0	881.0	1 786.0	(1 453.0)	(98 217.0)	(14 274.0)	8 101.0	490.0	-
Statement of financial position									
Carrying value of assets	13 765.4	17 265.7	18 721.2	21 336.8	25 561.0	11 237.6	19 678.8	14 678.8	83.0%
<i>Acquisition of assets</i>	(11 320.5)	(11 320.5)	(0.6)	(5 476.8)	(6 399.9)	(6 145.7)	(3 883.2)	(3 883.2)	124.2%
Investments	2 884.3	3 633.4	20 958.8	6 060.2	12 066.6	4 455.1	7 768.2	7 768.2	50.2%
Inventory	2 064.2	6 178.5	3 464.0	2 984.5	2 163.9	2 213.2	2 290.7	2 290.7	136.9%
Loans	-	-	-	8.4	1 410.0	9.7	-	-	1.3%
Receivables and prepayments	3 212.0	3 676.2	3 395.5	3 720.8	3 417.2	3 373.9	2 080.6	2 080.6	106.2%
Cash and cash equivalents	7 924.2	13 073.3	1 466.4	11 310.9	5 000.3	10 364.0	8 085.8	8 085.8	190.6%
Non-current assets held for sale	773.4	-	-	10.7	-	60.7	-	-	9.2%
Taxation	-	27.8	5.9	12.7	5.3	16.3	5.5	5.5	374.3%
Derivatives financial instruments	7 115.6	-	-	-	-	-	-	-	-
Total assets	37 739.1	43 854.8	48 011.8	45 445.0	49 624.2	31 730.6	39 909.6	34 909.6	89.0%
Accumulated surplus/(deficit)	28 176.7	27 379.0	25 588.4	27 762.3	28 370.9	13 400.3	23 314.5	18 314.5	82.4%
Capital and reserves	(77.3)	146.4	80.7	1 457.9	2 123.9	1 703.2	276.0	276.0	149.1%
Borrowings	1 641.8	-	12 961.0	394.1	4 219.0	287.2	1 330.0	1 330.0	10.0%
Finance lease	34.2	0.9	-	-	-	0.6	-	-	4.3%
Deferred income	13.8	10.3	-	2.6	2.3	1.0	-	-	86.5%
Trade and other payables	1 411.9	3 541.8	798.0	3 597.8	3 435.4	4 033.4	2 880.8	2 880.4	164.8%
Taxation	-	1 766.5	1.5	1 837.8	1 419.8	993.8	1 654.5	1 654.5	203.3%
Provisions	6 538.0	8 865.0	8 573.0	8 759.1	10 052.9	10 321.8	9 882.2	9 882.6	107.9%
Derivatives financial instruments	-	2 132.3	-	1 633.6	-	989.3	571.2	571.2	932.5%
Total equity and liabilities	37 739.1	43 854.8	48 011.8	45 445.0	49 624.2	31 730.6	39 909.6	34 909.6	89.0%

Statements of estimates of financial performance and position

Table 26.15 Central Energy Fund statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Expen- diture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen- diture/ Total: Average (%)	
				2016/17	2017/18	2018/19			
Revenue									
Non-tax revenue	19 936.4	-2.3%	98.9%	20 264.3	20 500.3	21 140.3	2.0%	100.0%	
Sale of goods and services other than capital assets	19 187.2	-0.5%	92.0%	19 381.8	19 735.3	20 151.5	1.6%	95.8%	
<i>of which:</i>									
<i>Sales by market establishment</i>	19 187.2	-0.5%	92.0%	19 381.8	19 735.3	20 151.5	1.6%	95.8%	
Other non-tax revenue	749.2	-27.3%	6.9%	882.6	765.0	988.7	9.7%	4.1%	
Total revenue	19 960.9	-2.3%	100.0%	20 264.3	20 500.3	21 140.3	1.9%	100.0%	
Expenses									
Current expenses	19 348.7	-2.0%	99.7%	20 193.9	21 079.5	21 115.4	3.0%	71.9%	
Compensation of employees	1 013.4	-1.0%	4.3%	1 080.3	1 157.8	1 242.2	7.0%	5.4%	
Goods and services	18 139.6	-0.4%	90.2%	18 849.9	19 622.2	19 408.7	2.3%	92.2%	
Depreciation	73.3	-42.4%	2.3%	174.9	182.0	184.8	36.1%	0.7%	
Interest, dividends and rent on land	122.4	-45.2%	2.9%	88.8	117.5	279.6	31.7%	0.7%	
Total expenses	19 470.6	-1.8%	100.0%	20 352.3	21 281.4	21 409.2	3.2%	100.0%	
Surplus/(Deficit)	490.0	-	-	(88.0)	(781.0)	(269.0)	-181.9%	-	

Table 26.15 Central Energy Fund statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)			
				2015/16	2012/13 - 2015/16	2016/17			2017/18	2018/19	2015/16 - 2018/19
				R million							
Carrying value of assets	14 678.8	-5.3%	40.9%	18 333.9	18 239.4	19 028.3	9.0%	45.8%			
of which:											
Acquisition of assets	(3 883.2)	-30.0%	-17.1%	(4 657.8)	(3 323.9)	(1 600.0)	-25.6%	-9.0%			
Investments	7 768.2	28.8%	14.5%	8 014.7	8 320.0	9 272.5	6.1%	21.8%			
Inventory	2 290.7	-28.2%	8.5%	2 429.3	2 620.0	2 711.4	5.8%	6.6%			
Receivables and prepayments	2 080.6	-17.3%	8.3%	2 134.8	2 599.8	3 560.8	19.6%	6.7%			
Cash and cash equivalents	8 085.8	-14.8%	27.6%	5 063.6	8 125.4	8 160.7	0.3%	19.2%			
Taxation	5.5	-41.6%	0.0%	19.3	20.5	27.3	70.2%	0.0%			
Total assets	34 909.6	-7.3%	100.0%	35 995.6	39 925.1	42 761.0	7.0%	100.0%			
Accumulated surplus/(deficit)	18 314.5	-12.5%	54.6%	19 146.9	22 248.3	24 199.7	9.7%	54.5%			
Capital and reserves	276.0	23.5%	2.4%	276.0	276.0	276.0	-	0.7%			
Borrowings	1 330.0	-	1.4%	1 848.0	2 281.5	2 427.2	22.2%	5.1%			
Accrued interest	0.4	-	0.0%	0.3	0.1	0.1	-30.0%	0.0%			
Trade and other payables	2 880.4	-6.7%	9.2%	2 777.9	2 803.3	2 947.4	0.8%	7.5%			
Taxation	1 654.5	-2.2%	4.0%	1 865.8	2 131.4	2 216.8	10.2%	5.1%			
Provisions	9 882.6	3.7%	25.1%	9 504.6	9 606.3	10 088.6	0.7%	25.6%			
Derivatives financial instruments	571.2	-35.5%	3.3%	576.2	578.2	605.2	1.9%	1.5%			
Total equity and liabilities	34 909.6	-7.3%	100.0%	35 995.6	39 925.1	42 761.0	15.6%	100.0%			

Personnel information

Table 26.16 Central Energy Fund personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	
Central Energy Fund		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Salary level	1 886	1 886	2 047	1 408.6	0.7	1 886	1 013.4	0.5	1 886	1 080.3	0.6	1 886	1 157.8	0.6	1 886	1 242.2	0.7	7.0%	100.0%
1 – 6	252	252	252	30.6	0.1	252	24.6	0.1	252	26.2	0.1	252	28.1	0.1	252	30.1	0.1	7.0%	13.4%
7 – 10	895	895	988	547.1	0.6	895	340.3	0.4	895	362.7	0.4	895	388.7	0.4	895	417.1	0.5	7.0%	47.5%
11 – 12	406	406	419	289.9	0.7	406	247.8	0.6	406	264.1	0.7	406	283.1	0.7	406	303.7	0.7	7.0%	21.5%
13 – 16	333	333	388	541.0	1.4	333	400.8	1.2	333	427.3	1.3	333	457.9	1.4	333	491.3	1.5	7.0%	17.7%

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. Subsidiaries include Pelchem and Nuclear Technology Products Radioisotopes (NTP).

Responsibilities also include: operating the SAFARI-1 research nuclear reactor for research and development purposes, and to provide irradiation services for the production of radioisotopes; the decommissioning and decontamination of nuclear facilities; and contributing to South Africa's obligations in terms of international nuclear treaties and agreements.

Selected performance indicators

Table 26.17 South African Nuclear Energy Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of annual sales for the South African Nuclear Energy Corporation of the total group annual sales per year	Administration	Outcome 6: An efficient, competitive and responsive infrastructure network	9.1% (R1 184 969)	13.9% (R1 528 443)	18.5% (R2 238 182)	20% (R3 540 296)	26% (R2 630 121)	26.3% (R2 950 564)	27% (R3 323 916)
Number of product and process innovations per year	Administration		12	14	17	12	12	12	12
Number of scientific articles published per year	Administration		36	40	31	28	28	28	28
Number of days per year that the reactor is operationally available out of the days scheduled for operation	Radiation products and services		303	303	303	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		6.3 µSv	6 µSv	6 µSv	6 µSv	6 µSv	6 µSv	6 µSv
Performance percentage in terms of the annual safeguards activity plan to be achieved	South African Nuclear Energy Corporation as a host of nuclear programmes		100%	100%	100%	100%	100%	100%	100%

Expenditure analysis

The South African Nuclear Energy Corporation contributes to the national development plan's vision of providing quality health care; creating an economy that will give rise to more jobs; improving the quality of education, training and innovation; and expanding infrastructure. The Department of Energy's integrated resource plan for electricity lists nuclear as a power supply priority, and this is a key part of the corporation's mandate.

The focus of the corporation over the medium term will continue to be on radioisotope production, radiation applications, research and development, specialised nuclear manufacturing, the nuclear fuel cycle, and support for the generation of nuclear power. The first three are the priority focus areas for 2015/16, and 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, the corporation's wholly owned subsidiary. The subsequent three focus areas are aligned with the 2010-2030 integrated resource plan for electricity, and the requirements for building new nuclear power reactors. In light of this, the bulk of expenditure is expected to go towards research and development, and identified critical site infrastructure, including repairs and maintenance, and inventory. In working towards these priorities, expenditure in the administration programme is expected to grow at an average annual rate of 20 per cent over the medium term.

The corporation contributes to the health component of the national development plan's priorities through NTP Radioisotopes, which produces medical radioisotopes, some of which are used in South Africa's health system for diagnostic studies and cancer treatments. This accounts for the largest proportion of spending within the corporation, with the radiation products and services programme expected to grow from R1.2 billion in 2015/16 to R1.5 billion in 2018/19 at an average annual rate of 7 per cent. This will allow the SAFARI-1 reactor to be operationally available for 287 days per year, and will allow the corporation to maintain performance safeguards and radiation doses within acceptable limits.

The corporation has embarked on several key infrastructure projects. These include securing the supply of low enriched uranium fuel and target plates; continuing work on a multipurpose research reactor project as a replacement for SAFARI-1; leveraging the accreditation from the American Society of Mechanical Engineers for the corporation's nuclear manufacturing centre so that South Africa can procure the benefits of localisation through its nuclear energy expansion programme; and investigating the feasibility of a facility to manufacture fuel components for pressurised water reactors.

Over the medium term, the corporation will continue with the installation of technologies related to the small angle neutron scattering and neutron radiography facilities to further enhance its research capabilities. It will also continue to implement its critical site infrastructure upgrades and refurbishment programme, which includes liquid effluent management services, analytical and calibration services, material test reactor fuel facilities, site security upgrades, and other site infrastructure upgrades. As a result, acquisition of assets is

expected to amount to R220.5 million over the medium term, while expenditure on goods and services is expected to grow by 11.6 per cent, partly because this expenditure is influenced by costs associated with regulatory tariffs imposed by the National Nuclear Regulator and Eskom. The corporation will also focus on decommissioning some strategic nuclear facilities, for which R54.4 million has been allocated over the medium term.

The number of personnel in the corporation is expected to remain constant over the medium term. Expenditure on compensation of employees is expected to increase from R916.9 million in 2015/16 to R1.1 billion in 2018/19 due to general inflationary increases.

The corporation derives its revenue from the sale of nuclear technology products, chemical products and nuclear engineering services, and from transfer payments received from the department. This funds operational requirements and specific activities such as the decommissioning of strategic plants, the production and conversion of low enriched uranium fuel, and nuclear safety. This is based on a plan to manage nuclear liabilities, which outlines the activities to be carried out to quantify total nuclear liability, and includes the decommissioning, decontamination and waste management of all disused nuclear facilities. Total revenue is projected to grow from R2.3 billion in 2015/16 to R3.2 billion over the medium term at an average annual rate of 12.5 per cent, driven by higher projected sales of nuclear radiation products and an increase in the transfer from the department following budget reductions in previous years.

Programmes/objectives/activities

Table 26.18 South African Nuclear Energy Corporation expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Administration	459.5	283.6	384.3	387.1	-5.6%	19.5%	410.0	621.0	668.1	20.0%	18.1%
Nuclear energy programme	344.2	324.5	416.8	325.4	-1.9%	18.1%	379.4	327.1	360.6	3.5%	12.3%
Radiation products and services programme	522.4	928.9	890.9	1 238.3	33.3%	44.1%	1 401.7	1 488.1	1 516.5	7.0%	49.8%
Necsa as a host of nuclear programmes	304.4	311.6	375.3	479.6	16.4%	18.4%	527.9	556.1	697.1	13.3%	19.8%
Total	1 630.4	1 848.6	2 067.4	2 430.4	14.2%	100.0%	2 719.0	2 992.4	3 242.2	10.1%	100.0%

Statements of historical financial performance and position

Table 26.19 South African Nuclear Energy Corporation statements of historical financial performance and position

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
R million									
Revenue									
Non-tax revenue	1 527.4	1 311.2	1 462.1	1 334.7	1 662.2	1 529.9	1 885.1	1 613.3	88.6%
Sale of goods and services other than capital assets	1 448.0	1 185.0	1 390.6	1 148.0	1 567.7	1 339.1	1 741.6	1 511.7	84.3%
of which:									
Sales by market establishment	1 448.0	1 185.0	1 390.6	1 148.0	1 567.7	1 339.1	1 741.6	1 511.7	84.3%
Other non-tax revenue	79.3	126.2	71.5	186.7	94.5	190.8	143.4	101.6	155.7%
Transfers received	696.1	496.3	583.6	522.6	992.3	507.6	626.3	650.5	75.1%
Total revenue	2 223.5	1 807.5	2 045.7	1 857.3	2 654.5	2 037.5	2 511.4	2 263.7	84.4%
Expenses									
Current expenses	1 870.0	1 572.6	1 895.5	1 790.7	1 947.2	2 031.5	2 382.4	2 382.4	96.1%
Compensation of employees	719.2	695.3	786.5	674.8	795.1	789.1	916.9	916.9	95.6%
Goods and services	1 063.1	763.4	1 008.7	1 027.5	1 044.9	1 106.4	1 387.9	1 387.9	95.1%
Depreciation	83.5	93.8	92.6	74.3	101.8	63.3	77.7	77.7	86.9%
Interest, dividends and rent on land	4.3	20.0	7.7	14.1	5.3	72.7	-	-	620.5%
Transfers and subsidies	32.2	-	30.3	-	-	-	-	-	-
Total expenses	1 991.1	1 630.4	1 971.4	1 848.6	2 014.1	2 067.4	2 430.4	2 430.4	94.9%
Surplus/(Deficit)	232.0	177.0	74.0	9.0	640.0	(30.0)	81.0	(167.0)	-

Table 26.19 South African Nuclear Energy Corporation 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	Outcome/ Budget Average (%)
	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16
Carrying value of assets	1 154.8	1 010.0	1 167.1	1 022.8	1 245.8	1 079.9	1 269.9	1 391.4	93.1%
Acquisition of assets	(209.6)	(209.6)	(167.6)	(129.7)	(247.6)	(147.0)	(217.1)	(174.4)	78.5%
Investments	151.5	146.5	153.6	195.4	265.9	229.0	272.5	294.8	102.6%
Inventory	202.2	266.3	288.2	206.1	298.7	239.3	346.3	221.7	82.2%
Receivables and prepayments	292.9	352.8	255.5	354.0	316.2	313.0	374.2	212.4	99.5%
Cash and cash equivalents	443.4	476.0	496.9	489.3	621.5	671.8	658.5	594.0	100.5%
Taxation	13.1	21.0	19.2	8.1	42.8	16.5	0.4	1.3	62.2%
Total assets	2 257.8	2 272.6	2 381.6	2 275.6	2 790.8	2 549.4	2 934.9	2 715.5	94.7%
Accumulated surplus/(deficit)	608.4	538.3	537.9	591.6	734.7	528.4	629.0	482.1	85.3%
Capital and reserves	335.8	347.1	367.0	320.4	316.9	330.6	371.7	367.9	98.2%
Capital reserve fund	493.9	405.0	357.6	427.5	515.0	615.6	740.6	703.3	102.1%
Borrowings	40.8	16.3	119.6	21.9	72.8	66.2	64.6	31.5	45.6%
Finance lease	0.4	7.6	6.3	7.8	6.8	8.2	7.8	10.9	162.5%
Trade and other payables	118.1	278.0	379.2	261.9	331.4	241.8	549.9	321.7	80.0%
Taxation	5.4	29.5	1.5	0.1	1.4	1.7	-	-	372.4%
Provisions	655.0	618.0	612.5	535.6	779.7	653.0	500.5	748.5	100.3%
Managed funds (e.g. poverty alleviation fund)	-	21.0	-	66.8	21.3	70.9	21.0	-	375.2%
Derivatives financial instruments	-	11.8	-	42.0	10.8	33.1	49.8	49.6	225.3%
Total equity and liabilities	2 257.8	2 272.6	2 381.6	2 275.6	2 790.8	2 549.4	2 934.9	2 715.5	94.7%

Statements of estimates of financial performance and position**Table 26.20 South African Nuclear Energy Corporation statements of estimates of financial performance and position**

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	1 613.3	7.2%	72.7%	1 958.1	2 197.1	2 460.3	15.1%	74.5%
Sale of goods and services other than capital assets	1 511.7	8.5%	65.0%	1 912.4	2 072.7	2 312.6	15.2%	70.7%
of which:								
Sales by market establishment	1 511.7	8.5%	65.0%	1 912.4	2 072.7	2 312.6	15.2%	70.7%
Other non-tax revenue	101.6	-7.0%	7.7%	45.6	124.4	147.6	13.3%	3.8%
Transfers received	650.5	9.4%	27.3%	649.4	720.1	761.8	5.4%	25.5%
Total revenue	2 263.7	7.8%	100.0%	2 607.5	2 917.2	3 222.1	12.5%	100.0%
Expenses								
Current expenses	2 382.4	14.8%	97.4%	2 654.0	2 928.4	3 133.5	9.6%	140.0%
Compensation of employees	916.9	9.7%	38.8%	972.1	1 030.4	1 092.2	6.0%	35.4%
Goods and services	1 387.9	22.0%	53.3%	1 611.9	1 737.9	1 928.7	11.6%	58.5%
Depreciation	77.7	-6.1%	4.0%	65.5	155.1	109.1	12.0%	3.5%
Interest, dividends and rent on land	-	-100.0%	1.4%	4.5	5.0	3.6	-	0.1%
Total expenses	2 430.4	14.2%	100.0%	2 719.0	2 992.4	3 242.2	10.1%	100.0%
Surplus/(Deficit)	(167.0)	(2)	-	(112.0)	(75.0)	(20.0)	-50.7%	-
Statement of financial position								
Carrying value of assets	1 391.4	11.3%	45.7%	1 491.8	1 520.8	1 550.5	3.7%	48.8%
of which:								
Acquisition of assets	(174.4)	-6.0%	-6.8%	(110.0)	(52.6)	(57.9)	-30.8%	-3.4%
Investments	294.8	26.2%	8.7%	371.5	453.1	539.4	22.3%	13.4%
Inventory	221.7	-5.9%	9.6%	262.7	279.7	297.4	10.3%	8.7%
Receivables and prepayments	212.4	-15.6%	12.8%	270.5	312.4	373.1	20.7%	9.4%
Cash and cash equivalents	594.0	7.7%	22.7%	554.2	583.1	664.7	3.8%	19.6%
Taxation	1.3	-60.9%	0.5%	1.3	1.3	1.3	-0.1%	0.0%
Total assets	2 715.5	6.1%	100.0%	2 952.0	3 150.3	3 426.3	8.1%	100.0%
Accumulated surplus/(deficit)	482.1	-3.6%	22.0%	537.8	629.1	800.0	18.4%	19.8%
Capital and reserves	367.9	2.0%	14.0%	402.9	423.8	425.9	5.0%	13.3%
Capital reserve fund	703.3	20.2%	21.7%	764.3	780.3	802.3	4.5%	25.0%
Borrowings	31.5	24.7%	1.4%	30.6	26.3	8.7	-34.8%	0.8%
Finance lease	10.9	12.8%	0.3%	10.0	9.8	8.7	-7.1%	0.3%
Trade and other payables	321.7	5.0%	11.3%	370.6	404.5	448.9	11.7%	12.6%
Provisions	748.5	6.6%	26.0%	800.7	856.7	919.7	7.1%	27.2%
Derivatives financial instruments	49.6	61.2%	1.4%	35.0	19.8	12.0	-37.6%	1.0%
Total equity and liabilities	2 715.5	6.1%	100.0%	2 952.0	3 150.3	3 426.3	-32.7%	100.0%

Personnel information

Table 26.21 South African Nuclear Energy Corporation personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
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	2 269	2 269	2 386	789.1	0.3	2 269	916.9	0.4	2 269	972.1	0.4	2 269	1 030.4	0.5	2 268	1 092.2	0.5	6.0%	100.0%
1 – 6	672	672	904	89.8	0.1	672	74.6	0.1	672	79.1	0.1	672	83.8	0.1	671	88.8	0.1	6.0%	29.6%
7 – 10	1 113	1 113	1 116	379.6	0.3	1 113	399.2	0.4	1 113	423.0	0.4	1 113	448.4	0.4	1 113	475.3	0.4	6.0%	49.1%
11 – 12	300	300	233	160.5	0.7	300	210.6	0.7	300	223.3	0.7	300	236.7	0.8	300	250.9	0.8	6.0%	13.2%
13 – 16	165	165	126	143.7	1.1	165	187.8	1.1	165	199.4	1.2	165	211.4	1.3	165	224.1	1.4	6.1%	7.3%
17 – 22	19	19	7	15.4	2.2	19	44.6	2.3	19	47.3	2.5	19	50.2	2.6	19	53.2	2.8	6.0%	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 National Energy Regulator of South Africa** is the regulatory authority for electricity, piped gas and petroleum pipelines. The entity's total budget for 2016/17 is R295.4 million.
- **The National Nuclear Regulator** is responsible for safety standards and regulatory practices for the protection of people, property and the environment against nuclear damage. The entity's total budget for 2016/17 is R177.7 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 entity's total budget for 2016/17 is R191.2 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2015/16	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
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, install bulk infrastructure, and rehabilitate electrification infrastructure	On-going	-	1 879.4	2 141.0	2 948.0	3 613.2	3 526.3	3 876.2	3 995.0
Integrated national electrification programme: Municipalities	Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, install bulk infrastructure and rehabilitate electrification infrastructure	On-going	-	1 151.4	1 314.8	1 104.7	1 980.3	1 946.2	2 087.0	2 204.5
Petronet: Transnet pipelines	Construction of petroleum pipeline, branch lines and storage facilities	On-going	-	1 500.0	-	-	-	-	-	-
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Integrated national electrification programme: Non-grid	Provision of capital subsidies to non-grid electrification service providers to address electrification backlogs	On-going	-	56.3	110.3	70.0	166.6	166.4	189.8	201.6
Total			-	4 589.1	3 566.1	4 122.7	5 760.2	5 639.0	6 153.0	6 401.2

Vote 27

Environmental Affairs

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	808.2	652.0	16.0	140.3	866.5	926.7
Legal, Authorisations and Compliance	164.6	163.7	–	1.0	182.3	191.6
Oceans and Coasts	475.0	460.7	–	14.3	489.1	491.9
Climate Change and Air Quality	289.6	82.0	206.5	1.2	295.0	300.8
Biodiversity and Conservation	718.2	165.3	552.2	0.7	696.6	737.6
Environmental Programmes	3 865.1	643.1	3 218.0	4.0	4 016.9	3 987.6
Chemicals and Waste Management	109.3	101.8	6.8	0.6	114.3	120.7
Total expenditure estimates	6 430.1	2 268.5	3 999.5	162.1	6 660.6	6 756.8

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 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 give effect to 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of interventions developed per year for streamlining environmental authorisations for strategic infrastructure programmes and the industrial policy action plan	Administration		- ¹	3	5	4	1	1	1
Percentage of national environmental impact management applications processed within stipulated timeframes per year ²	Legal, Authorisations and Compliance		88% (352)	89% (356)	75% (249)	92% (392)	92% (392)	92% (392)	92% (392)
Number of environmental authorisations inspected per year	Legal, Authorisations and Compliance	Outcome 10: Protect and enhance our environmental assets and natural resources	85	125	247	140	155	165	175
Improvement in the national air quality indicator (index < 1)	Climate Change and Air Quality		0.972	1.35	0.83	1.3	1.25	1.20	1.15
Number of climate change response policy interventions implemented per year	Climate Change and Air Quality		6	10	14	18	18	18	20
Percentage of state managed protected areas assessed per year with the management effectiveness tracking tool scoring above 67%	Biodiversity and Conservation		30% (1 957 766 /6 525 889)	84% (5 481 757 /6 525 889)	90% (5 873 300 /6 525 889)	90% (5 873 300 /6 525 889)	90% (5 873 300 /6 525 889)	90% (5 873 300 /6 525 889)	90% (5 873 300 /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)	11.3% (13 774 789 ha /121 991 200 ha)	11.7% (14 289 772 ha /121 991 200 ha)	12.2% (14 900 446 ha /121 991 200 ha)	12.7% (15 492 882 ha /121 991 200 ha)	13.2% (16 121 794 ha /121 991 200 ha)
Number of natural resource based enterprises established in support of Vision 2024 per year	Biodiversity and Conservation		- ¹	10	10	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 economic growth	99 548	65 494	85 140	66 150 ³	71 716	72 666
Number of full time equivalent jobs created through projects related to the expanded public works programme per year	Environmental Programmes	23 136		25 552	33 138	34 824	38 377	38 842	39 526
Total percentage of recycling waste diverted from landfill sites	Chemicals and Waste Management	Outcome 10: Protect and enhance our environmental assets and natural resources	- ¹	1% (110 000 tonnes)	10% (17 419.72 tonnes)	25% (43 549.30 tonnes)	40% (69 678.88 tonnes)	60% (104 518.33 tonnes)	80% (120 818.40 tonnes)

1. No historical data is available as these indicators were introduced in 2013/14.

2. These percentages apply only if no more than 400 applications are received per year.

3. Target was reduced due to the re-orientation of funds from the Environmental Programmes programme for the cost of hosting CITES COP 17, which will be held in Johannesburg in October 2016.

Expenditure analysis

The Department of Environmental Affairs focuses on protecting the environment, reducing carbon emissions, reducing atmospheric pollutants and adapting to the impacts of climate change. Over the medium term, much of the associated work is implemented through the expanded public works programme, including the restoration and rehabilitation of degraded ecosystems, the expansion of the conservation estate, the protection, restoration and rehabilitation of wetlands, the protection of water resources, and the sustainable management of land use. The expanded public works programme concretely contributes to the national development plan's target for job creation, set at 5 million jobs by 2030, and positions the environmental sector as a hub of job creation. The department makes transfers of R8.5 billion to the expanded public works programme over the medium term, or 42.6 per cent of the department's budget. Average annual growth of 8.4 per cent allows the expanded public works programme to create 116 745 full time equivalent jobs and 218 435 work opportunities in a range of environmental protection services over the period. Expenditure in the *Environmental Programmes* programme as a whole is projected to grow at an average annual rate of 4.5 per cent, due to increased funding of R178 million in 2017/18 and R274 million in 2018/19, increasing expenditure to a total of R12.1 billion over the MTEF period.

The department's other priorities over the medium are: wildlife conservation, recycling waste, climate change and air quality, the strategic management of oceans and coastal conservation, and moving towards a green economy. These support outcome 10 of government's 2014-2019 medium term strategic framework (protect and enhance our environmental assets and natural resources).

Wildlife conservation

The projected increased expenditure in the *Administration* programme and the *Biodiversity and Conservation* programme over the medium term is for the department to host the 17th conference of the parties (COP 17) to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in September and October 2016. South Africa will submit its rhino horn trade proposal at CITES COP 17. The proposal aims to reduce rhino poaching, as it promotes the legal selling of rhino horn. If this were implemented, the sales could generate significant revenue to supplement conservation funding. R75 million has been reprioritised for 2015/16 and R48 million for 2016/17 for the event.

The department has an ongoing duty to enforce compliance with the environmental legal regime. R90 million over the medium term has been reprioritised to support the enforcement of legislation and regulations governing the international trade in wild animals and plants at ports of entry and exit. Of the 15 designated ports, environmental and conservation officials have only been deployed at one, namely OR Tambo International Airport, the busiest port in South Africa. The increased allocation will enable the department to deploy environmental management inspectors, compliance officials and enforcement officials at all the designated ports. Office space, and equipment such as microchip scanners, equipment to handle live animals, and safes, will be procured. And officials will be able to travel to various facilities to inspect seized live animals.

The department will continue to extend the amount of land under conservation from 11.3 per cent of all land in the country (13 774 789 hectares) in 2014/15 to a projected 13.2 per cent (16 121 794 hectares) by 2018/19, aiming for the international target of 17 per cent by 2020. This work is funded in the *Protected Areas Systems Management* subprogramme of the *Biodiversity and Conservation* programme, and is allocated R157.8 million of the programme's total R2.2 billion over the medium term.

Recycling waste

The department will establish the Waste Management Bureau from 1 April 2016. The bureau will largely work to reduce waste through recycling by monitoring recycling plans and providing specialist services to government and other clients. These services will carry a fee, as part of the department's revenue generation activities. R79.4 million over the medium term has been reprioritised in the *Chemicals and Waste Policy, Evaluation and Monitoring* subprogramme of the *Chemicals and Waste Management* programme to fund the establishment and initial operational costs of the bureau.

Climate change and air quality

The department will be increasing the number of government owned air quality monitoring stations reporting to the South African air quality information system from 85 in 2014/15 to 125 in 2018/19. The stations are

budgeted for in the *Air Quality Management* subprogramme of the *Climate Change and Air Quality* programme at a cost of R135.2 million over the medium term.

Other climate change outputs include the rollout of the Let's Respond toolkit to 40 municipalities over the medium term. Let's Respond provides a process map for integrating responses to climate change into integrated development plans. The toolkit guides municipalities through 5 iterative stages linked to integrated development planning milestones. The rollout of Let's Respond is budgeted for in the *Climate Change Adaptation* subprogramme and is projected to cost R4.8 million in 2016/17, R5.1 million in 2017/18 and R5.3 million in 2018/19.

The *Climate Change and Air Quality* programme as a whole is allocated R888.4 million over the medium term, which is 4.4 per cent of the department's total budget.

Strategic management of oceans and coastal conservation

The department continues to support the annual research voyages to Antarctica, and Marion and Gough islands. The operation and manning of the 2 research vessels is one of the major cost drivers in the *Oceans and Coasts* programme, with total projected expenditure of R394 million over the medium term on agency and support/outsourced services.

The oceans economy area, housed in the department, is the first implementation area of Operation Phakisa, government's 2014 Big Fast Results programme. An allocation of R211 million over the medium term in the *Oceans Conservation* subprogramme will be used for the implementation of the oceans economy strategy, which includes marine transport and manufacturing, offshore oil and gas exploration, aquaculture, marine protection services and ocean governance, small harbours, and coastal and marine tourism.

Moving towards a green economy

The Green Fund is budgeted for in the *Environmental Programmes* programme, receiving 3.8 per cent or R290.5 million of the programme's budget over the medium term. Established in 2011, the Green Fund is a national fund providing catalytic finance for investment in green initiatives that will support South Africa's transition towards a green economy. The fund is additional and complementary to existing fiscal allocations, focusing on innovative projects that need to cover a funding or financing gap. The fund is managed by the Development Bank of Southern Africa on behalf of the Department of Environmental Affairs. The Green Fund currently has a portfolio of 20 active and 2 completed investment projects, representing an investment commitment totalling R679.8 million. Although impacts are typically long term and materialise after projects have been implemented, some of the fund's investments have already begun to show results. For instance, direct investments into projects, including co-investments and additional support realised thus far, amount to R285 million. The financial contribution from private sector participants amounts to R91 million. As implementation progresses, it is anticipated that the private sector contribution will exceed R500 million over the medium term.

R85 million over the medium term has been reprioritised from the expanded public works programme in the *Environmental Programmes* programme, aligning the programme's growth to the department's service delivery capacity. The reduction will be managed by negotiating lower management fees with implementing agents of the expanded public works programme to ensure that the projected number of jobs to be created is not compromised.

The department's compensation of employees budget is set to decrease by R54.9 million in 2017/18 and R85.2 million in 2018/19 due to the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. In consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within this reduced budget.

The department's goods and services budget is also set to decrease by R15 million in 2016/17, R15 million in 2017/18 and R15 million in 2018/19. The reductions will be effected on travel and subsistence expenditure to mitigate any impact on the department's deliverables.

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			Audited outcome			Revised estimate			Outcome/Annual budget Average (%)			Outcome/Adjusted appropriation Average (%)		
R million	2012/13			2013/14			2014/15			2015/16			2012/13			2015/16			2012/13			2015/16			2012/13			2015/16			2012/13			2015/16			2012/13			2015/16					
Programme 1	775.5	778.0	675.6	747.3	777.3	765.0	653.4	666.2	731.3	714.0	870.2	870.2	105.3%	98.4%																															
Programme 2	88.5	89.9	114.5	143.3	113.3	102.9	122.6	117.6	100.6	127.5	133.9	133.9	93.8%	99.4%																															
Programme 3	221.8	378.8	524.6	309.8	318.2	326.1	357.4	380.1	349.3	484.5	399.5	399.5	116.4%	108.3%																															
Programme 4	215.4	215.6	207.5	233.8	233.8	229.8	227.7	227.7	229.3	240.1	240.1	240.1	98.9%	98.9%																															
Programme 5	486.4	579.3	568.4	559.5	576.7	565.7	636.8	629.0	643.1	655.6	730.6	730.6	107.3%	99.7%																															
Programme 6	2 674.0	3 082.0	2 793.6	3 371.8	3 121.8	3 137.7	3 598.3	3 587.5	3 549.6	3 646.9	3 489.6	3 489.6	97.6%	97.7%																															
Programme 7	50.6	51.7	58.5	65.7	65.7	73.1	72.2	72.2	71.9	79.3	79.3	79.3	105.6%	105.2%																															
Total	4 512.2	5 175.3	4 942.7	5 431.2	5 206.8	5 200.3	5 668.4	5 680.4	5 675.1	5 948.0	5 943.3	5 943.3	100.9%	98.9%																															
Change to 2015 Budget estimate											(4.7)																																		
Economic classification																																													
Current payments	1 920.8	1 448.4	1 386.0	1 624.3	1 589.0	1 532.2	1 951.2	1 869.4	1 642.3	2 127.1	2 000.5	2 000.5	86.1%	95.0%																															
Compensation of employees	605.7	614.8	560.8	654.5	668.0	659.2	752.2	798.8	787.8	915.4	930.7	930.7	100.4%	97.6%																															
Goods and services	1 315.1	833.7	824.9	969.8	921.0	873.0	1 199.1	1 070.6	854.5	1 211.7	1 069.8	1 069.8	77.1%	93.0%																															
<i>of which:</i>																																													
<i>Consultants: Business and advisory services</i>	161.1	111.1	102.0	85.1	75.3	112.2	102.5	93.9	82.3	180.0	169.4	169.4	88.1%	103.6%																															
<i>Contractors</i>	254.3	54.3	120.3	45.0	50.0	101.7	59.5	55.5	177.0	84.0	84.0	84.0	109.1%	198.1%																															
<i>Agency and support/outsourced services</i>	156.8	65.1	50.3	138.5	173.1	137.1	293.6	320.3	0.1	351.9	222.9	222.9	43.6%	52.5%																															
<i>Operating leases</i>	136.8	126.8	68.3	148.4	143.7	67.8	157.3	67.3	76.7	52.7	83.7	83.7	59.9%	70.3%																															
<i>Travel and subsistence</i>	179.3	149.5	146.5	146.7	126.8	141.9	146.4	144.5	169.9	114.9	103.0	103.0	95.6%	107.1%																															
<i>Operating payments</i>	54.4	54.4	58.8	59.8	53.5	58.2	62.2	49.2	50.1	63.8	63.8	63.8	96.1%	104.6%																															
<i>Interest and rent on land</i>	-	-	0.2	-	-	0.0	-	-	-	-	-	-	-	-																															
Transfers and subsidies	2 308.3	3 256.2	3 081.0	3 606.9	3 438.5	3 446.3	3 675.7	3 677.6	3 895.3	3 662.8	3 759.8	3 759.8	107.0%	100.4%																															
Departmental agencies and accounts	666.7	760.6	768.3	1 110.3	1 127.5	1 133.4	1 208.2	1 206.4	1 210.3	1 206.1	1 111.4	1 111.4	100.8%	100.4%																															
Higher education institutions	-	-	1.0	-	-	-	-	-	-	-	-	-	-	-																															
Foreign governments and international organisations	12.9	12.9	12.9	12.9	12.9	12.9	12.9	16.0	16.0	16.0	16.0	16.0	105.7%	100.0%																															
Public corporations and private enterprises	300.0	300.0	88.8	500.0	250.0	250.0	250.0	250.0	250.0	300.0	300.0	300.0	65.8%	80.8%																															
Non-profit institutions	6.7	6.9	3.0	1.4	1.5	1.5	3.2	3.7	3.7	3.2	3.7	3.7	82.2%	75.3%																															
Households	1 322.0	2 175.8	2 207.1	1 982.3	2 046.6	2 048.5	2 201.5	2 201.5	2 415.3	2 137.5	2 328.7	2 328.7	117.7%	102.8%																															
Payments for capital assets	283.0	470.7	475.5	200.0	179.3	221.6	41.4	133.4	137.1	158.1	183.0	183.0	149.0%	105.3%																															
Buildings and other fixed structures	220.0	220.0	220.4	146.0	146.0	174.4	-	90.0	103.2	110.7	135.5	135.5	132.9%	107.1%																															
Machinery and equipment	63.0	250.7	251.9	54.0	33.2	46.0	41.4	43.4	23.6	47.4	47.5	47.5	179.2%	98.4%																															
Software and other intangible assets	-	-	3.2	-	0.1	1.3	-	-	10.3	-	-	-	-	14 912.1%																															
Payments for financial assets	-	-	0.2	-	0.0	0.1	-	-	0.4	-	-	-	-	1 446.9%																															
Total	4 512.2	5 175.3	4 942.7	5 431.2	5 206.8	5 200.3	5 668.4	5 680.4	5 675.1	5 948.0	5 943.3	5 943.3	100.9%	98.9%																															

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million									
Programme 1	870.2	3.8%	14.0%	808.2	866.5	926.7	2.1%	13.5%	
Programme 2	133.9	14.2%	2.1%	164.6	182.3	191.6	12.7%	2.6%	
Programme 3	399.5	1.8%	7.4%	475.0	489.1	491.9	7.2%	7.2%	
Programme 4	240.1	3.7%	4.2%	289.6	295.0	300.8	7.8%	4.4%	
Programme 5	730.6	8.0%	11.5%	718.2	696.6	737.6	0.3%	11.2%	
Programme 6	3 489.6	4.2%	59.6%	3 865.1	4 016.9	3 987.6	4.5%	59.6%	
Programme 7	79.3	15.3%	1.3%	109.3	114.3	120.7	15.0%	1.6%	
Total	5 943.3	4.7%	100.0%	6 430.1	6 660.6	6 756.8	4.4%	100.0%	
Change to 2015				(130.1)	16.2	91.6			
Budget estimate									
Current payments	2 000.5	11.4%	30.1%	2 268.5	2 308.0	2 293.4	4.7%	34.4%	
Compensation of employees	930.7	14.8%	13.5%	1 001.6	1 046.6	1 090.8	5.4%	15.8%	
Goods and services	1 069.8	8.7%	16.6%	1 266.9	1 261.4	1 202.6	4.0%	18.6%	
of which:									
Consultants: Business and advisory services	169.4	15.1%	2.1%	241.5	254.3	246.0	13.2%	3.5%	
Contractors	84.0	15.7%	2.2%	90.5	99.5	77.4	-2.7%	1.4%	
Agency and support/outsourced services	222.9	50.7%	1.9%	215.8	226.2	232.9	1.5%	3.5%	
Operating leases	83.7	-12.9%	1.4%	88.1	52.3	55.0	-13.1%	1.1%	
Travel and subsistence	103.0	-11.7%	2.6%	140.6	144.9	140.2	10.8%	2.1%	
Operating payments	63.8	5.5%	1.1%	81.9	96.3	99.0	15.8%	1.3%	
Transfers and subsidies	3 759.8	4.9%	65.2%	3 999.5	4 179.6	4 279.5	4.4%	62.9%	
Departmental agencies and accounts	1 111.4	13.5%	19.4%	1 301.2	1 201.2	1 149.5	1.1%	18.5%	
Foreign governments and international organisations	16.0	7.5%	0.3%	16.0	16.0	16.9	1.9%	0.3%	
Public corporations and private enterprises	300.0	-	4.1%	180.0	110.5	-	-100.0%	2.3%	
Non-profit institutions	3.7	-18.8%	0.1%	3.8	2.5	2.6	-10.6%	0.0%	
Households	2 328.7	2.3%	41.4%	2 498.6	2 849.4	3 110.4	10.1%	41.8%	
Payments for capital assets	183.0	-27.0%	4.7%	162.1	173.0	183.9	0.2%	2.7%	
Buildings and other fixed structures	135.5	-14.9%	2.9%	136.0	144.1	152.8	4.1%	2.2%	
Machinery and equipment	47.5	-42.6%	1.7%	26.1	28.9	31.2	-13.1%	0.5%	
Total	5 943.3	4.7%	100.0%	6 430.1	6 660.6	6 756.8	4.4%	100.0%	

Personnel information

Table 27.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)	
Number of funded posts	Number of posts additional to the establishment	Actual 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate									2015/16 - 2018/19	2015/16 - 2018/19	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17			2017/18			2018/19					
Environmental Affairs		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	2 135	276	1 872	787.8	0.4	2 124	930.7	0.4	2 135	1 001.6	0.5	2 135	1 101.5	0.5	2 135	1 176.1	0.6	0.2%	100.0%
1 – 6	565	212	493	101.1	0.2	611	125.4	0.2	611	134.6	0.2	611	160.9	0.3	611	173.5	0.3	–	28.7%
7 – 10	981	33	888	331.5	0.4	955	378.2	0.4	955	400.3	0.4	955	438.6	0.5	955	470.6	0.5	–	44.8%
11 – 12	386	15	304	180.3	0.6	355	224.8	0.6	366	252.6	0.7	366	273.9	0.7	366	290.4	0.8	1.0%	17.0%
13 – 16	203	16	187	174.9	0.9	203	202.3	1.0	203	214.2	1.1	203	228.1	1.1	203	241.6	1.2	–	9.5%
Programme	2 135	276	1 872	787.8	0.4	2 124	930.7	0.4	2 135	1 001.6	0.5	2 135	1 101.5	0.5	2 135	1 176.1	0.6	0.2%	100.0%
Programme 1	916	197	784	316.2	0.4	916	369.6	0.4	916	385.9	0.4	916	445.3	0.5	916	482.9	0.5	–	43.0%
Programme 2	194	1	154	75.0	0.5	194	98.8	0.5	194	106.5	0.5	194	113.2	0.6	194	119.8	0.6	–	9.1%
Programme 3	206	42	195	84.5	0.4	195	88.3	0.5	206	110.7	0.5	206	117.8	0.6	206	123.6	0.6	1.8%	9.5%
Programme 4	88	7	81	46.1	0.6	88	50.7	0.6	88	53.7	0.6	88	57.1	0.6	88	60.4	0.7	–	4.1%
Programme 5	131	9	124	55.8	0.4	131	65.1	0.5	131	69.0	0.5	131	73.4	0.6	131	77.6	0.6	–	6.1%
Programme 6	502	13	456	170.0	0.4	502	206.0	0.4	502	220.5	0.4	502	235.8	0.5	502	249.4	0.5	–	23.5%
Programme 7	98	7	78	40.3	0.5	98	52.1	0.5	98	55.4	0.6	98	59.0	0.6	98	62.4	0.6	–	4.6%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(54.9)	–	–	(85.2)	–	–	–
Total	2 135	276	1 872	787.8	0.4	2 124	930.7	0.4	2 135	1 001.6	0.5	–	1 046.6	–	–	1 090.8	–	–	–

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

2. The department's compensation of employees budget has been reduced by R140.2 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 27.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
Departmental receipts	18 486	29 572	32 022	10 955	26 754	13.1%	100.0%	27 311	27 446	27 580	1.0%	100.0%
Sales of goods and services produced by department	803	1 837	3 792	3 775	3 775	67.5%	9.6%	3 972	3 984	3 995	1.9%	14.4%
Sales by market establishments	–	–	–	154	–	–	–	187	189	192	–	0.5%
of which:												
Rental parking	–	–	–	154	–	–	–	187	189	192	–	0.5%
Administrative fees	–	1 476	2 292	3 320	3 474	–	6.8%	3 480	3 485	3 489	0.1%	12.8%
of which:												
Licence fees	–	1 476	2 292	3 320	3 474	–	6.8%	3 480	3 485	3 489	0.1%	12.8%
Other sales	803	361	1 500	301	301	-27.9%	2.8%	305	310	314	1.4%	1.1%
of which:												
Replacement of security cards	56	218	350	25	25	-23.6%	0.6%	25	25	25	–	0.1%
Sales of departmental publications	747	143	1 150	276	276	-28.2%	2.2%	280	285	289	1.5%	1.0%
Sales of scrap, waste, arms and other used current goods	1	2	1	–	–	-100.0%	–	2	2	2	–	–
of which:												
Waste paper	1	2	1	–	–	-100.0%	–	2	2	2	–	–

Table 27.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Fines, penalties and forfeits	2 457	3 335	1 742	1 400	1 400	-17.1%	8.4%	1 450	1 470	1 490	2.1%	5.3%
Interest, dividends and rent on land	83	68	98	80	80	-1.2%	0.3%	82	83	84	1.6%	0.3%
Interest	83	68	98	80	80	-1.2%	0.3%	82	83	84	1.6%	0.3%
Sales of capital assets	28	38	1 443	300	300	120.5%	1.7%	305	307	309	1.0%	1.1%
Transactions in financial assets and liabilities	15 114	24 292	24 946	5 400	21 199	11.9%	80.1%	21 500	21 600	21 700	0.8%	78.8%
Total	18 486	29 572	32 022	10 955	26 754	13.1%	100.0%	27 311	27 446	27 580	1.0%	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
 - enhancing environmental sector monitoring and evaluation through the development and improvement of monitoring and evaluation systems and tools.
- 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 that are 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 for strategic financial management and support to the department.
- *Office Accommodation* provides for 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 27.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Management	41.5	110.3	120.6	138.4	49.4%	13.5%	86.0	86.6	89.7	-13.5%	11.5%
Corporate Affairs	190.0	195.8	185.7	289.4	15.1%	28.3%	264.4	296.3	325.2	4.0%	33.9%
Environmental Advisory Services	57.6	107.0	121.4	105.5	22.3%	12.9%	108.5	114.7	121.3	4.8%	13.0%
Financial Management	39.9	51.6	60.0	61.3	15.4%	7.0%	65.1	69.1	73.1	6.0%	7.7%
Office Accommodation	297.8	251.6	186.9	215.6	-10.2%	31.3%	220.6	233.1	246.8	4.6%	26.4%
Environmental Sector Coordination	48.8	48.8	56.6	59.9	7.1%	7.0%	63.6	66.7	70.6	5.6%	7.5%
Total	675.6	765.0	731.3	870.2	8.8%	100.0%	808.2	866.5	926.7	2.1%	100.0%
Change to 2015 Budget estimate				(4.7)			15.3	(4.5)	174.5		
Economic classification											
Current payments	426.6	559.5	588.9	710.4	18.5%	75.1%	652.0	701.0	751.3	1.9%	81.1%
Compensation of employees	172.6	260.0	316.2	369.6	28.9%	36.8%	385.9	440.3	475.9	8.8%	48.2%
Goods and services	253.9	299.5	272.7	340.8	10.3%	38.4%	266.1	260.7	275.4	-6.9%	32.9%
<i>of which:</i>											
Advertising	20.2	20.7	8.5	17.7	-4.3%	2.2%	12.6	15.5	16.4	-2.6%	1.8%
Communication	8.3	8.1	5.1	7.4	-3.9%	1.0%	24.8	12.2	12.8	20.4%	1.6%
Operating leases	68.0	67.0	74.9	70.1	1.0%	9.2%	74.1	37.5	39.5	-17.4%	6.4%
Property payments	20.3	14.3	15.6	6.3	-32.2%	1.9%	4.5	56.1	59.4	111.1%	3.6%
Travel and subsistence	33.6	38.5	39.8	20.0	-15.8%	4.3%	24.7	25.3	26.7	10.0%	2.8%
Operating payments	18.4	22.9	21.1	13.4	-10.1%	2.5%	27.0	29.0	30.7	31.9%	2.9%
Transfers and subsidies	17.0	14.3	17.8	16.0	-2.0%	2.1%	16.0	16.0	16.9	1.9%	1.9%
Foreign governments and international organisations	12.9	12.9	16.0	16.0	7.5%	1.9%	16.0	16.0	16.9	1.9%	1.9%
Households	4.1	1.4	1.8	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	231.9	191.2	124.5	143.7	-14.7%	22.7%	140.3	149.5	158.4	3.3%	17.0%
Buildings and other fixed structures	220.4	174.4	103.2	135.5	-15.0%	20.8%	136.0	144.1	152.8	4.1%	16.4%
Machinery and equipment	9.1	15.5	11.3	8.2	-3.3%	1.4%	4.3	5.3	5.7	-11.7%	0.7%
Software and other intangible assets	2.4	1.3	10.0	-	-100.0%	0.4%	-	-	-	-	-
Payments for financial assets	0.1	0.1	0.2	-	-100.0%	-	-	-	-	-	-
Total	675.6	765.0	731.3	870.2	8.8%	100.0%	808.2	866.5	926.7	2.1%	100.0%
Proportion of total programme expenditure to vote expenditure	13.7%	14.7%	12.9%	14.6%	-	-	12.6%	13.0%	13.7%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	12.9	12.9	16.0	16.0	7.5%	1.9%	16.0	16.0	16.9	1.9%	1.9%
Global Environmental Fund	12.9	12.9	16.0	16.0	7.5%	1.9%	16.0	16.0	16.9	1.9%	1.9%

Programme 2: Legal, Authorisations and Compliance

Programme purpose

Promote the environmental 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 92 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 392 in 2015/16 to 940, by 2018/19 increasing the number of compliance inspections on 165 environmental authorisations by 2017/18.

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 the potentially negative impact of significant new developments is 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 27.7 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
Legal, Authorisations and Compliance Management	6.0	6.2	7.0	6.1	0.6%	5.6%	6.3	6.7	7.1	4.9%	3.9%
Compliance Monitoring	13.6	14.2	20.0	20.3	14.3%	15.1%	24.8	26.2	27.7	10.9%	14.7%
Integrated Environmental Authorisations	52.2	38.7	25.9	50.7	-1.0%	37.0%	50.0	52.6	55.6	3.2%	31.1%
Enforcement	19.3	23.2	27.0	32.4	18.9%	22.6%	57.7	69.5	73.2	31.2%	34.6%
Corporate Legal Support and Litigation	13.2	8.0	8.8	9.3	-10.9%	8.7%	9.9	10.5	10.6	4.2%	6.0%
Law Reform and Appeals	10.2	12.5	12.0	15.1	14.0%	11.0%	15.9	16.9	17.4	4.9%	9.7%
Total	114.5	102.9	100.6	133.9	5.4%	100.0%	164.6	182.3	191.6	12.7%	100.0%
Change to 2015 Budget estimate							-	-	42.5		

Table 27.7 Legal, Authorisations and Compliance 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Current payments	112.3	101.2	98.0	133.0	5.8%	98.4%	163.7	180.7	189.9	12.6%	99.2%
Compensation of employees	71.8	69.5	75.0	98.8	11.2%	69.7%	106.5	113.2	119.8	6.6%	65.2%
Goods and services	40.5	31.7	23.0	34.2	-5.5%	28.6%	57.2	67.5	70.1	27.1%	34.1%
of which:											
Communication	0.6	0.5	0.6	1.4	34.5%	0.7%	1.4	1.5	1.6	5.1%	0.9%
Consultants: Business and advisory services	6.2	13.1	1.2	4.2	-12.1%	5.5%	2.9	3.1	3.3	-8.3%	2.0%
Agency and support/outourced services	0.5	-	-	-	-100.0%	0.1%	21.0	22.1	23.2	-	9.8%
Travel and subsistence	15.3	9.7	11.1	14.1	-2.7%	11.1%	15.5	16.2	16.0	4.5%	9.2%
Operating payments	1.7	0.9	1.3	2.4	13.1%	1.4%	2.4	11.0	11.6	68.6%	4.1%
Venues and facilities	2.3	2.0	1.9	3.4	13.4%	2.1%	5.6	4.7	5.0	13.5%	2.8%
Transfers and subsidies	1.7	0.2	0.2	-	-100.0%	0.5%	-	-	-	-	-
Higher education institutions	1.0	-	-	-	-100.0%	0.2%	-	-	-	-	-
Households	0.7	0.2	0.2	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	0.4	1.6	2.3	0.9	29.5%	1.2%	1.0	1.6	1.7	22.6%	0.8%
Machinery and equipment	0.4	1.6	2.0	0.9	29.5%	1.1%	1.0	1.6	1.7	22.6%	0.8%
Software and other intangible assets	-	-	0.3	-	-	0.1%	-	-	-	-	-
Payments for financial assets	0.0	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Total	114.5	102.9	100.6	133.9	5.4%	100.0%	164.6	182.3	191.6	12.7%	100.0%
Proportion of total programme expenditure to vote expenditure	2.3%	2.0%	1.8%	2.3%	-	-	2.6%	2.7%	2.8%	-	-

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 25 management plans for estuaries by 2018/19
 - increasing South Africa's exclusive economic zones that are declared marine protected areas to 53 594.15 km² by 2017/18, 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
 - developing and implementing the national oceans and coasts water quality monitoring programme by 2018/19.

Subprogrammes

- *Oceans and Coasts Management* provides for the administration and coordination of the overall activities in the programme.
- *Integrated Coastal Management* provides for the 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 27.8 Oceans and Coasts expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Oceans and Coasts Management	14.9	6.2	5.3	7.9	-19.0%	2.1%	8.3	8.8	9.3	5.5%	1.8%
Integrated Coastal Management	41.0	37.5	88.6	61.0	14.2%	14.3%	140.0	142.5	144.2	33.2%	26.3%
Oceans and Coastal Research	117.1	95.6	93.0	117.9	0.2%	26.5%	135.0	138.1	138.8	5.6%	28.6%
Oceans Conservation	351.6	182.5	157.9	206.7	-16.2%	56.2%	185.5	193.0	192.5	-2.3%	41.9%
Specialist Monitoring Services	–	4.3	4.5	6.0	–	0.9%	6.3	6.6	7.0	5.5%	1.4%
Total	524.6	326.1	349.3	399.5	-8.7%	100.0%	475.0	489.1	491.9	7.2%	100.0%
Change to 2015							–	(11.0)	(88.0)		
Budget estimate											
Economic classification											
Current payments	287.0	315.6	345.6	385.7	10.4%	83.4%	460.7	474.3	476.2	7.3%	96.8%
Compensation of employees	68.2	75.4	84.5	88.3	9.0%	19.8%	110.7	106.8	110.6	7.8%	22.4%
Goods and services	218.6	240.2	261.2	297.4	10.8%	63.6%	350.0	367.4	365.6	7.1%	74.4%
of which:											
Consultants: Business and advisory services	11.7	7.6	14.3	74.5	85.3%	6.8%	129.9	136.3	151.2	26.6%	26.5%
Laboratory services	0.0	–	–	1.1	554.6%	0.1%	11.1	11.2	10.9	113.1%	1.8%
Agency and support/outsourced services	49.4	136.5	175.5	147.3	43.9%	31.8%	130.3	135.3	128.4	-4.5%	29.2%
Inventory: Fuel, oil and gas	31.7	0.2	0.5	7.0	-39.6%	2.5%	7.2	7.6	6.4	-2.7%	1.5%
Travel and subsistence	11.5	12.9	21.3	14.0	6.9%	3.7%	14.7	15.6	12.1	-4.8%	3.0%
Operating payments	29.8	28.4	22.2	33.1	3.5%	7.1%	36.2	39.2	38.7	5.3%	7.9%
Interest and rent on land	0.2	0.0	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	1.9	1.0	–	–	-100.0%	0.2%	–	–	–	–	–
Households	1.9	1.0	–	–	-100.0%	0.2%	–	–	–	–	–
Payments for capital assets	235.7	9.5	3.6	13.8	-61.1%	16.4%	14.3	14.8	15.6	4.2%	3.2%
Machinery and equipment	235.4	9.5	3.6	13.8	-61.1%	16.4%	14.3	14.8	15.6	4.2%	3.2%
Software and other intangible assets	0.2	–	–	–	-100.0%	–	–	–	–	–	–
Total	524.6	326.1	349.3	399.5	-8.7%	100.0%	475.0	489.1	491.9	7.2%	100.0%
Proportion of total programme expenditure to vote expenditure	10.6%	6.3%	6.2%	6.7%	–	–	7.4%	7.3%	7.3%	–	–

Programme 4: Climate Change and Air Quality

Programme purpose

Formulate policies, and administer legislation and implement systems to improve regulation, monitoring and compliance regarding climate change and air quality.

Objectives

- Manage threats to environmental quality and integrity by:
 - developing and coordinating the implementation of 11 climate change response interventions by 2019 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 5 sector adaptation plans by 2019.
- Contribute to the global effort to stabilise greenhouse gas concentrations in the atmosphere to enable South Africa to meet its national and international obligations by implementing 16 climate change response policy interventions by 2018/19.
- Develop a national climate change monitoring and evaluation system for climate change by rolling out the Let's Respond toolkit in 40 municipalities by 2016/17.

- 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 Monitoring and Evaluation* ensures the monitoring and evaluation of national climate change responses to ensure informed decision making on responding to climate change.

Expenditure trends and estimates

Table 27.9 Climate Change and Air Quality expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Climate Change Management	5.8	5.4	7.6	7.2	7.4%	2.9%	7.6	8.0	8.5	5.5%	2.8%
Climate Change Mitigation	6.7	7.5	8.4	8.2	6.7%	3.4%	8.7	9.2	9.7	5.9%	3.2%
Climate Change Adaptation	2.9	3.7	6.6	4.5	16.5%	1.9%	4.8	5.1	5.3	5.6%	1.8%
Air Quality Management	28.9	32.5	36.6	39.8	11.3%	15.2%	42.5	45.0	47.6	6.1%	15.6%
South African Weather Service	150.6	162.9	152.5	160.4	2.1%	69.1%	205.0	205.5	206.1	8.7%	69.0%
International Climate Change Relations and Negotiations	9.6	9.3	10.2	10.4	2.5%	4.3%	11.0	11.7	12.3	6.0%	4.0%
Climate Change Monitoring and Evaluation	3.0	8.4	7.4	9.6	46.8%	3.1%	10.0	10.6	11.2	5.4%	3.7%
Total	207.5	229.8	229.3	240.1	5.0%	100.0%	289.6	295.0	300.8	7.8%	100.0%
Change to 2015							(5.0)	(5.0)	(5.0)		
Budget estimate											
Economic classification											
Current payments	54.8	64.5	74.5	77.2	12.1%	29.9%	82.0	86.8	91.8	5.9%	30.0%
Compensation of employees	32.6	38.6	46.1	50.7	15.9%	18.5%	53.7	57.1	60.4	6.0%	19.7%
Goods and services	22.2	25.9	28.4	26.5	6.1%	11.4%	28.3	29.7	31.4	5.8%	10.3%
of which:											
Communication	0.4	0.4	0.5	2.2	79.7%	0.4%	2.3	2.4	2.5	4.9%	0.8%
Computer services	–	0.2	–	7.1	–	0.8%	8.2	8.6	9.1	8.5%	2.9%
Consultants: Business and advisory services	1.2	8.6	9.7	1.2	-1.4%	2.3%	1.1	1.2	1.2	1.3%	0.4%
Travel and subsistence	15.8	9.7	10.8	7.7	-21.2%	4.9%	7.9	8.3	8.7	4.1%	2.9%
Operating payments	0.3	0.5	0.6	1.4	60.8%	0.3%	1.5	1.6	1.7	4.9%	0.5%
Venues and facilities	2.7	3.9	4.7	2.2	-6.8%	1.5%	2.4	2.5	2.7	7.1%	0.9%

Table 27.9 Climate Change and Air Quality 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 (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
R million												
Transfers and subsidies	152.2	164.4	153.9	161.8	2.1%	69.7%	206.5	207.0	207.7	8.7%	69.6%	
Departmental agencies and accounts	150.6	162.9	152.5	160.4	2.1%	69.1%	205.0	205.5	206.1	8.7%	69.0%	
Non-profit institutions	1.5	1.4	1.4	1.4	-2.4%	0.6%	1.5	1.5	1.6	5.4%	0.5%	
Households	0.1	0.1	0.0	-	-100.0%	-	-	-	-	-	-	
Payments for capital assets	0.5	0.8	0.9	1.1	26.6%	0.4%	1.2	1.2	1.3	5.3%	0.4%	
Machinery and equipment	0.5	0.8	0.9	1.1	26.6%	0.4%	1.2	1.2	1.3	5.3%	0.4%	
Total	207.5	229.8	229.3	240.1	5.0%	100.0%	289.6	295.0	300.8	7.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	4.2%	4.4%	4.0%	4.0%	-	-	4.5%	4.4%	4.5%	-	-	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	150.6	162.9	152.5	160.4	2.1%	69.1%	205.0	205.5	206.1	8.7%	69.0%	
South African Weather Service	150.6	162.9	152.5	160.4	2.1%	69.1%	205.0	205.5	206.1	8.7%	69.0%	
Non-profit institutions												
Current	1.5	1.4	1.4	1.4	-2.4%	0.6%	1.5	1.5	1.6	5.4%	0.5%	
National Association for Clean Air	1.4	1.4	1.4	1.4	-	0.6%	1.5	1.5	1.6	5.4%	0.5%	
South African Climate Action Network	0.1	-	-	-	-100.0%	-	-	-	-	-	-	

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 11.3 per cent (13 774 798 ha/121 991 200 ha) in 2014/15 to 13.2 per cent (16 121 794 ha/121 991 200 ha) in 2018/19
 - improving the size of state managed protected areas that are effectively managed to 90 per cent (5 873 300 ha/6 525 889 ha) by 2018/19.
- 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 10 natural resource based enterprises per year over the medium term
 - finalising a minimum of 2 benefit sharing agreements arising from the use of biological resources by 2018/19.

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 protected areas policies and legislation; 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 and the fair and equitable sharing of benefits arising from the use of biological resources; and facilitates the growth of a nature based biodiversity economy through appropriate policies, legislation and programmes.

Expenditure trends and estimates

Table 27.10 Biodiversity and Conservation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million											
Biodiversity and Conservation Management	7.1	11.3	15.8	17.0	34.1%	2.0%	17.9	19.0	20.1	5.6%	2.6%
Biodiversity Planning and Management	42.9	19.4	20.0	26.0	-15.3%	4.3%	27.2	28.7	30.4	5.3%	3.9%
Protected Areas Systems Management	40.8	35.8	44.5	47.3	5.0%	6.7%	50.0	52.4	55.4	5.4%	7.1%
iSimangaliso Wetland Park Authority	27.0	28.8	30.6	31.6	5.4%	4.7%	33.0	34.5	36.5	4.9%	4.7%
South African National Parks	256.2	237.4	275.1	278.7	2.8%	41.8%	278.9	285.3	302.2	2.7%	39.7%
South African National Biodiversity Institute	194.4	208.7	223.4	232.1	6.1%	34.2%	238.0	249.9	264.7	4.5%	34.2%
Biodiversity Monitoring and Evaluation	-	6.5	8.6	6.2	-	0.8%	6.5	6.9	7.3	5.5%	0.9%
Biodiversity Economy and Sustainable Use	-	17.8	25.0	91.6	-	5.4%	66.7	19.9	21.0	-38.8%	6.9%
Total	568.4	565.7	643.1	730.6	8.7%	100.0%	718.2	696.6	737.6	0.3%	100.0%
Change to 2015 Budget estimate				-			(10.0)	(10.0)	(10.0)		
Economic classification											
Current payments	88.0	89.9	110.6	185.2	28.1%	18.9%	165.3	125.1	132.4	-10.6%	21.1%
Compensation of employees	42.7	48.6	55.8	65.1	15.1%	8.5%	69.0	73.4	77.6	6.0%	9.9%
Goods and services	45.4	41.3	54.8	120.1	38.3%	10.4%	96.3	51.7	54.8	-23.0%	11.2%
of which:											
Communication	0.6	0.5	0.9	47.6	323.3%	2.0%	48.5	0.7	0.7	-74.9%	3.4%
Consultants: Business and advisory services	13.7	6.5	19.3	14.5	1.8%	2.2%	16.2	17.5	18.6	8.7%	2.3%
Contractors	0.7	0.4	0.5	3.2	63.4%	0.2%	3.3	4.3	4.5	12.6%	0.5%
Travel and subsistence	19.8	18.0	22.4	15.7	-7.4%	3.0%	16.9	17.3	18.3	5.2%	2.4%
Operating payments	1.5	1.8	1.0	2.3	15.1%	0.3%	2.4	2.5	2.7	4.7%	0.3%
Venues and facilities	5.4	4.6	4.8	30.8	79.0%	1.8%	2.9	3.1	3.2	-52.8%	1.4%
Transfers and subsidies	479.0	475.0	531.5	544.7	4.4%	81.0%	552.2	570.8	604.4	3.5%	78.8%
Departmental agencies and accounts	477.7	474.9	529.1	542.5	4.3%	80.7%	549.9	569.8	603.4	3.6%	78.6%
Non-profit institutions	1.3	-	2.3	2.3	21.1%	0.2%	2.3	1.0	1.0	-24.1%	0.2%
Households	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	1.4	0.8	1.0	0.7	-21.5%	0.2%	0.7	0.8	0.8	5.4%	0.1%
Machinery and equipment	1.4	0.8	1.0	0.7	-21.5%	0.2%	0.7	0.8	0.8	5.4%	0.1%
Total	568.4	565.7	643.1	730.6	8.7%	100.0%	718.2	696.6	737.6	0.3%	100.0%
Proportion of total programme expenditure to vote expenditure	11.5%	10.9%	11.3%	12.3%	-	-	11.2%	10.5%	10.9%	-	-

Table 27.10 Biodiversity and Conservation 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	
		2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current		450.3	446.6	499.1	511.1	4.3%	76.0%	516.9	569.8	603.4	5.7%	76.3%
iSimangaliso Wetland Park Authority		27.0	28.8	30.6	31.6	5.4%	4.7%	33.0	34.5	36.5	4.9%	4.7%
South African National Parks		228.9	209.1	245.1	247.3	2.6%	37.1%	245.9	285.3	302.2	6.9%	37.5%
South African National Biodiversity Institute		194.4	208.7	223.4	232.1	6.1%	34.2%	238.0	249.9	264.7	4.5%	34.2%
Capital		27.4	28.3	30.0	31.4	4.7%	4.7%	33.0	-	-	-100.0%	2.2%
South African National Parks		27.4	28.3	30.0	31.4	4.7%	4.7%	33.0	-	-	-100.0%	2.2%

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 218 435 work opportunities and 116 745 full time equivalent jobs in environmental projects by implementing projects related to the expanded public works programme over the medium term.
- Restore and maintain the structure and function of vegetation to contribute to ecosystem services by:
 - clearing or treating 211 075 ha of invasive alien plants
 - restoring and rehabilitating 30 083 ha of land by 2018/19.
- 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 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 environment sector, and to maximise the sustainable utilisation of environmental resources.

Expenditure trends and estimates

Table 27.11 Environmental Programmes expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Environmental Protection and Infrastructure Programme	1 258.6	1 297.6	1 481.1	1 264.0	0.1%	40.9%	1 544.9	1 522.6	1 492.5	5.7%	37.9%
Working for Water and Working on Fire	1 446.2	1 562.7	1 771.5	1 871.7	9.0%	51.3%	2 064.1	2 303.1	2 409.8	8.8%	56.3%
Green Fund	88.8	250.0	250.0	300.0	50.1%	6.9%	180.0	110.5	–	-100.0%	3.8%
Environmental Programmes Management	–	5.3	7.3	6.5	–	0.1%	7.5	8.0	8.5	9.4%	0.2%
Information Management and Sector Coordination	–	22.1	39.7	47.5	–	0.8%	68.5	72.7	76.9	17.4%	1.7%
Total	2 793.6	3 137.7	3 549.6	3 489.6	7.7%	100.0%	3 865.1	4 016.9	3 987.6	4.5%	100.0%
Change to 2015							(37.7)	153.1	60.3		
Budget estimate											
Economic classification											
Current payments	369.6	339.4	364.8	437.1	5.7%	11.6%	643.1	633.7	539.3	7.3%	14.7%
Compensation of employees	144.6	138.3	170.0	206.0	12.5%	5.1%	220.5	196.9	184.2	-3.7%	5.3%
Goods and services	225.0	201.0	194.8	231.0	0.9%	6.6%	422.6	436.9	355.1	15.4%	9.4%
of which:											
Consultants: Business and advisory services	36.9	26.1	5.3	33.0	-3.7%	0.8%	45.9	49.5	22.4	-12.1%	1.0%
Infrastructure and planning services	–	–	–	16.4	–	0.1%	64.2	54.3	8.7	-18.9%	0.9%
Contractors	89.6	90.3	84.4	59.5	-12.7%	2.5%	73.9	82.3	59.4	-0.1%	1.8%
Agency and support/outsourced services	0.0	0.0	0.9	–	-100.0%	–	61.5	65.8	78.1	–	1.3%
Inventory: Fuel, oil and gas	29.1	17.2	15.1	7.3	-37.1%	0.5%	23.5	24.7	24.5	50.0%	0.5%
Travel and subsistence	47.1	47.2	57.6	28.5	-15.4%	1.4%	58.0	59.7	55.5	24.8%	1.3%
Transfers and subsidies	2 419.0	2 780.9	3 180.9	3 030.4	7.8%	88.0%	3 218.0	3 378.6	3 442.9	4.3%	85.1%
Departmental agencies and accounts	130.0	485.4	517.6	401.7	45.6%	11.8%	539.4	418.8	332.6	-6.1%	11.0%
Public corporations and private enterprises	88.8	250.0	250.0	300.0	50.1%	6.9%	180.0	110.5	–	-100.0%	3.8%
Households	2 200.1	2 045.6	2 413.2	2 328.7	1.9%	69.3%	2 498.6	2 849.4	3 110.4	10.1%	70.2%
Payments for capital assets	5.0	17.4	3.8	22.2	64.8%	0.4%	4.0	4.5	5.4	-37.6%	0.2%
Machinery and equipment	4.5	17.4	3.8	22.2	70.4%	0.4%	4.0	4.5	5.4	-37.6%	0.2%
Software and other intangible assets	0.5	0.0	–	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	0.1	0.0	0.1	–	-100.0%	–	–	–	–	–	–
Total	2 793.6	3 137.7	3 549.6	3 489.6	7.7%	100.0%	3 865.1	4 016.9	3 987.6	4.5%	100.0%
Proportion of total programme expenditure to vote expenditure	56.5%	60.3%	62.5%	58.7%	–	–	60.1%	60.3%	59.0%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	2 199.9	2 045.5	2 411.6	2 328.7	1.9%	69.3%	2 498.6	2 849.4	3 110.4	10.1%	70.2%
Expanded public works programme:											
Environmental protection and infrastructure programme	–	630.5	711.7	641.9	–	15.3%	736.1	773.1	817.3	8.4%	19.3%
Expanded public works programme: Incentive: Environmental protection and infrastructure programme	–	132.2	183.7	161.0	–	3.7%	169.5	236.6	250.4	15.9%	5.3%
Expanded public works programme: Working for Water	–	642.6	897.3	882.7	–	18.7%	900.7	1 079.3	1 239.9	12.0%	26.7%
Expanded public works programme: Incentive: Working for Water	–	116.8	178.4	137.1	–	3.3%	144.4	151.6	160.4	5.4%	3.9%
Expanded public works programme: Working on Fire	–	470.4	382.3	461.9	–	10.1%	501.7	527.2	556.2	6.4%	13.3%
Expanded public works programme: Incentive: Working on Fire	–	52.8	58.1	44.0	–	1.2%	46.2	81.5	86.2	25.1%	1.7%
Expanded public works programme: Implementing agents	2 199.9	0.1	–	–	-100.0%	17.0%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7.7	6.2	–	–	-100.0%	0.1%	–	–	–	–	–
Social Security Fund: Compensation Fund	7.7	6.2	–	–	-100.0%	0.1%	–	–	–	–	–
Capital	122.4	479.2	513.8	401.7	48.6%	11.7%	539.4	418.8	332.6	-6.1%	11.0%
South African Weather Service	–	20.0	30.0	–	–	0.4%	–	35.0	37.0	–	0.5%
iSimangaliso Wetland Park Authority	44.1	96.8	101.4	61.1	11.5%	2.3%	99.2	100.0	111.7	22.2%	2.4%
South African National Parks	63.0	306.8	315.9	268.3	62.1%	7.4%	358.8	208.8	104.5	-27.0%	6.1%
South African National Biodiversity Institute	15.3	55.6	66.5	72.3	68.0%	1.6%	81.4	75.0	79.4	3.2%	2.0%

Table 27.11 Environmental Programmes expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Departmental agencies and accounts											
Social security funds											
Current	-	-	3.9	-	-	-	-	-	-	-	-
Social Security Fund: Compensation Fund	-	-	3.9	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	88.8	250.0	250.0	300.0	50.1%	6.9%	180.0	110.5	-	-100.0%	3.8%
Development Bank of Southern Africa	88.8	250.0	250.0	300.0	50.1%	6.9%	180.0	110.5	-	-100.0%	3.8%

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 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 by 90 per cent by 2018/19.
- 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 for 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 27.12 Chemicals and Waste Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Chemicals and Waste Management	6.5	4.3	6.0	6.9	2.1%	8.4%	7.2	6.5	6.9	-0.2%	6.5%
Hazardous Waste Management and Licensing	5.4	26.6	22.5	22.0	59.7%	27.1%	23.5	25.1	26.5	6.4%	22.9%
General Waste and Municipal Support	33.1	26.2	25.2	29.0	-4.3%	40.1%	31.0	32.7	34.6	6.1%	30.0%
Chemicals and Waste Policy, Evaluation and Monitoring	9.6	4.4	6.7	11.4	5.9%	11.3%	37.0	38.8	40.8	53.2%	30.2%
Chemicals Management	4.0	11.5	11.5	10.0	36.0%	13.1%	10.6	11.2	11.9	5.8%	10.3%
Total	58.5	73.1	71.9	79.3	10.6%	100.0%	109.3	114.3	120.7	15.0%	100.0%
Change to 2015 Budget estimate							-	-	27.8		
Economic classification											
Current payments	47.7	62.3	59.8	71.9	14.6%	85.5%	101.8	106.5	112.5	16.1%	92.7%
Compensation of employees	28.3	28.8	40.3	52.1	22.5%	52.9%	55.4	59.0	62.4	6.2%	54.0%
Goods and services	19.4	33.5	19.5	19.8	0.7%	32.6%	46.4	47.5	50.1	36.3%	38.7%
<i>of which:</i>											
Minor assets	0.1	0.2	0.1	0.8	87.9%	0.4%	0.8	0.8	0.9	4.4%	0.8%
Consultants: Business and advisory services	10.3	23.2	9.2	7.0	-12.3%	17.6%	32.7	34.3	36.1	72.9%	26.0%
Consumables: Stationery, printing and office supplies	0.0	0.1	0.1	1.5	361.3%	0.6%	1.5	1.6	1.7	4.6%	1.5%
Travel and subsistence	3.4	5.8	6.9	2.9	-4.7%	6.7%	3.0	2.7	2.8	-1.1%	2.7%
Operating payments	0.4	0.4	0.3	2.4	85.5%	1.2%	2.5	2.6	2.7	4.6%	2.4%
Venues and facilities	2.5	1.0	0.7	2.5	0.5%	2.4%	3.1	2.6	2.8	3.0%	2.6%
Transfers and subsidies	10.3	10.5	11.0	6.8	-12.7%	13.7%	6.8	7.1	7.5	3.1%	6.7%
Departmental agencies and accounts	10.0	10.2	11.0	6.8	-11.9%	13.5%	6.8	7.1	7.5	3.1%	6.7%
Non-profit institutions	0.2	0.1	-	-	-100.0%	0.1%	-	-	-	-	-
Households	0.1	0.1	-	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	0.6	0.4	1.0	0.6	0.8%	0.9%	0.6	0.6	0.7	5.4%	0.6%
Machinery and equipment	0.6	0.4	1.0	0.6	0.8%	0.9%	0.6	0.6	0.7	5.4%	0.6%
Total	58.5	73.1	71.9	79.3	10.6%	100.0%	109.3	114.3	120.7	15.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.2%	1.4%	1.3%	1.3%	-	-	1.7%	1.7%	1.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	10.0	10.2	11.0	6.8	-11.9%	13.5%	6.8	7.1	7.5	3.1%	6.7%
National Regulator for Compulsory Specifications	10.0	10.2	11.0	6.8	-11.9%	13.5%	6.8	7.1	7.5	3.1%	6.7%

Entities

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.

Selected performance indicators

Table 27.13 South African National Parks performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Gross operating tourism revenue (value of revenue raised from commercial activities) per year	Administration	Outcome 10: Protect and enhance our environmental assets and natural resources	R898.5m	R900m	R1.07bn	R1.19bn	R1.28bn	R1.39bn	R1.5bn
Number of free access entrants to parks per year	Administration		- ¹	42 330	53 251	18 200	18 300	18 400	18 500
Number of participants in environmental education programmes per year	Administration		213 327	215 232	213 744	185 600	190 000	190 500	191 000
Percentage of accommodation occupancy in national parks per year	Administration		68.1%	70.9%	72.1%	72.5%	70.5%	71%	75%
Number of visitors to national parks per year	Administration		4 941 697	5 235 095	5 578 532	5 600 000	5 900 000	6 200 000	6 500 000
Number of domestic black visitors to national parks per year	Administration		434 216	467 018	506 273	462 500	469 500	470 000	509 958
Number of new permanent jobs created per year ²	Administration		348	241	305	20	30	50	90

1. Free access to national parks was not granted in 2012/13.

2. Only a limited number of permanent jobs can be created over time.

Expenditure analysis

South African National Parks 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 economic growth).

The organisation's focus over the medium term will be on contributing to national and global efforts to improve the state of conservation; maintaining and upgrading tourism facilities to increase the organisation's revenue generating potential through increasing the number of visitors; and fighting wildlife crime, particularly the poaching of rhino in the Kruger National Park, as well as abalone poaching.

Greater awareness and intensified marketing of the features of South African National Parks, especially among previously disadvantaged groups and its Wild Card loyalty programme members, is expected to lead to an increase in the number of visitors to the parks from 5.6 million in 2014/15 to 6.5 million in 2018/19. The range of tourism activities within the parks such as self-drive safaris, game viewing, guided walks and hiking, bird-watching, 4x4 trails, sightseeing, cultural and historical experiences that educate visitors about the traditional way of life in those regions, mountain biking, golf, canoeing, and swimming are expected to drive an increase in revenue from R1.8 billion in 2015/16 to R1.9 billion in 2018/19. This revenue will enable the organisation to fund activities and projects, mostly infrastructural, which cannot not be funded by the budget allocations.

Infrastructure investment over the medium term in support of tourism growth and job creation in remote communities, where most national parks are situated, is expected to be R637 million, and R37.5 million has been set aside for communications and marketing to attract more visitors. R104 million over the medium term is allocated for combating wildlife crime, and R66.8 million is allocated for marine protection.

150 additional rangers have been deployed in the Kruger National Park to fight rhino poaching. Together with inflation, this is contributing to the expected increase in expenditure on compensation of employees from R958 million in 2016/17 to R1.1 billion in 2018/19. As the organisation has more than 4 000 personnel, compensation of employees is a key cost driver, accounting for 53.7 per cent of total expenditure over the medium term.

The Cabinet approved budget reductions of R5 million in 2016/17, R5 million in 2017/18 and R5 million in 2018/19, are to be effected in goods and services, particularly on travel and subsistence expenditure, in line with these cost containment measures. Despite these reductions, the organisation will seek to provide jobs for young people. This is expected to increase the organisation's expenditure on goods and services to R593 million in 2018/19, with the major cost driver being operational and special project expenses, including professional fees and costs associated with management and infrastructure projects.

Programmes/objectives/activities

Table 27.14 South African National Parks expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	1 664.5	2 249.8	2 510.5	1 784.5	2.3%	100.0%	1 886.0	1 839.9	1 847.8	1.2%	100.0%
Total	1 664.5	2 249.8	2 510.5	1 784.5	2.3%	100.0%	1 886.0	1 839.9	1 847.8	1.2%	100.0%

Statements of historical financial performance and position

Table 27.15 South African National Parks statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	858.2	1 097.7	878.0	1 344.5	920.4	1 444.6	1 396.1	1 265.2	127.1%
Sale of goods and services other than capital assets	833.0	1 061.9	852.9	1 300.1	894.8	1 387.2	1 324.5	1 208.7	127.0%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>833.0</i>	<i>1 061.9</i>	<i>852.9</i>	<i>1 300.1</i>	<i>894.8</i>	<i>1 387.2</i>	<i>1 324.5</i>	<i>1 208.7</i>	<i>127.0%</i>
Other non-tax revenue	25.2	35.8	25.1	44.3	25.6	57.4	71.6	56.5	131.5%
Transfers received	250.7	643.1	478.4	938.3	654.9	1 353.8	527.8	519.3	180.7%
Total revenue	1 108.9	1 740.8	1 356.3	2 282.7	1 575.3	2 798.4	1 924.0	1 784.5	144.3%
Expenses									
Current expenses	1 108.9	1 664.5	1 356.3	2 249.8	1 554.2	2 510.5	1 558.0	1 558.0	143.1%
Compensation of employees	598.2	581.9	849.6	885.5	688.5	871.2	903.4	903.4	106.7%
Goods and services	461.0	1 025.3	453.8	1 280.3	809.5	1 566.3	556.8	556.8	194.1%
Depreciation	35.5	41.1	37.7	82.5	39.9	71.4	96.2	96.2	139.1%
Interest, dividends and rent on land	14.3	16.2	15.3	1.5	16.2	1.6	1.6	1.6	44.3%
Transfers and subsidies	-	-	-	-	-	-	226.5	226.5	100.0%
Total expenses	1 108.9	1 664.5	1 356.3	2 249.8	1 554.2	2 510.5	1 784.5	1 784.5	141.4%
Surplus/(Deficit)	-	76.0	-	33.0	21.0	288.0	139.0	-	-
Statement of financial position									
Carrying value of assets	1 137.0	1 338.1	1 855.3	1 766.2	1 915.3	1 986.8	1 709.7	1 986.8	107.0%
Acquisition of assets	(42.9)	(182.5)	(21.2)	(330.5)	(22.3)	(599.7)	(63.7)	(63.7)	783.8%
Investments	232.9	-	232.9	156.6	232.9	160.4	-	160.4	68.3%
Inventory	21.1	34.6	21.1	36.5	21.1	34.0	41.0	34.0	133.0%
Receivables and prepayments	25.0	32.8	25.0	32.0	25.0	40.4	35.5	40.4	131.8%
Cash and cash equivalents	200.0	569.2	200.0	795.2	200.0	882.8	795.2	882.8	224.3%
Non-current assets held for sale	588.4	-	-	-	-	-	-	-	-
Total assets	2 204.4	1 974.7	2 334.3	2 786.6	2 394.3	3 104.3	2 581.5	3 104.3	115.3%
Accumulated surplus/(deficit)	735.2	1 063.4	(39.6)	1 352.6	(39.6)	1 492.8	1 010.2	1 492.8	324.2%
Capital reserve fund	-	266.7	90.0	-	105.0	-	424.8	-	43.0%
Borrowings	36.5	16.5	22.3	16.1	22.3	11.5	16.2	11.5	57.3%
Deferred income	844.2	-	1 649.0	371.1	1 694.0	476.0	-	476.0	31.6%
Trade and other payables	354.8	345.3	354.8	441.9	354.8	469.0	616.6	469.0	102.6%
Provisions	233.7	282.8	257.9	604.8	257.9	655.0	513.6	655.0	174.0%
Total equity and liabilities	2 204.4	1 974.7	2 334.3	2 786.6	2 394.3	3 104.3	2 581.5	3 104.3	115.3%

Statements of estimates of financial performance and position

Table 27.16 South African National Parks statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2015/16	2012/13 - 2015/16	2016/17		
R million									
Revenue									
Non-tax revenue		1 265.2	4.8%	61.1%	1 327.4	1 407.4	1 492.0	5.7%	74.6%
Sale of goods and services other than capital assets		1 208.7	4.4%	58.8%	1 264.7	1 339.1	1 417.8	5.5%	71.1%
<i>of which:</i>									
Sales by market establishment		1 208.7	4.4%	58.8%	1 264.7	1 339.1	1 417.8	5.5%	71.1%
Other non-tax revenue		56.5	16.4%	2.3%	62.7	68.3	74.2	9.5%	3.6%
Transfers received		519.3	-6.9%	38.9%	558.5	432.5	355.8	-11.8%	25.4%
Total revenue		1 784.5	0.8%	100.0%	1 886.0	1 839.9	1 847.8	1.2%	100.0%
Expenses									
Current expenses		1 558.0	-2.2%	96.8%	1 652.9	1 728.5	1 750.0	3.9%	98.7%
Compensation of employees		903.4	15.8%	39.9%	957.6	1 015.1	1 076.0	6.0%	53.7%
Goods and services		556.8	-18.4%	53.0%	591.6	634.3	592.7	2.1%	32.3%
Depreciation		96.2	32.8%	3.6%	102.2	77.8	80.1	-5.9%	4.8%
Interest, dividends and rent on land		1.6	-53.8%	0.3%	1.4	1.3	1.2	-10.0%	0.1%
Transfers and subsidies		226.5	-	3.2%	233.0	111.4	97.8	-24.4%	9.1%
Total expenses		1 784.5	2.3%	100.0%	1 886.0	1 839.9	1 847.8	1.2%	100.0%
Surplus/(Deficit)		-	(1)	-	-	-	-	-	-
Statement of financial position									
Carrying value of assets		1 986.8	14.1%	64.8%	1 986.8	1 986.8	1 986.8	-	64.0%
<i>of which:</i>									
Acquisition of assets		(63.7)	-29.6%	-10.6%	(70.8)	(77.2)	(84.4)	9.9%	-2.4%
Investments		160.4	-	4.0%	160.4	160.4	160.4	-	5.2%
Inventory		34.0	-0.6%	1.3%	34.0	34.0	34.0	-	1.1%
Receivables and prepayments		40.4	7.2%	1.4%	40.4	40.4	40.4	-	1.3%
Cash and cash equivalents		882.8	15.8%	28.6%	882.8	882.8	882.8	-	28.4%
Total assets		3 104.3	16.3%	100.0%	3 104.3	3 104.3	3 104.3	-	100.0%
Accumulated surplus/(deficit)		1 492.8	12.0%	49.6%	1 492.8	1 492.8	1 492.8	-	48.1%
Borrowings		11.5	-11.3%	0.5%	11.5	11.5	11.5	-	0.4%
Deferred income		476.0	-	11.0%	476.0	476.0	476.0	-	15.3%
Trade and other payables		469.0	10.7%	15.9%	469.0	469.0	469.0	-	15.1%
Provisions		655.0	32.3%	19.6%	655.0	655.0	655.0	-	21.1%
Total equity and liabilities		3 104.3	16.3%	100.0%	3 104.3	3 104.3	3 104.3	-	100.0%

Personnel information

Table 27.17 South African National Parks personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19			
South African National Parks		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	6 476	6 476	6 476	871.2	0.1	6 352	903.4	0.1	6 476	957.6	0.1	6 476	1 015.1	0.2	6 476	1 076.0	0.2	6.0%	100.0%
1 - 6	5 655	5 655	5 655	541.2	0.1	5 531	553.6	0.1	5 655	586.8	0.1	5 655	621.9	0.1	5 655	667.0	0.1	6.4%	87.3%
7 - 10	670	670	670	209.8	0.3	670	222.4	0.3	670	235.7	0.4	670	249.8	0.4	670	264.8	0.4	6.0%	10.4%
11 - 12	113	113	113	79.0	0.7	113	83.7	0.7	113	88.7	0.8	113	94.1	0.8	113	99.7	0.9	6.0%	1.8%
13 - 16	38	38	38	41.3	1.1	38	43.8	1.2	38	46.4	1.2	38	49.3	1.3	38	44.4	1.2	0.5%	0.6%

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 2016/17 is R207.2 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 2016/17 is R576.7 million.
- The **South African Weather Service** maintains, extends and improves the quality of meteorological services. The entity's total budget for 2016/17 is R370.2 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 2015/16	Medium-term expenditure estimate	
				2012/13	2013/14		2016/17	2017/18
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	Construction	1 429.3	187.7	-	-	-	-
South African National Parks	Upgrading of tourism accommodation facilities	Construction	1 282.8	63.0	216.8	398.3	504.7	343.8
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)								
South African National Parks	Upgrading of roads	Construction	500.0	27.4	28.3	31.5	33.1	34.7
South African National Biodiversity Institute	Upgrading of laboratories and replacement of old and depleted equipment and vehicles	Construction	550.0	-	40.0	60.0	63.6	67.4
South African National Parks	Upgrading of accommodation facilities and equipment in national parks	Construction	595.7	-	65.0	195.0	206.7	-
iSimangaliso Wetland Park Authority	Upgrading of office facilities	Construction	655.2	44.1	-	-	-	-
South African National Biodiversity Institute	Upgrading of and building of new facilities in botanical gardens	Construction	230.0	15.3	15.6	17.3	18.2	19.1
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	Complete	50.0	-	20.0	-	-	-
iSimangaliso Wetland Park Authority	Upgrading of accommodation facilities and equipment	Construction	220.0	-	20.0	20.0	20.0	20.0
Total			5 513.0	337.5	405.7	722.1	846.2	485.1
								412.0

Vote 28

Labour

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	852.9	783.9	0.7	68.3	895.0	940.6
Inspection and Enforcement Services	519.5	519.4	0.1	–	529.8	581.8
Public Employment Services	510.3	286.6	223.6	0.1	571.9	594.3
Labour Policy and Industrial Relations	965.2	124.9	840.3	0.1	1 035.3	1 107.5
Total expenditure estimates	2 847.9	1 714.8	1 064.6	68.4	3 032.0	3 224.2
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 service delivery, where appropriate.

Vote purpose

Play a significant role in reducing unemployment, poverty and inequality through 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, and this is given effect through a number of acts that regulate labour matters in South Africa. 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, which are aimed at:

- improving economic efficiency and productivity
- facilitating decent employment creation
- promoting labour standards and fundamental rights at work
- providing adequate social safety nets to protect vulnerable workers
- promoting and enforcing sound labour relations
- eliminating inequality and discrimination in the workplace
- enhancing occupational health and safety awareness and compliance in the workplace
- giving value to social dialogue in the formulation of sound, and responsive legislation and policies to attain labour market flexibility for 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total number of workplaces/employers inspected and reviewed per year to determine compliance with various labour legislation	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive economic growth	141 731	164 868	180 818	172 334	175 478	175 957	177 395
Percentage of reported incidents per year investigated within 90 days	Inspection and Enforcement Services		- ¹	- ¹	45% (589 of 1 305)	60% ²	62% ²	65% ²	70% ²
Number of work seekers registered on the employment services of South Africa database system per year	Public Employment Services		600 259	618 092	618 570	600 000	500 000 ³	500 000	500 000
Number of registered work seekers provided with employment counselling per year	Public Employment Services		264 068	250 160	246 744	250 000	150 000 ³	140 000	130 000
Number of registered employment opportunities filled by registered work seekers per year	Public Employment Services		- ¹	- ¹	20 000	25 000	8 000 ³	8 000	8 000
Income differentials in pay assessed to promote the principle of equal pay for work of equal value	Labour Policy and Industrial Relations		30	31	30	30	30	30	30
Number of pay scales assessed per year to reduce gaps in minimum wage determinations	Labour Policy and Industrial Relations		6	2	4	4	2	2	2

1. No historical data is available as these are new indicators.

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. Targets revised to align with the department's budget.

Expenditure analysis

The focus of the Department of Labour over the medium term will be on: minimum working conditions, a safe work environment and fair labour relations practices; supporting work seekers; and regulating the workplace. The department thus contributes to the national development plan's vision of increasing labour absorption and enhancing workplace dispute resolution to advance healthy labour relations, and gives impetus to outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework.

The department's compensation of employees budget has been reduced by R69.6 million for 2017/18 and R127.4 million for 2018/19, and its goods and services budget by R49.5 million over the medium term. These reductions are part of Cabinet's decision to lower the national aggregate expenditure ceiling. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

Minimum working conditions, a safe work environment and fair labour relations practices

The department will conduct compliance inspections to ensure minimum working conditions, a safe work environment and fair labour relations practices. R1.6 billion is allocated to the *Inspection and Enforcement Services* programme over the MTEF period to support the department's implementation of its decent work policy and contribute to achieving the targets set in the 2014-2019 medium term strategic framework, namely to increase the number of compliance inspections from 164 868 in 2013/14 to 177 395 in 2018/19.

Due to the high demand for inspectors and the higher salaries offered by the private sector, it is challenging for the department to retain inspectors and find suitably skilled candidates. The number of inspectors is set to increase from 1 348 in 2014/15 to 1 420 in 2018/19, which is budgeted for in the *Compliance Monitoring and Enforcement* subprogramme of the *Inspection and Enforcement Services* programme. 63 specialist minimum wage inspector posts are funded by the reprioritisation of R53.4 million in the 2016 Budget.

Supporting work seekers

The national target for employment is the creation of 11 million jobs by 2030. The department has aligned its employment plans to contribute to this target, supported by an allocation of R965 million in the *Public Employment Services* programme over the medium term, excluding transfers. The Employment Services Act (2014), promulgated in August 2015, seeks to support the creation of jobs, the registration of job opportunities, the regulation of the recruitment of foreign nationals, and the establishment of various work schemes, presently being researched, which are geared towards job creation.

The department seeks to facilitate greater access to the labour market for workers affected by barriers to entry such as low literacy, poor skills, and a lack of funds to undertake job research. The department plans to finalise regulations on the establishment of work schemes in terms of the act over the medium term. It also plans to regulate employment services provided by agencies outside of the public administration and categories of employment in which new vacancies and positions must be reported in terms of the act. Recommendations from the assessment of the implementation plan for the act are that 322 additional personnel are required in public employment services to improve service delivery, especially in facilitating employment. Providing more employment counsellors is essential, as this is the backbone of most modern public employment services. Counsellors enhance work seekers' employability and place them in registered employment opportunities. Employment counselling will be provided to 420 000 registered work seekers over the medium term. The number of work seekers registered on the employment services of South Africa database system is set to decrease from 618 570 in 2014/15 to 500 000 in 2018/19 due to capacity constraints.

The placement of work seekers has been hampered by the time it takes employers to respond to referrals by the department as well as the lack of responses by employers. The department has not been able to meet its annual targets for placing work seekers in registered employment opportunities. Over the MTEF period, the department will implement recommendations to address the root causes of placement challenges, including facilitating life skill activities and enhancing work seekers' readiness for employment to make them more attractive to potential employers. By matching registered employment opportunities to work seekers on the employment services of South Africa database system, the department expects to place these work seekers in 20 per cent of registered employment opportunities over the medium term. The department will also be registering private employment agencies, facilitating the employment of foreign nationals where the required skills are not available in South Africa, and recording the number of migrating skilled South Africans. Funding for these activities is reflected in the anticipated average annual growth of 9.5 per cent over the period in the *Employer Services* subprogramme. Between April and September 2015, 47 708 work opportunities were registered and 5 229 work seekers were placed, meaning that work seekers were placed in 11 per cent of registered opportunities.

Regulating the workplace

Over the medium term, the department will focus on the implementation of the amended Labour Relations Act (1995), the Basic Conditions of Employment Act (1997), the Employment Equity Act (1998) and a national minimum wage. R16.3 million over the medium term is reprioritised to the *Labour Policy and Industrial Relations* programme for filling 12 critical vacant posts, including a deputy director and 2 directors for labour relations and economic modelling, and the chairperson of the Employment Conditions Commission. (The commission was established in 1998 to advise the Minister of Labour, the Minister of Social Development and the Minister of Public Service and Administration on various issues related to regulating employment.)

The department aims to employ more personnel to implement a national minimum wage to contribute to reducing poverty and income inequality in South Africa. This increase in institutional capacity accounts for the 29.6 per cent average annual growth in spending in the *Employments Standards* subprogramme over the medium term. The *Labour Policy and Industrial Relations* programme receives R9.1 million in 2017/18 and R9.7 million in 2018/19 to establish a national minimum wage fixing mechanism, to adjust the level of the wage periodically, and to review the impact of the national minimum wage. This work could either be an extension of the Employment Conditions Commission's work and its secretariat in the department, or a similar institution. How to determine a national minimum wage is under discussion in the National Economic and Development Labour Council, and the process should conclude in early 2016.

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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	732.6	764.6	687.7	785.4	840.4	795.9	787.7	784.9	676.0	845.1	815.1	793.6	93.7%	92.1%
Programme 2	429.2	400.4	395.6	465.2	440.2	412.2	403.2	410.4	430.9	430.8	471.8	471.8	99.0%	99.3%
Programme 3	322.0	334.3	331.7	400.1	400.1	413.5	466.5	481.5	465.3	488.3	497.3	497.3	101.8%	99.7%
Programme 4	635.9	640.3	619.7	764.5	764.5	749.9	869.9	869.4	847.8	922.7	920.0	920.0	98.3%	98.2%
Total	2 119.7	2 139.6	2 034.6	2 415.2	2 445.2	2 371.4	2 527.3	2 546.3	2 419.9	2 686.9	2 704.2	2 682.8	97.5%	96.7%
Change to 2015 Budget estimate											17.4			
Economic classification														
Current payments	1 446.9	1 446.7	1 276.5	1 562.2	1 560.5	1 469.6	1 554.0	1 558.0	1 458.3	1 683.8	1 642.8	1 624.3	93.3%	93.9%
Compensation of employees	883.3	847.5	820.5	982.9	882.0	866.1	966.5	969.2	997.8	1 079.6	1 052.9	1 052.9	95.5%	99.6%
Goods and services	563.6	599.1	456.0	579.3	678.6	603.5	587.4	588.7	460.6	604.2	589.9	571.4	89.6%	85.1%
of which:														
Communication	38.5	37.8	44.6	41.1	40.6	34.5	38.1	38.3	35.2	37.7	53.0	53.0	107.7%	98.6%
Computer services	30.4	28.9	71.9	110.1	110.0	77.2	83.7	83.7	69.7	95.3	95.4	88.5	96.2%	96.6%
Fleet services (including government motor transport)	1.9	4.4	6.4	3.2	8.4	12.8	8.2	7.7	19.4	22.8	19.6	19.6	161.4%	145.2%
Operating leases	218.9	217.7	48.0	132.6	161.3	148.1	139.4	139.3	104.9	145.6	144.8	135.3	68.5%	65.8%
Property payments	-	0.5	46.3	-	-	53.2	0.2	0.2	46.8	58.8	62.7	62.2	353.9%	329.2%
Travel and subsistence	12.1	11.4	104.0	14.3	26.0	86.2	15.1	16.4	77.2	84.0	74.4	74.3	272.3%	266.7%
Transfers and subsidies	639.3	656.4	658.4	818.7	824.2	823.4	942.4	957.4	924.6	956.2	1 009.2	1 009.2	101.8%	99.1%
Provinces and municipalities	-	0.1	0.2	-	0.2	0.4	0.0	0.0	0.5	0.0	0.5	0.5	41 225.0%	198.4%
Departmental agencies and accounts	551.4	554.0	554.1	676.2	676.2	676.2	774.9	774.9	785.8	824.2	824.2	824.2	100.5%	100.4%
Foreign governments and international organisations	10.7	12.7	13.7	11.3	15.6	15.9	16.5	16.5	17.0	17.3	19.3	19.3	118.1%	102.9%
Non-profit institutions	76.9	88.7	88.0	131.0	131.0	127.7	150.7	165.7	116.6	114.4	164.5	164.5	105.1%	90.4%
Households	0.3	0.8	2.4	0.3	1.2	3.1	0.3	0.3	4.7	0.3	0.7	0.7	957.9%	369.4%
Payments for capital assets	33.5	36.5	93.4	34.3	60.6	60.3	31.0	31.0	36.1	46.9	52.2	49.2	164.1%	132.6%
Buildings and other fixed structures	3.4	3.4	8.6	5.5	5.5	1.5	0.0	0.0	1.9	-	2.0	2.0	157.6%	128.7%
Machinery and equipment	30.1	33.1	84.8	28.8	55.1	58.8	31.0	31.0	34.2	46.9	50.2	47.2	164.5%	132.9%
Payments for financial assets	-	-	6.2	-	-	18.1	-	-	0.9	-	-	-	-	-
Total	2 119.7	2 139.6	2 034.6	2 415.2	2 445.2	2 371.4	2 527.3	2 546.3	2 419.9	2 686.9	2 704.2	2 682.8	97.5%	96.7%

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	793.6	1.3%	31.1%	852.9	895.0	940.6	5.8%	29.5%
Programme 2	471.8	5.6%	18.0%	519.5	529.8	581.8	7.2%	17.8%
Programme 3	497.3	14.2%	18.0%	510.3	571.9	594.3	6.1%	18.4%
Programme 4	920.0	12.8%	33.0%	965.2	1 035.3	1 107.5	6.4%	34.2%
Total	2 682.8	7.8%	100.0%	2 847.9	3 032.0	3 224.2	6.3%	100.0%
Change to 2015 Budget estimate				(150.3)	(130.6)	(121.9)		

Table 28.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2016/17	2017/18	2018/19		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	1 624.3	3.9%	61.3%	1 714.8	1 870.9	1 995.3	7.1%	61.1%
Compensation of employees	1 052.9	7.5%	39.3%	1 132.2	1 221.5	1 307.9	7.5%	40.0%
Goods and services	571.4	-1.6%	22.0%	582.6	649.4	687.3	6.4%	21.1%
of which:								
Communication	53.0	11.9%	1.8%	41.8	46.3	41.6	-7.8%	1.6%
Computer services	88.5	45.2%	3.2%	104.3	109.3	115.5	9.2%	3.5%
Fleet services (including government motor transport)	19.6	63.9%	0.6%	28.1	37.3	44.9	31.9%	1.1%
Operating leases	135.3	-14.7%	4.6%	128.8	156.5	169.9	7.9%	5.0%
Property payments	62.2	391.5%	2.2%	57.7	63.9	67.7	2.9%	2.1%
Travel and subsistence	74.3	87.0%	3.6%	64.2	64.0	63.8	-5.0%	2.3%
Transfers and subsidies	1 009.2	15.4%	35.9%	1 064.6	1 119.3	1 184.2	5.5%	37.1%
Provinces and municipalities	0.5	78.7%	0.0%	0.5	0.5	0.5	-0.7%	0.0%
Departmental agencies and accounts	824.2	14.2%	29.9%	867.8	911.1	963.9	5.4%	30.3%
Foreign governments and international organisations	19.3	14.9%	0.7%	20.6	21.1	22.3	5.0%	0.7%
Non-profit institutions	164.5	22.9%	5.2%	175.5	186.4	197.2	6.2%	6.1%
Households	0.7	-2.7%	0.1%	0.3	0.3	0.4	-21.0%	0.0%
Payments for capital assets	49.2	10.5%	2.5%	68.4	41.8	44.7	-3.1%	1.7%
Buildings and other fixed structures	2.0	-16.3%	0.1%	28.0	-	-	-100.0%	0.3%
Machinery and equipment	47.2	12.6%	2.4%	40.4	41.8	44.7	-1.8%	1.5%
Total	2 682.8	7.8%	100.0%	2 847.9	3 032.0	3 224.2	6.3%	100.0%

Personnel information

Table 28.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																			
1. Administration																			
2. Inspection and Enforcement Services																			
3. Public Employment Services																			
4. Labour Policy and Industrial Relations																			
Labour	Number of funded posts	Number of posts additional to the establishment	Number and cost ³ of personnel posts filled / planned for on funded establishment													Number			
			Actual			Revised estimate			Medium-term expenditure estimate			Medium-term expenditure estimate			Average growth rate (%)	Salary level/Total: Average (%)			
			2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost
			Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost	Number	Cost	
Salary level	3 309	-	3 194	997.8	0.3	3 228	1 052.9	0.3	3 309	1 132.2	0.3	3 432	1 291.1	0.4	3 676	1 435.3	0.4	4.4%	100.0%
1 – 6	1 557	-	1 520	304.1	0.2	1 500	324.1	0.2	1 557	357.0	0.2	1 558	387.8	0.2	1 568	420.5	0.3	1.5%	45.3%
7 – 10	1 483	-	1 412	498.5	0.4	1 469	528.6	0.4	1 489	561.3	0.4	1 599	659.2	0.4	1 827	746.8	0.4	7.5%	46.8%
11 – 12	199	-	195	128.0	0.7	190	128.5	0.7	192	137.1	0.7	204	157.4	0.8	208	172.2	0.8	3.1%	5.8%
13 – 16	68	-	65	63.1	1.0	67	67.4	1.0	69	72.2	1.0	69	81.9	1.2	70	90.7	1.3	1.5%	2.0%
Other	2	-	2	4.0	2.0	2	4.3	2.2	2	4.6	2.3	2	4.9	2.4	2	5.2	2.6	-	0.1%
Programme	3 309	-	3 194	997.8	0.3	3 228	1 052.9	0.3	3 309	1 132.2	0.3	3 432	1 291.1	0.4	3 676	1 435.3	0.4	4.4%	100.0%
Programme 1	1 045	-	1 054	309.5	0.3	1 045	335.2	0.3	1 146	378.8	0.3	1 146	408.6	0.4	1 211	435.4	0.4	5.0%	33.3%
Programme 2	1 347	-	1 242	350.1	0.3	1 357	384.5	0.3	1 339	416.7	0.3	1 426	484.0	0.3	1 490	537.7	0.4	3.2%	41.1%
Programme 3	740	-	728	265.1	0.4	642	252.7	0.4	641	252.4	0.4	641	285.4	0.4	731	327.1	0.4	4.4%	19.5%
Programme 4	177	-	170	73.0	0.4	184	80.5	0.4	183	84.3	0.5	219	113.1	0.5	243	135.2	0.6	9.7%	6.1%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(69.6)	-	-	(127.4)	-	-	-
Total	3 309	-	3 194	997.8	0.3	3 228	1 052.9	0.3	3 309	1 132.2	0.3	-	1 221.5	-	-	1 307.9	-	-	-

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

2. The department's compensation of employees budget has been reduced by R197.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 28.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2015/16	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Receipt item/ Total: Average (%) 2012/13 - 2015/16	Medium-term receipts estimate			Average growth rate (%) 2015/16 - 2018/19	Receipt item/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15					2016/17	2017/18	2018/19		
Departmental receipts	15 670	22 601	11 155	12 813	12 513	-7.2%	100.0%	12 323	11 606	11 839	-1.8%	100.0%
Sales of goods and services produced by department	3 167	4 179	3 928	4 493	4 100	9.0%	24.8%	4 492	4 501	4 510	3.2%	36.5%
Sales by market establishments	174	175	182	195	194	3.7%	1.2%	200	204	208	2.3%	1.7%
of which:												
Market establishment: Rental dwellings	43	43	46	45	46	2.3%	0.3%	50	52	54	5.5%	0.4%
Market establishment: Rental parking (covered and open)	131	132	136	150	148	4.2%	0.9%	150	152	154	1.3%	1.3%
Administrative fees	1 396	2 234	1 853	2 172	1 901	10.8%	11.9%	2 162	2 164	2 166	4.4%	17.4%
of which:												
Occupational health and safety licences	1 385	2 234	1 853	2 162	1 900	11.1%	11.9%	2 162	2 164	2 166	4.5%	17.4%
Inspection fees: Trade test money	11	-	-	10	1	-55.0%	-	-	-	-	-100.0%	-
Other sales	1 597	1 770	1 893	2 126	2 005	7.9%	11.7%	2 130	2 133	2 136	2.1%	17.4%
of which:												
Services rendered: Commission on insurance and garnishee	1 593	1 767	1 889	2 122	2 000	7.9%	11.7%	2 124	2 126	2 128	2.1%	17.4%
Services rendered: Photocopies and faxes	1	-	-	-	1	-	-	1	1	1	-	-
Replacement of security cards	3	3	4	4	4	10.1%	-	5	6	7	20.5%	-
Sales of scrap, waste, arms and other used current goods	12	30	28	18	18	14.5%	0.1%	21	25	29	17.2%	0.2%
of which:												
Sales: Scrap	-	-	1	8	8	-	-	5	7	9	4.0%	0.1%
Sales: Waste paper	12	30	27	10	10	-5.9%	0.1%	16	18	20	26.0%	0.1%
Fines, penalties and forfeits	107	44	4	1 506	1 555	144.0%	2.8%	1 010	60	80	-62.8%	5.6%
Interest, dividends and rent on land	421	6 317	1 318	1 380	1 380	48.5%	15.2%	1 420	1 460	1 500	2.8%	11.9%
Interest	421	6 317	1 318	1 380	1 380	48.5%	15.2%	1 420	1 460	1 500	2.8%	11.9%
Sales of capital assets	-	-	1 108	300	105	-	2.0%	400	500	600	78.8%	3.3%
Transactions in financial assets and liabilities	11 963	12 031	4 769	5 116	5 355	-23.5%	55.1%	4 980	5 060	5 120	-1.5%	42.5%
Total	15 670	22 601	11 155	12 813	12 513	-7.2%	100.0%	12 323	11 606	11 839	-1.8%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 28.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Ministry	16.8	18.6	24.3	28.1	18.7%	3.0%	26.2	28.5	29.8	2.0%	3.2%
Management	270.2	273.1	252.0	248.2	-2.8%	35.1%	248.8	242.6	242.1	-0.8%	28.0%
Corporate Services	228.0	201.4	179.5	223.5	-0.7%	28.0%	249.5	279.4	304.5	10.9%	30.2%
Office of the Chief Financial Officer	101.7	142.2	97.5	139.9	11.2%	16.2%	131.7	140.0	144.9	1.2%	15.9%
Office Accommodation	71.1	160.6	122.7	175.4	35.1%	17.8%	196.7	204.5	219.2	7.7%	22.7%
Total	687.7	795.9	676.0	815.1	5.8%	100.0%	852.9	895.0	940.6	4.9%	100.0%
Change to 2015 Budget estimate				(30.0)			(50.9)	(48.6)	(57.7)		

Table 28.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Current payments	587.7	716.7	636.0	762.9	9.1%	90.9%	783.9	852.5	895.2	5.5%	94.0%
Compensation of employees	284.6	267.3	309.5	335.2	5.6%	40.2%	378.8	388.9	407.6	6.7%	43.1%
Goods and services	303.0	449.4	326.5	427.7	12.2%	50.6%	405.1	463.7	487.7	4.5%	50.9%
of which:											
Audit costs: External	14.8	14.0	15.3	19.4	9.5%	2.1%	20.4	22.9	23.8	7.0%	2.5%
Communication	10.9	13.7	14.5	19.8	21.8%	2.0%	17.8	19.9	19.9	0.3%	2.2%
Computer services	69.7	76.6	69.3	94.0	10.5%	10.4%	103.3	108.3	114.3	6.7%	12.0%
Contractors	0.3	13.7	5.1	1.7	78.9%	0.7%	15.7	16.4	17.0	117.7%	1.5%
Operating leases	46.5	140.4	103.1	140.6	44.6%	14.5%	125.1	151.8	163.0	5.0%	16.6%
Property payments	36.2	40.2	36.9	53.4	13.9%	5.6%	50.4	56.8	59.8	3.8%	6.3%
Transfers and subsidies	1.4	1.5	5.8	0.7	-21.0%	0.3%	0.7	0.7	0.7	1.2%	0.1%
Provinces and municipalities	0.2	0.4	0.5	0.5	32.9%	0.1%	0.5	0.5	0.5	-0.7%	0.1%
Departmental agencies and accounts	0.0	0.0	4.4	-	-100.0%	0.1%	-	-	-	-	-
Non-profit institutions	-	-	0.1	-	-	-	-	-	-	-	-
Households	1.2	1.1	0.9	0.2	-44.2%	0.1%	0.2	0.2	0.2	5.3%	-
Payments for capital assets	92.4	59.5	33.2	51.6	-17.7%	8.0%	68.3	41.7	44.7	-4.7%	5.9%
Buildings and other fixed structures	8.6	1.5	1.9	2.0	-38.6%	0.5%	28.0	-	-	-100.0%	0.9%
Machinery and equipment	83.7	57.9	31.3	49.6	-16.0%	7.5%	40.3	41.7	44.7	-3.4%	5.0%
Payments for financial assets	6.2	18.1	0.9	-	-100.0%	0.8%	-	-	-	-	-
Total	687.7	795.9	676.0	815.1	5.8%	100.0%	852.9	895.0	940.6	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	33.8%	33.6%	27.9%	30.1%	-	-	29.9%	29.5%	29.2%	-	-

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

- Promote employment equity and the transformation of the labour market by conducting inspections for compliance with employment equity legislation at 5 537 designated workplaces/employers by March 2016.
- Protect vulnerable workers through the inspection and enforcement of labour legislation by ensuring that decent work principles are adhered to by:
 - conducting 134 958 compliance inspections by March 2017
 - training 400 shop stewards, hosting 4 seminars for high risk sectors and hosting 1 inspector conference by March 2017
 - conducting 13 016 employer payroll audits by March each year over the medium term to determine employers' contributions to the Unemployment Insurance Fund.
- Strengthen occupational health and safety protection by:
 - conducting 21 967 inspections for compliance with occupational health and safety regulations by March 2017
 - investigating 62 per cent of all reported incidents within 90 days over the medium term
 - processing 80 per cent of applications by entities for registration in terms of the Occupational Health and Safety Act (1993) within 8 weeks of receipt over the medium term.

Subprogrammes

- *Management and Support Services: Inspection and Enforcement Services* manages the delegated administrative and financial responsibilities of the office of the deputy director general: inspection and enforcement services, and provides corporate support to line function subprogrammes within the programme.
- *Occupational Health and Safety* promotes health and safety in the workplace by 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 through regular inspections and follow up on reported incidents.
- *Training of Staff: Inspection and Enforcement Services* defrays all the expenditure relating to staff training within the programme.
- *Statutory and Advocacy Services* gives effect to the legislative enforcement requirement and educates stakeholders on labour legislation.

Expenditure trends and estimates

Table 28.7 Inspection and Enforcement Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Management and Support Services:											
Inspection and Enforcement Services	14.4	16.1	4.5	4.5	-32.1%	2.3%	5.0	5.4	5.7	8.2%	1.0%
Occupational Health and Safety	17.5	16.6	22.2	24.7	12.3%	4.7%	29.9	32.2	34.1	11.3%	5.8%
Registration: Inspection and Enforcement Services	84.7	48.3	51.4	54.9	-13.4%	14.0%	68.1	73.0	77.2	12.0%	13.0%
Compliance, Monitoring and Enforcement Services	274.6	315.5	340.2	373.3	10.8%	76.2%	401.6	403.8	448.4	6.3%	77.4%
Training of Staff: Inspection and Enforcement Services	4.5	13.1	5.5	5.6	8.0%	1.7%	5.3	5.4	5.7	0.4%	1.0%
Statutory and Advocacy Services	–	2.7	7.1	8.8	–	1.1%	9.6	10.1	10.7	6.6%	1.9%
Total	395.6	412.2	430.9	471.8	6.1%	100.0%	519.5	529.8	581.8	7.2%	100.0%
Change to 2015 Budget estimate				41.1			(67.8)	(92.3)	(76.4)		
Economic classification											
Current payments	394.5	410.4	426.8	471.3	6.1%	99.6%	519.4	529.8	581.7	7.3%	100.0%
Compensation of employees	305.2	318.6	350.1	384.5	8.0%	79.4%	416.7	424.3	469.7	6.9%	80.6%
Goods and services	89.3	91.8	76.7	86.9	-0.9%	20.2%	102.8	105.4	112.0	8.8%	19.4%
of which:											
Communication	25.5	15.6	15.1	27.8	2.9%	4.9%	18.4	20.5	15.5	-17.8%	3.9%
Fleet services (including government motor transport)	0.9	6.1	8.7	9.5	123.6%	1.5%	16.2	24.3	31.4	48.7%	3.9%
Consumables: Stationery, printing and office supplies	2.3	2.6	3.6	5.3	31.9%	0.8%	6.2	5.9	7.2	10.5%	1.2%
Property payments	5.5	8.0	6.3	7.1	8.6%	1.6%	4.9	4.6	5.4	-8.6%	1.0%
Travel and subsistence	41.3	26.5	28.8	19.8	-21.8%	6.8%	33.1	28.6	27.5	11.6%	5.2%
Training and development	1.8	5.5	0.9	4.3	33.7%	0.7%	5.3	5.4	5.7	9.8%	1.0%
Transfers and subsidies	0.9	1.5	1.9	0.4	-21.6%	0.3%	0.1	0.1	0.1	-45.5%	–
Households	0.9	1.4	1.9	0.4	-21.3%	0.3%	0.1	0.1	0.1	-45.5%	–
Payments for capital assets	0.1	0.3	2.2	0.0	-30.7%	0.2%	–	–	–	-100.0%	–
Machinery and equipment	0.1	0.3	2.2	0.0	-30.7%	0.2%	–	–	–	-100.0%	–
Total	395.6	412.2	430.9	471.8	6.1%	100.0%	519.5	529.8	581.8	7.2%	100.0%
Proportion of total programme expenditure to vote expenditure	19.4%	17.4%	17.8%	17.4%	–	–	18.2%	17.5%	18.0%	–	–

Programme 3: Public Employment Services

Programme purpose

Provide assistance to companies and workers to adjust to changing labour market conditions, and to regulate private employment agencies.

Objectives

- Provide public employment services by:
 - developing 4 sets of regulations on employment services in terms of the Employment Services Act (2014), to be tabled to the Employment Services Board by March 2017, for: the registration of work seekers in terms of section 52 of the act; the provision of employment services by persons outside of the public administration in terms of section 52 of the act; private employment agencies and temporary

employment services in terms of sections 13 and 52 of the act; employment of foreign nationals in terms of section 52 of the act

- conducting 261 advocacy campaigns for public employment services by March 2017
- registering 60 000 work opportunities on the employment services of South Africa database system by 31 March 2017
- processing applications from private employment agencies and temporary employment services within 60 days of receipt over the medium term
- providing employment counselling to 150 000 work seekers by 31 March 2017.
- Regulate work visas for foreign individuals and foreign corporations by:
 - processing 70 per cent of work visas within 30 working days over the medium term
 - advising the Department of Home Affairs within 30 working days on the number of individual and corporate work visas to be issued over the medium term.
- 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 vacancies, 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 vacancies, 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 woman, 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 28.8 Public Employment Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average (%)
R million											
Management and Support Services: Public											
Employment Services	21.8	28.4	34.6	38.5	20.8%	7.2%	40.7	44.3	46.6	6.6%	7.8%
Employer Services	148.5	116.3	116.8	121.6	-6.5%	29.5%	124.4	151.9	159.5	9.5%	25.6%
Work Seeker Services	32.8	95.8	117.2	126.0	56.7%	21.8%	120.5	137.7	136.4	2.7%	24.0%
Designated Groups Special Services	0.1	0.2	0.3	11.5	430.7%	0.7%	12.1	12.7	13.5	5.4%	2.3%
Supported Employment Enterprises	76.2	115.6	127.8	135.1	21.0%	26.6%	144.5	153.8	162.7	6.4%	27.4%
Productivity South Africa	37.1	40.3	43.1	45.5	7.1%	9.7%	47.9	50.3	53.3	5.4%	9.1%
Unemployment Insurance Fund	-	-	-	0.0	-	-	0.0	0.0	0.0	-	-
Compensation Fund	14.1	15.6	23.8	18.1	8.7%	4.2%	19.0	20.0	21.1	5.4%	3.6%
Training of Staff: Public Employment Services	1.1	1.3	1.6	1.1	-1.4%	0.3%	1.1	1.2	1.2	5.3%	0.2%
Total	331.7	413.5	465.3	497.3	14.5%	100.0%	510.3	571.9	594.3	6.1%	100.0%
Change to 2015				9.0			(24.7)	(3.5)	(14.5)		
Budget estimate											
Economic classification											
Current payments	207.2	245.7	297.5	286.8	11.4%	60.7%	286.6	335.0	343.6	6.2%	57.6%
Compensation of employees	169.1	212.8	265.1	252.7	14.3%	52.7%	252.4	299.1	302.8	6.2%	50.9%
Goods and services	38.2	33.0	32.4	34.1	-3.7%	8.1%	34.2	35.9	40.9	6.2%	6.7%
of which:											
Communication	6.6	3.4	4.9	4.3	-13.3%	1.1%	4.4	4.7	4.9	4.6%	0.8%
Fleet services (including government motor transport)	0.1	1.3	2.7	2.8	242.0%	0.4%	3.1	3.3	3.5	7.4%	0.6%
Consumables: Stationery, printing and office supplies	1.3	1.3	2.2	2.8	30.3%	0.4%	3.4	3.8	4.1	13.6%	0.6%
Operating leases	0.2	1.3	0.5	2.2	116.6%	0.2%	1.7	1.8	3.9	21.3%	0.4%
Travel and subsistence	18.6	0.0	10.3	10.3	-17.8%	2.3%	8.6	8.7	10.2	-0.5%	1.7%
Venues and facilities	1.7	0.0	0.9	2.0	5.6%	0.3%	2.0	2.2	2.4	5.1%	0.4%
Transfers and subsidies	123.6	167.5	167.3	210.2	19.4%	39.1%	223.6	236.9	250.6	6.0%	42.4%
Departmental agencies and accounts	51.1	55.9	66.9	63.6	7.5%	13.9%	67.0	70.3	74.4	5.4%	12.7%
Non-profit institutions	72.2	111.2	99.2	146.6	26.6%	25.1%	156.6	166.5	176.2	6.3%	29.7%
Households	0.3	0.3	1.2	0.0	-46.7%	0.1%	0.0	0.0	0.0	6.4%	-
Payments for capital assets	0.8	0.3	0.5	0.3	-27.6%	0.1%	0.1	0.1	0.1	-43.9%	-
Machinery and equipment	0.8	0.3	0.5	0.3	-27.6%	0.1%	0.1	0.1	0.1	-43.9%	-
Total	331.7	413.5	465.3	497.3	14.5%	100.0%	510.3	571.9	594.3	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	16.3%	17.4%	19.2%	18.4%	-	-	17.9%	18.9%	18.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	37.1	40.3	43.1	45.5	7.1%	9.7%	47.9	50.3	53.3	5.4%	9.1%
Productivity South Africa	37.1	40.3	43.1	45.5	7.1%	9.7%	47.9	50.3	53.3	5.4%	9.1%
Households											
Social benefits											
Current	0.3	0.3	1.2	0.0	-46.7%	0.1%	0.0	0.0	0.0	6.4%	-
Employee social benefits	0.3	0.3	1.2	0.0	-46.7%	0.1%	0.0	0.0	0.0	6.4%	-
Non-profit institutions											
Current	72.2	111.2	99.2	146.6	26.6%	25.1%	156.6	166.5	176.2	6.3%	29.7%
Deaf Federation of South Africa	-	0.1	-	0.2	-	-	0.3	0.3	0.3	5.3%	-
National Council for the Physically Disabled	0.1	0.1	0.1	0.3	69.4%	-	0.3	0.3	0.3	5.4%	0.1%
South African National Council for the Blind	0.0	0.1	0.2	0.4	169.7%	-	0.4	0.4	0.4	5.4%	0.1%
Workshops for the blind	9.1	6.9	7.8	10.6	5.2%	2.0%	11.2	11.7	12.4	5.4%	2.1%
Work centres for the disabled	63.0	104.1	91.1	135.1	28.9%	23.0%	144.5	153.8	162.7	6.4%	27.4%
Departmental agencies and accounts											
Social security funds											
Current	14.1	15.6	23.8	18.1	8.7%	4.2%	19.0	20.0	21.1	5.4%	3.6%
Compensation Fund	14.1	15.6	23.8	18.1	8.7%	4.2%	19.0	20.0	21.1	5.4%	3.6%

Programme 4: Labour Policy and Industrial Relations

Programme purpose

Facilitate the establishment of an equitable and sound labour relations environment and the promotion of 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 31 March 2017
 - conducting 13 workshops on the code of good practice on the employment of persons with disabilities.
- Establish basic employment standards and minimum wages through the review of 3 existing sectoral determinations (hospitality, taxi and civil engineering sectors) by March 2017.
- Promote sound labour relations and centralised collective bargaining through the extension of 18 collective agreements and 100 per cent registration of qualifying labour and employer organisations by March 2017.
- Promote a sound labour policy framework by monitoring and evaluating the impact of legislation and labour market trends through conducting research and labour market information analysis and releasing 4 reports on labour market information and statistical analysis by September 2016 and completing 4 research reports by March 2017.

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 provide resources, support, and expertise and protection to vulnerable workers to contribute to a stable and smooth functioning labour market and to improve the independence and self-reliance of workers.
- *Collective Bargaining* manages the implementation of the Labour Relations Act (1995) through policies and practices that promote sound labour relations.
- *Employment Equity* promotes equity in the labour market by improving the implementation and enforcement mechanisms of the Employment Equity Act (1998), as amended.
- *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* researches and monitors working conditions and policies affecting labour markets in South Africa.
- *Labour Market Information and Statistics* collects, collates, analyses and disseminates internal and external labour market statistics about changes in the South African labour market that impact on 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 28.9 Labour Policy and Industrial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Management and Support Services: Labour Policy and Industrial Relations	12.3	10.2	10.1	14.3	5.2%	1.5%	18.7	20.3	23.7	18.3%	1.9%
Strengthen Civil Society	15.8	16.5	17.3	17.9	4.3%	2.2%	18.9	19.8	21.0	5.4%	1.9%
Collective Bargaining	11.2	12.3	13.5	13.3	5.7%	1.6%	14.3	15.2	18.1	11.0%	1.5%
Employment Equity	9.9	12.8	9.9	14.7	14.1%	1.5%	16.4	16.8	18.1	7.2%	1.6%
Employment Standards	8.4	12.5	11.0	12.8	14.9%	1.4%	12.2	23.5	27.8	29.6%	1.9%
Commission for Conciliation, Mediation and Arbitration	478.7	594.4	687.1	731.8	15.2%	79.4%	770.5	808.9	855.8	5.4%	78.6%
Research, Policy and Planning	5.3	7.4	6.7	12.0	31.8%	1.0%	9.4	13.2	13.5	3.9%	1.2%
Labour Market Information and Statistics	30.3	31.3	33.9	38.7	8.6%	4.3%	37.2	45.6	50.4	9.1%	4.3%
International Labour Matters	23.0	26.6	30.8	35.4	15.5%	3.7%	36.5	39.4	44.6	8.0%	3.9%
National Economic Development and Labour Council	24.7	25.9	27.4	29.0	5.5%	3.4%	31.0	32.6	34.5	6.0%	3.2%
Total	619.7	749.9	847.8	920.0	14.1%	100.0%	965.2	1 035.3	1 107.5	6.4%	100.0%
Change to 2015 Budget estimate				(2.7)			(6.9)	13.7	26.7		
Economic classification											
Current payments	87.1	96.8	98.0	121.8	11.8%	12.9%	124.9	153.6	174.7	12.8%	14.3%
Compensation of employees	61.5	67.5	73.0	80.5	9.4%	9.0%	84.3	109.2	127.9	16.7%	10.0%
Goods and services	25.5	29.3	24.9	41.3	17.4%	3.9%	40.5	44.4	46.8	4.3%	4.3%
<i>of which:</i>											
Advertising	2.8	6.6	2.4	5.7	26.5%	0.6%	6.9	7.3	7.8	11.1%	0.7%
Consultants: Business and advisory services	1.4	3.4	3.0	7.2	72.5%	0.5%	6.6	7.0	7.4	0.8%	0.7%
Consumables: Stationery, printing and office supplies	2.3	3.1	4.0	3.9	18.0%	0.4%	4.5	4.8	5.0	9.4%	0.5%
Travel and subsistence	11.6	9.5	8.7	12.0	1.1%	1.3%	11.2	12.7	13.3	3.6%	1.2%
Training and development	0.7	0.7	0.4	1.7	34.9%	0.1%	1.6	1.7	1.8	1.8%	0.2%
Venues and facilities	1.1	1.4	2.2	2.4	28.6%	0.2%	2.2	2.3	2.5	1.1%	0.2%
Transfers and subsidies	532.4	652.9	749.6	797.9	14.4%	87.1%	840.3	881.7	932.8	5.3%	85.7%
Departmental agencies and accounts	502.9	620.2	714.5	760.6	14.8%	82.8%	800.8	840.7	889.5	5.4%	81.7%
Foreign governments and international organisations	13.7	15.9	17.0	19.3	12.1%	2.1%	20.6	21.1	22.3	5.0%	2.1%
Non-profit institutions	15.8	16.5	17.3	17.9	4.3%	2.2%	18.9	19.8	21.0	5.4%	1.9%
Households	0.0	0.3	0.8	0.0	-0.8%	-	-	-	-	-100.0%	-
Payments for capital assets	0.2	0.2	0.2	0.3	30.3%	-	0.1	0.0	0.0	-58.4%	-
Machinery and equipment	0.2	0.2	0.2	0.3	30.3%	-	0.1	0.0	0.0	-58.4%	-
Total	619.7	749.9	847.8	920.0	14.1%	100.0%	965.2	1 035.3	1 107.5	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	30.5%	31.6%	35.0%	34.0%	-	-	33.9%	34.1%	34.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	502.9	620.2	714.5	760.6	14.8%	82.8%	800.8	840.7	889.5	5.4%	81.7%
Commission for Conciliation, Mediation and Arbitration	478.7	594.4	687.1	731.8	15.2%	79.4%	770.5	808.9	855.8	5.4%	78.6%
National Economic Development and Labour Council	24.2	25.8	27.4	28.8	6.0%	3.4%	30.3	31.8	33.7	5.4%	3.1%
Non-profit institutions											
Current	15.8	16.5	17.3	17.9	4.3%	2.2%	18.9	19.8	21.0	5.4%	1.9%
Strengthen Civil Society	15.8	16.5	17.3	17.9	4.3%	2.2%	18.9	19.8	21.0	5.4%	1.9%
Foreign governments and international organisations											
Current	13.7	15.9	17.0	19.3	12.1%	2.1%	20.6	21.1	22.3	5.0%	2.1%
International Labour Organisation	13.1	15.1	16.0	18.4	12.1%	2.0%	19.6	20.1	21.3	5.0%	2.0%
African Regional Labour Administration Centre	0.6	0.8	1.0	0.9	13.3%	0.1%	0.9	1.0	1.0	4.6%	0.1%

Entities

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 28.10 Compensation Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	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	196 509	310 710	225 511	332 459	352 407	370 027	392 229
Percentage of registered claims finalised per year	Compensation for Occupational Injuries and Diseases Act (1993) operations		36% (70 743)	36% (111 856)	2% (5 193)	6% (19 948)	95% (334 787)	98% (362 627)	95% (372 618)
Percentage of medical claims finalised per year within a three-month period	Compensation for Occupational Injuries and Diseases Act (1993) operations		45% (201 876)	27% (198 654)	45% (101 480)	60% (199 476)	68% (239 637)	75% (277 521)	80% (313 783)
Percentage growth in assessment revenue per year	Compensation for Occupational Injuries and Diseases Act (1993) operations		34% (R7.1bn)	2% (R7bn)	17% (R8.2bn)	5% (R8.6bn)	5% (R9bn)	5% (R9.4bn)	5% (R9.8bn)
Percentage increase in the number of registered employers per year	Compensation for Occupational Injuries and Diseases Act (1993) operations		8% (488 947)	5% (513 395)	15% (539 065)	10% (592 972)	10% (652 269)	5% (684 882)	5% (719 126)

Expenditure analysis

In line with outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium term strategic framework and the national development plan's vision of improving access to social insurance for the working age population, the Compensation Fund will continue to focus on providing an efficient and effective social safety net aimed at protecting vulnerable workers, and strengthening social protection and the capacity of the fund to deliver improved services to its beneficiaries.

To further strengthen social protection, the fund is working on amendments to the Compensation for Occupational Injuries and Diseases Act (1993) to include domestic workers as beneficiaries; develop a rehabilitation, reintegration and return to work policy for injured and diseased workers; and increase benefits. The fund will work towards the continual enhancement and improvement of its claims registration, payments and automated adjudication systems to improve service delivery, and the marketing and promotion of its online claims registration portal. These initiatives are expected to lead to an increase in spending over the medium term in the administration programme from R827.4 million in 2015/16 to R1.1 billion in 2018/19.

In the fund's assessment of frameworks for the rehabilitation of people with disabilities and the adoption of an approach in line with the integrated national disability strategy, which emphasises the importance of vocational integration, there was no link between rehabilitation and return to work policies and programmes. To address this gap, the fund developed a comprehensive policy framework. The framework was approved by the Minister of Labour and relevant amendments have been made to the Compensation for Occupational Injuries and Diseases Act. The fund is in the process of benchmarking rehabilitation and reintegration locally and internationally, which is set to be finalised by 2017/18, while awaiting amendments to the Compensation for Occupational Injuries and Diseases Act. This will be submitted to Parliament in 2016 to ensure that gaps are identified and addressed, and the fund obtains buy-in from employers.

To improve service delivery by eradicating backlogs, improving turnaround times in response to public queries, and paying benefits timeously, the fund implemented the Umehluko integrated claims management system with effect from August 2014, which enables employers and medical service providers to report accidents and submit medical reports online. Using this system, the fund's clients can track the status of their claims at any time, and it is set to improve the percentage of medical claims finalised per year within a 3 month period from 60 per cent, or 199 476, in 2015/16 to 80 per cent, or 313 783, in 2018/19. Staff have been engaged and trained on the new system to ensure a smooth transition over the medium term, and this will enable the projected increase in the number of registered claims finalised per year from 19 948 in 2015/16 to 372 618 in 2018/19.

The fund completed the decentralisation of its claims processing services to all 9 provinces in March 2015, with the aim of being accessible to all its stakeholders and improving the turnaround time for processing claims. In doing this, the fund improved employer access to its offices, which increased the number of claims registered in all the provinces by 15 per cent between 2012/13 and 2014/15.

In an effort to strengthen social protection and alleviate poverty, the fund's board reviewed the existing compensation and pension benefits, and increased the minimum payout by 7 per cent from R3 878 to

R4 151 per month. The fund also plans to increase the number of employers registered with the fund from 592 972 in 2015/16 to 719 126 in 2018/19 in order to increase the number of workers covered.

The fund's main source of revenue is the levies payable by employers based on a determined percentage of the annual earnings of their employees and the risk category of the employer. Total revenue collected in 2015/16 amounts to R11.3 billion, and is estimated to grow to R20.3 billion in 2018/19. It is used to pay benefits and cover the cost of administering the fund.

Programmes/objectives/activities

Table 28.11 Compensation Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	701.9	4 084.6	1 808.6	827.4	5.6%	19.6%	1 037.4	1 099.6	1 154.6	11.7%	19.4%
Compensation for Occupational Injuries and Diseases Act (1993) operations	4 846.1	11 752.8	6 042.3	3 936.8	-6.7%	80.0%	4 095.5	4 300.3	4 515.3	4.7%	79.8%
Provincial operations: Compensation for Occupational Injuries and Diseases Act (1993) operations	-	22.2	35.4	41.9	-	0.4%	43.6	44.9	45.3	2.7%	0.8%
Total	5 548.0	15 859.7	7 886.4	4 806.1	-4.7%	100.0%	5 176.5	5 444.8	5 715.2	5.9%	100.0%

Statements of historical financial performance

Table 28.12 Compensation Fund statements of historical financial performance

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	2 903.3	2 959.4	2 839.0	3 019.5	2 807.5	6 237.8	3 603.8	3 434.5	128.8%
Other non-tax revenue	2 903.3	2 959.4	2 839.0	3 019.5	2 807.5	6 237.8	3 603.8	3 434.5	128.8%
Transfers received	5 571.1	7 152.0	5 328.9	7 020.6	8 208.8	8 220.4	8 624.5	7 852.0	109.1%
Total revenue	8 474.3	10 111.4	8 168.0	10 040.1	11 016.3	14 458.2	12 228.3	11 286.5	115.1%
Expenses									
Current expenses	937.3	827.7	929.1	4 140.6	1 017.7	1 852.6	878.4	878.4	204.6%
Compensation of employees	342.5	306.9	241.1	407.4	448.2	445.8	481.3	481.3	108.5%
Goods and services	590.7	517.8	684.1	3 729.9	565.8	1 392.5	382.1	382.1	271.0%
Depreciation	2.0	2.8	1.9	3.3	3.6	14.0	14.7	14.7	156.8%
Interest, dividends and rent on land	2.1	0.1	2.0	-	0.2	0.2	0.2	0.2	13.1%
Transfers and subsidies	3 482.0	4 720.4	5 244.2	11 719.1	4 191.0	6 033.8	3 927.8	3 927.8	156.7%
Total expenses	4 419.3	5 548.0	6 173.3	15 859.7	5 208.7	7 886.4	4 806.1	4 806.1	165.5%
Surplus/(Deficit)	4 055.0	4 563.0	1 995.0	(5 820.0)	5 808.0	6 572.0	7 422.0	6 480.0	-

Statements of estimates of financial performance

Table 28.13 Compensation Fund statements of estimates of financial performance

Statement of financial performance								
R million	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
				2016/17	2017/18	2018/19		
Revenue								
Non-tax revenue	3 434.5	5.1%	33.2%	10 172.3	10 680.9	11 214.9	48.4%	49.0%
Other non-tax revenue	3 434.5	5.1%	33.2%	10 172.3	10 680.9	11 214.9	48.4%	49.0%
Transfers received	7 852.0	3.2%	66.8%	8 244.6	8 656.8	9 089.7	5.0%	51.0%
Total revenue	11 286.5	3.7%	100.0%	18 416.9	19 337.7	20 304.6	21.6%	100.0%
Expenses								
Current expenses	878.4	2.0%	20.7%	1 090.5	1 154.5	1 210.5	11.3%	16.1%
Compensation of employees	481.3	16.2%	5.9%	512.6	545.9	573.2	6.0%	10.0%
Goods and services	382.1	-9.6%	14.6%	562.1	591.9	619.7	17.5%	10.1%
Depreciation	14.7	73.7%	0.1%	15.6	16.5	17.3	5.5%	0.3%
Interest, dividends and rent on land	0.2	22.2%	0.0%	0.3	0.3	0.3	5.6%	0.0%
Transfers and subsidies	3 927.8	-5.9%	79.3%	4 086.0	4 290.3	4 504.8	4.7%	79.6%
Total expenses	4 806.1	-4.7%	100.0%	5 176.5	5 444.8	5 715.2	5.9%	100.0%
Surplus/(Deficit)	6 480.0	-	-	13 240.0	13 893.0	14 589.0	31.1%	-

Personnel information

Table 28.14 Compensation Fund personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)	
		2014/15		2015/16		2016/17			2017/18			2018/19			2015/16 - 2018/19				
Compensation Fund		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	1 618	1 633	1 633	445.8	0.3	1 576	481.3	0.3	1 576	512.6	0.3	1 576	545.9	0.3	1 576	573.2	0.4	6.0%	100.0%
1 – 6	1 091	1 091	1 091	198.6	0.2	1 056	214.5	0.2	1 056	228.5	0.2	1 056	243.3	0.2	1 056	255.5	0.2	6.0%	67.0%
7 – 10	454	469	469	188.6	0.4	449	203.6	0.5	449	216.8	0.5	449	232.3	0.5	449	242.6	0.5	6.0%	28.5%
11 – 12	53	53	53	36.5	0.7	51	39.4	0.8	51	41.9	0.8	51	43.2	0.8	51	46.8	0.9	5.9%	3.2%
13 – 16	20	20	20	22.1	1.1	20	23.8	1.2	20	25.4	1.3	20	27.0	1.4	20	28.4	1.4	6.0%	1.3%

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 28.15 Unemployment Insurance Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of total mandated social responsibility investment committed per year	Administration	Outcome 13: An inclusive and responsive social protection system	109.4% (R3.6bn)	53.4% (R3.6bn)	85% (R7.9bn)	80% ¹	80% ¹	80% ¹	80% ¹
Percentage of valid claims with complete information approved or rejected within 5 weeks of application	Business operations		86% (641 811)	86% (668 799)	90% (654 053)	90%	90%	90%	95%
Number of claims submitted through the uFiling claims portal per year	Business operations		– ²	2 947	16 799	15 000	20 000	30 000	40 000
Percentage (and amount) increase in revenue contributions per year	Business operations		10% (R1.2bn)	12% (R1.6bn)	6% (R838m)	6% ³	6% ³	6% ³	6% ³
Percentage of rand value of overpayment balance collected per year	Business operations		18% (R62.6m)	29% (R68.9m)	21% (R56m)	20% ⁴	20%	20%	20%
Percentage (and figure) increase in the number of employers using the uFiling system per year	Business operations		18% (6 619)	29% (12 361)	21% (11 399)	20%	30%	30%	30%

1. Rand values are not available as it is not possible for the fund to anticipate the amounts to be invested.

2. No historical data is available as this indicator was introduced in 2013/14.

3. Rand values are not available as it is not possible for the fund to anticipate the revenue it will receive.

4. Target is lower due to anticipated lower recovery figures as a result of the current economic conditions coupled with unemployment levels in low compliance employer sectors (such as domestic and farm worker sectors, and taxi sector).

Expenditure analysis

In line with the vision of the national development plan and outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium term strategic framework, the Unemployment Insurance Fund will continue to focus on improving the payment of benefits to qualifying beneficiaries; improving compliance with the Unemployment Insurance Act (2001); and implementing poverty alleviation schemes to assist unemployed workers registered on the fund's database over the medium term.

The fund's mandate and job creation initiatives contribute to 3 core elements identified in the national development plan: social protection through the provision of unemployment insurance to all workers in the country; employment through investment in job creation projects; and quality education and skills development through training initiatives that aim to provide unemployed beneficiaries with various artisan skills.

Over the medium term, the fund will focus on improving benefits to alleviate poverty in unemployment, and will continue to pay an estimated R35.6 billion in benefits to qualifying persons. The expected average annual increase of 14.8 per cent in expenditure on unemployment insurance benefits between 2014/15 and 2018/19 is as a result of the recommended benefit improvements contained in the draft Unemployment Insurance Amendment Bill (2014). The bill proposes a number of improvements, including the extension of the number of days for which the contributor is eligible for benefits from 243 to 365; the provision of full benefits to women who miscarry; the extension of the period during which dependants can claim deceased contributors' benefits from 6 to 18 months; and a reduction in the number of days for claiming illness benefits from 14 to 7.

In addition to improving benefits, the fund aims to improve its efficiency by improving the rate at which claims are processed and paid from 5 weeks in 2015/16 to 4 weeks in 2017/18, and then to 3 weeks in 2018/19. The claims turnaround rate is used to measure efficiency through the target of improving the time taken to finalise claims. This will be done over the medium term through the enhancement of technology using SAP enterprise resource planning software to integrate the fund's key business functions and systems at a cost of R150 million, and through a planned increase in human resource capacity by employing 321 new personnel at an estimated cost of R344 million in the areas of operations, labour activation programmes, and risk management.

The fund will invest in training initiatives that aim to provide unemployed beneficiaries with a range of artisan skills, and provide a stipend to train 15 000 unemployed beneficiaries in different artisan and related skills programmes in areas such as manufacturing, mining, and computing. An estimated R1.6 billion over the medium term is allocated to cover the cost of these activities.

The fund aims to save an estimated 35 000 jobs over the medium term by assisting distressed companies through an allocation of R229.1 million to Productivity South Africa's turnaround solutions programme. This is also expected to reduce the number of beneficiaries of the fund.

The training layoff scheme is an alternative to retrenchment for companies in distress. Participation in this scheme will ensure that beneficiaries of the fund do not lose their jobs, and are reskilled to remain active in the labour market. The fund plans to increase its contribution to the training layoff scheme from R1.2 billion to R3.3 billion over the medium term due to the extension of the period for the payment of the training allowance from 6 to 12 months, and the linking of the training layoff scheme to the earnings threshold published by the Minister of Labour in terms of the Basic Conditions of Employment Act (1997).

Over the medium term, the fund will contribute to job creation and poverty alleviation initiatives targeted at unemployed youth and unemployed beneficiaries who need to be reintegrated into the labour market. These initiatives are administered by the Public Investment Corporation, and include, among other things, investments in targeted labour intensive priority sectors such as mineral resources beneficiation, tourism, primary agriculture, and agro-processing. The implementation of these schemes is through the mandated allocation for socially responsible investments, which comprises 10 per cent of the fund's investment portfolio of R111 billion, and is set to increase in line with the projected increase in net surpluses and portfolio growth. The projected accumulated surpluses are as a result of administrative and benefits expenditure being far less than total revenue, and are estimated at R102.5 billion in 2015/16 and increasing to R150 billion in 2018/19.

The fund is financed through contributions from employees and employers, as legislated in the Unemployment Insurance Contributions Act (2002), as well as return on investments. Over the medium term, the fund expects to receive on average 61 per cent, or R57.6 billion, of its total revenue from unemployment contributions, with income from its own revenue amounting to R38.2 billion, driven mainly by income from investments.

Programmes/objectives/activities

Table 28.16 Unemployment Insurance Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17	2017/18	2018/19			
Administration	404.7	548.1	538.6	960.1	33.4%	6.3%	1 246.6	1 218.5	1 115.5	5.1%	8.1%
Business operations	6 722.3	8 389.9	8 341.4	10 088.2	14.5%	89.8%	10 807.4	11 511.3	12 273.3	6.8%	79.7%
Labour activation programmes	32.1	88.0	97.8	1 631.0	270.5%	3.8%	1 953.7	1 590.6	1 630.9	-0.0%	12.2%
Total	7 159.1	9 026.1	8 977.8	12 679.2	21.0%	100.0%	14 007.7	14 320.5	15 019.6	5.8%	100.0%

Statements of historical financial performance

Table 28.17 Unemployment Insurance Fund statements of historical financial performance

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	4 250.2	9 666.9	4 965.9	5 886.8	6 173.7	12 248.0	10 309.8	9 609.1	145.6%
Sale of goods and services other than capital assets	3.3	2.1	3.0	2.1	2.7	1.9	10.4	6.4	65.1%
<i>of which:</i>									
<i>Sales by market establishment</i>	2.1	2.1	2.1	2.1	2.3	1.9	10.3	6.4	74.1%
<i>Other sales</i>	1.2	0.1	0.9	-	0.3	-	0.0	0.1	4.5%
Other non-tax revenue	4 246.9	9 664.8	4 962.9	5 884.7	6 171.0	12 246.1	10 299.5	9 602.7	145.6%
Transfers received	12 828.5	13 498.5	13 964.9	15 075.5	15 975.2	15 754.1	17 722.7	16 636.9	100.8%
Total revenue	17 078.7	23 165.4	18 930.9	20 962.3	22 148.9	28 002.1	28 032.5	26 246.0	114.1%
Expenses									
Current expenses	1 467.0	1 253.9	1 520.9	1 488.7	1 760.0	1 573.7	2 171.1	2 171.1	93.8%
Compensation of employees	747.0	649.7	826.5	772.3	899.8	880.0	1 026.0	1 026.0	95.1%
Goods and services	710.5	600.0	683.9	706.1	846.5	684.9	1 045.4	1 045.4	92.4%
Depreciation	9.5	4.3	10.6	8.5	13.7	8.5	99.7	99.7	90.6%
Interest, dividends and rent on land	0.0	-	0.0	1.7	0.0	0.3	-	-	8 072.0%
Transfers and subsidies	7 918.9	5 905.2	10 291.9	7 537.4	10 070.1	7 404.1	10 508.1	10 508.1	80.8%
Total expenses	9 385.9	7 159.1	11 812.9	9 026.1	11 830.2	8 977.8	12 679.2	12 679.2	82.8%
Surplus/(Deficit)	7 693.0	16 006.0	7 118.0	11 936.0	10 319.0	19 024.0	15 353.0	13 567.0	-

Statements of estimates of financial performance

Table 28.18 Unemployment Insurance Fund statements of estimates of financial performance

Statement of financial performance									
R million	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)	
				2016/17	2017/18	2018/19			
Revenue									
Non-tax revenue	9 609.1	-0.2%	37.5%	11 148.5	12 683.1	14 393.2	14.4%	39.0%	
Sale of goods and services other than capital assets	6.4	44.6%	0.0%	2.4	2.6	2.7	-25.0%	0.0%	
<i>of which:</i>									
<i>Sales by market establishment</i>	6.4	45.4%	0.0%	2.4	2.5	2.7	-25.3%	0.0%	
<i>Other sales</i>	0.1	3.0%	0.0%	0.1	0.1	0.1	-	0.0%	
Other non-tax revenue	9 602.7	-0.2%	37.5%	11 146.1	12 680.5	14 390.4	14.4%	39.0%	
Transfers received	16 636.9	7.2%	62.5%	17 894.6	19 182.2	20 509.8	7.2%	61.0%	
Total revenue	26 246.0	4.2%	100.0%	29 043.1	31 865.3	34 902.9	10.0%	100.0%	
Expenses									
Current expenses	2 171.1	20.1%	17.2%	2 543.7	2 608.9	2 586.5	6.0%	25.5%	
Compensation of employees	1 026.0	16.5%	8.9%	1 163.5	1 257.2	1 330.1	9.0%	8.5%	
Goods and services	1 045.4	20.3%	8.0%	1 233.6	1 250.9	1 236.3	5.7%	8.5%	
Depreciation	99.7	185.9%	0.3%	146.6	100.9	20.1	-41.3%	0.7%	
Transfers and subsidies	10 508.1	21.2%	82.8%	11 464.0	11 711.6	12 433.2	5.8%	82.3%	
Total expenses	12 679.2	21.0%	100.0%	14 007.7	14 320.5	15 019.6	5.8%	100.0%	
Surplus/(Deficit)	13 567.0	-	-	15 035.0	17 545.0	19 883.0	13.6%	-	

Personnel information

Table 28.19 Unemployment Insurance Fund personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)
		2014/15			2015/16			2016/17			2017/18			2018/19				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Unemployment Insurance Fund																		
Salary level	3 241	3 241	880.0	0.3	3 241	1 026.0	0.3	3 241	1 163.5	0.4	3 241	1 257.2	0.4	3 241	1 330.1	0.4	9.0%	100.0%
1 – 6	1 288	1 288	197.0	0.2	1 288	229.7	0.2	1 288	260.5	0.2	1 288	281.5	0.2	1 288	297.8	0.2	9.0%	39.7%
7 – 10	1 616	1 616	436.7	0.3	1 616	509.2	0.3	1 616	577.4	0.4	1 616	623.9	0.4	1 616	660.1	0.4	9.0%	49.9%
11 – 12	273	273	184.1	0.7	273	214.6	0.8	273	243.4	0.9	273	263.0	1.0	273	278.2	1.0	9.0%	8.4%
13 – 16	64	64	62.2	1.0	64	72.5	1.1	64	82.2	1.3	64	88.9	1.4	64	94.0	1.5	9.0%	2.0%

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 **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 2016/17 is R797.3 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 2016/17 is R30.9 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 2016/17 is R183.1 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		
				2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
Rustenburg labour centre: Construction of building	New labour centre	Construction	16.0	7.5	0.9	1.9	0.3	-	-	-
Site clearance	New labour centre	On hold	35.1	1.1	0.6	-	-	-	-	-
Security: Wendy houses	Labour centres security: Wendy houses	Hand over	0.0	-	0.0	0.0	-	-	-	-
Electrical repairs and maintenance	Electrical repairs and maintenance	Hand over	3.9	0.1	-	-	-	-	-	-
Construction of new office buildings; maintenance and repairs of existing office buildings	New labour centre	Construction	28.0	-	-	-	-	28.0	-	-
Total			83.0	8.6	1.5	1.9	0.3	28.0	-	-

Vote 29

Mineral Resources

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	310.9	296.7	3.2	11.0	322.1	338.7
Mine Health and Safety	184.9	183.8	–	1.1	191.1	198.3
Mineral Regulation	270.8	217.0	53.2	0.6	426.6	452.0
Mineral Policy and Promotion	902.5	133.8	767.7	0.9	907.5	835.5
Total expenditure estimates	1 669.1	831.4	824.1	13.6	1 847.2	1 824.6
Executive authority	Minister of Mineral Resources					
Accounting officer	Director General of Mineral Resources					
Website address	ww.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 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 following:

- 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 the Minerals and Mining Policy for South Africa, which provides the framework for the transparent and efficient regulation of the mineral resources and mineral industry.

Selected performance indicators

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of occupational health and safety inspections and mine audits conducted per year	Mine Health and Safety	Outcome 4: Decent employment through inclusive economic growth	8 632	9 919	9 078	8 396	8 396	8 396	8 396
Number of mining rights and permits granted and/or issued to historically disadvantaged South Africans per year ¹	Mineral Regulation		102	192	203	200	150 ²	150	150
Number of industry workshops on compliance issues conducted per year	Mineral Regulation		25	12	16	9 ³	9	9	9
Number of social and labour plan verification inspections per year	Mineral Regulation		181	285	268	150	212	212	212
Number of environmental verification inspections per year	Mineral Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 751	1 868	1 856	1 700	1 275 ⁴	1 275	1 275
Number of mine economics verification audits per year ⁵	Mineral Regulation	Outcome 4: Decent employment through inclusive economic growth	480	546	520	500	425	425	425
Number of publications per year	Mineral Policy and Promotion		35	13	15	13	17	18	19
Number of legislative instruments reviewed and amended per year	Mineral Policy and Promotion		2	2	4	3	5	3	3
Number of derelict and ownerless mines rehabilitated per year	Mineral Policy and Promotion	Outcome 10: Protect and enhance our environmental assets and natural resources	13	28	50	50	45	45	45
Number of SMMEs supported (new and established) per year	Mineral Policy and Promotion	Outcome 7: Comprehensive rural development and land reform	72	81	87	88	80 ⁶	80	80

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of consultations, promotional and monitoring activities on shale gas exploration conducted per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive economic growth	– ⁷	– ⁷	11	10	5 ⁸	8	7
Number of investment promotion events/forums/workshops ⁹ per year	Mineral Policy and Promotion		– ⁷	– ⁷	30	20	55	55	46
Number of strategic partnerships per year	Mineral Policy and Promotion		7	8	7	10	8	8	8

1. The department does not have control over the number of eligible applications submitted. However, the targets over the medium term include all aspects in the definition of historically disadvantaged South Africans.

2. The decrease from 200 to 150 is due to the global economic downturn and challenging commodity prices.

3. The decrease is due to the department's plan over the medium term to conduct 1 workshop per region.

4. In line with the department's annual performance plan, this target has been reduced to 1 275 per year due to budgetary constraints.

5. This indicator refers to audits conducted by mine economists to determine the levels of mineral extraction occurring at mines.

6. Target has been revised to align with the department's annual performance plan.

7. No historical data is available as these are new indicators introduced in 2014/5.

8. Over the medium term, the department will focus more on research and development, and monitoring rather than on awareness campaigns. An action plan for the medium term has been adopted for shale gas research and development, which lists all activities to be undertaken to ensure the project's success. Consultations are included but make up a small percentage of the action plan's activities.

9. This indicator has been revised in line with the department's annual performance plan, which includes all investment promotion. Beneficiation promotional activities per year are incorporated in these totals.

Expenditure analysis

The initiatives of the Department of Mineral Resources are aimed at contributing to government's 2014-2019 medium term strategic framework, particularly outcome 4 (decent employment through inclusive growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 10 (protect and enhance our environmental assets and natural resources). Over the medium term, the Department of Mineral Resources will focus strongly on promoting investment in the mineral and upstream petroleum sectors. It will also focus on ensuring the best utilisation of mineral resources, monitoring mining rights, and ensuring compliance with safety and environmental legislation, all of which in turn, contribute towards promoting investment in South Africa, as well as contributing more broadly to an equitable and inclusive economy.

The department achieves most of its mandate through the entities in its portfolio. Over the medium term, the department is to transfer 51 per cent of its total budget to the entities. Mintek receives the biggest share of transfers and subsidies, at 39.5 per cent over the period. In 2017/18, transfers to entities will be R980 million, up from R827 million in 2015/16.

Promoting investment in the minerals and upstream petroleum sectors

Specific initiatives over the medium term to promote investment in the minerals and upstream petroleum sectors include research on shale gas, assistance to small, medium and micro enterprises (SMMEs), marketing and information provision, and licensing.

Research on shale gas is progressing, following the additional allocation in 2014/15 of R108 million for the department's shale gas project, in the *Mineral Policy and Promotion* programme. 5 applications for mining shale gas are being considered for licensing. Shale gas exploration and mining is expected to contribute to economic growth and job creation.

The department will provide financial and technical support to a total of 240 SMMEs in the mining sector over the medium term, as small mines are seen as supporting investment and also job creation.

Promoting investment entails marketing the minerals and petroleum sectors to potential investors, and supplying them with information on mining products in South Africa and their export potential. The department aims to produce a total of 54 publications and reports over the medium term to contribute to promoting investment.

In addition, the department will improve the efficiency of the processing of applications for mining licences.

The above activities are budgeted for in the *Mineral Regulation* programme and the *Mineral Policy and Promotion* programme. Their combined total funding is set to rise at an average annual rate of 10.5 per cent, from R992.4 million in 2014/15 to R1.3 billion in 2017/18. In 2014/15, expenditure in these 2 programmes accounted for 67.3 per cent of the department's budget.

Ensuring the best utilisation of mineral resources

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. This work is the central role of the Petroleum Agency for South Africa, which regulates exploration and production activities, and is the custodian of the national petroleum exploration and production database. Traditionally, the agency funds its activities from reserves accumulated from its exploration and exploitation work and from selling its data. Its current reserves will enable it to meet its costs until the end of 2016 /17. The agency will, however, need funding from the Department of Mineral Resources in 2017/18. It is set to receive increased funding of R305 million over the medium term for operations, which results in average annual growth of 19.7 per cent over the medium term in the budget of the *Mineral Regulation* programme.

The department also receives increased funding of R25 million for the development of specialised technologies to process various metals, which will be done by Mintek.

Monitoring mining rights

Ensuring that the conditions of mining rights are met will be prioritised over the medium term. The number of mining rights and permits issued to historically disadvantaged South Africans is expected to decrease from 200 per year in 2015/16 to 150 per year over the medium term, due to the depressed market conditions in the mining industry. But the department's activities will continue to include coordinating the implementation of social and labour plans aimed at creating mining SMMEs and developing the surrounding communities.

Compliance with safety and environmental legislation

To mitigate and manage health and environmental impacts, the department aims to rehabilitate 135 derelict and ownerless mines over the medium term, at a cost of R379.2 million. The department's baseline in 2015/16 has been reduced by R231 million and this amount is reprioritised over the medium term towards Mintek and the Council for Geoscience for this work.

The 2014 Environmental Impact Assessment Regulations will guide the department to carry out rigorous environmental impact assessments to avoid or mitigate the detrimental impacts of mining activities on the environment. Already 9 regional managers and an additional 60 officials have been trained on the implementation of the regulations. The department aims to conduct 3 825 environmental management inspections over the medium term, at an estimated cost of R9.7 million in the *Mineral Regulation and Administration* subprogramme of the *Mineral Regulation* programme.

To increase the department's capacity for enforcing compliance with mining legislation, and carrying out occupational health and safety inspections, social and labour plans inspections, and environmental authorisation inspections, the number of personnel in the department is expected to increase by 6 from 1 197 in 2015/16 to 1 203 in 2016/17. The increase is budgeted for in the *Mine Health and Safety* and *Mineral Regulation* programmes. The department's overall allocation for compensation of employees has been set at R572.1 million in 2016/17, growing only marginally to R605 million in 2018/19. This is due to the Cabinet approved reductions on the compensation of employees budgets as part of the decision to lower the national aggregate expenditure ceiling. Of this, R60 million is increased funding for the 2015 public sector wage agreement.

The department will step up the implementation of the occupational health and safety improvement strategy to reduce fatalities, injuries and occupational diseases and to ensure that the mining industry complies with health and safety and environmental standards. There has been notable progress in reducing injuries and fatalities, from 100 fatalities in 2012/13 to 71 in 2014/15. The target for 2018/19 is 30. The number of injuries decreased from 3 109 in 2012/13 to 2 686 in 2014/15 and is targeted to decline to 1 100 by 2018/19. Further, through the Mine Health and Safety Council, the department will monitor the implementation of the commitments and action plan of the 2014 Mine Health and Safety Tripartite Summit.

Saving jobs

The mining sector is currently facing a negative outlook due to depressed global commodity prices, constrained electricity supply, labour tensions, and infrastructure bottlenecks that limit exports. There have been job losses as a result, and there is a threat of substantially more job losses. In response to retrenchments, in August 2015 business, government and labour signed a declaration to save jobs in the sector. The implementation of the

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)		
				2016/17	2017/18	2018/19			2015/16 - 2018/19	
R million	2015/16	2012/13 - 2015/16								
Programme 1	308.9	6.3%	21.6%	310.9	322.1	338.7	3.1%	18.3%		
Programme 2	184.4	7.0%	11.4%	184.9	191.1	198.3	2.4%	10.9%		
Programme 3	263.7	12.0%	15.8%	270.8	426.6	452.0	19.7%	20.2%		
Programme 4	881.5	15.0%	51.1%	902.5	907.5	835.5	-1.8%	50.5%		
Total	1 638.5	11.7%	100.0%	1 669.1	1 847.2	1 824.6	3.7%	100.0%		
Change to 2015 Budget estimate				(15.8)	114.6	129.0				
Economic classification										
Current payments	800.1	9.2%	50.2%	831.4	855.3	895.4	3.8%	48.5%		
Compensation of employees	548.4	10.9%	32.9%	572.1	579.1	604.8	3.3%	33.0%		
Goods and services	251.7	6.0%	17.3%	259.2	276.2	290.6	4.9%	15.4%		
of which:										
Advertising	3.6	15.1%	0.2%	11.5	13.6	14.4	58.5%	0.6%		
Computer services	22.3	8.3%	1.5%	24.5	25.7	25.5	4.6%	1.4%		
Contractors	3.3	4.4%	0.2%	31.4	32.9	34.9	119.3%	1.5%		
Operating leases	42.9	0.8%	5.2%	35.1	36.4	38.6	-3.5%	2.2%		
Travel and subsistence	72.8	5.0%	4.4%	63.8	69.4	71.8	-0.5%	4.0%		
Operating payments	16.2	18.4%	1.0%	14.7	15.5	16.4	0.6%	0.9%		
Transfers and subsidies	826.9	15.1%	48.7%	824.1	980.1	916.8	3.5%	50.8%		
Departmental agencies and accounts	394.8	13.6%	23.5%	433.5	429.9	370.5	-2.1%	23.3%		
Public corporations and private enterprises	430.8	16.6%	25.0%	389.1	548.8	544.7	8.1%	27.4%		
Households	1.4	5.4%	0.2%	1.4	1.5	1.6	5.4%	0.1%		
Payments for capital assets	11.5	-16.9%	1.1%	13.6	11.8	12.5	2.6%	0.7%		
Buildings and other fixed structures	2.5	-9.5%	0.1%	3.9	4.0	4.3	19.6%	0.2%		
Machinery and equipment	8.9	-17.7%	1.0%	9.8	7.7	8.2	-2.7%	0.5%		
Software and other intangible assets	0.1	-44.2%	0.0%	-	-	-	-100.0%	0.0%		
Total	1 638.5	11.7%	100.0%	1 669.1	1 847.2	1 824.6	3.7%	100.0%		

Personnel information

Table 29.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																				
1. Administration																				
2. Mine Health and Safety																				
3. Mineral Regulation																				
4. Mineral Policy and Promotion																				
Mineral Resources	Salary level	Number of posts estimated for 31 March 2016	Number of posts additional to the establishment	Number and cost ³ of personnel posts filled / planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)			
				2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19		
				Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost			
		1 197	24	1 137	484.6	0.4	1 197	548.4	0.5	1 203	572.1	0.5	1 209	624.2	0.5	1 209	676.3	0.6	0.3%	100.0%
	1-6	292	12	290	54.5	0.2	292	61.4	0.2	292	65.0	0.2	292	72.4	0.2	292	78.8	0.3	-	24.2%
	7-10	570	10	537	197.2	0.4	570	223.7	0.4	574	234.6	0.4	578	258.5	0.4	578	282.8	0.5	0.5%	47.7%
	11-12	249	1	228	151.9	0.7	249	172.6	0.7	251	177.4	0.7	253	192.4	0.8	253	206.8	0.8	0.5%	20.9%
	13-16	84	1	80	76.3	1.0	84	85.9	1.0	84	90.0	1.1	84	95.5	1.1	84	102.2	1.2	-	7.0%
	Other	2	-	2	4.7	2.3	2	4.9	2.5	2	5.2	2.6	2	5.4	2.7	2	5.7	2.8	-	0.2%

Table 29.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Mineral Resources																			
Programme	1 197	24	1 137	484.6	0.4	1 197	548.4	0.5	1 203	572.1	0.5	1 209	624.2	0.5	1 209	676.3	0.6	0.3%	100.0%
Programme 1	399	10	384	148.1	0.4	399	160.7	0.4	399	171.7	0.4	399	189.9	0.5	399	207.0	0.5	-	33.1%
Programme 2	283	10	272	134.1	0.5	283	152.4	0.5	283	154.0	0.5	283	164.5	0.6	283	176.5	0.6	-	23.5%
Programme 3	403	3	375	147.8	0.4	403	173.0	0.4	409	178.4	0.4	415	197.1	0.5	415	214.8	0.5	1.0%	34.1%
Programme 4	112	1	106	54.6	0.5	112	62.3	0.6	112	68.0	0.6	112	72.7	0.6	112	78.0	0.7	-	9.3%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(45.1)	-	-	(71.5)	-	-	-
Total	1 197	24	1 137	484.6	0.4	1 197	548.4	0.5	1 203	572.1	0.5	-	579.1	-	-	604.8	-	-	-

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

2. The department's compensation of employees budget has been reduced by R116.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 29.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	93 363	109 034	46 207	34 402	34 402	-28.3%	100.0%	27 578	30 333	33 365	-1.0%	100.0%
Sales of goods and services produced by department	4 156	2 415	3 230	6 277	6 277	14.7%	5.7%	6 883	7 569	8 325	9.9%	23.1%
Sales by market establishments	2 465	499	482	481	481	-42.0%	1.4%	500	550	605	7.9%	1.7%
of which:												
Market establishment: Rental parking: Covered and open	462	499	482	481	481	1.4%	0.7%	500	550	605	7.9%	1.7%
Market establishment: Rental of other machinery and equipment	2 003	-	-	-	-	-100.0%	0.7%	-	-	-	-	-
Administrative fees	1 137	1 356	2 232	5 175	5 175	65.7%	3.5%	5 699	6 268	6 894	10.0%	19.1%
of which:												
Application fees in relation to the Minerals and Petroleum Resources Development Act	1 105	1 330	2 031	4 634	4 634	61.3%	3.2%	3 244	3 568	3 924	-5.4%	12.2%
Requested information: Promotion of Access to Information Act (2000)	32	26	24	23	23	-10.4%	-	25	27	30	9.3%	0.1%
Environmental Authorisation application fees	-	-	177	518	518	-	0.2%	2 430	2 673	2 940	78.4%	6.8%
Other sales	554	560	516	621	621	3.9%	0.8%	684	751	826	10.0%	2.3%
of which:												
Services rendered: Commission on insurance and garnishee	157	175	183	201	201	8.6%	0.3%	205	225	248	7.3%	0.7%
Services rendered: Marking of exam papers	374	365	295	393	393	1.7%	0.5%	450	495	544	11.4%	1.5%
Services rendered: Photocopies and faxes	20	17	36	25	25	7.7%	-	28	30	33	9.7%	0.1%
Replacement of security cards	3	3	2	2	2	-12.6%	-	1	1	1	-20.6%	-
Sales of scrap, waste, arms and other used current goods	1	1	-	-	-	-100.0%	-	-	-	-	-	-
of which:												
Sales: Waste paper	1	1	-	-	-	-100.0%	-	-	-	-	-	-
Fines, penalties and forfeits	1 206	1 115	1 117	2 244	2 244	23.0%	2.0%	2 500	2 750	3 025	10.5%	8.4%
Interest, dividends and rent on land	87 158	104 938	31 755	25 672	25 672	-33.5%	88.2%	17 985	19 783	21 761	-5.4%	67.8%
Interest	157	88	57	43	43	-35.1%	0.1%	45	49	54	7.9%	0.2%
Rent on land	87 001	104 850	31 698	25 629	25 629	-33.5%	88.0%	17 940	19 734	21 707	-5.4%	67.6%
Sales of capital assets	-	-	1 360	-	-	-	0.5%	-	-	-	-	-
Transactions in financial assets and liabilities	842	565	8 745	209	209	-37.2%	3.7%	210	231	254	6.7%	0.7%
Total	93 363	109 034	46 207	34 402	34 402	-28.3%	100.0%	27 578	30 333	33 365	-1.0%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 29.6 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Ministry	24.5	28.2	26.5	28.8	5.6%	8.8%	23.4	26.6	29.0	0.2%	8.4%
Corporate Services	123.4	151.2	159.3	120.6	-0.8%	45.2%	123.7	125.4	129.5	2.4%	39.0%
Department Management	17.4	17.1	17.3	21.3	7.0%	6.0%	20.2	23.5	27.9	9.3%	7.2%
Financial Administration	87.5	76.4	84.4	93.8	2.3%	27.9%	97.7	99.2	102.6	3.0%	30.7%
Internal Audit	13.3	11.8	12.2	14.6	3.2%	4.2%	14.5	14.6	15.0	0.9%	4.6%
Office Accommodation	29.2	23.8	15.5	29.7	0.6%	8.0%	31.3	32.9	34.8	5.4%	10.1%
Total	295.3	308.6	315.2	308.9	1.5%	100.0%	310.9	322.1	338.7	3.1%	100.0%
Change to 2015 Budget estimate				15.6			3.6	(3.6)	(5.8)		
Economic classification											
Current payments	275.1	294.8	304.1	295.9	2.5%	95.3%	296.7	307.8	323.6	3.0%	95.6%
Compensation of employees	127.7	136.3	148.1	160.7	8.0%	46.6%	171.7	176.2	185.2	4.8%	54.2%
Goods and services	147.4	158.6	156.0	135.2	-2.8%	48.6%	125.0	131.6	138.5	0.8%	41.4%
of which:											
Computer services	19.8	16.0	16.8	13.9	-11.1%	5.4%	19.2	20.2	19.5	12.0%	5.7%
Contractors	1.4	0.8	2.2	2.5	22.0%	0.6%	5.3	5.5	5.8	31.7%	1.5%
Operating leases	77.0	88.8	75.0	39.8	-19.7%	22.9%	34.2	35.9	38.0	-1.5%	11.6%
Travel and subsistence	21.3	18.0	15.2	23.4	3.1%	6.3%	17.8	19.1	19.5	-5.9%	6.2%
Training and development	1.5	1.6	2.2	4.5	43.3%	0.8%	5.8	6.1	6.4	12.3%	1.8%
Operating payments	2.6	3.9	4.3	6.8	37.7%	1.4%	7.4	7.8	8.3	6.9%	2.4%
Transfers and subsidies	2.4	2.7	4.9	2.7	3.2%	1.0%	3.2	3.4	3.6	10.1%	1.0%
Departmental agencies and accounts	-	-	1.4	1.3	-	0.2%	1.7	1.8	2.0	14.6%	0.5%
Households	2.4	2.7	3.5	1.4	-17.4%	0.8%	1.4	1.5	1.6	5.4%	0.5%
Payments for capital assets	17.7	11.0	6.2	10.3	-16.6%	3.7%	11.0	10.9	11.5	3.8%	3.4%
Buildings and other fixed structures	0.4	0.1	2.0	2.5	83.1%	0.4%	3.9	4.0	4.3	19.6%	1.1%
Machinery and equipment	17.3	10.9	2.7	7.7	-23.8%	3.1%	7.1	6.8	7.2	-1.9%	2.3%
Software and other intangible assets	-	-	1.6	0.1	-	0.1%	-	-	-	-100.0%	-
Total	295.3	308.6	315.2	308.9	1.5%	100.0%	310.9	322.1	338.7	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	25.2%	22.2%	21.4%	18.9%	-	-	18.6%	17.4%	18.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	1.4	1.3	-	0.2%	1.7	1.8	2.0	14.6%	0.5%
Mining Qualification Authority	-	-	1.2	1.3	-	0.2%	1.7	1.8	2.0	14.6%	0.5%
Public Service Sector Education and Training Authority	-	-	0.2	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	2.4	2.7	3.1	1.1	-22.3%	0.7%	1.2	1.2	1.3	5.4%	0.4%
Employee social benefits	2.4	2.7	3.1	1.1	-22.3%	0.7%	1.2	1.2	1.3	5.4%	0.4%

Programme 2: Mine Health and Safety

Programme purpose

Ensure the safe mining of minerals under healthy working conditions.

Objectives

- Promote mine health and safety by:
 - conducting 8 396 inspections and audits, and implementing the occupational health and safety strategy in order to reduce occupational fatalities by 20 per cent and occupational injuries by 20 per cent over the medium term
 - reducing occupational diseases among mine workers by 10 per cent over the medium term
 - implementing the occupational health and safety improvement strategy and enforcing its guidelines over the medium term.
- Contribute to skills development in the mining sector by reviewing and implementing the certificate of competency model, developed with the Mining Qualifications Authority and universities, on an ongoing basis.
 - Improve health care turnaround times on an ongoing basis by:
 - ensuring 80 per cent adherence to prescribed timeframes for resolving medical appeals
 - ensuring 90 per cent adherence to timeframes for appeals to the Chief inspector of Mines
 - ensuring 80 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 and AIDS workshops on awareness 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 in key responsibilities on mines.
- Mine Health and Safety* transfers funds on an annual basis to the Mine Health and Safety Council. The council is also tasked with promoting a culture of health and safety in the mining industry.

Expenditure trends and estimates

Table 29.7 Mine Health and Safety expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R million											
Governance Policy and Oversight	39.1	39.0	43.4	52.9	10.6%	27.0%	52.6	52.8	54.4	0.9%	28.0%
Mine Health and Safety Regions	97.1	109.2	118.9	131.6	10.7%	70.7%	132.3	132.1	137.4	1.5%	70.3%
Mine Health and Safety Council	4.5	5.0	5.2	-	-100.0%	2.3%	-	6.2	6.5	-	1.7%
Total	140.7	153.2	167.5	184.4	9.4%	100.0%	184.9	191.1	198.3	2.4%	100.0%
Change to 2015 Budget estimate				8.6			(1.4)	(10.8)	(15.3)		
Economic classification											
Current payments	134.0	147.4	160.1	184.0	11.2%	96.8%	183.8	184.2	191.0	1.3%	97.9%
Compensation of employees	106.1	119.8	134.1	152.4	12.9%	79.3%	154.0	152.7	157.8	1.2%	81.3%
Goods and services	27.9	27.6	26.0	31.5	4.1%	17.5%	29.8	31.6	33.2	1.8%	16.6%
of which:											
Communication	2.0	2.5	2.0	1.7	-5.1%	1.3%	1.6	1.3	1.4	-7.5%	0.8%
Consultants: Business and advisory services	0.3	1.1	0.2	1.4	64.3%	0.5%	1.5	1.6	1.7	5.5%	0.8%
Legal services	0.4	0.1	0.7	1.2	42.1%	0.4%	0.6	0.7	0.7	-15.4%	0.4%
Consumables: Stationery, printing and office supplies	0.3	0.6	0.8	1.9	78.7%	0.6%	1.8	1.9	2.0	1.5%	1.0%
Travel and subsistence	17.5	18.8	19.8	19.8	4.3%	11.8%	18.3	20.3	21.3	2.5%	10.5%
Venues and facilities	0.2	0.2	0.1	0.7	61.6%	0.2%	1.7	1.8	1.9	42.0%	0.8%

Table 29.7 Mine Health and Safety expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million												
Transfers and subsidies	4.5	5.0	5.2	–	-100.0%	2.3%	–	6.2	6.5	–	–	1.7%
Departmental agencies and accounts	4.5	5.0	5.2	–	-100.0%	2.3%	–	6.2	6.5	–	–	1.7%
Payments for capital assets	2.1	0.8	2.2	0.5	-38.7%	0.9%	1.1	0.7	0.7	15.3%	0.4%	0.4%
Machinery and equipment	2.1	0.8	2.2	0.5	-38.7%	0.9%	1.1	0.7	0.7	15.3%	0.4%	0.4%
Payments for financial assets	0.2	–	–	–	-100.0%	–	–	–	–	–	–	–
Total	140.7	153.2	167.5	184.4	9.4%	100.0%	184.9	191.1	198.3	2.4%	100.0%	100.0%
Proportion of total programme expenditure to vote expenditure	12.0%	11.0%	11.4%	11.3%	–	–	11.1%	10.3%	10.9%	–	–	–
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	4.5	5.0	5.2	–	-100.0%	2.3%	–	6.2	6.5	–	–	1.7%
Mine Health and Safety Council	4.5	5.0	5.2	–	-100.0%	2.3%	–	6.2	6.5	–	–	1.7%

Programme 3: Mineral Regulation

Programme purpose

Regulate the minerals and mining sector to promote economic development, employment, and ensure transformation and environmental compliance.

Objectives

- Improve the participation of historically disadvantaged South Africans in the mining sector by granting a total of 450 mining rights and permits to historically disadvantaged South Africans over the medium term.
- Contribute to the transformation of the mining sector by monitoring and enforcing compliance with procurement requirements that relate to historically disadvantaged South Africans, as prescribed by the Broad Based Socioeconomic Charter for the South African Mining Industry, on an ongoing basis.
- Promote job creation through the development and support of SMMEs by facilitating the implementation of 360 social and labour plan projects by mining companies, through income generating initiatives, over the medium term.
- Promote the sustainable use of resources 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 inspections regarding adherence to the charter and 3 825 inspections regarding environmental management over the medium term.

Subprogrammes

- *Mineral Regulation and Administration* administers prospecting and mining rights, licensing, and 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. Over the medium term, the department will continue to focus on the alignment of the South African mineral resources administration system and the one environmental system which was finalised and implemented on 8 December 2014. This will ensure that rights and licences for mining, environmental authorisation and water use are granted within 300 days.
- *South African Diamond and Precious Metals Regulator* transfers funds on an annual basis to the South African Diamond and Precious Metals Regulator.

Expenditure trends and estimates

Table 29.8 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Mineral Regulation and Administration	140.5	145.6	169.2	174.9	7.6%	70.1%	190.4	195.9	206.1	5.6%	54.3%
Management Mineral Regulation	9.3	15.1	20.7	38.3	60.5%	9.3%	27.2	27.7	28.9	-9.0%	8.6%
South African Diamond and Precious Metals Regulator	41.6	44.8	47.8	50.5	6.7%	20.6%	53.2	55.9	59.1	5.4%	15.5%
Petroleum Agency South Africa	-	-	-	-	-	-	-	147.1	158.0	-	21.6%
Total	191.4	205.5	237.7	263.7	11.3%	100.0%	270.8	426.6	452.0	19.7%	100.0%
Change to 2015 Budget estimate				3.3			(5.4)	132.6	141.0		
Economic classification											
Current payments	148.0	159.8	186.7	212.7	12.8%	78.7%	217.0	223.5	234.9	3.4%	62.9%
Compensation of employees	114.4	126.1	147.8	173.0	14.8%	62.5%	178.4	182.8	192.1	3.5%	51.4%
Goods and services	33.7	33.8	38.9	39.7	5.7%	16.3%	38.6	40.7	42.8	2.5%	11.5%
<i>of which:</i>											
Communication	4.2	5.3	4.9	4.6	2.7%	2.1%	3.4	3.6	3.8	-6.3%	1.1%
Computer services	1.9	1.2	4.3	7.0	55.1%	1.6%	4.5	4.7	4.9	-11.1%	1.5%
Legal services	8.2	8.1	6.2	0.3	-66.7%	2.5%	1.9	2.0	2.1	92.0%	0.4%
Fleet services (including government motor transport)	-	2.0	1.8	1.6	-	0.6%	2.0	2.1	2.3	12.8%	0.6%
Travel and subsistence	13.7	11.3	13.6	17.2	8.0%	6.2%	18.3	19.6	20.4	5.9%	5.3%
Training and development	0.4	0.7	1.6	1.2	45.4%	0.4%	2.5	2.4	2.5	28.2%	0.6%
Transfers and subsidies	41.6	44.8	47.9	50.5	6.7%	20.6%	53.2	203.0	217.1	62.6%	37.1%
Departmental agencies and accounts	41.6	44.8	47.8	50.5	6.7%	20.6%	53.2	55.9	59.1	5.4%	15.5%
Public corporations and private enterprises	-	-	-	-	-	-	-	147.1	158.0	-	21.6%
Households	0.0	-	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	1.7	0.9	3.1	0.5	-35.7%	0.7%	0.6	0.0	0.0	-55.3%	0.1%
Buildings and other fixed structures	-	-	1.0	-	-	0.1%	-	-	-	-	-
Machinery and equipment	1.7	0.9	2.1	0.5	-35.7%	0.6%	0.6	0.0	0.0	-55.3%	0.1%
Total	191.4	205.5	237.7	263.7	11.3%	100.0%	270.8	426.6	452.0	19.7%	100.0%
Proportion of total programme expenditure to vote expenditure	16.3%	14.8%	16.1%	16.1%	-	-	16.2%	23.1%	24.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	41.6	44.8	47.8	50.5	6.7%	20.6%	53.2	55.9	59.1	5.4%	15.5%
South African Diamond and Precious Metals Regulator	41.6	44.8	47.8	50.5	6.7%	20.6%	53.2	55.9	59.1	5.4%	15.5%
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	-	-	-	-	-	-	-	147.1	158.0	-	21.6%
Petroleum Agency South Africa	-	-	-	-	-	-	-	147.1	158.0	-	21.6%

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:
 - growing the sector through 156 investment promotional activities / events for local and foreign investment
 - participating in local and international mining and petroleum conferences and events, engaging with stakeholders in various forums, as well as 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 plans for developing the mining economy through Mining Phakisa initiatives
- 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 regarding minerals and upstream petroleum 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:
 - implementing technical and strategic partnerships such as participating in the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development; the Benguela Current Commission; and United Nations programmes
 - reviewing the departmental environmental management plan
 - rehabilitating derelict and ownerless sites
 - reviewing and amending legislative instruments
 - sustaining and protecting the environment through the rehabilitation and closure of 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 minerals and mining industry. This entails conducting research for developing and revising policies, 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 also promotes the South African mining and minerals industry through promotional activities geared towards inviting investment into the sector including the production of various publications, participation in the mining conferences, and supporting national initiatives of implementing mineral beneficiation.
- *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 Mintek.
- *Economic Advisory Services* undertakes macroeconomic research to analyse economic trends and produce departmental reports to inform and advise principals; and participates in activities regarding the transformation of the mining and minerals industry and enhance competitiveness in the industry. This entails leading and convening the meetings of the mining industry growth, development and employment task team stakeholder forum, which has been tasked with researching and analysing 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 29.9 Mineral Policy and Promotion expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Management	10.8	12.2	10.7	26.6	35.2%	2.1%	27.0	30.2	31.5	5.8%	3.3%
Mineral Policy	14.1	24.0	32.2	19.4	11.4%	3.1%	18.5	18.8	19.4	-0.1%	2.2%
Mineral Promotion and International Coordination	34.3	37.2	37.1	64.8	23.7%	6.0%	76.5	78.2	82.3	8.3%	8.6%
Assistance to Mines	–	–	–	–	–	–	5.3	5.6	5.9	–	0.5%
Council for Geoscience	223.0	271.2	292.8	342.9	15.4%	38.9%	378.6	366.0	302.9	-4.1%	39.4%
Mintek	253.5	364.7	370.9	414.7	17.8%	48.4%	356.4	367.3	350.4	-5.5%	42.2%
Economic Advisory Services	4.1	3.3	2.8	3.6	-4.3%	0.5%	4.9	4.8	5.0	11.6%	0.5%
Mine Environmental Management	6.6	7.3	8.4	9.5	12.9%	1.1%	35.4	36.7	38.3	59.4%	3.4%
Total	546.3	719.9	754.8	881.5	17.3%	100.0%	902.5	907.5	835.5	-1.8%	100.0%
Change to 2015 Budget estimate				(7.5)			(12.7)	(3.7)	9.1		
Economic classification											
Current payments	66.7	82.8	88.8	107.5	17.2%	11.9%	133.8	139.7	145.8	10.7%	14.9%
Compensation of employees	47.8	53.1	54.6	62.3	9.2%	7.5%	68.0	67.5	69.7	3.8%	7.6%
Goods and services	19.0	29.6	34.2	45.2	33.6%	4.4%	65.8	72.3	76.1	18.9%	7.4%
of which:											
Advertising	0.2	2.5	0.3	1.6	102.8%	0.2%	10.3	12.4	13.1	101.1%	1.1%
Consultants: Business and advisory services	0.0	3.1	4.1	3.5	334.9%	0.4%	4.3	5.0	5.3	15.0%	0.5%
Contractors	0.0	0.2	0.0	0.3	286.7%	–	25.8	27.0	28.6	335.3%	2.3%
Travel and subsistence	9.4	11.2	7.0	12.4	9.7%	1.4%	9.4	10.4	10.6	-5.3%	1.2%
Operating payments	0.2	6.2	17.8	7.7	268.5%	1.1%	5.7	6.1	6.5	-5.5%	0.7%
Venues and facilities	1.5	1.0	1.5	4.2	40.7%	0.3%	4.6	5.3	5.6	9.8%	0.6%
Transfers and subsidies	476.5	635.9	665.7	773.7	17.5%	87.9%	767.7	767.6	689.6	-3.8%	85.0%
Departmental agencies and accounts	223.0	271.2	292.8	342.9	15.4%	38.9%	378.6	366.0	302.9	-4.1%	39.4%
Public corporations and private enterprises	253.5	364.7	370.9	430.8	19.3%	48.9%	389.1	401.6	386.7	-3.5%	45.6%
Households	–	–	2.0	–	–	0.1%	–	–	–	–	–
Payments for capital assets	3.0	1.2	0.2	0.3	-54.3%	0.2%	0.9	0.2	0.2	-17.2%	–
Machinery and equipment	3.0	1.2	0.2	0.3	-54.3%	0.2%	0.9	0.2	0.2	-17.2%	–
Total	546.3	719.9	754.8	881.5	17.3%	100.0%	902.5	907.5	835.5	-1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	46.5%	51.9%	51.2%	53.8%	–	–	54.1%	49.1%	45.8%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	–	–	2.0	–	–	0.1%	–	–	–	–	–
Other transfers to households	–	–	2.0	–	–	0.1%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	210.5	248.6	265.1	307.9	13.5%	35.6%	341.7	330.6	265.4	-4.8%	35.3%
Council for Geoscience	210.5	248.6	265.1	307.9	13.5%	35.6%	341.7	330.6	265.4	-4.8%	35.3%
Capital	12.5	22.6	27.8	35.0	41.0%	3.4%	36.9	35.4	37.5	2.3%	4.1%
Council for Geoscience	12.5	22.6	27.8	35.0	41.0%	3.4%	36.9	35.4	37.5	2.3%	4.1%

Table 29.9 Mineral Policy and Promotion 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 (%)		
	2012/13	2013/14	2014/15		2015/16	2012/13	2015/16	2016/17	2017/18	2018/19	2015/16	2018/19
R million												
Public corporations and private enterprises												
Private enterprises												
Private enterprises - subsidies on products and production												
Current	-	-	-	-	-	-	5.3	5.6	5.9	-	0.5%	
Marginal mines	-	-	-	-	-	-	5.3	5.6	5.9	-	0.5%	
Public corporations and private enterprises												
Public corporations												
Public corporations - subsidies on products and production												
Current	204.1	308.8	320.8	378.2	22.8%	41.8%	325.0	339.5	321.0	-5.3%	38.7%	
Industrial Development Corporation	-	-	-	16.1	-	0.6%	27.4	28.8	30.5	23.8%	2.9%	
Mintek	204.1	308.8	320.8	362.1	21.1%	41.2%	297.6	310.7	290.5	-7.1%	35.8%	
Capital	49.4	55.9	50.1	52.6	2.1%	7.2%	58.8	56.6	59.8	4.4%	6.5%	
Mintek	49.4	55.9	50.1	52.6	2.1%	7.2%	58.8	56.6	59.8	4.4%	6.5%	

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 2016/17 is R378.6 million.
- The **Mintek** develops appropriate and innovative technology for transfer to the minerals industry, and provides the industry with test work; and consultancy, analytical and mineralogical services. The council's total budget for 2016/17 is R356.4 million.
- The **Mine Health and Safety Council** was established in terms of the Mine Health and Safety Act (1996) and 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 R6.2 million from the Department of Mineral Resources in 2017/18.
- The **South African Diamond and Precious Metals Regulator** was established in terms of section 3 of the Diamonds Act (1986), as amended. 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 2016/17 is R53.2 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 means of selling rough diamonds to clients, who comprise mainly diamond polishers and cutters. The entity's total budget for 2016/17 is R631.3 million.

Vote 30

Science and Technology

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	304.0	288.8	12.9	2.3	316.4	330.9
Technology Innovation	1 007.1	64.4	942.7	–	1 084.5	1 131.5
International Cooperation and Resources	124.5	63.1	61.4	–	130.0	136.5
Research, Development and Support	4 200.6	46.7	4 153.9	–	4 419.9	4 561.4
Socio-Economic Innovation Partnerships	1 792.9	46.7	1 746.2	–	1 611.8	1 596.1
Total expenditure estimates	7 429.0	509.7	6 917.0	2.3	7 562.5	7 756.4

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 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of instruments (space science, energy, bio innovation, nanotechnology, robotics, photonics, indigenous knowledge systems, intellectual property management, technology transfer and technology commercialisation) funded in support of knowledge utilisation per year	Technology Innovation	Outcome 4: Decent employment through inclusive economic growth	2	2	3	7	25	30	29
Number of knowledge application products funded in designated areas (prototypes, technology demonstrators) per year	Technology Innovation		37	4 ¹	6	8	13	15	20
Amount of international funds per year directly invested in research and 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 of Science and Technology	International Cooperation and Resources		– ²	– ²	– ²	R380m	R400m	R420m	R440m
Number of international partner organisations (legal entities) per year collaborating with South African partners within the framework of formalised collaborative research and innovation or science, technology and innovation human capital development projects as part of cooperation initiatives facilitated by the Department of Science and Technology	International Cooperation and Resources		– ²	– ²	– ²	400	450	500	550

Table 30.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total number of PhD students awarded bursaries as reflected in National Research Foundation project reports	Research, Development and Support	Outcome 5: A skilled and capable workforce to support an inclusive growth path	2 031	2 265	2 845	3 136	3 136	3 136	3 136
Total number of pipeline postgraduate students (BTech and honours, and masters), awarded bursaries through programmes managed by the National Research Foundation and the Department of Science and Technology, as reflected in the foundation's and the department's project reports	Research, Development and Support		6 348	6 853	7 711	10 996	10 996	10 996	10 996
Total number of researchers awarded research grants through programmes managed by the National Research Foundation, as reflected in the foundation's project reports	Research, Development and Support		3 076	3 569	4 064	4 539	4 539	4 539	4 539
Number of knowledge and innovation products (patents, prototypes, technology demonstrators or technology transfer packages) added to the intellectual property portfolio through fully funded or co-funded research initiatives per year	Socio-Economic Innovation Partnerships	Outcome 4: Decent employment through inclusive economic growth	16	16	29	25	35	15	18

1. The decrease was due to the Technology Innovation Agency reviewing some of the initiatives that were funded by the Biotechnology Regional Innovation Centre. The review resulted in the discontinuation of funding for some projects.

2. No historical data is available as these are new indicators.

Expenditure analysis

The national development plan acknowledges that science, technology and innovation are crucial for improving South Africa's socioeconomic development. Over the medium term, the Department of Science and Technology will focus on: raising gross expenditure on research and development in relation to GDP; increasing high quality outputs produced by the national research system; promoting innovation that will contribute towards key government policy objectives; ensuring greater economic and social returns from intellectual property generated from innovation activities using public funds; creating highly skilled researchers who will contribute to innovation; and positioning bio-innovation as a mechanism for achieving government's industrial and social development goals.

These activities are aligned to the national development plan, and outcome 5 (a skilled and capable workforce to support an inclusive growth path) and outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-19 medium term strategic framework.

Cabinet has approved reductions totalling R414 million over the medium term in the *Technology Innovation* programme, the *Research, Development and Support* programme and the *Socio-Economic Innovation Partnerships* programme. These reductions are part of Cabinet's decision to lower the national aggregate expenditure ceiling. The department's compensation of employees budget has been similarly reduced by R20.9 million for 2017/18 and R32 million for 2018/19. After consultations with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced budget, including prioritising filling posts in its funded establishment of 470. The department's goods and services budget has been reduced by R4.9 million for 2016/17, R4.8 million for 2017/18 and R6.3 million for 2018/19, and the department will reduce spending on consultants and travel and subsistence.

Research and development

Government has set the target of raising gross expenditure on research and development to 1.5 per cent of GDP by 2019 from the current level of 0.76 per cent. Modelling exercises undertaken by the department show that to reach that target additional investment of R115 billion is required. The investment should come from both the public and private sectors, and the department's contribution over the medium term will be R13.2 billion over the medium term. This is budgeted for in the *Research, Development and Support* programme, and constitutes 58 per cent of the department's total expenditure.

R2.1 billion of this, or 16 per cent, is transferred to the National Research Foundation to ensure the completion of the Square Kilometre Array demonstrator project. The Square Kilometre Array will be the world's largest and most sensitive radio telescope. Key economic benefits from this investment will be the leveraging of foreign direct investment from the Square Kilometre Array Organisation for construction costs, estimated at

€650 million for phase 1 (2018 to 2023). The National Research Foundation is currently building a 64-dish demonstrator telescope, called the MeerKAT. 6 dishes have been installed and will be integrated into phase 1 of the Square Kilometre Array. Contractual delays and delays in the testing phase of the Square Kilometre Array demonstrator project have led to reductions of R89 million over the medium term. No impact on delivery is expected, as the reductions are minimal at 4.3 per cent of the total budget for the project over the period.

The department's spending on research and development is intended in general to increase high quality outputs produced by the national research system. This will allow South Africa to compete for increasingly mobile talent and coveted international research and development funding. It will also improve the country's position in global innovation value chains, which is a way to address both low growth and pressing social and environmental problems.

Innovation

The national development plan acknowledges that economic growth is a longer term project and that the key role that innovation plays should increase incrementally. Over the medium term, the department will focus on South African innovation for energy security, poverty alleviation and health care, funded through the *Technology Innovation* programme, which is allocated R3.2 billion, 14 per cent of the department's total budget over the medium term period.

In line with the Intellectual Property Rights from Publicly Financed Research and Development Act (2008), the department will ensure greater economic and social returns from intellectual property generated from innovation activities using public funds. Through the *National Intellectual Property Management* subprogramme, the department will transfer R123.6 million over the medium term, including increased funding of R75 million over the period, to the National Intellectual Property Management Office, which ensures that publicly funded intellectual property is used to create products, processes and services that contribute to quality of life in South Africa. Since its establishment in 2012 as an implementing agency located in the department, the National Intellectual Property Management Office has contributed to the creation of 66 positions for highly skilled researchers by providing funds to higher education institutions and the science councils. Approximately 30 more such positions are projected to be created in this way over the medium term. Average annual growth in the programme is projected to be 25.8 per cent over the medium term.

The department aims to position bio-innovation as a mechanism for achieving government's industrial and social development goals, guided by the department's 2013 bioeconomy strategy. R436 million, budgeted for in the *Bioeconomy* subprogramme of the *Technology Innovation* programme, is allocated over the medium term for bio-innovation in the health, agricultural and industrial biotechnology sectors. In addition, R45 million over the medium term is transferred to the South African National AIDS Council for HIV initiatives.

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. Socio-Economic Innovation Partnerships																																				
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Revised estimate			Outcome/Annual budget Average (%)			Outcome/Adjusted appropriation Average (%)		
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16			2012/13 - 2015/16																				
Programme 1	202.7	229.4	225.3	268.2	245.7	257.5	291.0	291.9	278.4	299.8	300.5	297.1	99.7%	99.1%																						
Programme 2	1 156.4	1 142.8	1 156.8	1 627.1	1 653.6	1 669.7	991.6	1 008.9	974.0	1 008.8	1 008.5	1 008.0	100.5%	99.9%																						
Programme 3	141.2	139.3	136.5	148.4	145.4	139.8	119.7	119.3	107.6	122.0	121.4	120.9	95.0%	96.1%																						
Programme 4	2 035.9	2 064.7	2 039.0	2 476.8	2 475.8	2 462.7	3 503.8	3 496.9	3 489.8	4 247.1	4 238.8	4 238.5	99.7%	99.6%																						
Programme 5	1 419.8	1 423.4	1 415.7	1 677.6	1 677.6	1 639.8	1 564.1	1 562.8	1 539.2	1 804.5	1 796.9	1 796.7	98.8%	98.9%																						
Total	4 955.9	4 999.6	4 973.3	6 198.2	6 198.2	6 169.5	6 470.2	6 479.9	6 389.0	7 482.1	7 466.1	7 461.1	99.5%	99.4%																						
Change to 2015 Budget estimate													(16.0)																							

Table 30.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)									
	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	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Current payments	393.5	409.3	386.8	454.1	414.1	402.6	486.7	494.5	445.9	496.4	495.0	490.0	94.2%	95.2%
Compensation of employees	242.3	247.6	221.8	260.7	251.4	241.6	283.8	284.9	276.0	291.3	295.3	295.3	96.0%	95.9%
Goods and services	151.2	161.7	164.6	193.3	162.7	161.0	202.9	209.6	169.8	205.1	199.7	194.7	91.7%	94.1%
<i>of which:</i>														
Advertising	3.2	4.2	15.0	13.6	3.9	3.9	15.0	16.5	23.2	17.2	17.2	17.2	121.0%	141.9%
Communication	8.7	8.3	4.5	9.2	9.2	9.2	9.8	9.8	5.1	9.7	9.7	9.7	75.9%	77.0%
Consultants: Business and advisory services	17.6	14.8	3.8	16.0	16.1	16.1	18.0	22.6	5.6	14.5	15.0	13.9	59.7%	57.5%
Agency and support/outsourced services	18.4	14.9	22.0	16.6	11.7	11.7	17.7	14.4	8.1	16.9	14.5	14.5	80.8%	101.3%
Travel and subsistence	4.7	4.3	6.1	5.2	5.2	5.2	48.3	47.4	41.6	47.9	42.0	38.8	86.4%	92.6%
Venues and facilities	-	-	1.9	-	-	-	23.5	30.4	12.1	25.0	25.0	24.4	79.2%	69.4%
Interest and rent on land	-	-	0.4	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 559.0	4 587.7	4 580.0	5 741.9	5 754.4	5 703.9	5 981.2	5 983.1	5 936.9	6 983.4	6 968.8	6 968.8	99.7%	99.6%
Departmental agencies and accounts	2 823.8	2 811.0	3 042.6	4 174.9	4 179.4	3 762.9	4 409.3	4 393.7	4 011.0	5 466.0	5 457.1	5 433.9	96.3%	96.5%
Higher education institutions	33.6	33.6	124.2	-	-	156.2	21.4	38.9	228.0	114.6	114.6	114.6	367.4%	333.0%
Foreign governments and international organisations	-	-	-	-	-	0.5	-	-	-	-	-	-	-	-
Public corporations and private enterprises	972.6	1 015.7	1 329.0	1 034.2	1 034.2	1 698.0	1 140.8	1 145.5	1 573.1	1 253.3	1 249.8	1 249.8	132.9%	131.6%
Non-profit institutions	728.9	727.3	83.6	532.8	540.8	84.7	409.7	405.0	120.3	149.6	147.3	170.5	25.2%	25.2%
Households	-	-	0.6	-	-	1.7	-	-	4.4	-	-	-	-	-
Payments for capital assets	3.4	2.6	6.5	2.2	29.7	63.0	2.3	2.3	6.2	2.3	2.3	2.3	764.1%	211.7%
Machinery and equipment	3.4	2.6	6.5	2.2	2.2	8.2	2.3	2.3	6.2	2.3	2.3	2.3	227.0%	247.4%
Software and other intangible assets	-	-	-	-	27.5	54.9	-	-	-	-	-	-	-	199.5%
Payments for financial assets	-	-	0.0	-	-	-	-	-	0.1	-	-	-	-	-
Total	4 955.9	4 999.6	4 973.3	6 198.2	6 198.2	6 169.5	6 470.2	6 479.9	6 389.0	7 482.1	7 466.1	7 461.1	99.5%	99.4%

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. Socio-Economic Innovation Partnerships										
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)		
				2015/16	2012/13 - 2015/16	2016/17			2017/18	2018/19
R million										
Programme 1	297.1	9.0%	4.2%			304.0	316.4	330.9	3.7%	4.1%
Programme 2	1 008.0	-4.1%	19.2%			1 007.1	1 084.5	1 131.5	3.9%	14.0%
Programme 3	120.9	-4.6%	2.0%			124.5	130.0	136.5	4.1%	1.7%
Programme 4	4 238.5	27.1%	48.9%			4 200.6	4 419.9	4 561.4	2.5%	57.7%
Programme 5	1 796.7	8.1%	25.6%			1 792.9	1 611.8	1 596.1	-3.9%	22.5%
Total	7 461.1	14.3%	100.0%			7 429.0	7 562.5	7 756.4	1.3%	100.0%
Change to 2015 Budget estimate						(133.2)	(46.1)	(65.9)		

Table 30.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Current payments	490.0	6.2%	6.9%	509.7	529.3	552.6	4.1%	6.9%
Compensation of employees	295.3	6.0%	4.1%	309.2	319.0	331.4	3.9%	4.2%
Goods and services	194.7	6.4%	2.8%	200.5	210.3	221.2	4.3%	2.7%
of which:								
Advertising	17.2	60.3%	0.2%	17.7	18.7	19.8	4.9%	0.2%
Communication	9.7	5.3%	0.1%	9.6	10.3	10.9	4.2%	0.1%
Consultants: Business and advisory services	13.9	-2.1%	0.2%	13.2	13.7	14.4	1.4%	0.2%
Agency and support/outourced services	14.5	-0.9%	0.2%	16.2	16.9	17.8	7.0%	0.2%
Travel and subsistence	38.8	107.5%	0.4%	47.4	49.1	51.5	9.9%	0.6%
Venues and facilities	24.4	-	0.2%	25.7	27.1	28.7	5.5%	0.4%
Transfers and subsidies	6 968.8	15.0%	92.8%	6 917.0	7 030.8	7 201.2	1.1%	93.1%
Departmental agencies and accounts	5 433.9	24.6%	65.0%	5 344.7	5 341.1	5 397.1	-0.2%	71.2%
Higher education institutions	114.6	50.5%	2.5%	115.2	141.1	150.2	9.4%	1.7%
Public corporations and private enterprises	1 249.8	7.2%	23.4%	1 307.4	1 376.3	1 457.5	5.3%	17.8%
Non-profit institutions	170.5	-38.3%	1.8%	149.8	172.3	196.4	4.8%	2.3%
Payments for capital assets	2.3	-3.6%	0.3%	2.3	2.4	2.6	3.5%	0.0%
Machinery and equipment	2.3	-3.6%	0.1%	2.3	2.4	2.6	3.5%	0.0%
Total	7 461.1	14.3%	100.0%	7 429.0	7 562.5	7 756.4	1.3%	100.0%

Personnel information

Table 30.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2015/16 - 2018/19					
		2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19											
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Science and Technology																			
Salary level	481	-	481	276.0	0.6	461	295.3	0.6	470	309.2	0.7	470	339.9	0.7	470	363.4	0.8	0.6%	100.0%
1 – 6	66	-	66	11.9	0.2	63	11.9	0.2	65	12.5	0.2	65	13.7	0.2	65	14.7	0.2	1.0%	13.8%
7 – 10	139	-	139	53.7	0.4	138	58.0	0.4	142	60.5	0.4	142	66.8	0.5	142	71.4	0.5	1.0%	30.1%
11 – 12	154	-	154	89.2	0.6	147	97.5	0.7	149	107.5	0.7	149	118.0	0.8	149	126.1	0.8	0.5%	31.7%
13 – 16	122	-	122	121.2	1.0	113	127.9	1.1	114	128.6	1.1	114	141.4	1.2	114	151.2	1.3	0.3%	24.3%
Programme	481	-	481	276.0	0.6	461	295.3	0.6	470	309.2	0.7	470	339.9	0.7	470	363.4	0.8	0.6%	100.0%
Programme 1	255	-	255	140.1	0.5	255	143.9	0.6	264	149.8	0.6	264	164.5	0.6	264	175.9	0.7	1.2%	56.0%
Programme 2	56	-	56	35.6	0.6	50	42.0	0.8	50	43.5	0.9	50	47.9	1.0	50	51.2	1.0	-	10.7%
Programme 3	63	-	63	36.8	0.6	57	44.3	0.8	57	46.2	0.8	57	51.0	0.9	57	54.5	1.0	-	12.2%
Programme 4	50	-	50	29.4	0.6	45	30.5	0.7	45	31.8	0.7	45	34.9	0.8	45	37.4	0.8	-	9.6%
Programme 5	57	-	57	34.2	0.6	54	34.6	0.6	54	37.8	0.7	54	41.6	0.8	54	44.5	0.8	-	11.5%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(20.9)	-	-	(32.0)	-	-	-
Total	481	-	481	276.0	0.6	461	295.3	0.6	470	309.2	0.7	470	319.0	-	470	331.4	-	-	-

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

2. The department's compensation of employees budget has been reduced by R52.9 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 30.5 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2012/13 - 2015/16	2016/17		
R thousand	1 219	1 658	1 602	357	239	-41.9%	100.0%	121	121	121	-20.3%	100.0%
Departmental receipts												
Sales of goods and services produced by department	64	47	50	29	25	-26.9%	3.9%	29	29	29	5.1%	18.6%
Other sales	64	47	50	29	25	-26.9%	3.9%	29	29	29	5.1%	18.6%
<i>of which:</i>												
Services rendered: Commission on insurance.	64	47	50	28	24	-27.9%	3.9%	28	28	28	5.3%	17.9%
Replacement of security cards	-	-	-	1	1	-	-	1	1	1	-	0.7%
Interest, dividends and rent on land												
Interest	81	8	3	8	3	-66.7%	2.0%	8	8	8	38.7%	4.5%
Sales of capital assets	577	-	-	-	-	-100.0%	12.2%	-	-	-	-	-
Transactions in financial assets and liabilities												
Transactions in financial assets and liabilities	497	1 603	1 549	320	211	-24.8%	81.8%	84	84	84	-26.4%	76.9%
Total	1 219	1 658	1 602	357	239	-41.9%	100.0%	121	121	121	-20.3%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 30.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17		
R million											
Ministry	2.8	3.4	4.0	4.3	15.1%	1.4%	4.4	4.5	4.7	3.3%	1.4%
Management	65.9	78.5	81.7	101.6	15.6%	30.9%	105.4	109.6	114.5	4.1%	34.4%
Corporate Services	146.9	164.6	183.9	181.0	7.2%	63.7%	180.3	187.8	196.5	2.8%	59.6%
Governance	6.6	7.8	7.6	9.0	10.7%	2.9%	9.3	9.7	10.1	4.1%	3.0%
Office Accommodation	3.1	3.2	1.3	4.7	14.6%	1.2%	4.6	4.8	5.0	2.2%	1.5%
Total	225.3	257.5	278.4	300.5	10.1%	100.0%	304.0	316.4	330.9	3.3%	100.0%
Change to 2015				0.8			(0.1)	(4.5)	(8.6)		
Budget estimate											
Economic classification											
Current payments	219.8	235.1	262.2	285.4	9.1%	94.4%	288.8	300.4	314.0	3.2%	95.0%
Compensation of employees	111.3	123.0	140.1	143.9	8.9%	48.8%	149.8	154.4	160.4	3.7%	48.6%
Goods and services	108.2	112.2	122.1	141.5	9.3%	45.6%	139.0	146.0	153.6	2.8%	46.3%
<i>of which:</i>											
Advertising	13.8	15.6	23.1	16.3	5.9%	6.5%	16.9	17.6	18.7	4.6%	5.5%
Computer services	7.6	7.4	12.3	7.7	0.6%	3.3%	7.8	8.2	8.6	3.7%	2.6%
Contractors	2.8	4.3	6.8	11.0	57.4%	2.3%	8.6	9.1	9.1	-6.2%	3.0%
Agency and support/outsourced services	13.2	10.4	3.2	7.9	-15.7%	3.3%	8.2	8.6	9.1	4.8%	2.7%
Travel and subsistence	17.9	17.2	3.4	22.0	7.1%	5.7%	23.5	24.6	25.8	5.6%	7.7%
Venues and facilities	9.9	7.7	0.9	17.1	19.9%	3.3%	17.4	18.3	19.4	4.2%	5.8%
Interest and rent on land	0.2	-	-	-	-100.0%	-	-	-	-	-	-

Table 30.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Transfers and subsidies	0.9	14.3	10.2	12.8	139.6%	3.6%	12.9	13.5	14.3	3.7%	4.3%
Departmental agencies and accounts	–	11.2	3.5	–	–	1.4%	–	–	–	–	–
Higher education institutions	–	1.3	0.4	–	–	0.2%	–	–	–	–	–
Foreign governments and international organisations	–	0.5	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	0.5	0.3	1.4	–	-100.0%	0.2%	–	–	–	–	–
Non-profit institutions	0.3	0.2	4.4	12.8	238.8%	1.7%	12.9	13.5	14.3	3.7%	4.3%
Households	0.1	0.8	0.5	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	4.5	8.0	6.0	2.3	-20.1%	2.0%	2.3	2.4	2.6	3.5%	0.8%
Machinery and equipment	4.5	8.0	6.0	2.3	-20.1%	2.0%	2.3	2.4	2.6	3.5%	0.8%
Total	225.3	257.5	278.4	300.5	10.1%	100.0%	304.0	316.4	330.9	3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	4.5%	4.2%	4.4%	4.0%	–	–	4.1%	4.2%	4.3%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	11.2	3.5	–	–	1.4%	–	–	–	–	–
Various institutions: Institutional and programme support research	–	11.2	3.5	–	–	1.4%	–	–	–	–	–
Non-profit institutions											
Current	0.3	0.2	4.4	12.8	238.8%	1.7%	12.9	13.5	14.3	3.7%	4.3%
Various institutions: Institutional and programme support research	0.3	0.2	4.4	12.8	238.8%	1.7%	12.9	13.5	14.3	3.7%	4.3%

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 provide resource investments in space science and technology, energy, the bioeconomy, nanotechnology, robotics, photonics, indigenous knowledge systems, intellectual property management, technology transfer and technology commercialisation by funding 84 instruments to support knowledge utilisation and generating 324 publications and intellectual property rights by 31 March 2019.
- Monitor and regulate key policy instruments, including institutional arrangements and support interventions by 31 March 2019, by:
 - developing 41 evaluation and assessment reports in the area of strategic and emerging science and technology
 - overseeing 900 new disclosures reported by publicly funded institutions
 - developing and approving 17 technology and innovation policy directives to enhance understanding and analyses that support the implementation of the relevant interventions
 - developing 6 decision support interventions to improve the delivery of government services or functions.
- Coordinate and support research and high end skills development by supporting 1 183 postgraduate students (masters and doctorate) and 960 trainees through department funded research and development initiatives by 31 March 2019.
- Facilitate the translation of scientific research into commercial products and services that will contribute to economic growth and a better quality of life by 31 March 2019, by:
 - supporting 48 prototypes, technology demonstrators and pilots

- supporting 22 commercial outputs including licences, assignments, options, new companies, products, processes and services.

Subprogrammes

- *Space Science* supports the creation of an environment conducive for the implementation of the national space strategy and South African earth observation strategy that addresses the development of innovative applications and human capital to respond to national priorities, and for socioeconomic growth.
- *Hydrogen and Energy* provides policy leadership in the research, development and innovation initiatives in the energy sector. It 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 development, and the commercialisation of publicly funded research and development initiatives.
- *National Intellectual Property Management Office* is the implementing agency established to provide for more effective utilisation of intellectual property emanating from publicly financed research and development.

Expenditure trends and estimates

Table 30.7 Technology Innovation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R million											
Space Science	170.3	230.6	168.5	167.1	-0.6%	17.7%	166.9	173.5	152.8	-2.9%	15.6%
Hydrogen and Energy	131.9	139.9	143.8	152.2	4.9%	13.6%	152.6	160.0	169.2	3.6%	15.0%
Bioeconomy	125.7	139.4	150.1	137.7	3.1%	13.3%	138.2	159.7	182.8	9.9%	14.6%
Innovation Priorities and Instruments	574.1	608.8	447.4	526.1	-2.9%	51.8%	523.1	544.3	576.3	3.1%	51.3%
National Intellectual Property Management Office	31.2	31.7	64.2	25.3	-6.7%	3.7%	26.3	46.9	50.4	25.8%	3.5%
Total	1 033.2	1 150.4	974.0	1 008.5	-0.8%	100.0%	1 007.1	1 084.5	1 131.5	3.9%	100.0%
Change to 2015				(0.3)			(4.6)	40.2	26.6		
Budget estimate											
Economic classification											
Current payments	49.1	45.3	51.8	61.4	7.7%	5.0%	64.4	66.5	69.4	4.1%	6.2%
Compensation of employees	30.1	30.9	35.6	42.0	11.8%	3.3%	43.5	44.9	46.7	3.6%	4.2%
Goods and services	19.0	14.3	16.2	19.4	0.7%	1.7%	20.8	21.6	22.7	5.3%	2.0%
of which:											
Communication	0.8	0.8	0.4	0.7	-6.0%	0.1%	0.7	0.9	0.9	10.3%	0.1%
Consultants: Business and advisory services	1.0	1.5	1.3	2.5	34.7%	0.2%	1.6	1.6	1.7	-11.2%	0.2%
Agency and support/outourced services	4.5	0.9	1.9	5.0	3.5%	0.3%	6.4	6.5	6.9	11.4%	0.6%
Entertainment	0.0	0.0	0.0	4.3	381.3%	0.1%	3.6	3.7	3.9	-3.8%	0.4%
Travel and subsistence	4.7	5.5	–	4.0	-5.4%	0.3%	5.5	5.2	5.4	10.6%	0.5%
Venues and facilities	1.4	1.5	–	1.5	2.4%	0.1%	1.8	2.0	2.1	12.0%	0.2%
Transfers and subsidies	983.5	1 050.1	922.2	947.1	-1.2%	93.7%	942.7	1 018.0	1 062.1	3.9%	93.8%
Departmental agencies and accounts	741.9	770.6	623.7	650.6	-4.3%	66.9%	642.3	667.4	676.2	1.3%	62.3%
Higher education institutions	83.2	102.4	147.1	114.6	11.3%	10.7%	115.2	141.1	150.2	9.4%	12.3%
Public corporations and private enterprises	139.1	140.8	100.3	95.0	-11.9%	11.4%	96.0	100.8	106.7	3.9%	9.4%
Non-profit institutions	19.1	36.3	51.0	86.9	65.7%	4.6%	89.2	108.6	129.1	14.1%	9.8%
Households	0.1	0.1	0.2	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.6	55.0	0.1	–	-100.0%	1.3%	–	–	–	–	–
Machinery and equipment	0.6	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Software and other intangible assets	–	54.9	–	–	–	1.3%	–	–	–	–	–
Total	1 033.2	1 150.4	974.0	1 008.5	-0.8%	100.0%	1 007.1	1 084.5	1 131.5	3.9%	100.0%
Proportion of total programme expenditure to vote expenditure	20.8%	18.6%	15.2%	13.5%	–	–	13.6%	14.3%	14.6%	–	–

Table 30.7 Technology Innovation expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	725.9	765.9	621.2	650.6	-3.6%	66.3%	642.3	667.4	676.2	1.3%	62.3%
Various institutions: Biofuels	-	-	6.0	-	-	0.1%	-	-	-	-	-
Various institutions: Implementation of biotechnology strategy	24.0	11.6	13.3	-	-100.0%	1.2%	-	-	-	-	-
Various institutions: Energy Grand Challenge research	32.0	32.5	24.4	35.2	3.3%	3.0%	34.9	36.6	38.8	3.2%	3.4%
Various institutions: Health innovation research	28.9	36.9	36.0	-	-100.0%	2.4%	-	-	-	-	-
South African Medical Research Council	4.0	1.8	22.6	23.6	81.3%	1.2%	23.8	24.9	26.4	3.7%	2.3%
Various institutions: Hydrogen strategy research	15.0	16.8	16.0	-	-100.0%	1.1%	-	-	-	-	-
Various institutions: Innovation projects research	-	-	1.1	30.0	-	0.7%	30.1	31.6	33.4	3.7%	3.0%
International Centre for Genetic Engineering and Biotechnology	-	-	-	12.1	-	0.3%	12.2	12.8	13.5	3.7%	1.2%
Various institutions: Space science research	19.6	30.5	40.0	31.4	17.0%	2.9%	29.7	28.9	-	-100.0%	2.1%
National Research Foundation: Indigenous knowledge systems	-	10.0	-	-	-	0.2%	-	-	-	-	-
Technology Innovation Agency	456.3	481.1	338.4	385.2	-5.5%	39.9%	382.4	396.7	420.3	3.0%	37.4%
South African National Space Agency	126.0	123.7	118.3	124.4	-0.4%	11.8%	125.0	131.2	138.8	3.7%	12.3%
Various institutions: Emerging research areas	20.0	21.0	-	-	-100.0%	1.0%	-	-	-	-	-
National Research Foundation	-	-	2.9	8.7	-	0.3%	4.4	4.6	4.9	-17.5%	0.5%
Various institutions: Technology transfer offices for support of research units	-	-	2.2	-	-	0.1%	-	-	-	-	-
Capital	16.1	4.7	2.5	-	-100.0%	0.6%	-	-	-	-	-
Various institutions: National nanotechnology research	-	-	2.5	-	-	0.1%	-	-	-	-	-
Various institutions: Technology transfer offices for support of research units	16.1	4.7	-	-	-100.0%	0.5%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	91.6	84.5	64.7	44.6	-21.4%	6.9%	45.4	37.3	39.5	-3.9%	3.9%
Various institutions: Implementation of biotechnology strategy	9.8	10.4	7.8	-	-100.0%	0.7%	-	-	-	-	-
Various institutions: Energy Grand Challenge research	3.5	2.2	1.5	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Health innovation research	6.1	4.8	5.0	-	-100.0%	0.4%	-	-	-	-	-
South African Medical Research Council	16.3	19.5	-	-	-100.0%	0.9%	-	-	-	-	-
Various institutions: Hydrogen strategy research	0.4	0.8	1.5	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Indigenous knowledge systems	-	-	1.0	-	-	-	-	-	-	-	-
Various institutions: Innovation projects research	6.0	-	0.1	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Space science research	16.4	12.8	-	-	-100.0%	0.7%	-	-	-	-	-
National Research Foundation: Indigenous knowledge systems	-	2.0	-	-	-	-	-	-	-	-	-
Various institutions: Emerging research areas	33.2	25.6	33.1	44.6	10.3%	3.3%	45.4	37.3	39.5	-3.9%	3.9%
Various institutions: Technology transfer offices for support of research units	-	6.5	14.6	-	-	0.5%	-	-	-	-	-
Capital	44.5	45.8	32.2	50.4	4.3%	4.2%	50.7	63.5	67.2	10.0%	5.5%
Various institutions: National nanotechnology research	44.5	45.8	32.2	50.4	4.3%	4.2%	50.7	63.5	67.2	10.0%	5.5%
Non-profit institutions											
Current	15.0	36.2	51.0	86.9	79.6%	4.5%	89.2	108.6	129.1	14.1%	9.8%
Various institutions: Biofuels	-	-	-	6.5	-	0.2%	6.5	6.8	7.2	3.7%	0.6%
Various institutions: Implementation of biotechnology strategy	3.5	6.8	3.8	35.6	116.6%	1.2%	35.5	37.3	39.4	3.5%	3.5%
Various institutions: Energy Grand Challenge research	1.0	3.7	2.4	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Health innovation research	0.1	0.2	-	41.3	644.9%	1.0%	43.6	45.8	48.4	5.4%	4.2%
Various institutions: Innovation projects research	-	8.4	2.8	-	-	0.3%	-	-	-	-	-
International Centre for Genetic Engineering and Biotechnology	10.4	10.9	36.3	-	-100.0%	1.4%	-	-	-	-	-
Various institutions: Space science research	-	1.7	-	-	-	-	-	-	-	-	-
South African Association of Science and Technology Centre	-	-	-	3.5	-	0.1%	3.5	3.7	3.9	3.7%	0.3%
Various institutions: Emerging research areas	-	4.5	5.8	-	-	0.2%	-	-	-	-	-
South African National AIDS Council	-	-	-	-	-	-	-	15.0	30.0	-	1.1%

Table 30.7 Technology Innovation expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Capital	4.1	0.0	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Technology transfer offices for support of research units	4.1	0.0	-	-	-100.0%	0.1%	-	-	-	-	-
Higher education institutions											
Current	28.7	45.1	86.3	51.0	21.1%	5.1%	51.3	74.0	79.2	15.8%	6.0%
Various institutions: Implementation of biotechnology strategy	3.2	7.5	8.0	-	-100.0%	0.4%	-	-	-	-	-
Various institutions: Energy Grand Challenge research	2.4	3.1	5.6	-	-100.0%	0.3%	-	-	-	-	-
Various institutions: Health innovation research	2.8	1.9	0.7	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Hydrogen strategy research	15.3	14.8	15.9	36.0	33.0%	2.0%	36.2	38.0	40.2	3.7%	3.6%
Various institutions: Indigenous knowledge systems	-	-	0.9	-	-	-	-	-	-	-	-
Various institutions: Innovation projects research	-	-	5.9	-	-	0.1%	-	-	-	-	-
National Research Foundation: Indigenous knowledge systems	-	1.9	-	-	-	-	-	-	-	-	-
Various institutions: Emerging research areas	5.0	5.6	12.8	-	-100.0%	0.6%	-	-	-	-	-
Various institutions: Technology transfer offices for support of research units	-	10.2	36.6	15.0	-	1.5%	15.1	36.0	39.0	37.5%	2.5%
Capital	54.5	57.3	60.8	63.6	5.3%	5.7%	63.9	67.1	71.0	3.7%	6.3%
Various institutions: Hydrogen strategy research	54.5	-	-	-	-100.0%	1.3%	-	-	-	-	-
Various institutions: Hydrogen strategy research: Capital	-	57.3	60.8	63.6	-	4.4%	63.9	67.1	71.0	3.7%	6.3%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	3.0	10.4	3.4	-	-100.0%	0.4%	-	-	-	-	-
Various institutions: Innovation projects research	-	7.0	-	-	-	0.2%	-	-	-	-	-
South African Association of Science and Technology Centre	3.0	3.2	3.4	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Technology transfer offices for support of research units	-	0.3	-	-	-	-	-	-	-	-	-

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 department initiatives that require external investment, by securing international funds amounting to R1.3 billion by 31 March 2019.
- 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 1 150 South African researchers in international postgraduate training programmes by 31 March 2019.
- 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

39 approved SADC and AU science, technology and innovation initiatives and programmes by 31 March 2019.

- Support South Africa's foreign policy objectives of creating a better South Africa, 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 12 new leadership positions in international science, technology and innovation governance structures by 31 March 2019.

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, specifically with the AU and SADC; and broader multilateral science technology and innovation partnerships, with a strategic focus on South-South cooperation.
- *International Resources* works to increase international funding accessed for South African science technology and innovation initiatives and African regional and continental programmes, through concerted investment promotion efforts, and the fostering of strategic partnerships.
- *Overseas Bilateral Cooperation* promotes and facilitates South Africa's bilateral science, technology and innovation cooperation with partners in the Americas, Asia, Australasia and Europe, especially for human capital development and collaborative research in science, technology and innovation, and to secure their support for joint cooperation with other African partners.

Expenditure trends and estimates

Table 30.8 International Cooperation and Resources expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13	2015/16	2016/17	2017/18	2018/19	2015/16	2018/19
R million											
Multilateral Cooperation and Africa	24.8	25.3	22.2	27.4	3.4%	22.8%	28.7	29.9	31.3	4.5%	22.9%
International Resources	44.7	50.4	54.0	56.5	8.1%	47.1%	57.5	60.1	63.2	3.8%	46.3%
Overseas Bilateral Cooperation	33.4	28.9	31.4	37.4	3.9%	30.0%	38.3	40.1	42.0	4.0%	30.8%
Total	102.9	104.5	107.6	121.4	5.7%	100.0%	124.5	130.0	136.5	4.0%	100.0%
Change to 2015 Budget estimate				(0.6)			0.6	(0.8)	(1.8)		
Economic classification											
Current payments	56.6	53.2	53.3	60.3	2.2%	51.2%	63.1	65.6	68.4	4.3%	50.2%
Compensation of employees	33.9	33.2	36.8	44.3	9.3%	34.0%	46.2	47.8	49.7	3.9%	36.7%
Goods and services	22.6	20.0	16.6	16.0	-10.9%	17.2%	17.0	17.8	18.7	5.4%	13.5%
of which:											
Communication	0.6	0.6	0.5	1.3	31.7%	0.7%	1.3	1.4	1.5	4.1%	1.1%
Agency and support/outsourced services	0.8	0.7	0.3	0.6	-8.6%	0.6%	0.6	0.7	0.7	3.7%	0.5%
Entertainment	0.4	0.2	0.2	0.7	24.6%	0.3%	0.7	0.8	0.8	3.7%	0.6%
Travel and subsistence	10.3	11.2	-	6.6	-13.9%	6.4%	7.5	7.8	8.2	7.5%	5.9%
Operating payments	1.0	1.0	3.9	1.1	0.3%	1.6%	1.1	1.1	1.2	3.8%	0.9%
Venues and facilities	5.5	3.8	0.4	3.7	-12.3%	3.1%	3.7	3.9	4.1	3.7%	3.0%
Transfers and subsidies	45.7	51.3	54.1	61.0	10.1%	48.6%	61.4	64.4	68.2	3.7%	49.8%
Departmental agencies and accounts	16.6	17.6	14.6	13.5	-6.5%	14.3%	13.6	14.3	15.1	3.7%	11.0%
Higher education institutions	13.8	17.0	20.0	-	-100.0%	11.6%	-	-	-	-	-
Public corporations and private enterprises	12.5	16.3	16.2	-	-100.0%	10.3%	-	-	-	-	-
Non-profit institutions	2.9	0.3	0.0	47.5	154.2%	11.6%	47.8	50.1	53.1	3.7%	38.7%
Households	-	0.1	3.3	-	-	0.8%	-	-	-	-	-
Payments for capital assets	0.6	-	0.1	-	-100.0%	0.2%	-	-	-	-	-
Machinery and equipment	0.6	-	0.1	-	-100.0%	0.2%	-	-	-	-	-
Total	102.9	104.5	107.6	121.4	5.7%	100.0%	124.5	130.0	136.5	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	2.1%	1.7%	1.7%	1.6%	-	-	1.7%	1.7%	1.8%	-	-

Table 30.8 International Cooperation and Resources expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
		2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	16.6	17.6	14.6	13.5	-6.5%	14.3%	13.6	14.3	15.1	3.7%	11.0%	
National Research Foundation: Global science: Bilateral cooperation	9.6	12.2	12.9	13.5	12.1%	11.1%	13.6	14.3	15.1	3.7%	11.0%	
Various institutions: Global science: International multilateral agreements	3.2	1.6	1.7	-	-100.0%	1.5%	-	-	-	-	-	
Various institutions: Global science: African multilateral agreements	3.8	3.8	-	-	-100.0%	1.7%	-	-	-	-	-	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current	12.5	9.4	16.2	-	-100.0%	8.7%	-	-	-	-	-	
National Research Foundation: Global science: Bilateral cooperation	2.0	-	-	-	-100.0%	0.5%	-	-	-	-	-	
Various institutions: Global science: International multilateral agreements	10.5	9.4	16.2	-	-100.0%	8.3%	-	-	-	-	-	
Non-profit institutions												
Current	2.9	0.3	0.0	47.5	154.2%	11.6%	47.8	50.1	53.1	3.7%	38.7%	
Various institutions: Global science: International multilateral agreements	2.9	0.3	0.0	39.0	138.1%	9.7%	39.2	41.2	43.6	3.7%	31.8%	
Various institutions: Global science: African multilateral agreements	-	-	-	8.5	-	1.9%	8.5	9.0	9.5	3.7%	6.9%	
Higher education institutions												
Current	13.8	17.0	20.0	-	-100.0%	11.6%	-	-	-	-	-	
Various institutions: Global science: International multilateral agreements	10.2	13.1	15.7	-	-100.0%	8.9%	-	-	-	-	-	
Various institutions: Global science: African multilateral agreements	3.6	3.9	4.3	-	-100.0%	2.7%	-	-	-	-	-	
Public corporations and private enterprises												
Private enterprises												
Other transfers to private enterprises												
Current	-	6.9	-	-	-	1.6%	-	-	-	-	-	
Various institutions: Global science: International multilateral agreements	-	6.9	-	-	-	1.6%	-	-	-	-	-	

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 that is capable of pursuing locally relevant, globally competitive research and innovation activities by:
 - increasing the total number of students awarded bursaries to 42 396 over the medium term
 - increasing the number of pipeline postgraduate students awarded bursaries to 32 988 over the medium term
 - maintaining the total number of graduates and students placed in department funded work preparation programmes in science, engineering and technology institutions at 2 440 over the medium term.
- Ensure the availability of and access to internationally comparable research and innovation infrastructure by:
 - maintaining the number of researchers awarded research infrastructure grants at 70 per year over the medium term

- increasing the average amount of bandwidth per South African National Research Network site, from 3 500 Mbps in 2016/17 to 8 000 Mbps in 2018/19, 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 by:
 - maintaining the total number of researchers awarded research grants through programmes managed by the National Research Foundation at 13 617 over the medium term
 - maintaining the number of articles published by researchers funded by the National Research Foundation and accredited by the Institute for Scientific Information at 21 000 over the medium term
 - implementing a national basic sciences development and support programme over the medium term.
- Strategically develop priority science areas in which South Africa has a competitive advantage by:
 - increasing the total number of MeerKAT antennae installed to 64 in 2016/17
 - ensuring that a functional climate change research network is in place and 2 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 3.6 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, production of scientific knowledge, and human capital development within science areas in which South Africa enjoys a geographic advantage.
- *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 to 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 30.9 Research, Development and Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Human Capital and Science Promotions	1 413.9	1 683.1	1 872.8	2 338.0	18.3%	55.2%	2 356.4	2 441.1	2 534.7	2.7%	55.5%
Science Missions	83.9	151.3	159.5	165.8	25.5%	4.2%	164.3	175.7	185.7	3.9%	4.0%
Basic Science and Infrastructure	561.4	710.2	783.7	1 009.6	21.6%	23.2%	988.3	1 050.5	1 069.2	1.9%	23.6%
Astronomy	243.6	654.2	673.8	725.4	43.9%	17.4%	691.5	752.5	771.8	2.1%	16.9%
Total	2 302.8	3 198.8	3 489.8	4 238.8	22.6%	100.0%	4 200.6	4 419.9	4 561.4	2.5%	100.0%
Change to 2015 Budget estimate				(8.2)			(64.7)	(28.6)	(86.7)		
Economic classification											
Current payments	28.9	32.4	37.7	44.8	15.8%	1.1%	46.7	48.5	50.5	4.1%	1.1%
Compensation of employees	21.2	24.5	29.4	30.5	12.9%	0.8%	31.8	32.8	34.1	3.8%	0.7%
Goods and services	7.7	7.9	8.3	14.4	23.2%	0.3%	14.9	15.7	16.5	4.7%	0.4%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.2	0.1	0.1	0.7	44.4%	–	0.5	0.6	0.6	-4.7%	–
<i>Communication</i>	0.3	0.4	0.3	0.6	23.2%	–	0.6	0.6	0.7	6.0%	–
<i>Consultants: Business and advisory services</i>	0.0	0.7	0.4	1.4	554.7%	–	1.3	1.4	1.4	1.0%	–
<i>Agency and support/outsourced services</i>	0.9	1.1	0.9	0.8	-1.2%	–	0.8	0.9	0.9	3.9%	–
<i>Travel and subsistence</i>	3.9	3.9	0.1	7.5	24.1%	0.1%	8.2	8.6	9.0	6.5%	0.2%
<i>Venues and facilities</i>	1.1	0.4	–	1.9	21.6%	–	1.9	2.0	2.1	3.9%	–

Table 30.9 Research, Development and Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Transfers and subsidies	2 273.6	3 166.4	3 452.0	4 194.0	22.6%	98.9%	4 153.9	4 371.4	4 510.9	2.5%	98.9%
Departmental agencies and accounts	1 918.9	2 617.3	2 999.3	3 980.5	27.5%	87.0%	3 939.3	4 146.2	4 272.5	2.4%	93.8%
Higher education institutions	22.6	31.0	53.5	–	-100.0%	0.8%	–	–	–	–	–
Public corporations and private enterprises	293.1	482.3	390.5	213.5	-10.0%	10.4%	214.5	225.3	238.3	3.7%	5.1%
Non-profit institutions	38.5	35.2	8.3	–	-100.0%	0.6%	–	–	–	–	–
Households	0.4	0.6	0.4	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.3	–	0.1	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	0.3	–	0.1	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	0.0	–	0.1	–	-100.0%	–	–	–	–	–	–
Total	2 302.8	3 198.8	3 489.8	4 238.8	22.6%	100.0%	4 200.6	4 419.9	4 561.4	2.5%	100.0%
Proportion of total programme expenditure to vote expenditure	46.3%	51.8%	54.6%	56.8%	–	–	56.5%	58.4%	58.8%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 445.3	1 798.6	2 010.4	2 515.1	20.3%	58.7%	2 531.7	2 628.7	2 733.4	2.8%	59.7%
Academy of Science of South Africa	16.3	–	21.6	23.2	12.6%	0.5%	23.1	24.3	25.7	3.4%	0.6%
Various institutions: Policy development on human and social development dynamics	10.1	11.1	9.8	10.2	0.2%	0.3%	10.5	11.0	11.7	4.6%	0.2%
National Research Foundation: Human resources development for science and engineering	1 254.9	1 522.9	1 316.9	1 761.5	12.0%	44.3%	1 767.1	1 821.9	1 879.8	2.2%	41.5%
Various institutions: Science awareness	53.9	40.3	53.1	69.2	8.7%	1.6%	69.5	73.0	77.3	3.7%	1.7%
National Research Foundation: South African Research Chairs Initiative to develop human resources in science	60.4	74.0	451.8	470.4	98.2%	8.0%	482.2	506.9	536.3	4.5%	11.5%
Various institutions: Strategic science platforms for research and development	26.2	125.1	138.0	152.7	79.9%	3.3%	151.3	162.2	171.6	4.0%	3.7%
Various institutions: Astronomy research and development	11.7	12.7	12.7	14.0	6.2%	0.4%	14.1	14.8	15.6	3.7%	0.3%
National Research Foundation: Square Kilometre Array: Research and development	11.8	12.5	6.4	13.8	5.3%	0.3%	13.9	14.6	15.4	3.7%	0.3%
Capital	473.7	818.7	989.0	1 465.4	45.7%	28.3%	1 407.6	1 517.5	1 539.1	1.6%	34.0%
Various institutions: Infrastructure projects for research and development	255.0	398.6	343.8	778.0	45.0%	13.4%	754.9	805.6	810.2	1.4%	18.1%
National Research Foundation: Square Kilometre Array: Capital contribution to research	218.7	420.1	645.2	687.4	46.5%	14.9%	652.8	711.9	729.0	2.0%	16.0%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	15.0	4.7	1.4	–	-100.0%	0.2%	–	–	–	–	–
Various institutions: Strategic science platforms for research and development	15.0	4.7	0.7	–	-100.0%	0.2%	–	–	–	–	–
National Research Foundation: Square Kilometre Array: Research and development	–	–	0.7	–	–	–	–	–	–	–	–
Capital	278.1	474.8	389.1	213.5	-8.4%	10.2%	214.5	225.3	238.3	3.7%	5.1%
Council for Scientific and Industrial Research	216.0	192.4	204.0	213.5	-0.4%	6.2%	214.5	225.3	238.3	3.7%	5.1%
Various institutions: Infrastructure projects for research and development	62.1	74.5	185.1	–	-100.0%	2.4%	–	–	–	–	–
Square Kilometre Array	–	208.0	–	–	–	1.6%	–	–	–	–	–
Non-profit institutions											
Current	38.5	24.2	8.3	–	-100.0%	0.5%	–	–	–	–	–
Academy of Science of South Africa	–	20.7	–	–	–	0.2%	–	–	–	–	–
National Research Foundation: Human resources development for science and engineering	8.3	–	0.1	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Science awareness	–	2.2	3.2	–	–	–	–	–	–	–	–
Square Kilometre Array	–	–	2.0	–	–	–	–	–	–	–	–
Various institutions: Strategic science platforms for research and development	30.2	1.3	3.0	–	-100.0%	0.3%	–	–	–	–	–

Table 30.9 Research, Development and Support expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Capital	-	11.0	-	-	-	0.1%	-	-	-	-	-
Various institutions: Infrastructure projects for research and development	-	11.0	-	-	-	0.1%	-	-	-	-	-
Higher education institutions											
Current	10.1	15.4	20.7	-	-100.0%	0.3%	-	-	-	-	-
National Research Foundation: Human resources development for science and engineering	1.2	0.6	4.9	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Science awareness	8.1	8.8	9.7	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Strategic science platforms for research and development	0.8	6.1	5.5	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Astronomy research and development	-	-	0.6	-	-	-	-	-	-	-	-
Capital	12.5	15.6	32.8	-	-100.0%	0.5%	-	-	-	-	-
Various institutions: Infrastructure projects for research and development	12.5	15.6	32.8	-	-100.0%	0.5%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	2.8	-	-	-	-	-	-	-	-	-
Various institutions: Strategic science platforms for research and development	-	2.8	-	-	-	-	-	-	-	-	-

Programme 5: Socio-Economic Innovation Partnerships

Programme purpose

Enhance the growth and development priorities 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 knowledge, evidence and learning from science and technology can be used to achieve inclusive development by publishing 16 knowledge products (prototypes and patents), maintaining and improving 10 decision support systems and generating 27 learning interventions by 31 March 2019.
- Identify, grow and sustain science, technology and innovation capabilities for sustainable development and the greening of society and the economy through funding 170 honours, masters and doctoral students, and adding 14 knowledge and innovation products to the intellectual property portfolio by 31 March 2019.
- Identify, grow and sustain science, technology and innovation capabilities that improve the competitiveness of existing industries with growth potential in aerospace, advanced manufacturing, chemicals, advanced metals, mining, ICTs and sector innovation funds; and facilitate the development of new research and development led targeted industries, by 31 March 2019, by:
 - funding 870 masters and doctoral students, and 272 interns
 - supporting 6 instruments
 - adding 68 knowledge and innovation products to the intellectual property portfolio.
- Strengthen provincial and rural innovation and production systems through analysis and catalytic interventions through funding or co-funding 8 innovation support interventions by 31 March 2019.
- Enhance understanding and analysis that support improvements in the functioning and performance of the national system of innovation by approving/publishing 18 reports and policy briefings on the innovation system and policy by 31 March 2019.
- 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 from the date of receiving research and development tax incentive applications by 31 March 2019.

Subprogrammes

- *Sector Innovation and Green Economy* provides policy, strategy and direction setting for research and 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 creation of sustainable jobs, sustainable 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 and the performance of the national system of innovation, as well as 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 30.10 Socio-Economic Innovation Partnerships expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million												
Sector Innovation and Green Economy	833.6	812.8	875.7	873.8	1.6%	55.6%	937.1	985.1	1 044.9	6.1%	56.5%	
Innovation for Inclusive Development	316.0	325.1	340.1	365.0	4.9%	22.1%	350.0	358.4	358.0	-0.6%	21.1%	
Science and Technology Investment	32.0	25.4	29.9	29.0	-3.2%	1.9%	29.5	30.8	32.4	3.8%	1.8%	
Technology Localisation, Beneficiation and Advanced Manufacturing	127.7	295.0	293.5	529.0	60.6%	20.4%	476.3	237.4	160.7	-32.8%	20.6%	
Total	1 309.2	1 458.2	1 539.2	1 796.9	11.1%	100.0%	1 792.9	1 611.8	1 596.1	-3.9%	100.0%	
Change to 2015				(7.6)			(64.4)	(52.5)	4.5			
Budget estimate												
Economic classification												
Current payments	32.4	36.5	40.9	43.0	9.9%	2.5%	46.7	48.3	50.3	5.4%	2.8%	
Compensation of employees	25.2	30.0	34.2	34.6	11.1%	2.0%	37.8	39.1	40.6	5.5%	2.2%	
Goods and services	7.1	6.5	6.7	8.4	5.7%	0.5%	8.8	9.2	9.7	5.0%	0.5%	
of which:												
Advertising	0.1	0.2	0.0	0.2	24.3%	–	0.2	0.2	0.2	5.2%	–	
Catering: Departmental activities	0.1	0.2	0.1	0.3	35.9%	–	0.3	0.3	0.3	4.4%	–	
Communication	0.4	0.4	0.3	1.0	30.5%	–	0.9	1.0	1.0	1.4%	0.1%	
Consultants: Business and advisory services	–	0.8	0.5	3.7	–	0.1%	3.4	3.6	3.7	0.1%	0.2%	
Travel and subsistence	2.7	2.6	–	2.0	-9.9%	0.1%	2.7	2.8	3.0	14.4%	0.2%	
Venues and facilities	0.1	1.2	–	0.8	81.9%	–	0.8	0.8	0.9	6.1%	–	
Transfers and subsidies	1 276.3	1 421.7	1 498.3	1 753.9	11.2%	97.5%	1 746.2	1 563.5	1 545.8	-4.1%	97.2%	
Departmental agencies and accounts	381.5	346.2	391.5	812.5	28.7%	31.6%	749.4	513.3	433.3	-18.9%	36.9%	
Higher education institutions	4.6	4.4	7.1	–	-100.0%	0.3%	–	–	–	–	–	
Public corporations and private enterprises	883.8	1 058.3	1 064.6	941.4	2.1%	64.7%	996.8	1 050.2	1 112.4	5.7%	60.3%	
Non-profit institutions	6.4	12.7	35.1	–	-100.0%	0.9%	–	–	–	–	–	
Households	0.0	0.1	0.1	–	-100.0%	–	–	–	–	–	–	
Payments for capital assets	0.5	–	–	–	-100.0%	–	–	–	–	–	–	
Machinery and equipment	0.5	–	–	–	-100.0%	–	–	–	–	–	–	
Total	1 309.2	1 458.2	1 539.2	1 796.9	11.1%	100.0%	1 792.9	1 611.8	1 596.1	-3.9%	100.0%	
Proportion of total programme expenditure to vote expenditure	26.3%	23.6%	24.1%	24.1%	–	–	24.1%	21.3%	20.6%	–	–	

Table 30.10 Socio-Economic Innovation Partnerships expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	381.5	346.2	391.5	812.5	28.7%	31.6%	749.4	513.3	433.3	-18.9%	36.9%
Various institutions: Innovative research and development	39.8	8.3	16.7	68.6	19.9%	2.2%	49.9	43.5	41.9	-15.1%	3.0%
Human Sciences Research Council	247.8	258.9	276.0	288.7	5.2%	17.6%	290.1	304.7	305.5	1.9%	17.5%
Various institutions: Local manufacturing capacity research and technical support	7.0	40.0	43.7	213.1	212.3%	5.0%	214.2	84.3	27.2	-49.7%	7.9%
National Research Foundation: Research information management system	14.0	4.5	6.9	7.2	-20.0%	0.5%	7.2	7.6	8.0	3.7%	0.4%
Various institutions: Resource based industries research and development	-	-	1.0	-	-	-	-	-	-	-	-
Various institutions: Implementation of environmental innovation	63.9	-	4.6	16.5	-36.4%	1.4%	23.4	24.9	27.8	19.1%	1.4%
Various institutions: Local systems of innovation for the cold chain technologies project	-	25.0	33.0	208.0	-	4.4%	154.0	37.2	11.2	-62.3%	6.0%
Human Science Research Council: Science and technology indicators	9.0	9.5	9.7	10.5	5.3%	0.6%	10.6	11.1	11.7	3.7%	0.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	141.0	248.9	238.9	121.2	-4.9%	12.3%	124.7	134.6	143.7	5.8%	7.7%
Council for Scientific and Industrial Research	17.3	20.2	24.2	26.1	14.8%	1.4%	30.7	33.3	36.5	11.8%	1.9%
Various institutions: Advanced manufacturing technology strategy implementation	42.4	22.6	25.6	45.5	2.3%	2.2%	45.8	53.3	56.4	7.4%	3.0%
Various institutions: Innovative research and development	23.4	37.8	20.8	-	-100.0%	1.3%	-	-	-	-	-
Various institutions: Local manufacturing capacity research and technical support	13.9	71.4	68.0	-	-100.0%	2.5%	-	-	-	-	-
Various institutions: Resource based industries research and development	44.1	39.1	38.5	49.5	4.0%	2.8%	48.2	48.0	50.8	0.9%	2.9%
Various institutions: Implementation of environmental innovation	-	-	10.3	-	-	0.2%	-	-	-	-	-
Various institutions: Local systems of innovation for the cold chain technologies project	-	57.7	51.4	-	-	1.8%	-	-	-	-	-
Non-profit institutions											
Current	6.4	12.7	35.1	-	-100.0%	0.9%	-	-	-	-	-
Various institutions: Advanced manufacturing technology strategy implementation	-	-	0.1	-	-	-	-	-	-	-	-
Various institutions: Innovative research and development	-	2.5	19.6	-	-	0.4%	-	-	-	-	-
Various institutions: Resource based industries research and development	1.4	0.2	1.2	-	-100.0%	-	-	-	-	-	-
Various institutions: Implementation of environmental innovation	-	-	0.7	-	-	-	-	-	-	-	-
Various institutions: Local systems of innovation for the cold chain technologies project	5.0	10.0	13.4	-	-100.0%	0.5%	-	-	-	-	-
Higher education institutions											
Current	4.6	4.4	7.1	-	-100.0%	0.3%	-	-	-	-	-
Council for Scientific and Industrial Research	-	1.0	-	-	-	-	-	-	-	-	-
Various institutions: Advanced manufacturing technology strategy implementation	0.6	0.2	2.3	-	-100.0%	-	-	-	-	-	-
Various institutions: Innovative research and development	-	-	0.6	-	-	-	-	-	-	-	-
Various institutions: Local manufacturing capacity research and technical support	-	0.5	0.7	-	-	-	-	-	-	-	-
Various institutions: Resource based industries research and development	1.5	1.5	1.0	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Local systems of innovation for the cold chain technologies project	2.6	1.2	2.4	-	-100.0%	0.1%	-	-	-	-	-

Table 30.10 Socio-Economic Innovation Partnerships expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
		2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million												
Public corporations and private enterprises												
Public corporations												
Public corporations - subsidies on products and production												
Current												
	742.8	782.0	825.7	820.2	3.4%	51.9%	872.0	915.6	968.8	5.7%	52.6%	
Council for Scientific and Industrial Research	742.8	782.0	825.7	820.2	3.4%	51.9%	872.0	915.6	968.8	5.7%	52.6%	
Public corporations and private enterprises												
Private enterprises												
Other transfers to private enterprises												
Current												
	-	27.4	-	-	-	0.4%	-	-	-	-	-	-
Various institutions: Advanced manufacturing technology strategy implementation	-	15.1	-	-	-	0.2%	-	-	-	-	-	-
Various institutions: Innovative research and development	-	12.3	-	-	-	0.2%	-	-	-	-	-	-

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 2016/17 is R27.9 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 2016/17 is R2.7 billion.
- The **Human Sciences Research Council** undertakes, promotes and coordinates research in the human and social sciences. The council's total budget for 2016/17 is R510.5 million.
- The **National Research Foundation** is an independent statutory agency that promotes and supports research. It also conducts research at, and provides access to, the national research facilities. The foundation provides funding and services to the research community through the higher education institutions with a view to generate knowledge and promote high level research capacity development. The foundation's total budget for 2016/17 is R3.8 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 2016/17 is R296 million.
- The **Technology Innovation Agency** is a national public entity that 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 2016/17 is R516.4 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
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)										
Square Kilometre Array	Construction of telescopes	Construction	1 649.2	218.7	328.1	645.2	687.4	652.8	711.9	729.0
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Space infrastructure	Construction of satellite	Construction	290.8	36.0	45.0	40.0	31.4	29.7	28.9	30.5
Hydrogen strategy	Purchase of equipment	Various	440.7	54.5	57.2	60.8	63.6	63.9	67.1	71.0
National nanotechnology centres	Equipping of centres	Various	310.0	44.5	46.8	34.7	50.4	50.7	63.5	67.2
Cyber infrastructure	Creation of broadband network connectivity and high performance computing	Various	833.2	129.9	101.9	204.0	213.5	214.5	225.3	238.3
Total			3 523.8	483.7	579.1	984.7	1 046.3	1 011.5	1 096.6	1 136.0

Vote 31

Small Business Development

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	118.1	115.2	–	2.8	121.5	125.1
Small, Medium and Micro Enterprises and Cooperatives Policy and Research	26.1	25.8	–	0.3	26.2	29.1
Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support	1 181.3	74.5	1 105.8	1.0	1 311.7	1 385.8
Total expenditure estimates	1 325.4	215.5	1 105.8	4.2	1 459.5	1 540.0

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 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 as a national department in accordance with the reorganisation of some national departments announced by the President in May 2014. The department is tasked with the responsibility to lead an integrated approach to the promotion and development of small businesses and cooperatives through a focus on the economic and legislative drivers that stimulate entrepreneurship to 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of SMMEs financially assisted through the black business supplier development programme per year	SMMEs and Cooperatives Programme Design and Support	Outcome 4: Decent employment through inclusive economic growth	1 212	1 066	1 872	480	500	550	600
Number of cooperatives financially assisted through the cooperatives incentive scheme per year	SMMEs and Cooperatives Programme Design and Support		314	243	431	350	370	400	450
Number of informal business enterprises supported through incentives per year	SMMEs and Cooperatives Programme Design and Support		–1	–1	–1	1 000	1 100	1 210	1 330
Number of cooperative enterprises supported through incentives per year	SMMEs and Cooperatives Programme Design and Support		–2	–2	–2	–2	130	145	160

Table 31.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of SMMEs in rural areas and townships supported through incentives per year	SMMEs and Cooperatives Programme Design and Support		– ²	– ²	– ²	– ²	110	120	130
Number of informal enterprises financially assisted through the national informal business upliftment scheme per year	SMMEs and Cooperatives Programme Design and Support	Outcome 4: Decent employment through inclusive economic growth	– ²	– ²	– ²	– ²	1 666	1 733	1 807
Number of incubators established per year through the enterprise incubation programme	SMMEs and Cooperatives Programme Design and Support		– ²	– ²	– ²	– ²	10	10	10

1. No historical data is available as the department was established in 2015/16.

2. No historical data is available as these are new indicators introduced in 2016/17.

Expenditure analysis

The national development plan identifies the important role that small, medium and micro enterprises (SMMEs) and cooperatives play in inclusive economic growth and employment. The plan articulates the benefits of increased coordination and support, incubation, and reduced costs of regulatory compliance for small enterprises to achieving a transformed and inclusive economy. The Department of Small Business Development was established in 2014 to develop and support the small enterprises sector more intently. The department's aims are in line with outcome 4 (decent employment through inclusive growth) of the 2014-2019 medium term strategic framework, as encapsulated in sub-outcomes 3, 5 and 8. The department aims to create a conducive legislative and policy environment for SMMEs and cooperatives, develop and grow SMMEs and cooperatives in township and rural areas, and establish public and private partnerships aimed at maximising support for SMMEs and cooperatives.

Over the medium term, the department will focus on increasing the number of small enterprises that the department supports, reviewing the strategy for SMME development and entrepreneurship, developing and supporting cooperatives, developing the markets for small enterprises, supporting incubators for small enterprises, and strengthening departmental operational capacity.

The department is further tasked with eliminating unnecessary regulatory burdens, which it plans to do through its red tape reduction programme for the operations of SMMEs and cooperatives in municipalities. The department plans to develop appropriate sanctions for municipalities' non-compliance with the 30-day period for paying small enterprises. The department is also tasked with addressing spatial imbalances in economic opportunities and increasing access to economic opportunities for historically excluded and vulnerable groups. It will do this by implementing a comprehensive township and rural enterprises development strategy.

Increasing the number of small enterprises supported by the department

Increasing the number of SMMEs and cooperatives that the department supports by providing financial and non-financial interventions is the department's largest spending focus over the medium term, reflected in transfers and subsidies of R3.7 billion over the period, and comprising 84.7 per cent of the department's total budget. R2.2 billion or 51 per cent of this funding is earmarked for the Small Enterprise Development Agency for non-financial support services and incubation.

The department will also provide financial incentives totalling R772.7 million, geared for SMMEs in the mining, manufacturing, agro processing and services sectors, as part of the black business supplier development programme, as well as R237.1 million for cooperatives through the cooperatives incentive scheme. The department aims to assist over 2 870 SMMEs and cooperatives financially over the medium term. This will be geared towards supporting enterprises in townships and rural areas in particular.

In addition, the department has set aside R298.2 million over the medium term for transfers to the new national informal business scheme. The scheme aims to develop and grow informal and small businesses and cooperatives by providing financial and non-financial support services, improving competitiveness, facilitating market access, promoting entrepreneurship, advancing localisation and leveraging public and private procurement. Over the medium term, the department aims to assist 5 206 such enterprises through the scheme.

Reviewing the strategy for SMME development and entrepreneurship

The policy focus over the medium term will be on reviewing the strategy for SMME development and entrepreneurship to maintain the strategy's relevance and responsiveness to business cycles, recent economic activity, and the present challenging socioeconomic environment with its associated high unemployment, inequality and poverty. The review is budgeted for in the *SMMEs and Cooperatives Policy and Research* programme, at R81.5 million or 1.7 per cent of the department's total budget over the medium term. Expenditure is mainly on skilled personnel under compensation of employees.

The department also plans to amend the National Small Business Act (1996) to align it with the revised strategy for SMME development and entrepreneurship and the department's mandate. The amendments increase the act's applicability to small businesses and their needs.

Developing and supporting cooperatives

Over the medium term, the department will be finalising cooperatives regulations to ensure the effective implementation of the Cooperatives Amendment Act (2013). The department will also be improving coordination between national, provincial and local government to strengthen support to cooperatives. And it will be improving the sustainability of cooperatives, thus encouraging collective entrepreneurship and supporting the creation of job opportunities. This work is the driver of cooperatives policy development in the department, and is budgeted for in the *Cooperatives Development* subprogramme in the *SMMEs and Cooperative Programme Design and Support* programme. Spending over the medium term is projected at a total of R25.3 million, reflecting average annual growth of 21.4 per cent over the period.

By increasing funding for incentives, the department aims to increase the number of cooperatives accessing the department's various customised sustainability programmes, particularly cooperatives in the manufacturing, agro-processing, mining and services sector. The number of cooperatives financially assisted through the cooperatives incentive scheme is projected to increase from 350 in 2015/16 to 450 by 2018/19.

Developing the markets for small enterprises

Over the medium term, the department will pay particular attention to establishing strategic partnerships with other spheres of government and the private sector to increase small businesses' access to markets, expand these markets, and expose small businesses to innovation. The department and its partners will identify market access opportunities for SMMEs and cooperatives in both the public and private sectors, facilitate market opportunities in the international market, develop programmes to improve the quality of products and services, and assist local suppliers to expand production capacity. This work is funded through the *Market Development and Stakeholder Relations* subprogramme in the *SMMEs and Cooperatives Programme Design and Support* programme, which has a budget of R200.4 million over the medium term.

Supporting incubators for small enterprises

Over the medium term, the department will implement the enterprise incubator programme to encourage private sector partnerships with government to support incubators for SMMEs and cooperatives. The programme will provide funding for incubators that can be self-sustainable by generating revenue through their business support initiatives and services to small enterprises. Sustainable enterprises will in turn provide employment and contribute to economic growth. R150.7 million in the *Market Development and Stakeholder Relations* subprogramme over the medium term will be used to establish 30 such incubators. 70 per cent of the funding will be used for infrastructure, feasibility studies, and product development for small enterprises, and 30 per cent will cover the incubators' operational costs.

Strengthening departmental operational capacity

The department's budget is set to increase by a total of R87.8 million over the medium term. This will be used for strengthening departmental governance and operational capacity by increasing the number of personnel in the *Administration* programme. The increase is also for ICT services. This spending is mostly reflected in average annual growth of 15.9 per cent over the medium term in the *Administration* programme and 35.2 per cent in the *Policy and Research* programme on operational expenditure.

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	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	9.5	9.5	9.5	13.5	13.5	13.5	45.0	45.0	22.4	64.0	81.4	69.1	86.7%	76.6%
Programme 2	10.4	10.4	10.4	13.5	13.5	13.5	12.2	12.2	11.7	15.2	11.7	11.7	92.3%	99.1%
Programme 3	821.6	821.6	831.6	1 012.6	1 012.6	1 025.4	1 027.4	1 027.4	1 091.5	1 024.0	1 034.4	1 034.4	102.5%	102.2%
Total	841.6	841.6	851.6	1 039.5	1 039.5	1 052.4	1 084.6	1 084.6	1 125.5	1 103.2	1 127.5	1 115.2	101.9%	101.3%
Change to 2015 Budget estimate											24.3			
Economic classification														
Current payments	75.9	75.9	75.9	87.1	87.1	87.1	130.7	130.7	100.9	166.2	166.5	154.2	90.9%	90.8%
Compensation of employees	47.1	47.1	47.1	55.3	55.3	55.3	84.0	84.0	73.8	109.7	111.5	99.2	93.0%	92.4%
Goods and services	28.9	28.9	28.9	31.8	31.8	31.8	46.8	46.8	27.1	56.5	55.0	55.0	87.1%	87.9%
<i>of which:</i>														
Advertising	0.1	0.1	0.1	0.7	0.7	0.7	0.7	0.7	0.7	-	2.2	2.2	246.1%	100.0%
Computer services	-	-	-	-	-	-	-	-	-	-	5.5	5.5	-	100.0%
Consultants: Business and advisory services	3.2	3.2	3.2	1.5	1.5	1.5	4.5	4.5	1.5	2.9	3.1	3.1	77.3%	75.5%
Operating leases	1.0	1.0	1.0	0.9	0.9	0.9	0.7	0.7	0.7	1.9	9.3	9.3	261.0%	100.0%
Travel and subsistence	17.9	17.9	17.9	20.6	20.6	20.6	19.2	19.2	15.2	25.9	21.5	21.5	89.9%	95.0%
Venues and facilities	3.4	3.4	3.4	1.4	1.4	1.4	2.7	2.7	1.7	3.0	2.0	2.0	81.4%	89.6%
Transfers and subsidies	765.2	765.2	775.2	951.4	951.4	964.2	949.2	949.2	1 023.0	935.8	958.4	958.4	103.3%	102.7%
Departmental agencies and accounts	594.6	594.6	604.6	648.7	648.7	661.5	624.7	624.7	644.4	610.4	610.4	610.4	101.7%	101.7%
Higher education institutions	-	-	-	-	-	-	-	-	-	-	12.5	12.5	-	100.0%
Public corporations and private enterprises	162.1	162.1	162.1	294.1	294.1	294.1	308.2	308.2	362.3	308.8	318.8	318.8	106.0%	105.0%
Non-profit institutions	7.9	7.9	7.9	8.3	8.3	8.3	16.3	16.3	16.3	16.7	16.7	16.7	100.0%	100.0%
Households	0.6	0.6	0.6	0.3	0.3	0.3	0.0	0.0	0.0	-	0.1	0.1	108.4%	101.9%
Payments for capital assets	0.5	0.5	0.5	1.0	1.0	1.0	4.7	4.7	1.6	1.1	2.6	2.6	78.5%	65.3%
Machinery and equipment	0.5	0.5	0.5	1.0	1.0	1.0	4.7	4.7	1.6	1.1	2.6	2.6	78.5%	65.3%
Total	841.6	841.6	851.6	1 039.5	1 039.5	1 052.4	1 084.6	1 084.6	1 125.5	1 103.2	1 127.5	1 115.2	101.9%	101.3%

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	69.1	93.5%	2.8%	118.1	121.5	125.1	21.9%	8.0%
Programme 2	11.7	3.9%	1.1%	26.1	26.2	29.1	35.5%	1.7%
Programme 3	1 034.4	8.0%	96.1%	1 181.3	1 311.7	1 385.8	10.2%	90.3%
Total	1 115.2	9.8%	100.0%	1 325.4	1 459.5	1 540.0	11.4%	100.0%
Change to 2015 Budget estimate				157.6	154.2	157.6		

Table 31.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Current payments	154.2	26.6%	10.1%	215.5	219.2	229.0	14.1%	15.0%
Compensation of employees	99.2	28.2%	6.6%	136.7	139.1	143.1	13.0%	9.5%
Goods and services	55.0	24.0%	3.4%	78.8	80.1	85.9	16.0%	5.5%
of which:								
Advertising	2.2	232.6%	0.1%	2.8	3.1	3.4	14.3%	0.2%
Computer services	5.5	–	0.1%	7.1	7.2	7.8	12.1%	0.5%
Consultants: Business and advisory services	3.1	-0.6%	0.2%	10.7	7.6	8.0	36.3%	0.5%
Operating leases	9.3	106.9%	0.3%	14.7	15.7	16.2	20.5%	1.0%
Travel and subsistence	21.5	6.2%	1.8%	26.3	28.2	30.8	12.7%	2.0%
Venues and facilities	2.0	-15.5%	0.2%	4.4	4.1	4.1	25.8%	0.3%
Transfers and subsidies	958.4	7.8%	89.8%	1 105.8	1 237.7	1 308.4	10.9%	84.7%
Departmental agencies and accounts	610.4	0.9%	60.8%	633.8	743.1	786.2	8.8%	51.0%
Higher education institutions	12.5	–	0.3%	–	–	–	-100.0%	0.2%
Public corporations and private enterprises	318.8	25.3%	27.4%	472.0	494.6	522.1	17.9%	33.2%
Non-profit institutions	16.7	28.4%	1.2%	–	–	–	-100.0%	0.3%
Households	0.1	-54.2%	0.0%	–	–	–	-100.0%	0.0%
Payments for capital assets	2.6	73.0%	0.1%	4.2	2.6	2.6	-0.2%	0.2%
Machinery and equipment	2.6	73.0%	0.1%	4.2	2.6	2.6	-0.2%	0.2%
Total	1 115.2	9.8%	100.0%	1 325.4	1 459.5	1 540.0	11.4%	100.0%

Personnel information

Table 31.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18 budget reductions and aggregate baseline total

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	Medium-term expenditure estimate														Average growth rate (%)	Salary level/Total Average (%)		
		Actual			Revised estimate			2016/17			2017/18			2018/19				2015/16 - 2018/19	
		2014/15	Unit Cost	Cost	2015/16	Unit Cost	Cost	2016/17	Unit Cost	Cost	2017/18	Unit Cost	Cost	2018/19	Unit Cost				Cost
Small Business Development																			
Salary level	215	–	156	73.8	0.5	178	99.2	0.6	226	136.7	0.6	221	140.8	0.6	221	150.1	0.7	7.5%	100.0%
1 – 6	20	–	13	2.3	0.2	15	3.6	0.2	20	4.5	0.2	20	4.8	0.2	20	5.1	0.3	10.1%	8.9%
7 – 10	98	–	77	25.6	0.3	85	29.7	0.3	104	41.7	0.4	104	44.9	0.4	104	46.6	0.4	7.0%	46.9%
11 – 12	48	–	31	18.1	0.6	31	22.0	0.7	51	36.0	0.7	48	36.3	0.8	48	39.1	0.8	15.7%	21.0%
13 – 16	49	–	35	27.7	0.8	47	43.9	0.9	51	54.5	1.1	49	54.7	1.1	49	59.3	1.2	1.4%	23.2%
Programme	215	–	156	73.8	0.5	178	99.2	0.6	226	136.7	0.6	221	140.8	0.6	221	150.1	0.7	7.5%	100.0%
Programme 1	103	–	32	11.4	0.4	68	32.2	0.5	103	64.8	0.6	103	68.2	0.7	103	72.7	0.7	14.8%	44.6%
Programme 2	20	–	20	9.8	0.5	18	9.5	0.5	18	14.2	0.8	20	15.3	0.8	20	17.9	0.9	3.6%	9.0%
Programme 3	92	–	104	52.6	0.5	92	57.4	0.6	105	57.7	0.5	98	57.2	0.6	98	59.5	0.6	2.1%	46.5%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(1.7)	–	–	(7.0)	–	–	–
Total	215	–	156	73.8	0.5	178	99.2	0.6	226	136.7	0.6	–	139.1	–	–	143.1	–	–	–

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

2. The department's compensation of employees budget has been reduced by R8.7 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 31.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	-	-	-	180	68	-	100.0%	50	55	60	-4.1%	100.0%
Sales of goods and services produced by department	-	-	-	180	-	-	-	50	55	60	-	70.8%
Sales by market establishments	-	-	-	180	-	-	-	50	55	60	-	70.8%
<i>of which:</i>												
Rental: Parking	-	-	-	180	-	-	-	50	55	60	-	70.8%
Transactions in financial assets and liabilities	-	-	-	-	68	-	100.0%	-	-	-	-100.0%	29.2%
Total	-	-	-	180	68	-	100.0%	50	55	60	-4.1%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 31.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Ministry	9.5	13.5	22.4	30.9	48.0%	60.2%	26.1	26.7	27.1	-4.3%	24.8%
Departmental Management	-	-	-	21.2	-	16.7%	19.0	19.7	19.6	-2.5%	17.8%
Corporate Services	-	-	-	29.3	-	23.1%	47.0	47.8	49.6	19.2%	38.9%
Financial Management	-	-	-	-	-	-	15.0	16.1	16.8	-	10.7%
Communications	-	-	-	-	-	-	11.0	11.3	12.0	-	7.7%
Total	9.5	13.5	22.4	81.4	104.4%	100.0%	118.1	121.5	125.1	15.4%	100.0%
Change to 2015				1.9			51.5	52.4	51.9		
Budget estimate											
Economic classification											
Current payments	9.4	12.5	21.3	79.6	103.5%	96.9%	115.2	120.3	124.0	15.9%	98.4%
Compensation of employees	3.1	3.8	11.4	44.6	144.3%	49.6%	64.8	67.6	67.7	14.9%	54.9%
Goods and services	6.4	8.7	9.9	35.0	76.4%	47.3%	50.5	52.7	56.3	17.2%	43.6%
<i>of which:</i>											
Advertising	-	-	0.7	2.2	-	2.3%	2.8	3.1	3.4	14.4%	2.6%
Audit costs: External	-	-	-	0.2	-	0.1%	2.2	2.5	2.9	158.0%	1.7%
Computer services	-	-	-	5.5	-	4.4%	7.1	7.2	7.8	12.1%	6.2%
Operating leases	0.6	0.5	0.2	8.6	149.3%	7.7%	14.1	15.0	15.4	21.3%	11.9%
Travel and subsistence	5.4	7.8	6.4	11.7	29.3%	24.7%	13.8	14.4	15.7	10.3%	12.4%
Venues and facilities	0.0	-	0.5	0.8	378.7%	1.0%	1.8	1.5	1.5	25.2%	1.2%
Payments for capital assets	0.1	0.9	1.1	1.8	230.0%	3.1%	2.8	1.2	1.1	-15.6%	1.6%
Machinery and equipment	0.1	0.9	1.1	1.8	230.0%	3.1%	2.8	1.2	1.1	-15.6%	1.6%
Total	9.5	13.5	22.4	81.4	104.4%	100.0%	118.1	121.5	125.1	15.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.1%	1.3%	2.0%	7.2%	-	-	8.9%	8.3%	8.1%	-	-

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.

Objectives

- Create a conducive legislative and policy environment for SMMEs and cooperatives over the medium term that will enable small businesses and cooperatives to be sustainable, competitive and grow; and contribute to national economic growth and job creation 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 SMMEs and cooperatives support.
- *Monitoring and Evaluation* provides quantifiable analysis and information on SMMEs and cooperatives in South Africa.

Expenditure trends and estimates

Table 31.7 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Policy, Research and Legislation	10.4	13.5	11.7	11.7	3.9%	100.0%	18.5	18.7	21.2	21.9%	75.3%
Monitoring and Evaluation	–	–	–	–	–	–	7.6	7.5	7.9	–	24.7%
Total	10.4	13.5	11.7	11.7	3.9%	100.0%	26.1	26.2	29.1	35.5%	100.0%
Change to 2015 Budget estimate				–			10.0	9.5	11.4		
Economic classification											
Current payments	10.2	13.4	11.6	11.6	4.3%	99.0%	25.8	25.9	28.7	35.2%	98.8%
Compensation of employees	6.6	7.8	9.8	9.5	13.3%	71.1%	14.2	14.2	15.9	18.5%	57.8%
Goods and services	3.7	5.6	1.9	2.1	-17.3%	27.9%	11.6	11.7	12.8	83.6%	41.0%
of which:											
Administrative fees	–	–	0.0	0.0	–	0.1%	0.3	0.4	0.5	187.7%	1.3%
Catering: Departmental activities	0.0	0.1	0.0	0.0	1.0%	0.4%	0.4	0.5	0.6	151.2%	1.5%
Communication	0.0	0.0	0.1	0.1	21.9%	0.5%	0.3	0.3	0.3	61.5%	1.0%
Consultants: Business and advisory services	1.4	0.6	–	–	-100.0%	4.2%	5.8	5.0	5.4	–	17.3%
Travel and subsistence	1.9	2.7	1.2	1.0	-18.7%	14.3%	3.9	4.5	5.0	68.8%	15.5%
Venues and facilities	0.0	0.1	–	0.3	106.6%	1.1%	0.7	0.7	0.7	28.5%	2.6%
Transfers and subsidies	0.1	0.1	0.0	–	-100.0%	0.4%	–	–	–	–	–
Households	0.1	0.1	0.0	–	-100.0%	0.4%	–	–	–	–	–
Payments for capital assets	0.1	0.0	0.0	0.1	-6.1%	0.6%	0.3	0.3	0.4	59.7%	1.2%
Machinery and equipment	0.1	0.0	0.0	0.1	-6.1%	0.6%	0.3	0.3	0.4	59.7%	1.2%
Total	10.4	13.5	11.7	11.7	3.9%	100.0%	26.1	26.2	29.1	35.5%	100.0%
Proportion of total programme expenditure to vote expenditure	1.2%	1.3%	1.0%	1.0%	–	–	2.0%	1.8%	1.9%	–	–

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 2 870 small businesses and cooperatives and 15 informal business structures through the black business supplier development programme and the cooperatives incentive scheme over the medium term.
- Develop and grow SMMEs and cooperatives in townships and rural areas that will support 3 640 informal businesses, 435 cooperatives and 360 SMMEs through incentive schemes over the medium term.
- Establish 37 public and private partnerships to maximise support for SMMEs and cooperatives over the medium term.

Subprogrammes

- *Competitiveness Support* creates an enabling environment for local businesses and institutions to strengthen the local economy.
- *Enterprise Development* manages and facilitates the establishment of new and productive enterprises as well as 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 and Stakeholder Relations* 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 and expansion into new markets and innovation.
- *SMMEs Development Finance* ensures access to finance for small businesses to facilitate participation in the mainstream economy.

Expenditure trends and estimates

Table 31.8 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 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Competitiveness Support	13.3	16.9	16.3	19.3	13.3%	1.7%	108.7	110.7	114.8	81.1%	7.2%
Enterprise Development	642.1	695.2	697.6	686.1	2.2%	68.3%	656.9	766.5	812.2	5.8%	59.5%
Cooperatives Development	-	-	3.4	4.8	-	0.2%	8.3	8.4	8.7	21.4%	0.6%
Market Development and Stakeholder Relations	-	-	-	0.1	-	-	62.6	66.2	71.7	772.4%	4.1%
Small Medium and Micro Enterprises Development Finance	176.3	313.3	374.2	324.1	22.5%	29.8%	344.8	359.9	378.5	5.3%	28.6%
Total	831.6	1 025.4	1 091.5	1 034.4	7.5%	100.0%	1 181.3	1 311.7	1 385.8	10.2%	100.0%
Change to 2015				22.5			138.7	140.2	146.3		
Budget estimate											
Economic classification											
Current payments	56.2	61.1	68.0	75.4	10.2%	6.5%	74.5	72.9	76.3	0.4%	6.1%
Compensation of employees	37.4	43.7	52.6	57.4	15.3%	4.8%	57.7	57.2	59.5	1.2%	4.7%
Goods and services	18.8	17.4	15.4	17.9	-1.6%	1.7%	16.7	15.7	16.8	-2.2%	1.4%
of which:											
Catering: Departmental activities	0.2	0.7	0.5	1.0	73.5%	0.1%	0.6	0.7	0.8	-8.0%	0.1%
Communication	0.2	0.3	0.3	0.5	28.8%	-	0.4	0.4	0.4	-5.9%	-
Consultants: Business and advisory services	1.8	0.9	1.4	2.0	3.8%	0.2%	4.0	2.0	2.0	0.5%	0.2%
Operating leases	0.5	0.4	0.5	0.6	8.2%	-	0.5	0.6	0.6	3.9%	-
Travel and subsistence	10.6	10.1	7.6	8.8	-6.2%	0.9%	8.6	9.3	10.1	5.0%	0.7%
Venues and facilities	3.3	1.3	1.2	0.9	-34.5%	0.2%	2.0	1.8	1.9	25.4%	0.1%
Transfers and subsidies	775.0	964.2	1 023.0	958.4	7.3%	93.4%	1 105.8	1 237.7	1 308.4	10.9%	93.8%
Departmental agencies and accounts	604.6	661.5	644.4	622.8	1.0%	63.6%	633.8	743.1	786.2	8.1%	56.7%
Public corporations and private enterprises	162.1	294.1	362.3	318.8	25.3%	28.6%	472.0	494.6	522.1	17.9%	36.8%
Non-profit institutions	7.9	8.3	16.3	16.7	28.4%	1.2%	-	-	-	-100.0%	0.3%
Households	0.5	0.3	-	0.1	-50.1%	-	-	-	-	-100.0%	-

Table 31.8 Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Payments for capital assets	0.3	0.1	0.5	0.7	26.5%	-	1.0	1.0	1.1	17.3%	0.1%
Machinery and equipment	0.3	0.1	0.5	0.7	26.5%	-	1.0	1.0	1.1	17.3%	0.1%
Total	831.6	1 025.4	1 091.5	1 034.4	7.5%	100.0%	1 181.3	1 311.7	1 385.8	10.2%	100.0%
Proportion of total programme expenditure to vote expenditure	97.7%	97.4%	97.0%	91.7%	-	-	89.1%	89.9%	90.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	604.6	661.5	644.4	622.8	1.0%	63.6%	633.8	743.1	786.2	8.1%	56.7%
Small Enterprise Development Agency	441.6	525.4	502.3	478.2	2.7%	48.9%	481.5	583.2	617.0	8.9%	44.0%
Small Enterprise Development Agency: Technology programme	153.0	123.3	126.4	132.2	-4.8%	13.4%	139.2	146.1	154.6	5.4%	11.6%
Small Enterprise Development Agency: Capacity building programme for economic development	10.0	12.8	15.7	12.5	7.6%	1.3%	13.1	13.8	14.6	5.4%	1.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	-	9.0	18.8	-	0.7%	10.0	10.0	10.0	-18.9%	1.0%
Industrial Development Corporation:	-	-	-	8.8	-	0.2%	-	-	-	-100.0%	0.2%
Isivande Women's Fund	-	-	9.0	10.0	-	0.5%	10.0	10.0	10.0	-	0.8%
Industrial Development Corporation: Craft customised sector programme	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions											
Current	7.9	8.3	16.3	16.7	28.4%	1.2%	-	-	-	-100.0%	0.3%
South African Women Entrepreneurs Network	7.9	8.3	16.3	16.7	28.4%	1.2%	-	-	-	-100.0%	0.3%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	162.1	294.1	353.3	300.0	22.8%	27.9%	462.0	484.6	512.1	19.5%	35.8%
Various institutions: Black business supplier development programme	97.1	218.6	278.3	225.0	32.3%	20.6%	245.0	256.8	271.0	6.4%	20.3%
Various institutions: Cooperatives incentive scheme	65.0	75.5	75.0	75.0	4.9%	7.3%	75.0	78.8	83.3	3.6%	6.4%
Various institutions: National informal business upliftment scheme	-	-	-	-	-	-	95.7	99.4	103.1	-	6.1%
Various institutions: Enterprise incubation programme	-	-	-	-	-	-	46.3	49.7	54.7	-	3.1%

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 **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 2016/17 is R663.7 million.

Vote 32

Telecommunications and Postal Services

Budget summary

R million	2016/17					2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	193.3	190.6	–	2.8	–	205.6	217.2
International Affairs and Trade	44.7	20.8	23.4	0.5	–	46.8	49.5
Policy, Research and Capacity Development	95.6	95.0	–	0.7	–	93.9	96.4
ICT Enterprise Development and Oversight	891.8	39.8	201.4	0.6	650.0	260.2	279.6
ICT Infrastructure Support	1 191.9	362.2	829.4	0.4	–	1 029.7	1 108.5
Total expenditure estimates	2 417.4	708.3	1 054.1	5.0	650.0	1 636.3	1 751.1

Executive authority: Minister of Telecommunications and Postal Services
 Accounting officer: Director General of Telecommunications and Postal Services
 Website address: www.dtps.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

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 that create conditions for accelerated and sustained shared growth of the South African economy, and to ensure the development of robust, reliable, secure and affordable ICT infrastructure. This is to contribute to the development of an inclusive information society in which information and ICT tools are key drivers of economic and societal development. The Electronic Communications Act (2005) mandates the Minister of Telecommunications and Postal Services to draft policies in order 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; promote universal service and electronic communications services in under-served areas; promote the participation of small business in the ICT sector; and enhance the capacity of state owned enterprises and exercise oversight over them. 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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	5	3	3	5	5	5	5
Number of identified government institutions connected as part of the national broadband plan: digital development (phase 1) per year	ICT Infrastructure Support		– ¹	– ¹	– ¹	1 296	1 293	313	1 552
Number of identified schools connected as part of the national broadband plan: digital development (phase 1) per year	ICT Infrastructure Support		– ¹	– ¹	– ¹	972	1 507	887	2 048

1. No historical data is available as these are new indicators introduced in 2015/16.

Expenditure analysis

Information and communications technologies are a key driver of socioeconomic development and an important tool for improving productivity and efficiency. The national development plan aims to accelerate the creation of a connected society and an inclusive knowledge economy (an economy in which growth is dependent on information), and the Department of Telecommunications and Postal Services contributes to realising these goals by ensuring accessibility to affordable ICT. Over the medium term, the department will focus on the ongoing rollout of the department's broadband policy, supporting the rollout of broadcasting digital migration, tabling the ICT white paper, and establishing the Ikamva eSkills Institute. The department also supports the turnaround of the South African Post Office.

The key focus for the department over the medium term will be the ongoing rollout of South Africa Connect, the department's broadband policy. The emphasis is on ensuring connectivity in under-served areas, prioritising schools, health facilities and other government institutions. Increased funding of R500 million is allocated over the medium term for this purpose, which accounts for the average annual growth of 94.2 per cent in the budget for consultants in the *ICT Infrastructure Support* programme. The department projects that 4 442 schools and 3 158 government institutions will be connected over the medium term.

As South Africa migrates to digital broadcasting, the Department of Telecommunications and Postal Services will continue to support the Department of Communications in the rollout of broadcasting digital migration. The South African Post Office has been tasked with the distribution of set top boxes and antennae to identified qualifying households, and receives an increase of R480 million in the *ICT Infrastructure Support* programme over the medium term for this purpose. Sentech will also be preparing to migrate digital signals, and receives an increase of R113 million in the *ICT Infrastructure Support* programme.

The national integrated ICT policy review process has made significant progress, and the department expects to table the White Paper on the National Integrated ICT Policy and the draft National Integrated ICT Bill in Parliament in 2016/17. This work is budgeted for in the *ICT Policy Development* subprogramme in the *Policy Research and Capacity Development* programme. It also expects to develop 15 ICT position papers for international engagements over the medium term, funded in the *International Affairs and Trade* programme.

The merger of the National Electronic Media Institute of South Africa, the eSkills Institute, and the Institute of Satellite Software Applications to form the Ikamva National eSkills Institute was initiated to address the overlap, duplication and gaps in e-skills development within and between government departments, the education sector, business and civil society. The Ikamva National e-Skills Institute is aimed at developing the local e-skills required by South Africa's ICT sector, and it will also develop ICT user skills by training people how to use electronic devices, how to use the internet, and how to access public services online. While the merger proceeds, the department is finalising the institute's founding legislation. The process of establishing the institute is supported by increased funding of R126.4 million over the medium term transferred to the National Electronic Media Institute of South Africa in the *ICT Enterprise Development and Oversight* programme.

To ensure the growth and sustainability of the postal sector, the department will support the implementation of a strategic turnaround plan by the South African Post Office. An additional R650 million is allocated in 2016/17 for the recapitalisation of the entity, which accounts for the large increase in the budget of the *ICT Enterprise Development and Oversight* programme in that year.

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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	152.6	197.0	199.4	216.1	216.1	201.2	216.4	230.4	225.3	173.7	180.3	180.3	106.3%	97.9%
Programme 2	38.0	41.0	41.5	33.3	33.3	38.5	36.8	36.8	42.5	43.4	43.4	43.4	109.5%	107.4%
Programme 3	100.2	107.9	114.3	84.4	89.4	88.3	98.0	121.0	72.9	105.6	105.6	105.6	98.1%	89.9%
Programme 4	1 106.0	1 073.6	218.8	708.1	761.1	176.5	719.2	742.4	247.6	447.9	447.9	447.9	36.6%	36.1%
Programme 5	315.5	235.5	443.9	1 002.0	1 272.2	1 196.9	523.0	1 106.0	979.8	642.8	628.0	428.0	122.8%	94.0%
Total	1 712.3	1 655.0	1 017.9	2 043.9	2 372.1	1 701.5	1 593.4	2 236.7	1 568.1	1 413.3	1 405.3	1 205.3	81.2%	71.6%
Change to 2015 Budget estimate											(8.1)			
Economic classification														
Current payments	475.5	421.0	402.2	484.8	760.0	744.9	503.4	524.7	398.9	679.7	671.6	471.6	94.1%	84.9%
Compensation of employees	182.9	184.5	148.2	195.0	195.0	158.5	204.6	204.6	175.5	191.8	198.5	198.5	87.9%	87.0%
Goods and services	292.6	236.5	254.0	289.8	565.0	586.4	298.8	320.1	223.4	487.9	473.1	273.1	97.6%	83.8%
of which:														
Consultants: Business and advisory services	156.9	71.9	71.7	83.3	396.4	410.1	86.3	81.3	49.1	95.9	81.2	81.2	144.9%	97.0%
Agency and support/outsourced services	0.7	0.7	0.9	27.5	0.8	0.1	29.3	52.5	23.2	230.0	230.0	30.0	18.9%	19.1%
Operating leases	29.7	31.7	38.4	28.7	28.7	38.0	31.2	31.2	46.4	42.7	42.7	42.7	125.1%	123.2%
Property payments	12.3	10.9	10.9	10.7	10.7	9.8	11.4	11.4	11.7	12.0	12.0	12.0	95.8%	98.7%
Travel and subsistence	22.8	22.7	37.9	19.3	18.7	28.6	25.2	25.2	27.9	28.7	28.7	28.7	128.2%	129.2%
Training and development	6.5	6.5	4.6	7.9	7.9	2.2	10.9	10.9	6.8	11.9	11.9	11.9	68.5%	68.5%
Transfers and subsidies	1 131.9	1 229.1	609.5	1 554.0	1 607.0	953.5	1 084.5	1 704.5	1 158.5	728.6	728.6	728.6	76.7%	65.5%
Departmental agencies and accounts	759.4	775.4	369.4	773.4	788.4	395.9	771.4	1 322.4	995.4	597.4	597.4	597.4	81.3%	67.7%
Higher education institutions	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	16.2	21.4	16.2	16.2	20.9	16.2	16.2	23.7	22.2	22.2	22.2	161.8%	124.8%
Public corporations and private enterprises	368.6	433.6	217.8	764.4	802.4	535.4	297.0	366.0	138.8	109.0	109.0	109.0	65.0%	58.5%
Non-profit institutions	3.9	3.9	0.3	-	-	0.4	-	-	0.1	-	-	-	21.3%	21.3%
Households	-	-	0.5	-	-	1.0	-	-	0.4	-	-	-	-	-
Payments for capital assets	104.9	4.9	5.9	5.2	5.2	2.5	5.5	7.5	10.3	5.1	5.1	5.1	19.7%	105.1%
Buildings and other fixed structures	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	4.8	4.8	5.5	5.2	5.2	2.4	5.5	5.5	10.1	5.1	5.1	5.1	112.5%	112.5%
Software and other intangible assets	0.1	0.1	0.4	-	-	0.1	-	2.0	0.2	-	-	-	992.3%	31.2%
Payments for financial assets	-	-	0.3	-	-	0.6	-	-	0.4	-	-	-	-	-
Total	1 712.3	1 655.0	1 017.9	2 043.9	2 372.1	1 701.5	1 593.4	2 236.7	1 568.1	1 413.3	1 405.3	1 205.3	81.2%	71.6%

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Programme 1	180.3	-2.9%	14.7%	193.3	205.6	217.2	6.4%	11.4%	
Programme 2	43.4	1.9%	3.0%	44.7	46.8	49.5	4.5%	2.6%	
Programme 3	105.6	-0.7%	6.9%	95.6	93.9	96.4	-3.0%	5.6%	
Programme 4	447.9	-25.3%	19.9%	891.8	260.2	279.6	-14.5%	26.8%	
Programme 5	428.0	22.0%	55.5%	1 191.9	1 029.7	1 108.5	37.3%	53.6%	
Total	1 205.3	-10.0%	100.0%	2 417.4	1 636.3	1 751.1	13.3%	100.0%	
Change to 2015				871.7	361.0	401.8			
Budget estimate									
Economic classification									
Current payments	471.6	3.9%	36.7%	708.3	822.0	1 139.6	34.2%	44.8%	
Compensation of employees	198.5	2.5%	12.4%	213.7	217.1	226.8	4.6%	12.2%	
Goods and services	273.1	4.9%	24.3%	494.6	604.9	912.8	49.5%	32.6%	
of which:									
Consultants: Business and advisory services	81.2	4.1%	11.1%	76.7	176.8	455.4	77.7%	11.3%	
Agency and support/outourced services	30.0	246.8%	1.0%	268.7	272.1	287.9	112.4%	12.3%	
Operating leases	42.7	10.4%	3.0%	44.6	46.6	49.3	4.9%	2.6%	
Property payments	12.0	3.2%	0.8%	12.6	13.3	14.1	5.5%	0.7%	
Travel and subsistence	28.7	8.2%	2.2%	23.7	25.1	26.6	-2.6%	1.5%	
Training and development	11.9	22.2%	0.5%	12.4	12.9	13.7	4.9%	0.7%	
Transfers and subsidies	728.6	-16.0%	62.8%	1 054.1	809.0	605.9	-6.0%	45.6%	
Departmental agencies and accounts	597.4	-8.3%	42.9%	790.8	491.5	520.0	-4.5%	34.2%	
Foreign governments and international organisations	22.2	11.2%	1.6%	23.4	24.5	26.0	5.4%	1.4%	
Public corporations and private enterprises	109.0	-36.9%	18.2%	240.0	293.0	60.0	-18.0%	10.0%	
Payments for capital assets	5.1	1.1%	0.4%	5.0	5.3	5.6	3.2%	0.3%	
Machinery and equipment	5.1	1.6%	0.4%	4.6	4.9	5.1	0.3%	0.3%	
Software and other intangible assets	-	-100.0%	0.0%	0.4	0.4	0.5	-	0.0%	
Payments for financial assets	-	-	0.0%	650.0	-	-	-	9.3%	
Total	1 205.3	-10.0%	100.0%	2 417.4	1 636.3	1 751.1	13.3%	100.0%	

Personnel information

Table 32.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																			
1. Administration																			
2. International Affairs and Trade																			
3. Policy, Research and Capacity Development																			
4. ICT Enterprise Development and Oversight																			
5. ICT Infrastructure Support																			
Telecommunications and Postal Services	Salary level	Number of funded posts	Number of posts estimated for 31 March 2016	Number of posts additional to the establishment	Number and cost ³ of personnel posts filled / planned for on funded establishment												Number		
					Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)	
					2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19				
					Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost
	305	-	300	175.5	0.6	312	198.5	0.6	337	213.7	0.6	337	234.2	0.7	337	254.0	0.8	2.6%	100.0%
1 - 6	26	-	28	6.9	0.2	26	6.1	0.2	26	7.4	0.3	26	8.1	0.3	26	8.8	0.3	-	7.9%
7 - 10	111	-	112	40.3	0.4	114	36.7	0.3	126	38.6	0.3	128	40.7	0.3	128	47.1	0.4	3.9%	37.5%
11 - 12	65	-	65	37.4	0.6	69	43.1	0.6	76	48.1	0.6	74	51.0	0.7	74	55.1	0.7	2.4%	22.1%
13 - 16	99	-	91	84.3	0.9	99	105.6	1.1	105	112.0	1.1	105	123.8	1.2	105	134.2	1.3	2.0%	31.3%
Other	4	-	4	6.7	1.7	4	6.9	1.7	4	7.7	1.9	4	10.5	2.6	4	8.8	2.2	-	1.2%
Programme	305	-	300	175.5	0.6	312	198.5	0.6	337	213.7	0.6	337	234.2	0.7	337	254.0	0.8	2.6%	100.0%
Programme 1	155	-	152	85.4	0.6	158	77.6	0.5	167	92.3	0.6	167	100.0	0.6	167	105.4	0.6	1.9%	49.8%
Programme 2	17	-	19	12.6	0.7	19	13.3	0.7	19	13.0	0.7	19	13.5	0.7	19	14.3	0.8	-	5.7%
Programme 3	81	-	76	45.3	0.6	83	68.4	0.8	87	57.0	0.7	87	63.8	0.7	87	70.6	0.8	1.6%	26.0%
Programme 4	28	-	25	16.9	0.7	28	20.0	0.7	36	31.3	0.9	36	34.5	1.0	36	39.0	1.1	8.7%	10.3%
Programme 5	24	-	28	15.4	0.5	24	19.1	0.8	28	20.1	0.7	28	22.4	0.8	28	24.8	0.9	5.3%	8.2%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(17.1)	-	-	(27.1)	-	-	-
Total	305	-	300	175.5	0.6	312	198.5	0.6	337	213.7	0.6	337	217.1	-	-	226.8	-	-	-

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

2. The department's compensation of employees budget has been reduced by R44.3 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 32.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	1 668 613	1 710 048	1 670 224	27 633 930	27 633 930	154.9%	98.8%	508 093	508 103	508 112	-73.6%	100.0%
Sales of goods and services produced by department	170	123	57	55	55	-31.4%	-	58	60	61	3.5%	-
Sales by market establishments of which:	117	65	-	-	-	-100.0%	-	-	-	-	-	-
Market establishment: non-residential buildings	117	65	-	-	-	-100.0%	-	-	-	-	-	-
Administrative fees of which:	9	8	6	5	5	-17.8%	-	6	7	7	11.9%	-
Cryptography fees	9	8	6	5	5	-17.8%	-	6	7	7	11.9%	-
Other sales of which:	44	50	51	50	50	4.4%	-	52	53	54	2.6%	-
Commission on insurance	44	50	51	50	50	4.4%	-	52	53	54	2.6%	-
Sales of scrap, waste, arms and other used current goods	36	-	-	-	-	-100.0%	-	-	-	-	-	-
of which:												
Sales tender documents	36	-	-	-	-	-100.0%	-	-	-	-	-	-
Transfers received	-	-	728	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 667 467	1 708 937	1 667 734	2 165 531	2 165 531	9.1%	21.8%	507 383	507 384	507 385	-38.4%	12.6%
Interest	746	807	1 013	1 900	1 900	36.6%	-	120	121	122	-60.0%	-
Dividends of which:	1 666 721	1 708 130	1 666 721	2 163 631	2 163 631	9.1%	21.8%	507 263	507 263	507 263	-38.3%	12.6%
Vodacom shares	1 666 721	1 708 130	1 666 721	1 656 368	1 656 368	-0.2%	20.3%	-	-	-	-100.0%	5.7%
Telkom shares	-	-	-	507 263	507 263	-	1.5%	507 263	507 263	507 263	-	7.0%
Transactions in financial assets and liabilities	940	988	1 705	25 468 344	25 468 344	2903.5%	77.0%	652	659	666	-97.0%	87.4%
National Revenue Fund receipts	381 560	-	-	-	-	-100.0%	1.2%	-	-	-	-	-
of which:												
2010 FIFA close-up project	381 560	-	-	-	-	-100.0%	1.2%	-	-	-	-	-
Total	2 050 173	1 710 048	1 670 224	27 633 930	27 633 930	138.0%	100.0%	508 093	508 103	508 112	-73.6%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 32.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Ministry	3.6	3.7	4.1	4.3	5.8%	1.9%	4.6	4.9	5.1	6.2%	2.4%
Departmental Management	33.3	35.3	65.8	36.5	3.1%	21.2%	42.5	46.6	48.8	10.1%	21.9%
Internal Audit	5.5	3.8	5.7	8.2	14.7%	2.9%	8.0	8.3	8.9	2.7%	4.2%
Corporate Services	87.9	89.1	70.2	52.3	-15.9%	37.1%	53.6	57.4	60.8	5.2%	28.1%
Financial Management	63.5	63.3	73.6	69.9	3.3%	33.5%	75.1	78.3	82.8	5.8%	38.4%
Office Accommodation	5.5	6.0	6.0	9.1	18.3%	3.3%	9.6	10.1	10.7	5.4%	5.0%
Total	199.4	201.2	225.3	180.3	-3.3%	100.0%	193.3	205.6	217.2	6.4%	100.0%
Change to 2015 Budget estimate				6.7			14.8	17.4	18.1		

Table 32.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Current payments	193.4	199.0	214.3	178.7	-2.6%	97.4%	190.6	202.7	214.1	6.2%	98.7%
Compensation of employees	65.4	64.0	85.4	77.6	5.9%	36.3%	92.3	100.0	105.4	10.7%	47.1%
Goods and services	128.0	135.1	129.0	101.0	-7.6%	61.2%	98.2	102.6	108.7	2.5%	51.6%
of which:											
Advertising	35.5	46.3	1.1	6.4	-43.6%	11.1%	6.4	6.3	6.7	1.7%	3.2%
Consultants: Business and advisory services	4.5	3.2	3.6	6.3	11.8%	2.2%	4.6	4.9	5.3	-5.6%	2.6%
Consumables: Stationery, printing and office supplies	3.5	2.8	3.8	3.2	-3.2%	1.6%	3.4	3.6	3.8	6.4%	1.8%
Operating leases	36.6	36.8	45.4	40.0	3.0%	19.7%	41.6	43.4	45.9	4.7%	21.4%
Property payments	10.9	9.5	11.7	12.0	3.3%	5.5%	12.6	13.3	14.1	5.5%	6.5%
Travel and subsistence	15.6	13.2	16.9	10.9	-11.3%	7.0%	6.3	6.8	7.2	-12.8%	3.9%
Transfers and subsidies	0.3	0.4	1.7	-	-100.0%	0.3%	-	-	-	-	-
Departmental agencies and accounts	-	0.0	1.2	-	-	0.1%	-	-	-	-	-
Non-profit institutions	0.0	0.3	0.1	-	-100.0%	0.1%	-	-	-	-	-
Households	0.3	0.1	0.3	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	5.3	1.2	8.9	1.7	-31.8%	2.1%	2.8	2.9	3.1	22.6%	1.3%
Machinery and equipment	5.0	1.2	8.7	1.7	-30.1%	2.1%	2.4	2.5	2.7	16.4%	1.2%
Software and other intangible assets	0.4	0.1	0.2	-	-100.0%	0.1%	0.4	0.4	0.5	-	0.2%
Payments for financial assets	0.3	0.6	0.4	-	-100.0%	0.2%	-	-	-	-	-
Total	199.4	201.2	225.3	180.3	-3.3%	100.0%	193.3	205.6	217.2	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	19.6%	11.8%	14.4%	12.8%	-	-	8.0%	12.6%	12.4%	-	-

Programme 2: International Affairs and Trade

Programme purpose

Ensure alignment between South Africa's international activities and agreements in the field of ICT and South Africa's foreign policy.

Objectives

- Facilitate broadband connectivity that provides secure and affordable access by all citizens to education, health and other government services and stimulates economic development by:
 - developing an international engagement strategy for broadband to facilitate access to technical assistance, funding and investment opportunities by March 2017
 - enhancing sub-regional cooperation on ICT policies, regulations and coordination focusing on broadband through international forums by March 2017
 - facilitating the adoption of digital object architecture technology and best practice solutions for the business model, in collaboration with international partners, to improve internet technologies by March 2019
 - developing 5 position papers to advance South African ICT policies and programmes, focusing on forefront technology in telecommunications and postal services, and advancing the information society and emerging technologies by March 2017.
- Ensure that citizens have access to government services through ICT by:
 - facilitating and developing e-government programmes through strategic partnerships with selected countries by March 2019
 - establishing relationships with donor coordinators to enhance coherence in policy approach by March 2019.

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 World Trade Organisation ICT related initiatives and other international trade agreements

such as the South Africa-European Union (EU) trade agreement and bilateral agreements with counterpart countries.

Expenditure trends and estimates

Table 32.7 International Affairs and Trade expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
International Affairs	11.8	11.5	13.1	14.3	6.5%	30.6%	15.1	14.5	17.1	6.3%	33.1%
ICT Trade/Partnership	29.7	27.0	29.4	29.2	-0.6%	69.4%	29.6	32.3	32.4	3.5%	66.9%
Total	41.5	38.5	42.5	43.4	1.5%	100.0%	44.7	46.8	49.5	4.5%	100.0%
Change to 2015 Budget estimate							(1.1)	(1.4)	(1.4)		
Economic classification											
Current payments	20.1	17.3	18.7	20.7	1.1%	46.3%	20.8	21.7	23.0	3.5%	46.7%
Compensation of employees	9.3	10.3	12.6	13.3	12.8%	27.4%	13.0	13.5	14.3	2.4%	29.3%
Goods and services	10.8	7.0	6.2	7.4	-11.8%	18.9%	7.8	8.2	8.7	5.3%	17.4%
of which:											
Communication	0.5	0.4	0.4	0.8	18.6%	1.2%	0.8	0.8	0.9	5.3%	1.8%
Consultants: Business and advisory services	0.1	-	0.1	0.5	48.7%	0.4%	0.5	0.5	0.5	5.3%	1.1%
Contractors	0.0	0.2	0.0	0.4	192.0%	0.4%	0.5	0.5	0.5	5.4%	1.1%
Travel and subsistence	7.0	4.9	3.8	2.4	-29.9%	10.9%	2.5	2.7	2.8	5.4%	5.6%
Operating payments	0.0	0.0	0.1	1.5	227.1%	1.0%	1.6	1.7	1.8	5.4%	3.6%
Venues and facilities	0.8	0.6	0.2	0.5	-13.0%	1.3%	0.6	0.6	0.6	5.3%	1.3%
Transfers and subsidies	21.4	20.9	23.8	22.2	1.2%	53.2%	23.4	24.5	26.0	5.4%	52.1%
Foreign governments and international organisations	21.4	20.9	23.7	22.2	1.2%	53.1%	23.4	24.5	26.0	5.4%	52.1%
Payments for capital assets	0.1	0.3	(0.0)	0.5	86.6%	0.5%	0.5	0.6	0.6	5.3%	1.2%
Machinery and equipment	0.1	0.3	(0.0)	0.5	86.6%	0.5%	0.5	0.6	0.6	5.3%	1.2%
Total	41.5	38.5	42.5	43.4	1.5%	100.0%	44.7	46.8	49.5	4.5%	100.0%
Proportion of total programme expenditure to vote expenditure	4.1%	2.3%	2.7%	3.1%	-	-	1.8%	2.9%	2.8%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	21.4	20.9	23.7	22.2	1.2%	53.1%	23.4	24.5	26.0	5.4%	52.1%
Universal Postal Union	7.4	4.7	5.3	4.7	-13.8%	13.3%	5.0	5.2	5.5	5.4%	11.1%
International Telecommunications Union	12.5	14.2	16.2	14.8	5.8%	34.7%	15.5	16.3	17.3	5.3%	34.6%
African Telecommunications Union	0.7	0.9	0.9	1.0	11.7%	2.1%	1.0	1.1	1.2	5.4%	2.3%
Pan-African Postal Union	0.7	0.8	0.9	0.9	7.4%	2.0%	1.0	1.0	1.1	5.3%	2.1%
Organisation for Economic Cooperation and Development	0.1	0.4	-	0.4	57.4%	0.6%	0.5	0.5	0.5	5.3%	1.0%
Commonwealth Telecommunication Organisation	-	-	0.4	0.4	-	0.5%	0.4	0.4	0.4	5.4%	0.9%

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 the accelerated and shared growth of the economy. Develop strategies that increase the uptake and use of ICT by the majority of the South African population in order to bridge the digital divide.

Objectives

- Create a stable policy and regulatory environment that contributes to socioeconomic development through the development of integrated ICT legislation by March 2017.
- Promote the transformation of the ICT sector through ICT small, medium and micro enterprise (SMME) development and the implementation of the ICT Broad Based Black Economic Empowerment (BEE) Sector Code through operationalising the ICT BEE Charter Council by March 2017.
- Develop and implement the strategy on philatelic products through implementing and monitoring the philatelic strategy, and the annual and commemorative stamp programme, by March 2019.
- Reform the postal sector through the amendment of the South African Post Office SOC Ltd Act (2011) and the Postal Services Act (1998) by:

- developing and tabling the Postal Services Amendment Bill in Cabinet by March 2017
- developing and tabling the South African Post Office SOC Ltd Amendment Bill in Cabinet by March 2017.
- Ensure an inclusive information society by implementing the information society and development programme through:
 - implementing the digital opportunities programme focusing on women, youth, people with disabilities and children by March 2018
 - implementing the digital awareness plan for communities by March 2018
 - coordinating the development of an e-skills cloud platform to facilitate the hosting of e-skills content and initiatives by March 2018
 - developing the national e-strategy by March 2017.
- Ensure that citizens have access to services through ICTs by monitoring and evaluating the implementation of e-services by March 2019.

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 and management 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. This subprogramme also involves building partnerships between business, civil society and the three spheres of government.
- *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 32.8 Policy, Research and Capacity Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
ICT Policy Development	36.8	21.8	15.0	28.3	-8.4%	26.7%	22.8	24.4	29.6	1.5%	26.8%
Economic and Market Analysis	1.9	8.3	6.2	5.9	46.3%	5.8%	4.7	4.8	5.2	-4.0%	5.3%
Research	5.1	6.0	4.0	5.4	2.2%	5.4%	6.0	6.6	7.0	8.6%	6.4%
Information Society Development	52.4	43.3	35.1	53.5	0.7%	48.4%	51.6	48.9	45.8	-5.0%	51.0%
Capacity Development	18.1	8.8	12.6	12.5	-11.6%	13.7%	10.4	9.2	8.9	-10.9%	10.5%
Total	114.3	88.3	72.9	105.6	-2.6%	100.0%	95.6	93.9	96.4	-3.0%	100.0%
Change to 2015 Budget estimate							(16.2)	(24.2)	(28.6)		

Table 32.8 Policy, Research and Capacity Development 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 (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Current payments	113.7	86.8	72.2	104.5	-2.8%	99.0%	95.0	93.2	95.6	-2.9%	99.2%
Compensation of employees	55.6	52.1	45.3	68.4	7.2%	58.1%	57.0	53.5	53.6	-7.8%	59.4%
Goods and services	58.1	34.7	26.9	36.0	-14.7%	40.9%	38.0	39.7	42.0	5.3%	39.8%
<i>of which:</i>											
Communication	1.6	1.5	1.3	1.9	6.1%	1.6%	2.0	2.1	2.2	5.6%	2.1%
Consultants: Business and advisory services	26.6	20.3	13.2	9.5	-29.2%	18.3%	11.2	11.8	12.4	9.6%	11.5%
Operating leases	1.2	0.8	0.7	1.4	3.3%	1.1%	1.6	1.7	1.8	10.0%	1.7%
Travel and subsistence	11.7	6.0	3.6	8.6	-9.8%	7.9%	7.8	8.2	8.7	0.2%	8.5%
Training and development	2.5	0.7	3.6	8.0	46.9%	3.9%	8.4	8.7	9.2	4.8%	8.8%
Venues and facilities	2.3	0.3	0.7	1.5	-12.2%	1.3%	1.6	1.7	1.8	5.4%	1.7%
Transfers and subsidies	0.2	1.0	0.0	-	-100.0%	0.3%	-	-	-	-	-
Higher education institutions	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations	0.0	0.1	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	0.0	0.1	-	-	-100.0%	-	-	-	-	-	-
Households	0.1	0.8	0.0	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	0.4	0.4	0.6	1.1	37.0%	0.7%	0.7	0.7	0.8	-11.8%	0.8%
Machinery and equipment	0.4	0.4	0.6	1.1	37.0%	0.7%	0.7	0.7	0.8	-11.8%	0.8%
Total	114.3	88.3	72.9	105.6	-2.6%	100.0%	95.6	93.9	96.4	-3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	11.2%	5.2%	4.6%	7.5%	-	-	4.0%	5.7%	5.5%	-	-

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.

Objectives

- Promote the transformation of the ICT sector through ICT SMME development and the implementation of the ICT BEE Sector Code by:
 - facilitating and monitoring the implementation of the ICT SMME support programme by March 2017
 - facilitating the corporatisation of Postbank by March 2017.
- Conduct proactive and stringent oversight to improve the performance and sustainability of state owned entities by:
 - monitoring the performance and compliance of state owned entities by March 2017
 - facilitating the alignment of state owned entities' business cases with rationalised mandates by March 2017.

Subprogrammes

- Public Entity Oversight* provides oversight over 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 SMMEs. This subprogramme hosts an e-commerce platform and will produce content that covers the agriculture, tourism, and 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 32.9 ICT Enterprise Development and Oversight expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Public Entity Oversight	195.0	163.0	239.5	437.5	30.9%	94.9%	871.0	238.5	255.3	-16.4%	95.9%
Small, Medium and Micro Enterprise Development	15.8	7.1	2.1	3.5	-39.5%	2.6%	13.6	14.1	16.2	66.5%	2.5%
ICT Support	8.0	6.4	6.0	6.9	-4.7%	2.5%	7.2	7.7	8.1	5.4%	1.6%
Total	218.8	176.5	247.6	447.9	27.0%	100.0%	891.8	260.2	279.6	-14.5%	100.0%
Change to 2015 Budget estimate				-			696.6	47.6	54.6		
Economic classification											
Current payments	27.3	20.6	43.8	31.1	4.4%	11.3%	39.8	40.2	46.7	14.6%	8.4%
Compensation of employees	8.9	9.5	16.9	20.0	31.0%	5.1%	31.3	31.1	37.0	22.6%	6.4%
Goods and services	18.4	11.1	26.9	11.0	-15.7%	6.2%	8.5	9.1	9.8	-3.9%	2.0%
of which:											
Communication	0.3	0.3	0.3	0.4	16.5%	0.1%	0.4	0.5	0.5	5.6%	0.1%
Consultants: Business and advisory services	15.7	1.9	1.0	5.7	-28.5%	2.2%	2.9	3.1	3.5	-15.5%	0.8%
Consumables: Stationery, printing and office supplies	0.3	0.3	0.3	0.5	18.3%	0.1%	0.5	0.5	0.6	5.8%	0.1%
Travel and subsistence	1.3	1.3	1.5	2.4	23.9%	0.6%	2.5	2.6	2.7	4.6%	0.5%
Operating payments	0.0	-	0.0	0.4	117.5%	-	0.5	0.6	0.6	13.2%	0.1%
Venues and facilities	0.3	0.0	0.1	0.4	15.5%	0.1%	0.4	0.4	0.5	5.5%	0.1%
Transfers and subsidies	191.5	155.9	203.2	416.3	29.5%	88.6%	201.4	219.4	232.1	-17.7%	56.9%
Departmental agencies and accounts	191.4	155.9	203.2	416.3	29.6%	88.6%	201.4	219.4	232.1	-17.7%	56.9%
Non-profit institutions	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.0	0.1	0.6	0.6	158.9%	0.1%	0.6	0.7	0.7	7.1%	0.1%
Machinery and equipment	0.0	0.1	0.6	0.6	158.9%	0.1%	0.6	0.7	0.7	7.1%	0.1%
Payments for financial assets	-	-	-	-	-	-	650.0	-	-	-	34.6%
Total	218.8	176.5	247.6	447.9	27.0%	100.0%	891.8	260.2	279.6	-14.5%	100.0%
Proportion of total programme expenditure to vote expenditure	21.5%	10.4%	15.8%	31.9%	-	-	36.9%	15.9%	16.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	191.4	155.9	203.2	416.3	29.6%	88.6%	201.4	219.4	232.1	-17.7%	56.9%
National Electronic Media Institute of South Africa	34.1	50.7	37.9	36.6	2.4%	14.6%	77.2	85.8	90.8	35.4%	15.4%
Universal Service and Access Agency of South Africa	59.8	60.1	65.4	66.4	3.6%	23.1%	69.0	75.7	80.1	6.4%	15.5%
Universal Service and Access Fund	44.0	45.0	50.0	52.4	6.0%	17.5%	55.2	57.9	61.3	5.4%	12.1%
South African Post Office	52.0	-	50.0	64.9	7.7%	15.3%	-	-	-	-100.0%	3.5%
Universal Service and Access Agency of South Africa: Broadcasting digital migration project management	-	-	-	196.0	-	18.0%	-	-	-	-100.0%	10.4%
.za Domain Name Authority	1.5	-	-	-	-100.0%	0.1%	-	-	-	-	-

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.

Objectives

- Increase access to broadband through the digital development and digital future pillars in line with South Africa Connect (the national broadband policy and strategy) by:
 - implementing phase 1 of the digital development programme, which is focused on providing connectivity, to 2 800 of 5 803 sites or identified government institutions by March 2017
 - implementing phase 2 of the digital development programme, which is focused on providing connectivity, to 1 797 of 35 211 sites by March 2019

- establishing the wholesale open access network through developing the implementation plan for wholesale open access network(s) by March 2018.
- Improve security by establishing cyber security institutional capacity by:
 - establishing a fully fledged cyber security hub by March 2019
 - facilitating and monitoring the implementation of the cyber security awareness plan by March 2019.
- Create an effective national spectrum framework to ensure that citizens realise socioeconomic benefits from the use of the radio spectrum by finalising the South African positions and proposals for the World Radiocommunication Conference 2019 in line with the participation plan and framework by March 2019.

Subprogrammes

- *Broadband* is responsible for developing and facilitating the implementation of the broadband policy, strategy and implementation plan for the establishment of a cybersecurity hub, 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 from next generation mobile broadband and other applications.

Expenditure trends and estimates

Table 32.10 ICT Infrastructure Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Broadband	47.0	415.7	50.0	271.5	79.4%	24.1%	362.6	464.6	760.6	41.0%	47.0%
Digital Terrestrial Television	396.9	781.2	929.8	356.5	-3.5%	75.9%	829.4	565.1	347.9	-0.8%	53.0%
Total	443.9	1 196.9	979.8	628.0	12.3%	100.0%	1 191.9	1 029.7	1 108.5	20.9%	100.0%
Change to 2015 Budget estimate				(14.8)			177.7	321.5	359.2		
Economic classification											
Current payments	47.7	421.1	49.8	336.7	91.8%	26.3%	362.2	464.3	760.2	31.2%	48.6%
Compensation of employees	9.0	22.7	15.4	19.1	28.6%	2.0%	20.1	18.9	16.6	-4.5%	1.9%
Goods and services	38.8	398.5	34.5	317.6	101.6%	24.3%	342.1	445.3	743.6	32.8%	46.7%
of which:											
Minor assets	–	0.1	0.0	1.9	–	0.1%	2.1	2.2	2.3	5.3%	0.2%
Communication	0.3	0.8	0.4	1.1	59.9%	0.1%	0.8	0.8	5.3	69.4%	0.2%
Computer services	–	2.7	–	2.7	–	0.2%	2.9	3.0	3.2	5.4%	0.3%
Consultants: Business and advisory services	24.8	384.6	31.2	59.2	33.6%	15.4%	57.6	156.6	433.7	94.2%	17.9%
Agency and support/outourced services	–	–	–	229.7	–	7.1%	268.3	271.7	287.5	7.8%	26.7%
Travel and subsistence	2.3	3.2	2.1	4.4	23.7%	0.4%	4.6	4.9	5.2	5.0%	0.5%
Transfers and subsidies	396.1	775.3	929.8	290.2	-9.9%	73.6%	829.4	565.1	347.9	6.2%	51.4%
Departmental agencies and accounts	230.0	240.0	791.0	181.2	-7.6%	44.4%	589.4	272.1	287.9	16.7%	33.6%
Public corporations and private enterprises	165.8	535.3	138.8	109.0	-13.1%	29.2%	240.0	293.0	60.0	-18.0%	17.7%
Non-profit institutions	0.2	–	–	–	-100.0%	–	–	–	–	–	–
Households	0.1	0.0	0.0	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.0	0.4	0.1	1.2	252.1%	0.1%	0.4	0.4	0.4	-31.9%	0.1%
Machinery and equipment	0.0	0.4	0.1	1.2	252.1%	0.1%	0.4	0.4	0.4	-31.9%	0.1%
Total	443.9	1 196.9	979.8	628.0	12.3%	100.0%	1 191.9	1 029.7	1 108.5	20.9%	100.0%
Proportion of total programme expenditure to vote expenditure	43.6%	70.3%	62.5%	44.7%	–	–	49.3%	62.9%	63.3%	–	–

Table 32.10 ICT Infrastructure Support expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
		2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million												
Departmental agencies (non-business entities)												
Current												
	230.0	240.0	791.0	181.2	-7.6%	44.4%	589.4	272.1	287.9	16.7%	33.6%	
Universal Service and Access Fund: Broadcasting digital migration	230.0	240.0	791.0	181.2	-7.6%	44.4%	589.4	272.1	287.9	16.7%	33.6%	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current												
	-	-	-	-	-	-	240.0	240.0	-	-	12.1%	
South African Post Office: Broadcasting digital migration	-	-	-	-	-	-	240.0	240.0	-	-	12.1%	
Capital												
	165.8	535.3	138.8	109.0	-13.1%	29.2%	-	53.0	60.0	-18.0%	5.6%	
Sentech	165.8	423.3	69.8	-	-100.0%	20.3%	-	-	-	-	-	
Sentech: African Nations Championship	-	6.0	-	-	-	0.2%	-	-	-	-	-	
Sentech: Digital terrestrial television (dual illumination)	-	106.0	69.0	109.0	-	8.7%	-	-	-	-100.0%	2.8%	
Sentech: Migration of digital signals	-	-	-	-	-	-	-	53.0	60.0	-	2.9%	

Entities

South African Post Office

Mandate

The South African Post Office is a schedule 2 public entity established in terms of the Public Finance Management Act (1999). It is a government business enterprise and is 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 of the postal company, including universal service obligations and the financial services activities of Postbank.

Selected performance indicators

Table 32.11 South African Post Office performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of new points of presence per year ¹	Mail, retail and e-business	Outcome 6: An efficient, competitive and responsive economic infrastructure network	50	50	11	- ³	- ³	- ³	- ³
Total number of points of presence ²	Mail, retail and e-business		2 486	2 486	2 448	2 324	2 224	2 099	2 050
Number of new addresses as part of the address expansion per year	Mail, retail and e-business	Outcome 11: Create a better South Africa, a better Africa and a better World	1.2 million	1.2 million	500 109	500 000 ¹	500 000 ¹	500 000 ¹	500 000 ¹

1. The South African Post Office is in negotiations with the regulator about reducing or suspending targets due to poor trading conditions.

2. The number of South African Post Office service points for 2013/14 was 2 486 due to the closure of 50 retail postal agencies as the host businesses and mines have closed in these trading areas.

3. The reduction in targets for the points of presence and rollout of street addresses from 2014/15 to 2018/19 is due to the sustainability challenges faced by the South African Post Office.

Expenditure analysis

The focus of the South African Post Office over the medium term will be on implementing its revised business operating model, corporate plan, and strategic turnaround plan. This will stabilise business operations and engagements with stakeholders to improve and strengthen the organisation's position as the national provider of postal and related services. It will aim to adapt to the rapidly changing environment, increase productivity, and improve business operations and financial performance while delivering on government's social mandate of providing postal services to areas that were traditionally neglected.

Over the medium term, the organisation will focus on continuing to provide for access to postal and related services, and increasing the number of addresses to allow wider access to postal and financial services in under-served areas. The organisation expects to roll out 1.5 million community addresses over the medium term to allow both new communities and existing communities without street or postal addresses to receive mail. It also plans to maintain 2 050 points of presence (which include post offices, mobile units and retail

postal agencies) by 2018/19 to meet government's social mandate. The organisation will also continue with the restructuring and corporatisation of Postbank to meet South African Reserve Bank requirements so that it can operate as a bank. Expenditure in the Postbank programme is expected to grow at an average annual rate of 9.5 per cent over the medium term from R328.8 million in 2015/16 to R431.5 million in 2018/19.

To allow the organisation to attract funding and improve revenue, R650 million is allocated in 2016/17 for the recapitalisation of the Post Office. In addition, the organisation has been tasked with managing the distribution of set top boxes and antennae for the broadcasting digital migration project, and receives an additional R480 million from the Department of Telecommunications and Postal Services over the medium term for this. The Universal Service and Access Agency of South Africa is also expected to contribute an additional R146 million.

As the organisation continues to reduce costs through improved efficiencies such as streamlining its operations, transport and property portfolios, and managing the cost of its retail branches by closing some branches based on a needs analysis, expenditure is projected to decrease at an average annual rate of 0.8 per cent from R6.9 billion to R6.7 billion over the medium term. This decrease is particularly evident in the logistics programme (in which expenditure is expected to decline at an average annual rate of 9.3 per cent from R695.6 million in 2015/16 to R518.2 million in 2018/19) and the mail, retail and e-business programme (in which expenditure is expected to decline at an average annual rate of 3.3 per cent from R4.4 billion in 2015/16 to R3.9 billion in 2018/19). The logistics programme is still expected to account for 8.1 per cent of the organisation's total expenditure over the medium term to cover the costs of vehicles, fuel, staff, and other operational expenses.

As the turnaround plan is implemented, compensation of employees is expected to decrease at an average annual rate of 3.2 per cent, from R4.2 billion in 2015/16 to R3.8 billion in 2018/19, with the number of personnel expected to decline from 21 297 to 18 590 over this period. The reduction in the number of personnel will not affect the organisation's performance due to improved efficiencies.

The organisation generates its revenue from the provision of postal and courier services, and from interest income and financial transaction fees. Revenue is expected to grow over the medium term at an average annual rate of 3 per cent as the organisation focuses on increasing revenue opportunities in the government sector and the unreserved market, as per the turnaround plan. Further initiatives to restore profitability by increasing revenue sources and reducing costs include scaling up non-banking services to drive retail sales; increasing parcel revenue from small, medium and micro enterprises; and growing the e-business offering. The implementation of the corporate and turnaround plans are expected to result in a projected surplus of R554.4 million in 2017/18 and R692.4 million in 2018/19. The projected surplus will be used to fund capital projects and working capital, pay creditors, and repay loans.

Programmes/objectives/activities

Table 32.12 South African Post Office expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Administration	1 822.4	1 691.7	2 143.1	1 519.1	-5.9%	26.5%	1 673.4	1 770.5	1 850.9	6.8%	25.8%
Logistics	671.0	659.2	581.1	695.6	1.2%	9.7%	458.5	487.5	518.2	-9.3%	8.1%
Postbank	137.7	148.8	187.3	328.8	33.7%	3.0%	383.5	406.8	431.5	9.5%	5.9%
Mail, retail and e-business	3 872.7	4 086.5	4 127.5	4 359.1	4.0%	60.8%	3 695.9	3 915.8	3 944.6	-3.3%	60.2%
Total	6 504	6 586	7 039	6 902	2.0%	100.0%	6 211	6 581	6 745	-0.8%	100.0%

Statements of historical financial performance

Table 32.13 South African Post Office statements of historical financial performance

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R million	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	6 127.6	6 135.0	6 389.0	6 033.5	6 859.1	5 406.6	6 871.2	6 720.0	92.6%
Sale of goods and services other than capital assets	5 553.2	5 689.5	5 823.9	5 784.1	6 324.0	5 134.1	6 525.3	5 618.6	91.7%
<i>of which:</i>									
<i>Sales by market establishment</i>	5 553.2	5 689.5	5 823.9	5 784.1	6 324.0	5 134.1	6 525.3	5 618.6	91.7%
Other non-tax revenue	574.4	445.5	565.1	249.5	535.1	272.5	345.9	1 101.4	102.4%
Transfers received	52.0	52.0	205.0	-	-	135.3	64.9	64.9	78.3%
Total revenue	6 180	6 219	6 594	6 179	6 859	5 542	6 936	6 800	93.1%
Expenses									
Current expenses	6 234	6 504	6 599	6 585	7 222	6 478	7 617	6 902	95.7%
Compensation of employees	3 071.3	3 529.2	3 496.9	3 537.4	4 045.6	3 649.9	4 188.7	4 152.8	100.5%
Goods and services	2 902.2	2 720.9	2 849.7	2 804.9	2 905.3	2 607.0	3 176.0	2 505.9	89.9%
Depreciation	177.7	172.7	175.9	166.9	199.1	142.7	159.9	151.8	89.0%
Interest, dividends and rent on land	82.7	81.0	76.9	76.1	71.9	77.9	92.4	92.0	101.0%
Total expenses	6 257.6	6 503.9	6 599.4	6 586.2	7 222.3	7 039.0	7 618.2	6 902.5	97.6%
Surplus/(Deficit)	(78)	(285)	(5)	(407)	(363)	(1 497)	(682)	(102)	

Statements of estimates of financial performance

Table 32.14 South African Post Office statements of estimates of financial performance

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	6 720.0	3.1%	98.2%	5 830.2	6 895.0	7 437.5	3.4%	97.9%
Sale of goods and services other than capital assets	5 618.6	-0.4%	90.1%	5 590.3	6 743.1	7 276.3	9.0%	91.8%
<i>of which:</i>								
<i>Sales by market establishment</i>	5 618.6	-0.4%	90.1%	5 590.3	6 743.1	7 276.3	9.0%	91.8%
Other non-tax revenue	1 101.4	35.2%	8.1%	239.9	151.9	161.3	-4.3%	6.1%
Transfers received	65	7.7%	1.1%	240.0	240.0	-	-100.0%	2.1%
Total revenue	6 800	3.0%	100.0%	6 070	7 135	7 438	3.0%	100.0%
Expenses								
Current expenses	6 902.5	2.0%	98.0%	5 970 357.3	6 329 953.8	6 477 679.8	879.0%	-
Compensation of employees	4 152.8	5.6%	55.0%	3 305 196.0	3 523 570.0	3 767 932.0	868.1%	57.3%
Goods and services	2 505.9	-2.7%	39.4%	2 502 827.0	2 589 727.0	2 480 882.0	896.7%	39.4%
Depreciation	151.8	-4.2%	2.4%	162 093.0	216 406.0	228 598.0	1 046.3%	3.0%
Interest, dividends and rent on land	92.0	4.3%	1.2%	241.3	250.8	267.8	42.8%	0.3%
Total expenses	6 902.5	2.0%	100.0%	5 970 357.3	6 329 953.8	6 477 679.8	879.0%	-
Surplus/(Deficit)	(102)	-		(5 964 287)	(6 322 819)	(6 470 242)	3 888.2%	

Personnel information

Table 32.15 South African Post Office personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
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	21 297	21 297	22 671	3 649.9	0	21 297	4 152.8	0	19 773	3 305.2	0	18 590	3 523.6	0	18 590	3 767.9	0	-3.2%	100.0%
1 – 6	12 690	12 690	13 509	1 400.7	0	12 690	1 593.5	0	11 782	1 267.6	0	11 076	1 350.5	0	11 074	1 443.2	0	-3.2%	59.6%
7 – 10	8 593	8 593	9 147	2 228.8	0	8 593	2 535.7	0	7 976	2 016.4	0	7 499	2 149.1	0	7 501	2 297.8	0	-3.2%	40.3%
13 – 16	11	11	12	13.0	1	11	14.6	1	12	13.5	1	12	15.3	1	12	17.6	1	6.5%	0.1%
17 – 22	3	3	3	7.4	2	3	9.0	3	3	7.7	3	3	8.7	3	3	9.3	3	1.2%	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 **National Electronic Media Institute of South Africa** was established as a non-profit institute of 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 2016/17 is R82.7 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 2016/17 is R1.1 billion.
- The **State Information Technology Agency** is governed by the State Information Technology Agency Act (1998), as amended, and is listed as a schedule 3A public entity. The agency is responsible for the provision of IT services to government. Its total budget for 2016/17 is R6.3 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 2016/17 is R69 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 or services as well as the construction or extension of electronic communication and broadcasting networks for needy persons in under-serviced 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 2016/17 is R644.5 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		
				2012/13	2013/14		2014/15	2015/16	2016/17
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	563.6	890.5
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	226.7	450.3	616.6	950.5

Vote 33

Tourism

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	237.5	233.2	0.2	4.1	245.1	252.9
Policy and Knowledge Services	1 272.6	133.9	1 137.2	1.5	1 324.6	1 400.3
International Tourism	54.7	47.2	6.3	1.2	56.3	58.7
Domestic Tourism	444.7	256.8	82.4	105.6	441.3	460.8
Total expenditure estimates	2 009.5	671.1	1 226.1	112.4	2 067.3	2 172.6
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 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 the practice of responsible tourism for the benefit of South Africa and for the enjoyment of all its residents and foreign visitors; provide for the effective domestic and international marketing of South Africa as a tourist destination; promote quality tourism products and services; promote growth in and development of the tourism sector; and enhance cooperation and coordination between all spheres of government in developing and managing tourism.

In recognition of tourism as a national priority with the 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.

Selected performance indicators

Table 33.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of tourism attractions supported to enhance destination competitiveness per year	Policy and Knowledge Services	Outcome 4: Decent employment through inclusive economic growth	-1	-1	-1	2	3	3	3
Number of priority areas incentivised per year	Policy and Knowledge Services		-1	-1	-1	3	3	3	3
Number of skills development opportunities facilitated through bilateral cooperation per year	International Tourism	Outcome 4: Decent employment through inclusive economic growth	-1	-1	-1	1	3	1	1
Number of full time equivalent jobs created through the social responsibility implementation programme of the expanded public works programme per year	Domestic Tourism		5 645	2 797	3 037	3 008	3488	3347	3488

Table 33.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of rural enterprises supported for development per year	Domestic Tourism	Outcome 7: Comprehensive rural development and land reform	1 664	891	466	250	100	150	225
Number of programmes implemented to grow the contribution of tourism to the oceans economy per year	Domestic Tourism	Outcome 4: Decent employment through inclusive economic growth	-1	-1	-1	-1	1	1	1
Number of capacity building programmes implemented per year	Domestic Tourism		-1	-1	-1	-1	4	4	4

1. No historical data is available as these are new indicators.

Expenditure analysis

The national development plan recognises tourism as one of the main drivers of employment and economic growth and as contributing to a long term solution to reducing inequality, improving living standards, and supporting a dignified existence for all South Africans. Tourism already contributes to considerable economic growth, services exports and social development. Tourism's direct contribution to GDP was R103.6 billion in 2013, about 2.9 per cent of total GDP; and its direct contribution to employment was 655 609 or 4.4 per cent of total employment. Tourist arrivals to South Africa continue to grow every year, and the number of tourist arrivals is projected to increase from 10.4 million in 2016/17 to 11.4 million in 2018/19.

In support of outcome 4 (decent employment through inclusive economic growth) of the 2014-2019 medium term strategic framework, the department's focus over the medium term will be on encouraging tourism in South Africa and stimulating the transformation of the sector. To this end, new areas of spending will drive the department's mandate, vision and mission: developing new tourism attractions, supporting rural enterprises, and growing domestic tourism. Spending on these areas is in transfers and subsidies to the expanded public works programme and South African Tourism, constituting 66.8 per cent of the department's total budget over the medium term.

Cabinet has approved reductions of R17.5 million in 2017/18 and R26.6 million in 2018/19 to the department's compensation of employees budget as part of its decision to lower the national aggregate expenditure ceiling. Cabinet also approved an increase in the budget for compensation of employees by R6.1 million in 2016/17 due to the 2015 public sector wage agreement. The ceiling on the budget for compensation of employees is R265.5 million in 2016/17, R274.9 million in 2017/18 and R285.8 million in 2018/19. After consultation with the Department of Public Service and Administration and the National Treasury, the department will develop and implement a plan to manage its personnel expenditure within these budget ceilings.

Developing new tourism attractions

The tourism incentive programme, in the *Policy and Knowledge Services* programme, became fully operational in 2015/16. It receives R575.1 million over the MTEF period and spending will be focused on developing tourism attractions to enhance South Africa's competitiveness as a tourism destination. Under-utilised public recreation facilities and resorts will be redeveloped as tourism destinations. The department will: enhance infrastructure facilities; promote greater participation in tourism and leisure activities, particularly among low income groups; attract private sector investment in tourism infrastructure facilities; transform the tourism sector; and address the uneven geographical spread of tourism products and tourism seasonality. Further, the tourism incentive programme will assist SMMEs to participate in local and international trade exhibitions, thus creating direct linkages with international tourism companies. More broadly, these activities will contribute to job creation and economic growth.

Supporting rural enterprises

16.1 per cent of the department's total expenditure over the medium term, or R1 billion, will go to the expanded public works programme, which is budgeted for in the *Social Responsibility Implementation* subprogramme in the *Domestic Tourism* programme. This follows the Cabinet approved reductions of R40 million in 2016/17, R50 million in 2017/18 and R60 million in the 2018/19, aligning the programme's growth to the department's service delivery capacity. A new expenditure area is support for rural enterprises, which will contribute to rural economic growth and poverty reduction, and more broadly to government's objectives of inclusive economic growth, job creation, poverty reduction, transformation, empowerment, and rural development. Through the

expanded public works programme, the department allocates funding to service providers to implement projects that create job opportunities. The department also monitors these projects. It is projected that the expanded public works programme will support 300 rural enterprises over the medium term, and that 11 914 full time equivalent jobs will be created, targeting the poor and unemployed, including women, youth and people living with disabilities. This spending will also contribute to a skilled and capable workforce in the tourism sector.

Growing domestic tourism

South African Tourism is responsible for marketing South Africa as a domestic and international tourist destination, promoting a culture of domestic tourism, and grading tourist accommodation. Transfers to South African Tourism for domestic marketing programmes constitute 51.8 per cent of the departmental budget over the medium term. This includes an increase of R105 million in 2016/17 from government's economic competitiveness support package in the *Tourism Incentive Programme* subprogramme in the *Policy and Knowledge Services* programme. Over the medium term, South African Tourism will focus on increasing tourism's contribution to the economy by growing the number of domestic holiday trips and total domestic direct tourism spending, as well as tourist arrivals and tourism revenue in general.

Expenditure trends

Table 33.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Policy and Knowledge Services														
3. International Tourism														
4. Domestic Tourism														
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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	195.0	191.9	179.2	205.7	208.1	212.0	221.8	224.6	219.8	231.8	233.7	233.7	98.9%	98.4%
Programme 2	788.0	793.4	794.0	875.5	901.8	908.8	925.2	928.9	929.6	1 215.6	1 206.2	1 181.2	100.2%	99.6%
Programme 3	46.8	41.8	27.1	49.6	41.0	37.9	51.9	45.4	45.1	46.7	47.3	47.3	80.7%	89.7%
Programme 4	337.5	347.0	371.6	369.8	369.6	354.0	463.2	384.4	363.1	306.2	307.0	307.0	94.5%	99.1%
Total	1 367.3	1 374.1	1 372.0	1 500.6	1 520.6	1 512.7	1 662.1	1 583.3	1 557.6	1 800.2	1 794.2	1 769.2	98.1%	99.0%
Change to 2015 Budget estimate										(6.1)				
Economic classification														
Current payments	331.1	330.3	287.2	359.2	360.7	340.8	380.3	373.7	460.8	403.0	559.0	559.0	111.8%	101.5%
Compensation of employees	180.6	174.7	171.2	205.8	205.8	202.4	233.3	229.3	231.5	246.1	250.1	250.1	98.8%	99.5%
Goods and services	150.3	155.0	116.0	153.3	154.9	138.4	147.0	144.4	229.3	156.9	309.0	309.0	130.5%	103.9%
of which:														
Computer services	19.7	19.6	7.9	22.5	20.2	17.1	20.9	20.9	14.3	20.1	20.1	20.1	71.4%	73.6%
Consultants: Business and advisory services	9.8	14.0	13.9	8.6	3.2	7.3	6.6	6.5	3.4	8.5	28.5	28.5	158.4%	101.7%
Contractors	8.3	10.8	4.5	5.8	4.3	2.6	5.3	5.3	2.7	2.9	52.9	52.9	281.1%	85.5%
Operating leases	1.0	0.1	19.8	1.0	-	26.9	26.5	26.5	32.1	25.2	25.2	25.2	193.5%	200.9%
Travel and subsistence	3.9	3.4	2.7	4.1	4.2	3.6	4.0	36.0	31.2	46.0	46.0	46.0	143.9%	93.0%
Training and development	7.2	6.6	2.0	6.8	6.1	4.8	5.6	3.3	106.2	4.5	86.6	86.6	829.2%	194.7%
Interest and rent on land	0.2	0.5	-	0.2	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 029.0	1 034.3	1 074.8	1 133.8	1 156.8	1 160.1	1 272.6	1 199.2	1 083.7	1 391.1	1 229.0	1 204.0	93.7%	97.9%
Departmental agencies and accounts	753.3	759.0	759.0	836.0	862.6	872.6	881.9	886.3	886.3	983.9	1 077.5	983.9	101.4%	97.7%
Higher education institutions	-	2.5	2.5	3.1	3.1	3.1	3.7	3.7	3.7	3.8	3.8	3.8	123.4%	100.0%
Foreign governments and international organisations	5.3	3.5	3.5	5.5	1.8	4.8	5.9	5.9	8.6	6.0	6.0	6.0	100.9%	133.0%
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-	-	68.6	-	-
Non-profit institutions	27.7	26.6	26.1	26.0	26.0	26.0	24.0	25.2	26.5	14.8	14.8	14.8	100.8%	100.8%
Households	242.8	242.8	283.8	263.2	263.2	253.6	357.0	278.2	158.8	382.7	127.0	127.0	66.1%	90.3%

Table 33.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Payments for capital assets	7.2	9.6	9.9	7.5	3.1	11.6	9.3	10.4	12.8	6.1	6.1	6.1	134.4%	138.6%
Buildings and other fixed structures	-	-	3.1	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	7.0	9.3	6.6	7.4	3.1	10.3	9.1	10.2	10.7	5.8	5.8	5.8	113.7%	117.2%
Software and other intangible assets	0.1	0.2	0.2	0.1	0.0	1.3	0.1	0.1	2.1	0.3	0.3	0.3	538.8%	556.4%
Payments for financial assets	-	-	0.1	-	-	0.1	-	-	0.3	-	-	-	-	-
Total	1 367.3	1 374.1	1 372.0	1 500.6	1 520.6	1 512.7	1 662.1	1 583.3	1 557.6	1 800.2	1 794.2	1 769.2	98.1%	99.0%

Expenditure estimates

Table 33.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Policy and Knowledge Services								
3. International Tourism								
4. Domestic Tourism								
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Programme 1	233.7	6.8%	13.6%	237.5	245.1	252.9	2.7%	12.1%
Programme 2	1 181.2	14.2%	61.4%	1 272.6	1 324.6	1 400.3	5.8%	64.6%
Programme 3	47.3	4.2%	2.5%	54.7	56.3	58.7	7.4%	2.7%
Programme 4	307.0	-4.0%	22.5%	444.7	441.3	460.8	14.5%	20.6%
Total	1 769.2	8.8%	100.0%	2 009.5	2 067.3	2 172.6	7.1%	100.0%
Change to 2015				(42.0)	(60.9)	(78.6)		
Budget estimate								
Economic classification								
Current payments	559.0	19.2%	26.5%	671.1	686.7	719.9	8.8%	32.9%
Compensation of employees	250.1	12.7%	13.8%	265.5	274.9	285.8	4.6%	13.4%
Goods and services	309.0	25.8%	12.8%	405.5	411.8	434.1	12.0%	19.5%
<i>of which:</i>								
Computer services	20.1	0.8%	1.0%	20.5	21.8	22.5	3.9%	1.1%
Consultants: Business and advisory services	28.5	26.9%	0.9%	29.4	29.7	31.2	3.0%	1.5%
Contractors	52.9	69.8%	1.0%	55.3	55.1	58.3	3.3%	2.8%
Operating leases	25.2	690.8%	1.7%	26.5	27.9	29.5	5.3%	1.4%
Travel and subsistence	46.0	137.3%	1.3%	31.8	33.5	52.2	4.3%	2.0%
Training and development	86.6	136.3%	3.2%	177.6	176.9	186.3	29.1%	7.8%
Transfers and subsidies	1 204.0	5.2%	72.8%	1 226.1	1 278.2	1 351.6	3.9%	63.1%
Departmental agencies and accounts	983.9	9.0%	56.4%	1 029.4	1 080.9	1 143.6	5.1%	52.8%
Higher education institutions	3.8	15.2%	0.2%	4.0	4.2	4.5	5.4%	0.2%
Foreign governments and international organisations	6.0	19.8%	0.4%	6.3	6.6	7.0	5.4%	0.3%
Public corporations and private enterprises	68.6	-	1.1%	109.0	108.3	113.9	18.4%	5.0%
Non-profit institutions	14.8	-17.8%	1.5%	16.0	16.9	17.9	6.7%	0.8%
Households	127.0	-19.4%	13.3%	61.3	61.2	64.7	-20.1%	3.9%
Payments for capital assets	6.1	-13.9%	0.7%	112.4	102.4	101.1	155.1%	4.0%
Buildings and other fixed structures	-	-	0.1%	104.7	94.3	92.7	-	3.6%
Machinery and equipment	5.8	-14.9%	0.5%	7.3	7.7	8.0	11.4%	0.4%
Software and other intangible assets	0.3	16.7%	0.1%	0.4	0.4	0.5	9.9%	0.0%
Total	1 769.2	8.8%	100.0%	2 009.5	2 067.3	2 172.6	7.1%	100.0%

Personnel information

Table 33.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2015/16 - 2018/19					
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost	2018/19		Unit Cost			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Tourism																			
Salary level	530	-	548	231.5	0.4	530	250.1	0.5	530	265.5	0.5	530	292.4	0.6	530	312.4	0.6	-	100.0%
1 – 6	109	-	118	26.3	0.2	109	27.4	0.3	109	28.5	0.3	109	31.4	0.3	109	33.5	0.3	-	20.6%
7 – 10	225	-	229	76.9	0.3	225	82.3	0.4	225	86.1	0.4	225	94.8	0.4	225	101.3	0.5	-	42.5%
11 – 12	128	-	129	70.6	0.5	128	75.2	0.6	128	79.5	0.6	128	87.5	0.7	128	93.5	0.7	-	24.2%
13 – 16	66	-	70	54.1	0.8	66	61.4	0.9	66	67.5	1.0	66	74.3	1.1	66	79.4	1.2	-	12.5%
Other	2	-	2	3.7	1.8	2	3.8	1.9	2	4.0	2.0	2	4.4	2.2	2	4.7	2.4	-	0.4%
Programme	530	-	548	231.5	0.4	530	250.1	0.5	530	265.5	0.5	530	292.4	0.6	530	312.4	0.6	-	100.0%
Programme 1	281	-	291	115.1	0.4	281	122.8	0.4	281	130.4	0.5	281	143.5	0.5	281	153.3	0.5	-	53.0%
Programme 2	77	-	84	35.7	0.4	77	40.2	0.5	77	42.6	0.6	77	47.0	0.6	77	50.2	0.7	-	14.5%
Programme 3	69	-	71	32.0	0.5	69	36.3	0.5	69	38.6	0.6	69	42.5	0.6	69	45.5	0.7	-	13.0%
Programme 4	103	-	102	48.7	0.5	103	50.7	0.5	103	53.9	0.5	103	59.4	0.6	103	63.5	0.6	-	19.4%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(17.5)	-	-	(26.6)	-	-	-
Total	530	-	548	231.5	0.4	530	250.1	0.5	530	265.5	0.5	530	292.4	0.6	530	312.4	0.6	-	-

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

2. The department's compensation of employees budget has been reduced by R44.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 33.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
Departmental receipts	1 479	4 209	3 504	1 864	1 864	8.0%	100.0%	1 832	1 833	1 837	-0.5%	100.0%
Sales of goods and services produced by department	123	141	163	168	168	11.0%	5.4%	162	162	163	-1.0%	8.9%
Sales by market establishments of which:	69	69	84	80	80	5.1%	2.7%	82	82	82	0.8%	4.4%
Rent collected from the letting of open and covered parking	69	69	84	80	80	5.1%	2.7%	82	82	82	0.8%	4.4%
Other sales of which:	54	72	79	88	88	17.7%	2.7%	80	80	81	-2.7%	4.5%
Commission received on deduction of insurance and other premiums from employees salaries	54	72	79	88	88	17.7%	2.7%	80	80	81	-2.7%	4.5%
Interest, dividends and rent on land	8	11	10	11	11	11.2%	0.4%	15	15	17	15.6%	0.8%
Interest	8	11	10	11	11	11.2%	0.4%	15	15	17	15.6%	0.8%
Sales of capital assets	11	592	24	135	135	130.7%	6.9%	25	25	26	-42.3%	2.9%
Transactions in financial assets and liabilities	1 337	3 465	3 307	1 550	1 550	5.1%	87.4%	1 630	1 631	1 631	1.7%	87.5%
Total	1 479	4 209	3 504	1 864	1 864	8.0%	100.0%	1 832	1 833	1 837	-0.5%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 33.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Ministry	28.7	35.6	30.8	36.1	8.0%	15.5%	32.4	33.8	34.9	-1.2%	14.2%
Management	16.2	16.3	14.5	18.9	5.3%	7.8%	19.3	19.8	20.6	3.0%	8.1%
Corporate Affairs	109.7	131.3	140.0	150.2	11.0%	62.9%	156.5	161.8	166.1	3.4%	65.5%
Office Accommodation	24.7	28.8	34.4	28.5	4.9%	13.8%	29.3	29.6	31.3	3.2%	12.2%
Total	179.2	212.0	219.8	233.7	9.2%	100.0%	237.5	245.1	252.9	2.7%	100.0%
Change to 2015 Budget estimate				1.9			(5.5)	(10.3)	(17.4)		
Economic classification											
Current payments	171.5	201.8	207.0	230.3	10.3%	96.0%	233.2	240.6	248.2	2.5%	98.3%
Compensation of employees	89.9	102.5	115.1	122.8	11.0%	50.9%	130.4	133.0	138.3	4.0%	54.1%
Goods and services	81.6	99.4	91.9	107.4	9.6%	45.0%	102.7	107.6	109.9	0.8%	44.1%
of which:											
Audit costs: External	3.8	4.2	4.2	4.5	6.6%	2.0%	4.8	5.0	5.3	5.3%	2.0%
Communication	4.2	4.1	3.9	3.8	-3.1%	1.9%	3.7	3.8	4.2	3.5%	1.6%
Computer services	6.8	16.0	14.3	16.7	34.8%	6.4%	16.7	18.0	18.4	3.4%	7.2%
Operating leases	19.8	26.9	32.1	25.2	8.5%	12.3%	26.5	27.9	29.5	5.3%	11.3%
Transport provided: Departmental activity	-	-	-	-	-	-	14.1	15.1	-	-	3.0%
Travel and subsistence	17.5	23.1	15.1	27.1	15.7%	9.8%	8.0	8.5	22.8	-5.6%	6.9%
Transfers and subsidies	0.6	0.2	2.5	0.2	-32.0%	0.4%	0.2	0.2	0.2	5.7%	0.1%
Departmental agencies and accounts	-	-	0.6	0.2	-	0.1%	0.2	0.2	0.2	5.7%	0.1%
Households	0.6	0.2	1.9	-	-100.0%	0.3%	-	-	-	-	-
Payments for capital assets	7.1	9.9	10.1	3.2	-23.1%	3.6%	4.1	4.3	4.5	11.7%	1.7%
Buildings and other fixed structures	3.1	-	-	-	-100.0%	0.4%	-	-	-	-	-
Machinery and equipment	3.8	8.6	8.0	2.9	-8.4%	2.8%	3.7	3.9	4.1	12.0%	1.5%
Software and other intangible assets	0.1	1.2	2.1	0.3	28.2%	0.4%	0.4	0.4	0.4	9.7%	0.2%
Payments for financial assets	0.1	0.1	0.2	-	-100.0%	-	-	-	-	-	-
Total	179.2	212.0	219.8	233.7	9.2%	100.0%	237.5	245.1	252.9	2.7%	100.0%
Proportion of total programme expenditure to vote expenditure	13.1%	14.0%	14.1%	13.0%	-	-	11.8%	11.9%	11.6%	-	-

Programme 2: Policy and Knowledge Services

Programme purpose

Provide strategic policy development, monitoring and evaluation, research, and knowledge management services.

Objectives

- Facilitate tourism capacity building programmes by:
 - developing the tourist guiding skills development programme, which includes building the capacity of tourist guides, at 2 world heritage sites by the end of 2016/17
 - training 90 new entrants as tourist guides in specialities and providing continuous professional development for registered tourist guides by the end of 2016/17.
- Contribute to informing policy, planning and decision making by:
 - developing 1 monitoring and evaluation report on the state of tourism by the end of 2016/17
 - developing 2 and maintaining 7 frameworks for information and knowledge systems and services in 2016/17
 - developing 1 and maintaining 2 national information sites for tourism getaways by the end of 2016/17.
- Create an enabling legislative and regulatory environment for tourism development and growth by developing a policy framework for tourism special economic zones in 2016/17.
- Diversify and enhance South Africa's tourism offering by:
 - supporting 3 tourist attraction sites, Shangani Gate (Limpopo), Phalaborwa Wildlife Activity Hub (Limpopo) and the National Heritage Monument (Gauteng), to enhance destination competitiveness in 2016/17

- implementing the market access, energy efficiency and tourism grading priority areas for the tourism incentive programme by the end of 2016/17.
- Accelerate transformation in the tourism sector by:
 - developing quarterly reports on the implementation of the Tourism B-BBEE Charter Council plan of action in 2016/17
 - conducting a study to establish a baseline for the amended tourism BEE sector code in 2016/17.
- Facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation by:
 - developing an enterprise and supplier development portal of black owned enterprises to accelerate the empowerment of enterprises in the tourism sector in 2016/17.
- Enhance understanding and awareness of the value of the tourism sector and its opportunities by hosting the annual national tourism stakeholder forum in 2016/17.

Subprogrammes

- *Policy and Knowledge Services Management* provides strategic direction, comprehensive administrative and operational support services, research, and information and knowledge management. It also manages policy development and evaluation, and promotes sector transformation and responsible tourism.
- *Policy Development and Evaluation* manages the development of integrated policies, sector planning, intergovernmental coordination and stakeholder relations; and promotes responsible tourism practices in the industry as well as its transformation.
- *Research and Knowledge Management* monitors and evaluates tourism policies and strategies and the projects carried out by the department; and facilitates research, and information and knowledge management in the tourism sector.
- *South African Tourism* stimulates sustainable international and domestic demand for South African tourism experiences, and regulates the standard of tourism facilities and services.
- *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 33.7 Policy and Knowledge Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19
Policy and Knowledge Services Management	4.3	4.5	4.0	6.8	17.0%	0.5%	4.7	4.8	5.0	-9.8%	0.4%
Policy Development and Evaluation	17.1	18.0	23.5	21.3	7.5%	2.1%	27.7	28.4	29.5	11.5%	2.1%
Research and Knowledge Management	17.7	20.0	22.1	29.9	19.1%	2.3%	26.4	27.3	28.5	-1.6%	2.2%
South African Tourism	754.9	866.3	880.0	977.7	9.0%	90.2%	1 024.8	1 076.1	1 138.5	5.2%	81.0%
Tourism Incentive Programme	–	0.3	18.0	170.5	–	4.9%	188.9	188.0	198.8	5.3%	14.3%
Total	794.0	909.1	947.7	1 206.2	15.0%	100.0%	1 272.6	1 324.6	1 400.3	5.1%	100.0%
Change to 2015 Budget estimate				(9.4)			(1.5)	(3.4)	(4.7)		

Table 33.7 Policy and Knowledge Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Current payments	35.7	39.1	47.5	129.9	53.9%	6.5%	133.9	135.1	141.8	3.0%	10.4%
Compensation of employees	24.7	28.9	35.7	40.2	17.6%	3.4%	42.6	43.5	45.3	4.1%	3.3%
Goods and services	11.0	10.2	11.8	89.8	101.6%	3.2%	91.3	91.6	96.5	2.5%	7.1%
<i>of which:</i>											
Advertising	1.1	0.5	0.9	1.8	17.3%	0.1%	1.9	2.0	2.0	4.9%	0.1%
Consultants: Business and advisory services	0.6	0.1	1.4	21.2	232.8%	0.6%	22.1	21.9	23.2	3.2%	1.7%
Contractors	0.6	-	0.1	50.0	333.4%	1.3%	52.3	52.0	55.0	3.2%	4.0%
Travel and subsistence	3.7	4.0	3.2	6.3	19.3%	0.4%	5.3	5.5	5.6	-4.2%	0.4%
Operating payments	0.5	2.1	1.8	3.1	79.5%	0.2%	2.5	2.7	2.8	-2.6%	0.2%
Venues and facilities	1.8	0.8	2.0	3.6	26.0%	0.2%	3.3	3.4	3.5	-0.7%	0.3%
Transfers and subsidies	757.5	869.5	899.1	1 075.1	12.4%	93.4%	1 137.2	1 188.0	1 256.9	5.3%	89.5%
Departmental agencies and accounts	754.9	866.3	880.0	977.7	9.0%	90.2%	1 024.8	1 076.1	1 138.5	5.2%	81.0%
Higher education institutions	2.5	3.1	3.7	3.8	15.2%	0.3%	4.0	4.2	4.5	5.4%	0.3%
Public corporations and private enterprises	-	-	-	93.6	-	2.4%	108.4	107.7	113.9	6.8%	8.1%
Households	0.1	0.0	15.4	-	-100.0%	0.4%	-	0.0	-	-	-
Payments for capital assets	0.8	0.5	1.0	1.2	11.5%	0.1%	1.5	1.5	1.6	11.3%	0.1%
Machinery and equipment	0.8	0.4	1.0	1.1	10.5%	0.1%	1.4	1.5	1.6	11.3%	0.1%
Payments for financial assets	0.0	-	0.1	-	-100.0%	-	-	-	-	-	-
Total	794.0	909.1	947.7	1 206.2	15.0%	100.0%	1 272.6	1 324.6	1 400.3	5.1%	100.0%
Proportion of total programme expenditure to vote expenditure	57.9%	60.1%	60.8%	67.2%	-	-	63.3%	64.1%	64.5%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	754.9	866.3	880.0	977.7	9.0%	90.2%	1 024.8	1 076.1	1 138.5	5.2%	81.0%
South African Tourism	754.9	866.3	880.0	977.7	9.0%	90.2%	1 024.8	1 076.1	1 138.5	5.2%	81.0%
Higher education institutions											
Current	2.5	3.1	3.7	3.8	15.2%	0.3%	4.0	4.2	4.5	5.4%	0.3%
Various institutions: National tourism framework	2.5	3.1	3.7	3.8	15.2%	0.3%	4.0	4.2	4.5	5.4%	0.3%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	-	93.6	-	2.4%	108.4	107.7	113.9	6.8%	8.1%
Tourism incentive programme	-	-	-	93.6	-	2.4%	108.4	107.7	113.9	6.8%	8.1%

Programme 3: International Tourism

Programme purpose

Develop and support South Africa's worldwide tourism potential.

Objectives

- Facilitate tourism training programmes by:
 - creating 3 tourism skills development opportunities for chef learners and frontline staff in accommodation establishments in 2016/17
 - designing tour operator and travel agent development programmes in line with international best practices in 2016/17.
- Reduce barriers to tourism growth to enhance tourism competitiveness by:
 - accrediting travel companies for visa facilitation in 2016/17
 - hosting 2 ministerial road shows in 2016/17.
- Enhance regional tourism integration by hosting a ministerial session at the tourism indaba to advance a regional tourism integration agenda in 2016/17.

Subprogrammes

- International Tourism Management* provides a comprehensive administrative and operational support service to the programme for carrying out its activities, which include collating and consolidating inputs to the branch business plans and annual performance reports; and develops and supports the growth of South Africa's tourist attractions.

- *Americas and Western Europe* manages the development of South Africa's tourism potential in the North and Central American, Latin American, Caribbean and Western European markets. It also manages engagements with the United Nations (UN) World Tourism Organisation, the World Travel and Tourism Council, the T20 group of tourism ministers, and regional organisations.
- *Africa and Middle East* manages the development of South Africa's tourism potential on a political and policy level in Africa and the Middle East.
- *Asia, Australasia and Eastern Europe* manages the development of South Africa's tourism potential on a political and policy level throughout Asia, Australasia, the Pacific Islands, Eastern Europe and the Mediterranean.

Expenditure trends and estimates

Table 33.8 International Tourism expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)		Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
R million													
International Tourism Management	3.7	4.0	3.6	3.5	-2.0%	9.4%	4.6	4.8	4.9	12.4%	8.2%		
Americas and Western Europe	9.4	13.7	15.5	17.3	22.4%	35.6%	20.0	20.5	21.4	7.3%	36.5%		
Africa and Middle East	8.1	10.1	15.5	14.4	21.3%	30.5%	16.3	16.8	17.5	6.9%	29.9%		
Asia, Australasia and Eastern Europe	5.9	10.1	10.5	12.1	26.9%	24.5%	13.8	14.2	14.8	6.9%	25.4%		
Total	27.1	37.9	45.1	47.3	20.4%	100.0%	54.7	56.3	58.7	7.4%	100.0%		
Change to 2015 Budget estimate				0.6			1.4	(0.1)	(1.1)				
Economic classification													
Current payments	22.8	32.4	35.7	40.4	21.0%	83.4%	47.2	48.5	50.4	7.7%	85.9%		
Compensation of employees	18.0	25.8	32.0	36.3	26.5%	71.2%	38.6	39.4	41.0	4.1%	71.6%		
Goods and services	4.8	6.6	3.7	4.0	-6.0%	12.2%	8.6	9.0	9.4	32.8%	14.3%		
of which:													
Advertising	0.1	0.6	0.1	0.1	-3.5%	0.6%	0.6	0.6	0.7	88.2%	0.9%		
Communication	0.2	0.3	0.2	0.3	21.2%	0.6%	0.4	0.4	0.3	-2.3%	0.6%		
Consumables: Stationery, printing and office supplies	0.6	0.6	0.4	0.2	-27.6%	1.1%	0.7	0.8	0.8	53.5%	1.2%		
Travel and subsistence	3.0	3.4	2.0	2.6	-4.5%	7.0%	5.1	5.3	5.6	28.7%	8.6%		
Training and development	0.0	0.4	0.1	0.0	-8.7%	0.4%	0.4	0.4	0.4	198.1%	0.6%		
Operating payments	0.1	0.6	0.4	0.2	46.4%	0.9%	0.7	0.7	0.7	49.8%	1.1%		
Transfers and subsidies	3.5	4.9	8.6	6.0	19.8%	14.6%	6.3	6.6	7.0	5.4%	12.0%		
Foreign governments and international organisations	3.5	4.8	8.6	6.0	19.8%	14.5%	6.3	6.6	7.0	5.4%	12.0%		
Households	-	0.1	0.0	-	-	0.1%	-	-	-	-	-		
Payments for capital assets	0.8	0.6	0.8	0.9	3.6%	2.0%	1.2	1.2	1.3	10.0%	2.1%		
Machinery and equipment	0.8	0.6	0.8	0.9	3.6%	2.0%	1.2	1.2	1.3	10.0%	2.1%		
Total	27.1	37.9	45.1	47.3	20.4%	100.0%	54.7	56.3	58.7	7.4%	100.0%		
Proportion of total programme expenditure to vote expenditure	2.0%	2.5%	2.9%	2.6%	-	-	2.7%	2.7%	2.7%	-	-		
Details of selected transfers and subsidies													
Foreign governments and international organisations													
Current	3.5	4.8	8.6	6.0	19.8%	14.5%	6.3	6.6	7.0	5.4%	12.0%		
Regional Tourism Organisation of South Africa	2.0	3.0	6.3	3.6	22.3%	9.4%	3.8	4.0	4.2	5.4%	7.2%		
United Nation World Tourism Organisation	1.5	1.8	2.3	2.4	16.5%	5.1%	2.5	2.7	2.8	5.4%	4.8%		

Programme 4: Domestic Tourism

Programme purpose

Promote the development and growth of sustainable domestic tourism.

Objectives

- Create employment opportunities by implementing tourism projects through the expanded public works programme, resulting in 10 323 full time equivalent jobs over the medium term.

- Facilitate tourism training programmes by:
 - training 577 trainee chefs in 2016/17
 - training 300 learners as sommeliers in 2016/17
 - training 2 000 learners in the hospitality service training programme in 2016/17
 - recruiting and placing 500 learners for the food safety assurance programme in 2016/17
 - implementing the local government tourism induction programme with a focus on rural areas with tourism potential in 8 district municipalities in 2016/17
 - implementing phase two of the tourism human resource development strategy in 2016/17
 - placing 15 black women at higher learning institutions in 2016/17.
- Facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation by:
 - supporting 100 rural enterprises for development in 2016/17
 - implementing an enterprise development programme focusing on incubation and business support services in 2016/17.
- Enhance understanding and awareness of the value of the tourism sector and its opportunities by convening the National Tourism Careers Expo annually.
- Diversify and enhance tourism offerings by:
 - implementing the blue flag programme for 50 beaches in 2016/17
 - implementing service excellence standards in 4 tourism products in 2016/17
 - providing funding for the development of tourism interpretation signage at 4 iconic national heritage sites in 2016/17
 - supporting awareness and public accessibility programmes at 3 iconic sites/destinations in 2016/17
 - supporting 2 sustainable, community based wildlife tourism projects in 2016/17.

Subprogrammes

- *Domestic Tourism Management* provides administrative support to the programme's activities.
- *Domestic Tourism Management: Southern Region* promotes and supports the growth of domestic tourism in Free State, Western Cape, Eastern Cape and Northern Cape; develops and updates tourism profiles through research; supports product development; implements the rural tourism strategy; and supports national tourism programmes in the region.
- *Domestic Tourism Management: Northern Region* promotes and supports the growth of domestic tourism in Gauteng, North West, Limpopo, KwaZulu-Natal and Mpumalanga. This entails conducting research to develop and update tourism profiles, providing support for product development, and implementing the rural tourism strategy.
- *Social Responsibility Implementation* 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 SMMEs. This subprogramme also produces skills development initiatives such as the young chefs training programme.
- *Strategic Partners in Tourism* makes transfers and subsidies for small businesses. This subprogramme's total budget is transferred to the Tourism Enterprise Partnership.

Expenditure trends and estimates

Table 33.9 Domestic Tourism expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Domestic Tourism Management	10.1	9.4	8.3	10.5	1.5%	2.8%	13.8	14.3	17.5	18.4%	3.4%
Domestic Tourism Management: Southern Region	11.5	12.5	15.0	12.1	1.5%	3.7%	14.0	14.8	15.4	8.4%	3.4%
Domestic Tourism Management: Northern Region	10.6	16.0	16.5	17.3	17.7%	4.4%	15.3	17.2	17.9	1.2%	4.1%
Social Responsibility Implementation	314.3	290.8	280.2	253.6	-6.9%	82.7%	386.1	378.6	392.7	15.7%	85.3%
Strategic Partners in Tourism	25.0	25.0	25.0	13.5	-18.6%	6.4%	15.5	16.4	17.4	8.8%	3.8%
Total	371.6	353.7	345.0	307.0	-6.2%	100.0%	444.7	441.3	460.8	14.5%	100.0%
Change to 2015				0.8			(38.2)	(46.5)	(55.2)		
Budget estimate											
Economic classification											
Current payments	57.2	67.5	170.6	158.5	40.4%	32.9%	256.8	262.6	279.5	20.8%	57.9%
Compensation of employees	38.6	45.2	48.7	50.7	9.5%	13.3%	53.9	58.9	61.3	6.5%	13.6%
Goods and services	18.6	22.3	121.9	107.8	79.6%	19.6%	202.9	203.7	218.2	26.5%	44.3%
of which:											
Advertising	0.4	1.6	0.8	1.6	59.4%	0.3%	2.1	2.2	1.9	7.2%	0.5%
Computer services	0.0	0.1	-	2.7	663.3%	0.2%	3.1	3.1	3.3	7.0%	0.7%
Consultants: Business and advisory services	3.3	3.4	1.6	3.7	3.4%	0.9%	3.7	3.8	4.0	2.5%	0.9%
Travel and subsistence	3.6	11.3	10.9	9.9	40.0%	2.6%	13.5	14.1	18.2	22.5%	3.4%
Training and development	0.1	0.1	102.9	82.6	841.6%	13.5%	172.9	172.5	182.5	30.2%	36.9%
Venues and facilities	1.5	1.5	1.6	1.4	-0.9%	0.4%	1.5	1.6	1.7	5.3%	0.4%
Transfers and subsidies	313.2	285.5	173.5	147.7	-22.2%	66.8%	82.4	83.3	87.5	-16.0%	24.2%
Departmental agencies and accounts	4.1	6.3	5.6	6.0	14.0%	1.6%	4.4	4.6	4.9	-6.6%	1.2%
Non-profit institutions	26.1	26.0	26.5	14.8	-17.3%	6.8%	16.6	17.5	17.9	6.7%	4.0%
Households	283.1	253.2	141.4	127.0	-23.5%	58.4%	61.3	61.2	64.7	-20.1%	19.0%
Payments for capital assets	1.1	0.7	1.0	0.8	-11.5%	0.3%	105.6	95.4	93.8	394.4%	17.9%
Buildings and other fixed structures	-	-	-	-	-	-	104.7	94.3	92.7	-	17.6%
Machinery and equipment	1.1	0.7	1.0	0.8	-10.8%	0.3%	1.0	1.0	1.1	11.3%	0.2%
Total	371.6	353.7	345.0	307.0	-6.2%	100.0%	444.7	441.3	460.8	14.5%	100.0%
Proportion of total programme expenditure to vote expenditure	27.1%	23.4%	22.2%	17.1%	-	-	22.1%	21.3%	21.2%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	283.1	253.2	141.4	127.0	-23.5%	58.4%	61.3	61.2	64.7	-20.1%	19.0%
Employee social benefits	0.2	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Bursaries: Non-employees	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Expanded public works programme	242.7	214.1	120.5	68.8	-34.3%	46.9%	-	-	-	-100.0%	4.2%
Expanded public works programme incentive	40.1	39.1	20.8	58.2	13.3%	11.5%	61.3	61.2	64.7	3.6%	14.8%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4.1	6.3	5.6	6.0	14.0%	1.6%	4.4	4.6	4.9	-6.6%	1.2%
National Tourism Careers Expo	3.0	3.3	3.6	4.0	10.0%	1.0%	4.4	4.6	4.9	6.9%	1.1%
Tourism accelerated apprenticeship programme	1.1	3.0	2.0	2.0	24.0%	0.6%	-	-	-	-100.0%	0.1%
Non-profit institutions											
Current	26.1	26.0	26.5	14.8	-17.3%	6.8%	16.6	17.5	17.9	6.7%	4.0%
Strategic Partners in Tourism	25.0	25.0	25.0	-	-100.0%	5.4%	-	-	-	-	-
Ezemvelo KwaZulu-Natal Wildlife	0.5	0.5	-	-	-100.0%	0.1%	-	-	-	-	-
Federated Hospitality Association of South Africa	0.5	0.5	0.2	0.5	-	0.1%	0.5	0.5	0.5	1.9%	0.1%
Tourism accelerated apprenticeship programme	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Tourism interpretive signage	-	-	1.3	0.8	-	0.1%	-	-	-	-100.0%	-
Various institutions: Small, medium and micro enterprises development	-	-	-	13.5	-	1.0%	15.5	16.4	17.4	8.8%	3.8%
N12 Treasure Route Association	-	-	-	-	-	-	0.6	0.6	-	-	0.1%

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.

- **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 2016/17 is R1.2 billion.

Vote 34

Trade and Industry

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	736.6	719.0	1.3	16.4	756.5	788.8
International Trade and Economic Development	126.4	100.9	24.7	0.8	123.3	127.9
Special Economic Zones and Economic Transformation	108.3	97.4	10.2	0.7	109.0	112.5
Industrial Development	1 735.7	132.3	1 602.6	0.8	1 814.1	1 776.4
Consumer and Corporate Regulation	313.5	89.6	223.9	0.1	326.9	345.7
Incentive Development and Administration	6 922.4	182.0	6 728.4	12.0	5 773.0	5 095.2
Trade Export South Africa	336.5	160.1	174.3	2.1	339.4	333.6
Investment South Africa	48.1	47.7	–	0.4	48.4	51.2
Total expenditure estimates	10 327.5	1 529.0	8 765.3	33.2	9 290.5	8 631.4

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 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of quarterly reports on industrial policy action plan tabled at ministerial review meetings	Industrial Development	Outcome 4: Decent employment through inclusive economic growth	4	4	4	4	4	4	4
Number of designation requests submitted per year	Industrial Development		4	4	4	4	4	4	4
Value of projected investment to be leveraged from projects approved per year	Incentive Development and Administration		R29.8bn	R40bn	R20.4bn	R14.4bn	R20bn	R15bn	R10bn
Projected number of new jobs supported from approved enterprises per year	Incentive Development and Administration		22 085	15 079	12 568	6 850	3 600	3 000	3 000
Projected number of jobs retained from approved enterprises per year	Incentive Development and Administration		33 551	106 539	33 551	28 000	3 600	3 000	3 000
Number of strategic infrastructure projects approved for special economic zones/industrial parks per year	Incentive Development and Administration		10	8	29	8	15	10	15
Value of projected export revenue from projects approved per year	Incentive Development and Administration		R1.3bn	R541m	R16.3bn	R800m	R800m	R600m	R600m

Expenditure analysis

The work of the Department of Trade and Industry supports outcome 4 (decent employment through inclusive growth), outcome 7 (comprehensive rural development and land reform) and outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium term strategic framework. Further, the department is committed to implementing the president's 2015 9-point plan to ignite growth and create jobs. The department plays a critical role in facilitating 3 of these 9 priority interventions: beneficiation through adding value to mineral resources; a more effective implementation of a higher impact industrial policy action plan; and encouraging private sector investment. These national priorities inform the department's spending priorities over the medium term, which are: increased investment facilitation, manufacturing incentives, supporting exports, and industrial spatial development.

The department will also focus on developing a programme to promote the long term sustainable development of black industrialists. The programme will accelerate the participation of black industrialists in the national economy, both in terms of their numbers and their influence. The department will create multiple, diverse instruments for black industrialists to enter targeted industrial sectors and value chains that are aligned with government developmental priorities and specifically the industrial policy action plan. A related medium term priority for the department is the establishment of a broad based black economic empowerment commission to enforce the BEE regulatory framework. The commission will strengthen and foster collaboration between the public and private sector in safeguarding the objectives of the Broad-Based Black Economic Empowerment Amendment Act (2013).

The department's compensation of employees budget has been decreased by R95.3 million for 2017/18 and R144.8 million for 2018/19 due to the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. In consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced budget. The department's goods and services budget has been similarly reduced by R19.6 million for 2017/18 and R38.8 million for 2018/19. The reductions will adversely impact on the department's ability to deliver on the set up of the broad based black economic empowerment commission and the Investment Promotion and Inter-Departmental Clearing House.

Increased investment facilitation

The department will manage the new Investment Promotion and Inter-Departmental Clearing House, a one-stop shop to facilitate investment, which is part of the 9-point plan. Government agencies involved in any aspect of investment, such as regulations, permits, licensing, infrastructure, and incentives, are to be brought into a single cohesive structure that coordinates and streamlines processes to provide prompt, efficient and transparent services to investors. Funding for the structure is in the new *Investment South Africa* programme, which

receives R147.7 million over the medium term after the Cabinet approved reductions. The funds are largely for compensation of employees for the staff that will provide support to investors.

Manufacturing incentives

58.1 per cent of the department's budget goes to its manufacturing development incentives, that is, R10.2 billion over the medium term in the *Incentive Development and Administration* programme. Spending in the programme declines at an average annual rate of 4.4 per cent over the medium term due to the ending of the economic competitiveness and support package in 2017/18. R45 billion in private sector investment over the medium term is expected to be leveraged.

The manufacturing competitiveness enhancement programme provides enhanced manufacturing support aimed at encouraging manufacturers to upgrade their production facilities to sustain employment and maximise value-addition in the short to medium term. Due to significant demand, the funds in the manufacturing competitiveness enhancement programme are currently fully committed, as announced in October 2015, and subsequent openings for receiving of applications will be subject to the availability of funding.

Supporting exports

The department will continue to support South African exports through the export marketing and investment assistance scheme, which strengthens the export capabilities of assisted companies, by providing marketing assistance to grow existing export markets and develop new ones, and facilitates foreign direct investment through trade missions, among other forms of support. The scheme receives an allocation of R640.2 million over the medium term in the *Manufacturing Incentives* subprogramme of the *Incentive Development and Administration* programme.

Industrial infrastructure development

The department will continue with the implementation of its special economic zones programme, which aims to attract investment in the existing industrial development zones and the newly proposed special economic zones. To date, 6 industrial development zones have been designated, 2 in Eastern Cape and KwaZulu-Natal, 1 in Western Cape and 1 in Gauteng. The seventh zone was designated in September 2015 in Free State. Currently, there are 33 capital projects at various stages of development in these zones. Bulk infrastructure and top structures are financed through the special economic zones allocation in the *Infrastructure Investment Support* subprogramme in the *Incentive Development and Administration* programme linked to specific investors located in the zones. The department envisages expanding the programme over the medium term by designating more zones, with a special economic zone proposed in each province. The department is engaged in preparatory investigations into the viability of designating 4 new special economic zones in Northern Cape, Limpopo, Gauteng and Mpumalanga over the medium term. These zones will focus on sectors such as renewable energy, ICT and mineral beneficiation in line with priorities articulated in the 9-point plan and the industrial policy action plan, among others. R3.4 billion over the medium term is allocated to the special economic zones programme, including an additional R1.5 billion in 2018/19 in the *Infrastructure Investment Support* subprogramme of the *Incentive Development and Administration* programme. The allocation for the special economic zones programme has been decreased by R320 million over the medium term as part of Cabinet's decision to lower the national aggregate expenditure ceiling. This will reduce the number of infrastructure projects the programme can support.

To further support a regionally diverse industrial economy, in 2016/17 the department will start reviving and establishing industrial parks / hubs in underdeveloped regions of South Africa through its cluster development programme which aims to promote industrialisation, sustainable economic growth and job creation. The programme is allocated R100 million over the medium term in the *Infrastructure Investment Support* subprogramme in the *Incentive Development and Administration* programme.

The department will continue to implement the critical infrastructure programme, which provides the required infrastructure for leveraging investment. The critical infrastructure programme is allocated R700.6 million over the medium term in the *Infrastructure Investment Support* subprogramme in the *Incentive Development and Administration* programme. 14 industrial parks requiring infrastructure support have been identified in Eastern Cape, Mpumalanga, KwaZulu-Natal, Free State and Western Cape. An allocation of R260 million over the medium term in the critical infrastructure programme is expected to result in 40 strategic infrastructure projects.

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 Export South Africa								
8. Investment South Africa								
Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	768.3	3.3%	8.4%	736.6	756.5	788.8	0.9%	8.1%
Programme 2	116.6	-4.7%	1.4%	126.4	123.3	127.9	3.1%	1.3%
Programme 3	89.7	-54.3%	2.3%	108.3	109.0	112.5	7.8%	1.1%
Programme 4	1 964.3	9.6%	20.2%	1 735.7	1 814.1	1 776.4	-3.3%	19.3%
Programme 5	296.4	6.1%	3.1%	313.5	326.9	345.7	5.3%	3.4%
Programme 6	5 827.6	8.5%	60.4%	6 922.4	5 773.0	5 095.2	-4.4%	62.6%
Programme 7	386.8	14.0%	3.7%	336.5	339.4	333.6	-4.8%	3.7%
Programme 8	48.3	42.4%	0.4%	48.1	48.4	51.2	2.0%	0.5%
Total	9 497.8	4.4%	100.0%	10 327.5	9 290.5	8 631.4	-3.1%	100.0%
Change to 2015 Budget estimate				(171.6)	(214.0)	1 193.3		
Economic classification								
Current payments	1 561.0	3.2%	16.5%	1 529.0	1 548.6	1 593.5	0.7%	16.5%
Compensation of employees	897.7	6.8%	9.1%	930.3	912.5	938.4	1.5%	9.7%
Goods and services	663.3	-1.1%	7.4%	598.7	636.1	655.1	-0.4%	6.8%
<i>of which:</i>								
Advertising	29.3	-8.5%	0.4%	31.9	32.8	33.3	4.3%	0.3%
Consultants: Business and advisory services	72.2	-3.0%	0.7%	65.6	80.0	81.9	4.3%	0.8%
Operating leases	248.3	5.9%	3.0%	219.9	231.2	236.0	-1.7%	2.5%
Travel and subsistence	103.7	-5.5%	1.2%	105.9	107.4	111.1	2.3%	1.1%
Operating payments	28.2	6.3%	0.3%	28.0	31.5	33.3	5.8%	0.3%
Venues and facilities	22.3	-26.3%	0.4%	21.0	21.9	21.4	-1.2%	0.2%
Transfers and subsidies	7 901.2	4.8%	82.9%	8 765.3	7 708.0	7 002.5	-3.9%	83.1%
Departmental agencies and accounts	591.9	-19.3%	7.4%	601.4	651.9	657.2	3.5%	6.6%
Foreign governments and international organisations	31.7	-4.5%	0.4%	33.6	34.5	36.5	4.8%	0.4%
Public corporations and private enterprises	7 128.6	7.9%	73.7%	7 970.2	6 868.5	6 163.3	-4.7%	74.5%
Non-profit institutions	146.6	101.6%	1.3%	158.1	151.2	143.6	-0.7%	1.6%
Households	2.4	-13.1%	0.0%	2.1	1.8	1.9	-7.6%	0.0%
Payments for capital assets	35.7	-18.6%	0.3%	33.2	33.9	35.4	-0.2%	0.4%
Machinery and equipment	30.7	-7.5%	0.3%	20.6	20.8	21.7	-10.9%	0.2%
Software and other intangible assets	5.0	-43.3%	0.0%	12.6	13.2	13.7	40.4%	0.1%
Total	9 497.8	4.4%	100.0%	10 327.5	9 290.5	8 631.4	-3.1%	100.0%

Personnel information

Table 34.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	2015/16 - 2018/19
Trade and Industry		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	1 617	126	1 770	815.3	0.5	1 617	897.7	0.6	1 617	930.3	0.6	1 617	993.8	0.6	1 617	1 074.2	0.7	-	100.0%
1 – 6	221	70	256	45.7	0.2	221	36.9	0.2	221	40.7	0.2	221	43.4	0.2	221	45.9	0.2	-	13.7%
7 – 10	728	22	815	320.5	0.4	728	337.9	0.5	728	301.7	0.4	728	323.5	0.4	728	364.4	0.5	-	45.0%
11 – 12	376	15	385	213.8	0.6	376	246.3	0.7	376	277.9	0.7	376	296.2	0.8	376	313.3	0.8	-	23.3%
13 – 16	292	19	314	235.3	0.7	292	276.6	0.9	292	310.0	1.1	292	330.7	1.1	292	350.5	1.2	-	18.1%
Programme	1 617	126	1 770	815.3	0.5	1 617	897.7	0.6	1 617	930.3	0.6	1 617	993.8	0.6	1 617	1 074.2	0.7	-	100.0%
Programme 1	603	43	618	257.4	0.4	603	272.9	0.5	603	310.1	0.5	603	331.1	0.5	603	350.3	0.6	-	37.3%
Programme 2	119	2	116	67.3	0.6	119	72.7	0.6	119	82.4	0.7	119	88.0	0.7	119	93.1	0.8	-	7.4%
Programme 3	94	12	138	44.4	0.3	94	52.9	0.6	94	63.6	0.7	94	67.9	0.7	94	71.8	0.8	-	5.8%
Programme 4	165	9	174	88.9	0.5	165	104.6	0.6	165	112.2	0.7	165	119.8	0.7	165	126.8	0.8	-	10.2%
Programme 5	107	11	146	57.2	0.4	107	59.9	0.6	107	71.1	0.7	107	76.0	0.7	107	80.4	0.8	-	6.6%
Programme 6	258	26	306	125.8	0.4	258	133.7	0.5	258	147.8	0.6	258	157.9	0.6	258	167.0	0.6	-	16.0%
Programme 7	218	18	218	147.7	0.7	218	168.3	0.8	218	112.1	0.5	218	119.9	0.6	218	149.7	0.7	-	13.5%
Programme 8	53	5	54	26.6	0.5	53	32.7	0.6	53	31.0	0.6	53	33.1	0.6	53	35.0	0.7	-	3.3%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(81.3)	-	-	(135.8)	-	-	-
Total	1 617	126	1 770	815.3	0.5	1 617	897.7	0.6	1 617	930.3	0.6	-	912.5	-	-	938.4	-	-	-

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
 2. The department's compensation of employees budget has been reduced by R217.2 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.
 3. Rand million.

Departmental receipts

Table 34.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	135 323	71 741	82 551	81 996	36 184	-35.6%	100.0%	85 428	93 887	96 295	38.6%	100.0%
Tax receipts	3 719	4 228	2 925	4 110	900	-37.7%	3.6%	5 112	5 200	5 400	81.7%	5.3%
Sales of goods and services produced by department	444	482	524	455	283	-13.9%	0.5%	601	616	669	33.2%	0.7%
Sales by market establishments	259	263	270	154	132	-20.1%	0.3%	300	300	320	34.3%	0.3%
of which:												
Rental of parking	259	263	270	154	132	-20.1%	0.3%	300	300	320	34.3%	0.3%
Administrative fees	51	-	-	1	1	-73.0%	-	1	1	1	-	-
of which:												
Request information in terms of the Promotion of Access to Information Act (2000)	51	-	-	1	1	-73.0%	-	1	1	1	-	-
Other sales	134	219	254	300	150	3.8%	0.2%	300	315	348	32.4%	0.4%
of which:												
Commission on hand	134	159	183	240	90	-12.4%	0.2%	240	250	280	46.0%	0.3%
Academic services	-	60	71	60	60	-	0.1%	60	65	68	4.3%	0.1%

Table 34.5 Departmental receipts by economic classification

Departmental receipts	Audited outcome			Adjusted estimate 2015/16	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%) 2015/16 - 2018/19	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2016/17	2017/18	2018/19		
R thousand												
Sales of scrap, waste, arms and other used current goods	-	-	-	-	1	-	-	1	1	1	-	-
of which:												
Waste paper: Recycling of paper	-	-	-	-	1	-	-	1	1	1	-	-
Fines, penalties and forfeits	19	20 420	97	42	10	-19.3%	6.3%	210	220	225	182.3%	0.2%
Interest, dividends and rent on land	39 349	95	1 348	400	140	-84.7%	12.6%	450	550	650	66.8%	0.6%
Interest	39 349	95	1 348	400	140	-84.7%	12.6%	450	550	650	66.8%	0.6%
Sales of capital assets	-	38	223	400	350	-	0.2%	277	300	350	-	0.4%
Transactions in financial assets and liabilities	91 792	46 478	77 434	76 589	34 500	-27.8%	76.8%	78 777	87 000	89 000	37.1%	92.8%
Total	135 323	71 741	82 551	81 996	36 184	-35.6%	100.0%	85 428	93 887	96 295	38.6%	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 34.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Ministry	27.3	27.3	27.6	31.8	5.2%	4.0%	34.0	36.3	38.2	6.3%	4.6%
Office of the Director General	59.6	69.7	96.3	98.6	18.3%	11.4%	114.6	122.9	129.3	9.4%	15.3%
Corporate Services	401.6	425.9	444.8	477.5	5.9%	61.4%	421.2	425.1	441.2	-2.6%	57.9%
Office Accommodation	2.2	-	-	4.5	27.4%	0.2%	2.4	2.5	2.2	-20.9%	0.4%
Financial Management	120.7	46.4	57.5	70.9	-16.3%	10.4%	69.4	71.6	75.6	2.2%	9.4%
Media and Public Relations	6.0	7.8	6.9	15.9	37.9%	1.3%	18.8	19.5	21.3	10.4%	2.5%
Marketing Communication and Stakeholder Relations	78.5	109.8	66.7	69.1	-4.1%	11.4%	76.1	78.5	81.0	5.4%	10.0%
Total	695.9	686.9	699.9	768.3	3.4%	100.0%	736.6	756.5	788.8	0.9%	100.0%
Change to 2015 Budget estimate				78.6			16.5	(7.3)	(51.0)		
Economic classification											
Current payments	580.4	676.4	674.5	741.3	8.5%	93.7%	719.0	739.0	770.9	1.3%	97.4%
Compensation of employees	200.0	226.1	257.4	272.9	10.9%	33.5%	310.1	302.5	320.0	5.5%	39.5%
Goods and services	379.9	450.3	417.1	468.4	7.2%	60.2%	408.9	436.5	450.9	-1.3%	57.9%
of which:											
Advertising	25.6	37.3	27.3	27.4	2.3%	4.1%	30.1	31.0	31.3	4.5%	3.9%
Computer services	16.3	17.2	16.3	27.1	18.6%	2.7%	17.9	18.4	20.1	-9.4%	2.7%
Consultants: Business and advisory services	9.6	10.7	11.6	21.5	30.9%	1.9%	18.8	29.7	30.0	11.7%	3.3%
Operating leases	198.4	252.6	258.0	241.3	6.7%	33.3%	211.6	222.4	227.8	-1.9%	29.6%
Travel and subsistence	24.9	23.4	17.7	32.9	9.8%	3.5%	32.4	32.2	34.7	1.7%	4.3%
Operating payments	8.2	11.9	12.4	11.1	10.5%	1.5%	14.2	14.9	15.7	12.3%	1.8%
Interest and rent on land	0.5	-	-	-	-100.0%	-	-	-	-	-	-

Table 34.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Transfers and subsidies	4.0	3.9	6.9	2.2	-18.2%	0.6%	1.3	1.0	1.0	-21.7%	0.2%
Departmental agencies and accounts	–	–	1.7	–	–	0.1%	–	–	–	–	–
Public corporations and private enterprises	0.7	0.7	2.0	0.8	5.3%	0.1%	–	–	–	-100.0%	–
Households	3.3	3.2	3.2	1.4	-24.8%	0.4%	1.3	1.0	1.0	-9.7%	0.2%
Payments for capital assets	31.1	6.2	15.0	24.8	-7.2%	2.7%	16.4	16.4	16.9	-12.1%	2.4%
Machinery and equipment	28.4	5.3	14.6	22.2	-8.0%	2.5%	13.8	13.7	14.3	-13.7%	2.1%
Software and other intangible assets	2.6	0.9	0.3	2.7	0.9%	0.2%	2.6	2.7	2.6	-1.2%	0.3%
Payments for financial assets	80.4	0.5	3.6	–	-100.0%	3.0%	–	–	–	–	–
Total	695.9	686.9	699.9	768.3	3.4%	100.0%	736.6	756.5	788.8	0.9%	100.0%
Proportion of total programme expenditure to vote expenditure	9.4%	8.2%	8.1%	8.1%	–	–	7.1%	8.1%	9.1%	–	–
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	0.7	0.7	2.0	0.8	5.3%	0.1%	–	–	–	-100.0%	–
Industrial Development Corporation: Research into industrial development, growth and equity	0.7	0.7	2.0	0.8	5.3%	0.1%	–	–	–	-100.0%	–

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.

Objectives

- Promote African economic integration and development on bilateral, regional and continental levels by:
 - advancing development integration in the Southern African Customs Union and in the Southern African Development Community (SADC) 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 SADC, 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 34.7 International Trade and Economic 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 (%)		Expenditure/ Total: Average (%)			
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average (%)	2016/17	2017/18	2018/19	
R million																
International Trade Development	81.9	94.9	89.9	101.6		7.4%	108.3	104.8	107.7		2.0%	126.4	123.3	127.9		85.5%
African Multilateral Economic Development	33.0	26.1	34.2	15.0		-23.1%	18.1	18.5	20.1		10.3%	18.1	18.5	20.1		14.5%
Total	114.9	121.0	124.1	116.6		0.5%	126.4	123.3	127.9		3.1%	126.4	123.3	127.9		100.0%
Change to 2015 Budget estimate				(48.2)			(46.1)	(57.6)	(15.9)							
Economic classification																
Current payments	78.9	88.7	81.7	92.9		5.6%	100.9	97.2	100.3		2.6%	100.9	97.2	100.3		79.2%
Compensation of employees	58.2	64.5	67.3	72.7		7.7%	82.4	77.2	79.2		2.9%	82.4	77.2	79.2		63.0%
Goods and services	20.7	24.2	14.4	20.2		-0.7%	18.5	20.0	21.1		1.3%	18.5	20.0	21.1		16.1%
of which:																
Communication	1.4	1.0	0.7	0.8		-14.5%	0.6	0.7	0.8		-3.5%	0.6	0.7	0.8		0.6%
Legal services	1.3	1.0	0.4	-		-100.0%	1.8	1.8	1.8		-	1.8	1.8	1.8		1.1%
Agency and support/outsourced services	-	0.5	0.3	0.5		-	0.5	0.3	0.3		-15.7%	0.5	0.3	0.3		0.3%
Consumables: Stationery, printing and office supplies	0.5	0.4	0.1	0.7		10.9%	0.5	0.6	0.6		-7.1%	0.5	0.6	0.6		0.5%
Travel and subsistence	15.5	16.2	11.4	13.6		-4.1%	13.0	14.1	14.8		2.9%	13.0	14.1	14.8		11.2%
Venues and facilities	0.9	2.4	0.2	1.9		26.2%	1.1	1.4	1.7		-3.4%	1.1	1.4	1.7		1.2%
Transfers and subsidies	35.5	31.7	41.7	23.2		-13.2%	24.7	25.2	26.7		4.8%	24.7	25.2	26.7		20.2%
Departmental agencies and accounts	-	0.8	-	1.1		-	1.1	1.2	1.3		5.3%	1.1	1.2	1.3		0.9%
Foreign governments and international organisations	13.1	16.9	17.2	18.2		11.4%	19.4	19.7	20.8		4.6%	19.4	19.7	20.8		15.8%
Public corporations and private enterprises	22.3	14.0	24.5	4.0		-43.8%	4.2	4.4	4.6		5.4%	4.2	4.4	4.6		3.5%
Households	0.1	0.0	0.1	-		-100.0%	-	-	-		-	-	-	-		-
Payments for capital assets	0.5	0.6	0.7	0.5		-1.6%	0.8	0.8	0.9		24.6%	0.8	0.8	0.9		0.6%
Machinery and equipment	0.5	0.6	0.7	0.5		-1.6%	0.8	0.8	0.9		24.6%	0.8	0.8	0.9		0.6%
Total	114.9	121.0	124.1	116.6		0.5%	126.4	123.3	127.9		3.1%	126.4	123.3	127.9		100.0%
Proportion of total programme expenditure to vote expenditure	1.5%	1.5%	1.4%	1.2%		-	1.2%	1.3%	1.5%		-	1.2%	1.3%	1.5%		-
Details of selected transfers and subsidies																
Public corporations and private enterprises																
Public corporations																
Other transfers to public corporations																
Current	20.9	12.1	23.4	2.8		-48.8%	2.9	3.1	3.3		5.4%	2.9	3.1	3.3		2.5%
Development Bank of Southern Africa: Regional spatial development initiatives	18.5	9.3	20.7	-		-100.0%	-	-	-		-	-	-	-		-
Protechnik Laboratories: Operations	2.4	2.8	2.7	2.8		5.3%	2.9	3.1	3.3		5.4%	2.9	3.1	3.3		2.5%
Capital	1.4	1.9	1.1	1.2		-6.1%	1.2	1.3	1.4		5.4%	1.2	1.3	1.4		1.0%
Protechnik Laboratories: Capital	1.4	1.9	1.1	1.2		-6.1%	1.2	1.3	1.4		5.4%	1.2	1.3	1.4		1.0%
Foreign governments and international organisations																
Current	13.1	16.9	17.2	18.2		11.4%	19.4	19.7	20.8		4.6%	19.4	19.7	20.8		15.8%
Organisation for the Prohibition of Chemical Weapons	3.0	3.6	-	4.7		16.4%	4.9	5.2	5.5		5.4%	4.9	5.2	5.5		4.1%
World Trade Organisation	10.2	13.2	17.2	13.5		9.9%	14.5	14.5	15.3		4.4%	14.5	14.5	15.3		11.7%

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 30 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 special economic zones strategy 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 broad based black economic empowerment (BEE) and the real growth of the economy through the black industrialists programme.
- *Spatial Industrial Economic Development (Special Economic Zones)* promotes the regional economy towards a more spatially balanced economy through the development of policies, strategies and programmes, and special economic zones, clusters and incubators, among other things.

Expenditure trends and estimates

Table 34.8 Special Economic Zones and Economic Transformation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate		Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million												
Enterprise Competitiveness	175.8	188.8	189.1	19.3	-52.1%	73.1%	26.2	28.0	29.6	15.2%	24.6%	
Equity and Empowerment	14.2	13.0	20.6	26.9	23.8%	9.5%	35.7	32.1	31.2	5.1%	30.0%	
Spatial Industrial Economic Development (Special Economic Zones)	37.5	29.5	25.4	43.5	5.1%	17.3%	46.4	48.9	51.7	5.9%	45.4%	
Total	227.5	231.2	235.1	89.7	-26.7%	100.0%	108.3	109.0	112.5	7.8%	100.0%	
Change to 2015 Budget estimate				(173.5)			(170.7)	(176.3)	(24.3)			
Economic classification												
Current payments	53.0	54.7	51.6	77.7	13.6%	30.2%	97.4	97.5	100.4	8.9%	88.9%	
Compensation of employees	35.3	42.5	44.4	52.9	14.5%	22.3%	63.6	61.6	64.8	7.0%	57.9%	
Goods and services	17.7	12.2	7.2	24.8	11.9%	7.9%	33.8	35.9	35.6	12.9%	31.0%	
of which:												
Communication	0.2	0.3	0.5	0.6	38.3%	0.2%	0.5	0.4	0.4	-9.9%	0.5%	
Consultants: Business and advisory services	4.6	3.1	1.3	17.1	55.5%	3.3%	25.0	26.4	26.8	16.1%	22.7%	
Consumables: Stationery, printing and office supplies	0.5	0.5	0.2	0.7	11.0%	0.3%	0.5	0.8	0.8	2.2%	0.7%	
Travel and subsistence	8.9	6.6	3.1	5.0	-17.4%	3.0%	6.2	5.2	5.3	1.5%	5.2%	
Operating payments	1.0	0.1	0.0	0.1	-54.0%	0.2%	0.2	0.7	0.9	110.4%	0.4%	
Venues and facilities	0.8	0.9	1.8	0.4	-22.8%	0.5%	0.4	0.8	0.4	2.0%	0.5%	
Transfers and subsidies	174.0	176.0	183.2	11.2	-59.9%	69.5%	10.2	10.7	11.3	0.4%	10.3%	
Departmental agencies and accounts	166.7	174.3	176.5	8.6	-62.8%	67.1%	8.5	8.9	9.5	3.3%	8.5%	
Public corporations and private enterprises	7.0	1.5	1.5	1.6	-39.2%	1.5%	1.7	1.7	1.8	5.4%	1.6%	
Non-profit institutions	-	-	5.0	1.0	-	0.8%	-	-	-	-100.0%	0.2%	
Households	0.3	0.2	0.2	0.0	-57.9%	0.1%	-	-	-	-100.0%	-	

Table 34.8 Special Economic Zones and Economic Transformation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Payments for capital assets	0.5	0.5	0.3	0.8	18.2%	0.3%	0.7	0.8	0.8	-1.0%	0.7%
Machinery and equipment	0.4	0.5	0.3	0.8	27.6%	0.3%	0.7	0.8	0.8	-1.0%	0.7%
Software and other intangible assets	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Total	227.5	231.2	235.1	89.7	-26.7%	100.0%	108.3	109.0	112.5	7.8%	100.0%
Proportion of total programme expenditure to vote expenditure	3.1%	2.8%	2.7%	0.9%	–	–	1.0%	1.2%	1.3%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	166.7	174.3	176.5	8.6	-62.8%	67.1%	8.5	8.9	9.5	3.3%	8.5%
National Research Foundation: Technology and human resources for industry programme	157.0	160.6	165.6	–	-100.0%	61.7%	–	–	–	–	–
National Productivity Institute	8.2	13.7	9.2	8.1	-0.4%	5.0%	8.5	8.9	9.5	5.4%	8.4%
Independent Regulatory Board for Auditors	1.5	–	1.8	0.5	-30.7%	0.5%	–	–	–	-100.0%	0.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	5.0	–	–	–	-100.0%	0.6%	–	–	–	–	–
Industrial Development Corporation: Technology venture capital	5.0	–	–	–	-100.0%	0.6%	–	–	–	–	–
Non-profit institutions											
Current	–	–	5.0	1.0	–	0.8%	–	–	–	-100.0%	0.2%
Black Business Council	–	–	5.0	1.0	–	0.8%	–	–	–	-100.0%	0.2%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	2.0	1.5	1.5	1.6	-7.7%	0.8%	1.7	1.7	1.8	5.4%	1.6%
Council for Scientific and Industrial Research	2.0	1.5	1.5	1.6	-7.7%	0.8%	1.7	1.7	1.8	5.4%	1.6%

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.

Objectives

- 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
 - promoting a more labour-absorbing industrialisation path, with particular emphasis on tradable labour-absorbing goods and services, and economic linkages that catalyse employment creation
 - promoting a broader based industrialisation path, characterised by the increased participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy
 - contributing to industrial development on the African continent with a strong emphasis on building its productive capacity.

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 34.9 Industrial 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million											
Industrial Competitiveness	476.8	595.7	650.9	687.3	13.0%	35.2%	685.4	798.2	779.3	4.3%	40.5%
Customised Sector Programmes	1 041.3	995.4	1 124.2	1 277.0	7.0%	64.8%	1 050.3	1 015.9	997.2	-7.9%	59.5%
Total	1 518.1	1 591.2	1 775.2	1 964.3	9.0%	100.0%	1 735.7	1 814.1	1 776.4	-3.3%	100.0%
Change to 2015				(9.3)			(309.7)	(329.2)	(22.2)		
Budget estimate											
Economic classification											
Current payments	91.9	99.2	103.9	131.2	12.6%	6.2%	132.3	131.3	138.1	1.7%	7.3%
Compensation of employees	72.3	82.3	88.9	104.6	13.1%	5.1%	112.2	110.2	116.6	3.7%	6.1%
Goods and services	19.6	16.9	15.0	26.5	10.5%	1.1%	20.1	21.1	21.5	-6.7%	1.2%
of which:											
Communication	0.5	0.5	0.5	0.7	12.9%	–	0.7	0.7	0.8	1.5%	–
Consultants: Business and advisory services	5.1	3.8	3.5	9.6	23.0%	0.3%	4.9	4.9	4.4	-23.0%	0.3%
Consumables: Stationery, printing and office supplies	0.5	0.5	0.3	0.9	27.4%	–	0.9	1.0	1.1	4.2%	0.1%
Travel and subsistence	8.8	9.5	7.2	10.1	4.8%	0.5%	9.8	10.4	11.0	2.9%	0.6%
Operating payments	0.9	1.1	1.8	2.5	40.5%	0.1%	2.0	2.0	2.2	-5.2%	0.1%
Venues and facilities	0.8	0.5	0.3	1.1	11.5%	–	0.9	1.0	1.1	0.4%	0.1%
Transfers and subsidies	1 425.5	1 491.5	1 670.6	1 832.2	8.7%	93.7%	1 602.6	1 681.9	1 637.4	-3.7%	92.6%
Departmental agencies and accounts	192.6	282.4	348.0	368.7	24.2%	17.4%	372.8	411.9	403.2	3.0%	21.4%
Higher education institutions	22.6	–	–	0.0	-94.9%	0.3%	0.0	0.0	0.0	–	–
Foreign governments and international organisations	4.8	5.9	5.1	6.2	9.3%	0.3%	6.5	6.8	7.2	4.6%	0.4%
Public corporations and private enterprises	1 125.2	1 108.3	1 188.4	1 311.7	5.2%	69.1%	1 065.2	1 112.1	1 083.4	-6.2%	62.7%
Non-profit institutions	80.2	94.8	129.0	145.6	22.0%	6.6%	158.1	151.2	143.6	-0.5%	8.2%
Households	0.2	0.2	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.6	0.4	0.7	0.9	13.8%	–	0.8	0.8	0.9	0.1%	–
Machinery and equipment	0.6	0.4	0.7	0.9	13.1%	–	0.8	0.8	0.9	0.7%	–
Total	1 518.1	1 591.2	1 775.2	1 964.3	9.0%	100.0%	1 735.7	1 814.1	1 776.4	-3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	20.4%	19.1%	20.5%	20.7%	–	–	16.8%	19.5%	20.6%	–	–

Table 34.9 Industrial 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	192.6	222.4	237.0	214.1	3.6%	12.6%	210.0	265.5	280.2	9.4%	13.3%
South African National Accreditation System	30.7	33.5	35.7	26.0	-5.3%	1.8%	22.2	30.3	31.8	6.9%	1.5%
National Metrology Institute of South Africa: Operations	82.2	85.9	91.6	96.3	5.4%	5.2%	101.4	106.5	112.6	5.4%	5.7%
National Regulator for Compulsory Specifications	79.7	103.0	109.7	91.7	4.8%	5.6%	86.4	128.7	135.7	13.9%	6.1%
Capital	-	60.0	111.0	154.6	-	4.8%	162.8	146.3	123.1	-7.3%	8.0%
National Metrology Institute of South Africa	-	60.0	111.0	154.6	-	4.8%	162.8	146.3	123.1	-7.3%	8.0%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	1 055.8	1 043.4	1 164.2	1 290.2	6.9%	66.5%	1 047.4	1 093.1	1 063.0	-6.3%	61.6%
Council for Scientific and Industrial Research: National Cleaner Production Centre	41.2	-	51.7	55.0	10.1%	2.2%	58.9	65.0	64.0	5.2%	3.3%
South African Bureau of Standards: Research	185.9	205.0	220.1	216.2	5.2%	12.1%	208.9	277.2	272.1	8.0%	13.4%
Council for Scientific and Industrial Research: National Foundry Technology Network	21.0	14.1	14.2	16.4	-7.9%	1.0%	19.7	25.7	27.5	18.8%	1.2%
South African Bureau of Standards: Small business technical consulting: Membership fees	1.2	1.5	-	1.6	11.0%	0.1%	1.7	1.8	1.9	5.0%	0.1%
Industrial Development Corporation of South Africa	806.5	822.8	878.2	1 000.9	7.5%	51.2%	758.3	723.4	697.5	-11.3%	43.6%
Capital	69.4	64.9	24.1	21.5	-32.3%	2.6%	17.8	19.0	20.4	-1.8%	1.1%
Council for Scientific and Industrial Research: Aerospace industry	21.4	21.2	22.5	21.5	0.3%	1.3%	17.8	19.0	20.4	-1.8%	1.1%
South African Bureau of Standards: Upgrading of vehicle testing facility	-	43.7	-	-	-	0.6%	-	-	-	-	-
South African Bureau of Standards	48.0	-	1.6	-	-100.0%	0.7%	-	-	-	-	-
Foreign governments and international organisations											
Current	4.8	5.9	5.1	6.2	9.3%	0.3%	6.5	6.8	7.2	4.6%	0.4%
United Nations Industrial Development Organisation	4.8	5.9	5.1	6.2	9.3%	0.3%	6.5	6.8	7.2	4.6%	0.4%
Non-profit institutions											
Current	80.2	94.8	129.0	145.6	22.0%	6.6%	158.1	151.2	143.6	-0.5%	8.2%
Intsimbi national tooling initiative	49.2	54.4	67.7	70.4	12.7%	3.5%	74.1	77.8	82.3	5.4%	4.2%
Automotive supply chain competitiveness initiative	-	-	-	14.0	-	0.2%	15.0	-	-	-100.0%	0.4%
Trade and Industrial Policy Strategies	-	6.0	14.6	18.5	-	0.6%	18.7	21.4	12.1	-13.3%	1.0%
Centurion Aerospace Village	15.0	15.8	16.7	17.5	5.3%	1.0%	18.4	19.4	15.5	-4.0%	1.0%
Proudly South African campaign	16.0	18.6	30.0	25.2	16.4%	1.3%	31.9	32.6	33.7	10.2%	1.7%
Higher education institutions											
Current	22.6	-	-	0.0	-94.9%	0.3%	0.0	0.0	0.0	-	-
University of the Witwatersrand	12.4	-	-	0.0	-95.7%	0.2%	0.0	0.0	0.0	-	-
North-West University	10.2	-	-	0.0	-95.4%	0.1%	0.0	0.0	0.0	-	-

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 2019.
- Develop efficient regulation in order to reduce the regulatory burden on business, 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 2019.

- 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 2019.
- Provide access to redress for economic citizens in order 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 2019.
- Promote the awareness of rights, duties/responsibilities to increase activism and public participation by conducting capacity building sessions, workshops, and education and awareness campaigns by 31 March 2019.
- 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 2019.

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 Board, 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 34.10 Consumer and Corporate Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average (%)
R million											
Policy and Legislative Development	14.4	19.2	17.6	17.7	7.2%	6.5%	21.4	23.8	26.1	13.7%	6.9%
Enforcement and Compliance	14.5	23.2	31.4	43.3	44.1%	10.6%	46.5	47.4	49.3	4.4%	14.5%
Regulatory Services	194.7	214.3	232.0	235.3	6.5%	82.9%	245.6	255.6	270.4	4.7%	78.5%
Total	223.6	256.7	281.1	296.4	9.9%	100.0%	313.5	326.9	345.7	5.3%	100.0%
Change to 2015 Budget estimate				1.9			6.6	5.0	(5.7)		
Economic classification											
Current payments	43.1	68.7	70.3	77.9	21.8%	24.6%	89.6	91.8	97.0	7.6%	27.8%
Compensation of employees	30.0	48.7	57.2	59.9	25.9%	18.5%	71.1	72.4	76.6	8.5%	21.8%
Goods and services	13.0	20.0	13.1	18.0	11.3%	6.1%	18.4	19.5	20.5	4.4%	6.0%
of which:											
Advertising	0.9	3.3	2.0	1.8	28.9%	0.8%	1.8	1.7	1.7	-1.6%	0.5%
Consultants: Business and advisory services	2.3	2.5	1.8	5.4	32.8%	1.1%	3.1	3.9	5.3	-0.3%	1.4%
Consumables: Stationery, printing and office supplies	0.3	0.4	0.2	0.4	10.3%	0.1%	0.8	0.9	0.9	28.9%	0.2%
Travel and subsistence	4.8	7.5	4.1	6.2	8.6%	2.1%	9.2	9.4	8.6	11.7%	2.6%
Operating payments	0.2	0.7	0.6	1.2	90.0%	0.2%	0.7	0.7	0.8	-13.7%	0.3%
Venues and facilities	2.5	1.1	0.9	0.9	-28.3%	0.5%	1.0	1.0	1.0	4.9%	0.3%
Transfers and subsidies	177.5	186.8	210.5	218.3	7.1%	75.0%	223.9	235.1	248.7	4.4%	72.2%
Departmental agencies and accounts	174.1	182.4	205.5	213.6	7.0%	73.3%	218.9	229.9	243.2	4.4%	70.6%
Foreign governments and international organisations	3.4	4.2	4.4	4.7	11.6%	1.6%	4.9	5.2	5.5	5.4%	1.6%
Households	0.0	0.2	0.7	0.1	39.5%	0.1%	-	-	-	-100.0%	-

Table 34.10 Consumer and Corporate Regulation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Payments for capital assets	1.3	0.6	0.3	0.2	-48.2%	0.2%	0.1	-	-	-100.0%	-
Machinery and equipment	1.3	0.6	0.1	0.2	-48.2%	0.2%	0.1	-	-	-100.0%	-
Software and other intangible assets	-	-	0.2	-	-	-	-	-	-	-	-
Payments for financial assets	1.7	0.6	-	-	-100.0%	0.2%	-	-	-	-	-
Total	223.6	256.7	281.1	296.4	9.9%	100.0%	313.5	326.9	345.7	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	3.0%	3.1%	3.2%	3.1%	-	-	3.0%	3.5%	4.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	174.1	182.4	205.5	213.6	7.0%	73.3%	218.9	229.9	243.2	4.4%	70.6%
National Credit Regulator	57.9	63.7	68.8	66.7	4.8%	24.3%	69.6	73.1	77.3	5.0%	22.4%
National Gambling Board	26.1	27.7	29.8	32.0	7.1%	10.9%	30.1	31.6	33.5	1.5%	9.9%
National Consumer Tribunal	33.2	36.1	40.2	46.0	11.5%	14.7%	46.2	48.5	51.3	3.7%	15.0%
National Consumer Commission	46.8	44.5	53.4	54.6	5.2%	18.8%	58.0	60.9	64.4	5.7%	18.6%
Companies Tribunal	10.1	10.3	13.3	14.2	11.9%	4.5%	15.1	15.8	16.7	5.6%	4.8%
Foreign governments and international organisations											
Current	3.4	4.2	4.4	4.7	11.6%	1.6%	4.9	5.2	5.5	5.4%	1.6%
World Intellectual Property Organisation	3.4	4.2	4.4	4.7	11.6%	1.6%	4.9	5.2	5.5	5.4%	1.6%

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 through the efficient provision of effective and accessible incentive measures that support national priorities, in accordance with government's 2014-2019 medium term strategic framework, over the medium term.
- Design, administer, monitor and evaluate a range of incentive programmes, based on the industrial policies and sector strategies developed by the department, in support of industrial development, on an ongoing basis.
- Administer the manufacturing incentives to encourage companies to innovate and invest in activities that will enhance their productivity and bolster competitiveness, by 2017/18.
- Administer the Special Economic Zones Fund through the provision of incentives for industrial infrastructure development to contribute to the accelerated growth of manufacturing and internationally traded services over the long term by:
 - attracting foreign direct investment
 - developing growth orientated 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 such schemes.

Expenditure trends and estimates

Table 34.11 Incentive Development and Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Broadening Participation Incentives	85.3	129.3	2.4	61.6	-10.3%	1.4%	65.0	68.3	72.3	5.5%	1.1%
Manufacturing Incentives	2 954.8	3 338.6	3 612.3	3 925.5	9.9%	67.5%	4 490.9	4 051.6	2 693.3	-11.8%	64.2%
Services Investment Incentives	427.0	564.4	728.1	838.7	25.2%	12.5%	615.3	646.6	684.1	-6.6%	11.8%
Infrastructure Investment Support	893.6	1 038.6	801.4	966.3	2.6%	18.1%	1 711.6	965.0	1 601.7	18.3%	22.2%
Product and Systems Development	12.7	13.0	15.0	15.9	7.9%	0.3%	18.2	19.4	20.5	8.8%	0.3%
Strategic Partnership and Customer Care	13.8	17.9	17.5	19.5	12.2%	0.3%	21.4	22.1	23.3	6.1%	0.4%
Total	4 387.3	5 101.9	5 176.7	5 827.6	9.9%	100.0%	6 922.4	5 773.0	5 095.2	-4.4%	100.0%
Change to 2015 Budget estimate				32.0			368.2	403.7	1 367.6		
Economic classification											
Current payments	114.9	150.8	206.9	177.4	15.6%	3.2%	182.0	186.8	195.6	3.3%	3.1%
Compensation of employees	86.5	112.5	125.8	133.7	15.6%	2.2%	147.8	150.4	158.0	5.7%	2.5%
Goods and services	28.4	38.4	81.1	43.7	15.5%	0.9%	34.2	36.5	37.5	-5.0%	0.6%
of which:											
Consultants: Business and advisory services	8.2	15.0	62.2	17.0	27.4%	0.5%	11.1	12.2	12.5	-9.8%	0.2%
Legal services	1.4	2.7	4.1	2.8	26.8%	0.1%	3.4	3.6	3.8	9.9%	0.1%
Consumables: Stationery, printing and office supplies	1.2	1.3	1.1	1.7	12.6%	-	2.1	2.0	2.1	6.9%	-
Operating leases	0.8	0.8	0.8	0.8	1.8%	-	0.8	0.9	0.9	4.0%	-
Travel and subsistence	14.2	14.8	11.3	14.0	-0.5%	0.3%	14.3	14.9	15.1	2.7%	0.2%
Venues and facilities	1.1	1.7	0.1	0.4	-31.5%	-	0.6	0.8	0.9	36.3%	-
Transfers and subsidies	4 270.0	4 943.5	4 969.1	5 645.9	9.8%	96.8%	6 728.4	5 573.5	4 886.4	-4.7%	96.7%
Foreign governments and international organisations	3.7	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises	4 266.1	4 943.2	4 968.5	5 645.1	9.8%	96.7%	6 727.6	5 572.7	4 885.5	-4.7%	96.7%
Households	0.2	0.3	0.6	0.8	49.4%	-	0.8	0.8	0.8	1.9%	-
Payments for capital assets	2.4	7.5	0.8	4.3	21.0%	0.1%	12.0	12.6	13.3	46.4%	0.2%
Machinery and equipment	1.2	1.8	0.8	2.0	17.0%	-	2.0	2.1	2.2	3.6%	-
Software and other intangible assets	1.2	5.7	-	2.3	25.1%	-	10.0	10.5	11.1	70.3%	0.1%
Total	4 387.3	5 101.9	5 176.7	5 827.6	9.9%	100.0%	6 922.4	5 773.0	5 095.2	-4.4%	100.0%
Proportion of total programme expenditure to vote expenditure	59.0%	61.3%	59.8%	61.4%	-	-	67.0%	62.1%	59.0%	-	-

Table 34.11 Incentive Development and Administration expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	749.9	438.2	-	-	-100.0%	5.8%	-	-	-	-	-
Coega Development Corporation	417.9	308.2	-	-	-100.0%	3.5%	-	-	-	-	-
East London Industrial Development Zone	150.0	100.0	-	-	-100.0%	1.2%	-	-	-	-	-
Richards Bay Industrial Development Zone	182.0	30.0	-	-	-100.0%	1.0%	-	-	-	-	-
Foreign governments and international organisations											
Current	3.7	-	-	-	-100.0%	-	-	-	-	-	-
United Nations Industrial Development Organisation incentive motivation	3.7	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	214.4	346.7	329.5	300.0	11.9%	5.8%	200.0	212.5	227.7	-8.8%	4.0%
Various institutions: Export market and investment assistance	182.0	273.8	329.5	300.0	18.1%	5.3%	200.0	212.5	227.7	-8.8%	4.0%
Broadening participation development incentives	32.4	72.9	-	-	-100.0%	0.5%	-	-	-	-	-
Capital	184.3	193.8	81.3	157.8	-5.0%	3.0%	350.9	263.4	278.7	20.9%	4.4%
Various institutions: Critical infrastructure programme	131.6	140.0	81.3	100.0	-8.7%	2.2%	290.0	199.5	211.1	28.3%	3.4%
Various Institutions: Support programme for industrial innovation	52.7	53.9	-	57.8	3.1%	0.8%	60.9	63.9	67.6	5.4%	1.1%
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	3 112.5	3 515.3	3 949.4	4 451.7	12.7%	73.3%	4 866.7	4 391.4	2 999.1	-12.3%	70.7%
Various institutions: Manufacturing development incentives	2 693.9	2 960.3	3 134.8	3 507.0	9.2%	60.0%	4 166.7	3 710.9	2 332.0	-12.7%	58.1%
Various institutions: Services sector development incentives	418.6	555.0	715.0	824.7	25.4%	12.3%	600.0	630.5	667.1	-6.8%	11.5%
Various institutions: Industrial development zones: Other	-	-	99.6	120.0	-	1.1%	100.0	50.0	-	-100.0%	1.1%
Capital	5.0	449.2	608.2	735.6	427.9%	8.8%	1 310.0	705.4	1 380.0	23.3%	17.5%
Various institutions: Special economic zones	5.0	449.2	608.2	735.6	427.9%	8.8%	1 310.0	705.4	1 380.0	23.3%	17.5%

Programme 7: Trade Export South Africa

Programme purpose

Increase export capacity through an effectively managed network of foreign trade offices and strategies for targeted markets.

Objectives

- Promote South African value added goods and services abroad on an ongoing basis by:
 - broadening the export base
 - increasing market share in targeted high growth markets, especially in the BRICS group of countries, African countries, and other developing countries sustaining market share in traditional markets, on an ongoing basis.
- Launch the export strategy over the medium term in order to enhance South African export capabilities to address the burgeoning trade deficit by diversifying markets, sectors, and products.
- Manage a network of foreign offices that are responsible for promoting foreign direct investment and the export of South African goods, on an ongoing basis.

Subprogrammes

- *African Bilateral Economic Development* facilitates bilateral African trade relations aimed at deepening regional integration.
- *Export Promotion and Marketing* promotes exports of South African value added goods and services to increase market share in targeted high growth markets and to sustain market share in traditional markets.
- *Trade Export South Africa Executive Management Unit* promotes trade, and administers and provides corporate support services to the department's foreign office network of 27 foreign economic representatives in 43 countries to enable South African businesses to access 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 34.12 Trade Export South Africa expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate		
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average (%)
R million												
African Bilateral Economic Development	17.8	18.5	18.7	–	-100.0%	4.4%	21.2	22.5	23.1	–	4.8%	
Export Promotion and Marketing	31.9	18.7	39.1	37.0	5.0%	10.1%	40.3	41.8	42.9	5.1%	11.6%	
Trade Export South Africa Executive Management Unit	180.4	243.4	264.1	338.7	23.4%	81.4%	257.4	257.3	247.4	-9.9%	78.8%	
Export Development and Support	7.8	26.0	7.7	11.1	12.5%	4.2%	17.7	17.8	20.1	21.8%	4.8%	
Total	237.9	306.6	329.6	386.8	17.6%	100.0%	336.5	339.4	333.6	-4.8%	100.0%	
Change to 2015 Budget estimate				22.7			(40.4)	(52.8)	(56.2)			
Economic classification												
Current payments	197.2	221.9	216.0	214.7	2.9%	67.4%	160.1	156.7	140.4	-13.2%	48.1%	
Compensation of employees	128.2	135.1	147.7	168.3	9.5%	45.9%	112.1	107.9	91.1	-18.5%	34.3%	
Goods and services	69.0	86.9	68.3	46.4	-12.4%	21.5%	48.0	48.8	49.3	2.0%	13.8%	
<i>of which:</i>												
<i>Consultants: Business and advisory services</i>	3.3	1.5	1.2	0.9	-35.3%	0.6%	2.2	2.2	2.3	37.4%	0.5%	
<i>Consumables: Stationery, printing and office supplies</i>	1.6	1.2	0.9	1.5	-2.0%	0.4%	1.6	1.7	1.8	5.5%	0.5%	
<i>Operating leases</i>	18.0	23.0	19.5	5.7	-31.8%	5.3%	6.8	7.2	6.5	4.3%	1.9%	
<i>Travel and subsistence</i>	18.3	26.9	23.8	15.7	-5.1%	6.7%	14.4	13.9	14.0	-3.8%	4.1%	
<i>Operating payments</i>	9.4	18.1	7.7	10.5	3.8%	3.6%	9.7	11.7	12.4	5.6%	3.2%	
<i>Venues and facilities</i>	9.5	5.4	4.3	6.3	-13.0%	2.0%	7.9	6.7	6.6	1.9%	2.0%	
Transfers and subsidies	37.3	83.2	110.5	168.1	65.2%	31.7%	174.3	180.6	191.0	4.3%	51.1%	
Foreign governments and international organisations	12.3	9.8	–	2.6	-40.2%	2.0%	2.8	2.9	3.1	5.4%	0.8%	
Public corporations and private enterprises	24.3	73.3	110.4	165.4	89.5%	29.6%	171.6	177.6	187.9	4.3%	50.3%	
Households	0.6	0.1	0.1	0.0	-59.7%	0.1%	–	–	–	-100.0%	–	
Payments for capital assets	3.5	1.5	2.0	3.9	4.2%	0.9%	2.1	2.1	2.2	-17.3%	0.7%	
Machinery and equipment	3.5	1.5	2.0	3.9	4.2%	0.9%	2.1	2.1	2.2	-17.3%	0.7%	
Payments for financial assets	0.0	0.0	1.1	–	-100.0%	0.1%	–	–	–	–	–	
Total	237.9	306.6	329.6	386.8	17.6%	100.0%	336.5	339.4	333.6	-4.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	3.2%	3.7%	3.8%	4.1%	–	–	3.3%	3.7%	3.9%	–	–	

Table 34.12 Trade Export South Africa expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	24.3	73.3	110.4	165.4	89.5%	29.6%	171.6	177.6	187.9	4.3%	50.3%
Export Credit Insurance Corporation	24.3	73.3	110.4	165.4	89.5%	29.6%	171.6	177.6	187.9	4.3%	50.3%
Foreign governments and international organisations											
Current	12.3	9.8	–	2.6	-40.2%	2.0%	2.8	2.9	3.1	5.4%	0.8%
Export consultancy trust funds: International Bank for Reconstruction and Development (World Bank)	6.2	4.9	–	1.3	-40.2%	1.0%	1.4	1.5	1.5	5.4%	0.4%
Export consultancy trust funds: International Finance Corporation	6.2	4.9	–	1.3	-40.2%	1.0%	1.4	1.5	1.5	5.4%	0.4%

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 over the medium term by undertaking various initiatives.
- 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 creating leads, marketing, project development, facilitation and aftercare.
- Provide specialist advisory services and policy advocacy to improve the investment climate by fast-tracking, unblocking and reducing red tape in government over the medium term.

Subprogrammes

- *Investment Promotion* facilitates the 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 Inter-Departmental Clearing House* promotes and facilitates investment and provides support services to the investment and inter-departmental clearing house South Africa. This subprogramme also provides a specialist advisory service and fast tracks, unblocks and reduces red tape for investors.
- *Investment Support and After Care* provides specialist advisory services through research, information marketing, after care and policy advocacy to facilitate investment, retain and expand existing investment.

Expenditure trends and estimates

Table 34.13 Investment South Africa expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 -	2015/16				2015/16 -	2018/19
Investment Promotion	10.6	25.5	30.7	38.2	53.1%	70.8%	40.1	40.1	42.3	3.5%	82.0%
Investment and Inter-Departmental Clearing House	18.4	6.5	7.1	9.9	-18.8%	28.2%	4.0	4.2	4.5	-23.2%	11.5%
Investment Support and After Care	0.7	0.4	0.1	0.2	-30.3%	1.0%	4.0	4.2	4.5	166.6%	6.6%
Total	29.7	32.4	38.0	48.3	17.5%	100.0%	48.1	48.4	51.2	2.0%	100.0%
Change to 2015				-			(2.1)	(4.2)	(4.1)		
Budget estimate											
Economic classification											
Current payments	29.4	32.1	37.7	48.0	17.7%	99.2%	47.7	48.1	50.8	1.9%	99.2%
Compensation of employees	12.9	22.4	26.6	32.7	36.5%	63.7%	31.0	30.3	32.0	-0.7%	64.3%
Goods and services	16.6	9.6	11.1	15.3	-2.7%	35.4%	16.7	17.8	18.7	7.1%	34.9%
of which:											
Consultants: Business and advisory services	0.2	0.3	0.6	0.3	9.2%	1.0%	0.4	0.4	0.4	7.7%	0.7%
Contractors	6.5	-	0.0	4.7	-10.4%	7.6%	6.3	6.4	6.7	12.7%	12.3%
Consumables: Stationery, printing and office supplies	0.2	0.1	0.1	0.2	2.4%	0.5%	0.3	0.3	0.3	9.5%	0.6%
Travel and subsistence	4.8	6.0	5.8	6.2	9.0%	15.3%	6.6	7.3	7.7	7.7%	14.2%
Operating payments	0.5	0.7	0.9	0.6	5.7%	1.8%	0.7	0.7	0.7	6.6%	1.4%
Venues and facilities	4.0	1.8	2.9	1.7	-25.6%	7.0%	2.0	2.2	2.3	11.5%	4.1%
Payments for capital assets	0.3	0.3	0.3	0.3	-1.4%	0.8%	0.4	0.4	0.4	13.4%	0.8%
Machinery and equipment	0.3	0.3	0.3	0.3	-1.4%	0.8%	0.4	0.4	0.4	13.4%	0.8%
Total	29.7	32.4	38.0	48.3	17.5%	100.0%	48.1	48.4	51.2	2.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.4%	0.5%	-	-	0.5%	0.5%	0.6%	-	-

Entities

National Lotteries Commission

Mandate

The National Lotteries Commission was established in terms of the Lotteries Act (1997) and is mandated to regulate the National Lottery as well as 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 Lottery Distribution Trust Fund, and distributes funds for good causes to the distributing agencies in an equitable and expeditious manner.

Selected performance indicators

Table 34.14 National Lotteries Commission performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Value of operator ticket sales per year	Grant funding	Outcome 11: Create a better South Africa, a better Africa and a better World	R4.62bn	R4.9bn	R4.6bn	R4.4bn	R4.8bn	R5.6bn	R6.2bn
Value of National Lottery Distribution Trust Fund grant commitments per year	Grant funding		R1.65bn	R1.94bn	R1.1bn	R1.6bn	R1.5bn	R1.7bn	R1.9bn
Actual cash disbursed per year	Grant funding		R2.08bn	R1.86bn	R1.7bn	R1.8bn	R1.9bn	R2.2bn	R2.4bn
Value of contribution to the National Lottery Distribution Trust Fund per year	Grant funding		R1.6bn	R1.75bn	R1.54bn	R1.51bn	R1.66bn	R1.9bn	R2.11bn

Expenditure analysis

The National Lotteries Commission aims to ensure that funds raised through the national lottery are distributed equitably and expeditiously across South Africa to advance the social upliftment of communities in need. This is in line with the vision of the national development plan and outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium term strategic framework.

Disbursing funds to good causes forms the core of the commission's work. These funds are distributed according to approved lottery regulations, with charities receiving 47 per cent, sports and recreation activities 28 per cent, arts, culture and national heritage institutions 23 per cent, and 2 per cent going to miscellaneous activities. The commission receives almost all its revenue from a grant provided by the National Lottery Distribution Trust Fund, as approved by the Minister of Trade and Industry. It also receives fees for regulating other South African lotteries, and marginal amounts interest from banking institutions. Over the medium term, the commission intends to increase cash disbursements from the National Lottery Distribution Trust Fund from R1.9 billion in 2016/17 to R2.4 billion in 2018/19, some of which will be directed towards infrastructure development.

The commission's focus over the medium term will be on increasing its provincial presence. The commission will continue establishing provincial offices in Free State, North West, Mpumalanga, Northern Cape, Western Cape and KwaZulu-Natal. Expenditure for this is in the administration programme, where spending is set to increase to R868.2 million or 60.7 per cent of the commission's total expenditure over the period, including for investigations in the provinces where offices are to be established, and capacity building initiatives to ensure compliance with the Lotteries Act (1997).

The number of personnel in the commission is expected to grow from 318 to 365 over the medium term. This additional capacity will also be used to assist in monitoring funds disbursed in the provincial networks. Expenditure on compensation of employees is thus expected to increase from R166 million in 2015/16 to R221.6 million in 2018/19, at an average annual rate of 10.1 per cent. The commission's increasing provincial presence also requires higher expenditure on goods and services, which is set to grow at an average annual rate of 12.9 per cent over the medium term, from R209.7 million in 2015/16 to R301.6 million in 2018/19, and is the key cost driver in administration over the period.

Programmes/objectives/activities

Table 34.15 National Lotteries Commission expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Administration	51.8	126.3	213.2	269.7	73.3%	61.6%	274.6	289.6	304.1	4.1%	60.7%
Grant funding	63.3	58.5	66.1	85.5	10.6%	31.0%	167.9	177.1	186.0	29.5%	31.9%
Compliance and regulation	10.7	16.5	17.7	26.5	35.2%	7.4%	36.5	38.6	40.5	15.2%	7.5%
Total	125.9	201.3	296.9	381.7	44.7%	100.0%	479.0	505.3	530.5	11.6%	100.0%

Statements of historical financial performance and position

Table 34.16 National Lotteries Commission statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R million	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	1.7	1.6	1.7	12.7	3.2	2.3	3.5	1.8	183.0%
Sale of goods and services other than capital assets	-	1.3	1.3	1.3	2.8	1.3	3.1	1.4	74.6%
<i>of which:</i>									
<i>Administrative fees</i>	-	1.3	1.3	1.3	2.8	1.3	3.1	1.4	74.6%
Other non-tax revenue	1.7	0.3	0.4	11.4	0.4	1.0	0.4	0.4	455.6%
Transfers received	160.7	124.3	174.5	188.6	358.1	294.6	371.0	379.8	92.8%
Total revenue	162.4	125.9	176.2	201.3	361.3	296.9	374.5	381.7	93.6%
Expenses									
Current expenses	162.4	125.9	176.2	201.3	295.0	296.9	381.6	381.7	99.1%
Compensation of employees	88.3	58.7	97.1	104.5	165.4	136.9	167.4	166.0	89.9%
Goods and services	71.8	64.9	76.7	94.0	125.4	154.1	208.2	209.7	108.4%
Depreciation	2.3	2.3	2.3	2.8	4.2	5.9	6.0	6.0	115.2%
Total expenses	162.4	125.9	176.2	201.3	295.0	296.9	381.6	381.7	99.1%
Surplus/(Deficit)	-	-	-	-	66.0	-	(7.0)	-	-
Statement of financial position									
Carrying value of assets	13.1	11.7	12.0	14.2	12.5	64.9	86.0	172.0	212.8%
<i>Acquisition of assets</i>	(810.6)	(6.1)	(1 626.6)	(8.6)	(1 327.8)	(51.1)	(88.3)	(112.8)	4.6%
Receivables and prepayments	3.2	6.5	3.2	9.1	3.2	3.7	2.4	2.2	178.7%
Cash and cash equivalents	6.8	12.7	4.8	26.0	3.0	12.5	47.2	10.0	98.8%
Total assets	23.1	30.9	20.0	49.3	18.7	81.0	135.6	184.2	175.0%
Deferred income	5.3	2.8	1.5	1.5	0.2	20.2	7.8	20.0	300.7%
Trade and other payables	15.0	16.0	18.5	23.8	18.5	50.3	125.4	152.0	136.5%
Provisions	-	3.7	-	23.7	-	10.5	-	12.1	-
Derivatives financial instruments	2.8	8.4	-	0.3	-	-	2.4	-	166.5%
Total equity and liabilities	23.1	30.9	20.0	49.3	18.7	81.0	135.6	184.2	175.0%

Statements of estimates of financial performance and position

Table 34.17 National Lotteries Commission statements of estimates of financial performance and position

Statement of financial performance									
	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	1.8	4.8%	2.2%	2.9	2.9	2.9	16.9%	0.5%	
Sale of goods and services other than capital assets	1.4	3.3%	0.6%	2.5	2.5	2.5	20.2%	0.5%	
<i>of which:</i>									
<i>Administrative fees</i>	1.4	3.3%	0.6%	2.5	2.5	2.5	20.2%	0.5%	
Other non-tax revenue	0.4	11.5%	1.6%	0.4	0.4	0.4	3.2%	0.1%	
Transfers received	379.8	45.1%	97.8%	481.8	508.4	533.9	12.0%	99.5%	
Total revenue	381.7	44.7%	100.0%	484.7	511.3	536.9	12.0%	100.0%	
Expenses									
Current expenses	381.7	44.7%	100.0%	479.0	505.3	530.5	11.6%	205.8%	
Compensation of employees	166.0	41.4%	47.0%	200.0	211.0	221.6	10.1%	42.2%	
Goods and services	209.7	47.8%	51.3%	272.4	287.3	301.6	12.9%	56.4%	
Depreciation	6.0	36.8%	1.7%	6.6	6.9	7.3	6.8%	1.4%	
Total expenses	381.7	44.7%	100.0%	479.0	505.3	530.5	11.6%	100.0%	
Surplus/(Deficit)	-	-	-	6.0	6.0	6.0	-	-	

Table 34.17 National Lotteries Commission statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Carrying value of assets	172.0	145.2%	60.0%	239.2	287.7	296.3	19.9%	95.0%
of which:								
Acquisition of assets	(112.8)	164.1%	-40.4%	(116.7)	(67.4)	(28.5)	-36.8%	-34.8%
Receivables and prepayments	2.2	-30.7%	11.3%	1.7	1.2	0.9	-25.3%	0.6%
Cash and cash equivalents	10.0	-7.7%	28.7%	11.5	10.3	11.9	6.0%	4.3%
Total assets	184.2	81.3%	100.0%	252.4	299.3	309.1	18.8%	100.0%
Deferred income	20.0	92.4%	12.0%	17.5	15.0	12.5	-14.5%	6.7%
Trade and other payables	152.0	112.0%	61.1%	221.0	268.2	278.2	22.3%	87.4%
Provisions	12.1	48.2%	19.9%	13.9	16.0	18.4	15.0%	5.9%
Total equity and liabilities	184.2	81.3%	100.0%	252.4	299.3	309.1	22.8%	100.0%

Personnel information

Table 34.18 National Lotteries Commission personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		Unit	2015/16		Unit	2016/17		Unit	2017/18		Unit			2018/19		Unit	
National Lotteries Commission		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
Salary level	318	318	246	136.9	0.6	318	166.0	0.5	365	200.0	0.5	365	211.0	0.6	365	221.6	0.6	10.1%	100.0%
1 – 6	56	56	33	3.3	0.1	56	6.5	0.1	56	7.0	0.1	56	7.6	0.1	56	8.2	0.1	8.3%	15.9%
7 – 10	174	174	142	67.6	0.5	174	72.0	0.4	246	120.6	0.5	246	126.2	0.5	246	130.0	0.5	21.8%	64.2%
11 – 12	24	24	21	16.7	0.8	24	19.0	0.8	24	22.3	0.9	24	24.3	1.0	24	26.3	1.1	11.5%	6.8%
13 – 16	60	60	46	41.7	0.9	60	59.1	1.0	35	39.8	1.1	35	41.9	1.2	35	45.1	1.3	-8.6%	11.9%
17 – 22	4	4	4	7.7	1.9	4	9.4	2.4	4	10.2	2.6	4	11.1	2.8	4	12.0	3.0	8.3%	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 **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 2016/17 is R437.9 million.
- The **Companies Tribunal** was established in 2011 as a juristic person 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 2016/17 is R22.7 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 subsidised interest rate arrangement 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 2016/17 is R626.9 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 2016/17 is R59.6 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 2016/17 is R51.2 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 is tasked with carrying out education, research, policy development, the registration of industry participants, the investigation of complaints, and ensuring the enforcement of the act. The regulator is mandated to promote the development of an accessible credit market, particularly to address the needs of historically disadvantaged persons, low income individuals, as well as remote, isolated or low density communities. The regulator's total budget for 2016/17 is R127.2 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: small and medium enterprises, rural development, venture capital, corporate finance, and women empowerment funds. The fund's total budget for 2016/17 is R461.7 million.
- 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-financing of terrorism legislation, the Broad Based Black Economic Empowerment Act (2003), the codes of good practice for BEE, and the Employment Equity Act (1998). The board's total budget for 2016/17 is R42.5 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, all 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 disseminates the national capability through calibration and certified reference materials to calibration and testing laboratories in Southern Africa. The institute's total budget for 2016/17 is R137.8 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 2016/17 is R374.4 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 2016/17 is R950.4 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 good laboratory practice compliance, 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 2016/17 is R90.9 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
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	Infrastructure developments to enable investment in the zone	Various	5 689.0	417.9	308.2	-	-	-	-	-
East London Industrial Development Zone	Infrastructure developments to enable investment in the zone	Various	1 817.5	150.0	100.0	-	-	-	-	-
Critical infrastructure programme	Infrastructure projects supporting investment in mining, tourism, manufacturing and services	Various	1 473.2	131.6	140.0	81.3	100.0	290.0	199.5	211.1
Special economic zones: Investment incentives	Infrastructure development zone	Feasibility	3 719.5	5.0	449.2	608.2	735.6	1 310.0	705.4	1 380.0
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	Infrastructure developments to enable investment in the zone	Various	672.0	182.0	30.0	-	-	-	-	-
Centurion Aerospace Village	Aerospace industry infrastructure	Construction	407.3	15.0	15.8	16.7	17.5	18.4	19.4	15.5
South African Bureau of Standards	Technical industrial infrastructure in the form of testing facilities	Construction	315.4	48.0	-	-	-	-	-	-
Industrial Development Zone: Other	Infrastructure development zone	Feasibility	-	-	-	99.6	120.0	50.0	50.0	-
Total			14 083.9	949.5	1 043.2	805.9	973.1	1 668.4	974.3	1 606.6

Vote 35

Transport

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	394.8	381.1	11.2	2.5	401.9	421.1
Integrated Transport Planning	79.0	78.8	–	0.2	81.5	85.8
Rail Transport	18 985.5	39.2	18 946.3	0.1	20 133.8	21 290.4
Road Transport	24 525.6	101.4	24 423.6	0.7	27 405.7	29 827.7
Civil Aviation	253.2	212.1	40.7	0.4	159.4	167.8
Maritime Transport	121.7	91.1	30.3	0.3	117.5	120.4
Public Transport	11 655.4	288.5	11 366.7	0.2	12 801.0	13 540.0
Total expenditure estimates	56 015.2	1 192.1	54 818.8	4.3	61 100.7	65 453.3
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 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 regard to airports, roads, traffic management and public transport. Transport is a function that is legislated and executed at the national, provincial and local spheres of government. The implementation of transport functions at the national sphere takes place through public entities that are overseen by the department, which are discussed at the end of the chapter.

The 1996 White Paper on Transport defines the different sub-sectors in the transport sector. Broadly, these are 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.

For the intermodal functions of public transport and freight, the guiding documents are the National Land Transport Act (2009), the public transport strategy and the national freight logistics strategy.

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 the sector through setting norms and standards, and monitoring implementation.

Selected performance indicators

Table 35.1 Performance indication by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Lane kilometres of surfaced roads rehabilitated per year	Road Transport	Outcome 6: An efficient, competitive and responsive economic infrastructure network	365 km	392 km	1 650 km	2 248 km	2 360 km	1 478 km	1 552 km
Lane kilometres of roads resealed per year	Road Transport		– ¹	– ¹	3 000 km	3 618 km	3 799 km	3 989 km	4 188 km
Kilometres of roads re-gravelled per year	Road Transport		2 823 km	3 692 km	3 000 km	4 318 km	4 534 km	4 761 km	4 999 km
Square kilometres of blacktop patching on roads (including pothole repairs) per year	Road Transport		1 367 293 km ²	1 050 988 km ²	810 000 km ²	1 163 779 km ²	1 221 968 km ²	1 283 066 km ²	1 347 219 km ²
Kilometres of gravel roads bladed per year	Road Transport		434 955 km	512 040 km	350 000 km	507 669 km	533 052 km	559 705 km	587 690 km
Number of average weekday bus rapid transit passengers trips per year: Rea Vaya (Johannesburg)	Public Transport		35 453	32 845	36 649	50 000	60 000	140 000	180 000
Total number of integrated public transport networks facilitated at the construction phase	Public Transport		1	3	4	11	12	13	13
Number of average weekday bus rapid transit passenger trips per year: My Citi (Cape Town)	Public Transport		13 755	37 000	68 310	84 686	86 380	88 107	89 869

1. No historical data is available as this indicator was introduced in 2014/15.

Expenditure analysis

Transport infrastructure and services support economic growth and development by connecting people and goods to markets. The development and maintenance of an efficient and competitive transport system is a key objective of the national development plan and of outcome 6 (an efficient, competitive and responsive economic infrastructure network) of the 2014-2019 medium term strategic framework. To support this objective over the medium term, the Department of Transport will focus on maintaining the national and provincial road networks, upgrading rail infrastructure and services, and expanding road based public transport.

Transfers and subsidies to public entities, provinces and municipalities constitute the largest component of the department's expenditure over the medium term. Average annual growth of 6.9 per cent in total departmental expenditure over the MTEF period is driven by transfers and subsidies.

Over-expenditure in the department of R635.1 million in 2013/14 and R376.4 million in 2014/15 arose because the Road Traffic Management Corporation stopped paying transaction fees for the maintenance of the electronic national traffic information system into the National Revenue Fund for appropriation to the department.

The Cabinet approved reductions of R170.4 million over the medium term on various goods and services items are part of Cabinet's decision to lower the national aggregate expenditure ceiling.

Maintaining the national and provincial road networks

Poor road conditions are a significant contributor to the costs of moving people and goods within South Africa and across the Southern African region, increasing travel time and vehicle operating costs. To improve the national non-toll road network, which makes up 85 per cent of the national network, the South African National Roads Agency receives an additional R1.7 billion over the medium term. The agency also receives R3.7 billion for upgrading the R573 Moloto Road. Due to the revised tariff structure for the Gauteng freeway improvement project, the agency receives an additional R1.4 billion over the medium term for phase 1 of the project. As a result of this additional funding, spending in the *Road Transport* programme is expected to grow at an average annual rate of 9 per cent over the medium term, from R23 billion in 2015/16 to R29.8 billion in 2018/19.

To improve the efficiency of spending on road maintenance in provinces, the allocations in the provincial roads maintenance grant for the coal haulage network will be reprioritised in 2017/18 to create a new performance component in the grant. This component is expected to be R1.9 billion over the MTEF period, and will include a new performance measure to ensure that investments are made in a manner that reduces the costs of transport in the economy. The rehabilitation of 5 390 lane kilometres of provincially managed roads and the resealing of 11 976 lane kilometres are projected to cost R32.5 billion via the provincial roads maintenance grant.

Upgrading passenger rail infrastructure and services

The procurement of the Metrorail commuter rail service fleet by the Passenger Rail Agency of South Africa started in 2012/13, and the delivery of the first 44 train sets is expected over the medium term. The *Rail Transport* programme, which makes capital transfers to the agency, is the fastest growing programme between 2012/13 and 2018/19, largely due to an increase in the allocation for the fleet renewal programme in 2014/15. Capital transfers are for new train sets for Metrorail, and also for upgrading and refurbishing infrastructure for both Metrorail and Shosholoz Meyl, the long distance passenger rail service.

Over the medium term, operational subsidies of R13.5 billion for Metrorail and Shosholoz Meyl, transferred to the Passenger Rail Agency of South Africa, subsidise over 500 million passenger trips per year in 6 metropolitan cities, and 700 000 long distance passengers.

Cabinet approved reductions of R710 million over the medium term have been made on transfers to the Passenger Rail Agency of South African as part of Cabinet's decision to lower the national aggregate expenditure ceiling.

Expanding road based public transport

The public transport network grant is transferred to 13 cities for constructing and operating their integrated public transport networks. Currently, 4 of the 13 cities operate services, and a significant component of the grant will be spent on building infrastructure on these 13 networks. The grant is expected to increase to R6.8 billion in 2018/19, growing at an average annual rate of 4.5 per cent over the MTEF period. The number of passenger trips in Cape Town is expected to increase to 90 000 a day by 2018/19 and in Johannesburg to 180 000 a day. A new allocation formula for the public transport network grant from 2016/17 will ensure greater equity and efficiency in the allocation of these public transport resources.

Cabinet approved reductions of R1 billion over the medium term have been made on the public transport network grant as part of Cabinet's decision to lower the national aggregate expenditure ceiling. The impact is likely to be that capital programmes take 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	Annual budget			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)									
	2012/13	Adjusted appropriation	Audited outcome	2013/14	Adjusted appropriation	Audited outcome	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Revised estimate	2012/13 - 2015/16	
R million														
Programme 1	317.5	333.8	359.6	353.1	362.4	315.6	382.9	424.9	377.5	383.5	383.5	383.5	99.9%	95.4%
Programme 2	88.5	118.5	103.5	80.6	79.1	66.4	81.2	81.2	75.0	80.6	88.1	88.1	100.6%	90.8%
Programme 3	10 298.9	10 301.4	10 286.6	11 240.8	11 239.8	11 232.8	15 034.6	15 034.6	15 035.5	18 311.4	18 311.4	18 311.4	100.0%	100.0%
Programme 4	17 928.8	18 230.7	18 229.4	19 541.5	19 580.5	20 665.6	21 645.3	21 645.3	22 202.9	22 784.9	23 042.7	23 042.7	102.7%	102.0%
Programme 5	70.0	520.3	411.8	140.0	243.3	148.6	148.3	150.4	161.0	149.5	149.5	149.5	171.5%	81.9%
Programme 6	138.5	149.0	124.7	105.3	104.4	102.3	110.6	110.6	99.6	110.0	121.1	121.1	96.4%	92.3%
Programme 7	9 986.7	9 993.5	9 812.8	10 814.1	10 792.3	10 505.6	11 323.8	11 323.8	11 195.7	11 537.4	11 518.9	11 518.9	98.6%	98.6%
Total	38 829.0	39 647.2	39 328.2	42 275.3	42 401.7	43 036.8	48 726.5	48 770.7	49 147.1	53 357.3	53 615.1	53 615.1	101.1%	100.4%
Change to 2015 Budget estimate											257.8			

Table 35.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Current payments	848.1	1 242.5	1 512.8	917.0	1 047.6	1 996.5	968.1	1 006.5	1 430.0	1 061.4	1 069.1	1 069.1	158.3%	137.6%
Compensation of employees	316.1	319.3	287.8	360.1	344.2	304.4	383.4	382.9	345.9	378.6	389.8	389.8	92.3%	92.5%
Goods and services	532.0	923.2	1 225.0	556.8	703.4	1 692.2	584.7	623.6	1 084.1	682.8	679.3	679.3	198.6%	159.8%
of which:														
Advertising	6.7	8.8	32.5	10.4	14.5	26.1	22.3	24.1	34.4	23.4	24.0	24.0	186.3%	164.1%
Communication	41.8	55.9	39.8	6.6	9.3	60.7	60.4	60.0	60.5	60.3	64.5	64.5	133.3%	118.8%
Consultants: Business and advisory services	326.6	709.8	988.3	326.0	451.6	1 385.5	312.9	307.7	692.1	364.9	344.0	344.0	256.3%	188.1%
Infrastructure and planning services	9.0	5.3	-	44.2	50.9	46.1	6.8	3.8	51.4	51.4	50.9	50.9	133.2%	133.8%
Operating leases	63.6	49.7	34.2	48.6	46.3	38.6	51.0	52.1	55.1	53.0	52.8	52.8	83.6%	90.0%
Travel and subsistence	37.5	41.8	52.9	40.3	45.5	57.6	57.3	100.0	111.8	58.4	57.4	57.4	144.6%	114.3%
Transfers and subsidies	37 976.5	38 398.4	37 802.9	41 353.8	41 347.0	41 020.4	47 754.2	47 755.8	47 706.8	52 291.7	52 540.3	52 540.3	99.8%	99.5%
Provinces and municipalities	17 324.5	17 324.5	17 220.8	18 850.9	18 892.5	18 892.5	20 140.3	20 140.3	20 140.3	20 840.0	20 796.8	20 796.8	99.9%	99.9%
Departmental agencies and accounts	9 895.4	9 896.4	9 910.2	10 782.8	10 782.8	10 700.0	12 203.0	12 203.9	12 283.4	12 837.5	13 148.5	13 148.5	100.7%	100.0%
Higher education institutions	9.6	9.6	9.4	10.2	10.2	10.2	10.8	10.8	7.5	11.3	-	-	64.7%	88.5%
Foreign governments and international organisations	6.0	9.1	8.7	9.5	9.5	7.9	10.1	10.1	8.8	10.5	10.7	10.7	99.7%	91.5%
Public corporations and private enterprises	10 227.9	10 677.9	10 227.9	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	100.0%	99.2%
Non-profit institutions	17.8	17.8	17.8	18.8	18.8	18.9	20.0	20.7	19.8	21.7	21.7	21.7	99.8%	98.9%
Households	495.2	463.0	408.0	522.4	474.1	231.8	423.8	423.8	300.8	348.7	340.6	340.6	71.6%	75.3%
Payments for capital assets	4.4	6.4	7.6	4.6	7.0	19.9	4.2	8.4	10.0	4.1	5.7	5.7	249.8%	157.2%
Buildings and other fixed structures	-	-	-	-	-	8.2	-	-	-	-	-	-	-	-
Machinery and equipment	4.4	6.4	7.6	4.6	7.0	11.7	4.2	8.4	10.0	4.1	5.7	5.7	202.4%	127.4%
Payments for financial assets	-	-	5.0	-	-	0.1	-	-	0.3	-	-	-	-	-
Total	38 829.0	39 647.2	39 328.2	42 275.3	42 401.7	43 036.8	48 726.5	48 770.7	49 147.1	53 357.3	53 615.1	53 615.1	101.1%	100.4%

Expenditure estimates

Table 35.3 Vote expenditure estimates by programme and economic classification

Programmes								
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Programme 1	383.5	4.7%	0.8%	394.8	401.9	421.1	3.2%	0.7%
Programme 2	88.1	-9.4%	0.2%	79.0	81.5	85.8	-0.9%	0.1%
Programme 3	18 311.4	21.1%	29.6%	18 985.5	20 133.8	21 290.4	5.2%	33.3%
Programme 4	23 042.7	8.1%	45.5%	24 525.6	27 405.7	29 827.7	9.0%	44.4%
Programme 5	149.5	-34.0%	0.5%	253.2	159.4	167.8	3.9%	0.3%
Programme 6	121.1	-6.7%	0.2%	121.7	117.5	120.4	-0.2%	0.2%
Programme 7	11 518.9	4.8%	23.2%	11 655.4	12 801.0	13 540.0	5.5%	21.0%
Total	53 615.1	10.6%	100.0%	56 015.2	61 100.7	65 453.3	6.9%	100.0%
Change to 2015 Budget estimate				(117.0)	1 772.9	2 684.5		

Table 35.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2016/17	2017/18	2018/19		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	1 069.1	-4.9%	3.2%	1 192.1	1 134.8	1 186.6	3.5%	1.9%
Compensation of employees	389.8	6.9%	0.7%	437.1	439.0	457.8	5.5%	0.7%
Goods and services	679.3	-9.7%	2.5%	754.9	695.8	728.8	2.4%	1.2%
of which:								
Advertising	24.0	40.0%	0.1%	23.4	25.4	25.2	1.6%	0.0%
Communication	64.5	4.9%	0.1%	165.1	68.7	72.7	4.1%	0.2%
Consultants: Business and advisory services	344.0	-21.5%	1.8%	331.7	354.4	370.2	2.5%	0.6%
Infrastructure and planning services	50.9	112.4%	0.1%	51.5	54.1	57.2	4.0%	0.1%
Operating leases	52.8	2.0%	0.1%	54.6	57.5	60.9	4.9%	0.1%
Travel and subsistence	57.4	11.2%	0.2%	57.0	59.3	61.7	2.5%	0.1%
Transfers and subsidies	52 540.3	11.0%	96.7%	54 818.8	59 961.4	64 262.0	6.9%	98.1%
Provinces and municipalities	20 796.8	6.3%	41.6%	21 297.0	22 943.7	24 432.8	5.5%	37.9%
Departmental agencies and accounts	13 148.5	9.9%	24.9%	14 234.0	16 548.7	18 183.1	11.4%	26.3%
Foreign governments and international organisations	10.7	5.4%	0.0%	11.2	11.7	12.4	5.1%	0.0%
Public corporations and private enterprises	18 222.0	19.5%	29.5%	18 890.3	20 033.6	21 185.5	5.2%	33.2%
Non-profit institutions	21.7	6.7%	0.0%	22.8	24.0	25.3	5.4%	0.0%
Households	340.6	-9.7%	0.7%	363.6	399.7	422.8	7.5%	0.6%
Payments for capital assets	5.7	-3.5%	0.0%	4.3	4.5	4.8	-5.8%	0.0%
Machinery and equipment	5.7	-3.5%	0.0%	4.3	4.5	4.8	-5.8%	0.0%
Total	53 615.1	10.6%	100.0%	56 015.2	61 100.7	65 453.3	6.9%	100.0%

Personnel information

Table 35.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									2015/16 - 2018/19		
		2014/15		2015/16		2016/17			2017/18			2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Transport	866	28	693	345.9	0.5	715	389.8	0.5	736	437.1	0.6	736	473.2	0.6	736	512.0	0.7	1.0%	100.0%
Salary level	866	28	693	345.9	0.5	715	389.8	0.5	736	437.1	0.6	736	473.2	0.6	736	512.0	0.7	1.0%	100.0%
1 – 6	186	9	157	30.2	0.2	159	32.6	0.2	162	36.2	0.2	162	39.3	0.2	162	42.8	0.3	0.6%	22.1%
7 – 10	336	6	275	98.0	0.4	287	118.2	0.4	298	133.4	0.4	298	144.6	0.5	298	156.9	0.5	1.3%	40.4%
11 – 12	189	3	150	101.0	0.7	147	104.4	0.7	147	117.5	0.8	147	127.2	0.9	147	137.3	0.9	–	20.1%
13 – 16	155	10	111	116.7	1.1	122	134.6	1.1	129	150.0	1.2	129	162.1	1.3	129	175.0	1.4	1.9%	17.4%
Programme	866	28	693	345.9	0.5	715	389.8	0.5	736	437.1	0.6	736	473.2	0.6	736	512.0	0.7	1.0%	100.0%
Programme 1	425	22	335	155.0	0.5	355	175.8	0.5	357	198.9	0.6	357	217.2	0.6	357	241.1	0.7	0.2%	48.8%
Programme 2	79	–	76	36.6	0.5	75	42.5	0.6	75	44.3	0.6	75	46.4	0.6	75	49.1	0.7	–	10.3%
Programme 3	41	–	37	20.2	0.5	37	20.7	0.6	38	23.3	0.6	38	25.7	0.7	38	27.2	0.7	0.9%	5.2%
Programme 4	125	1	89	40.9	0.5	89	50.3	0.6	90	56.4	0.6	90	60.2	0.7	90	63.7	0.7	0.4%	12.3%
Programme 5	75	1	59	32.4	0.5	56	34.9	0.6	57	39.4	0.7	57	42.7	0.7	57	45.2	0.8	0.6%	7.8%
Programme 6	43	–	31	19.6	0.6	33	21.7	0.7	35	24.7	0.7	35	28.2	0.8	35	29.9	0.9	2.0%	4.7%
Programme 7	78	4	66	41.3	0.6	70	44.0	0.6	84	50.2	0.6	84	52.8	0.6	84	55.8	0.7	6.3%	11.0%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(34.2)	–	–	(54.2)	–	–	–
Total	866	28	693	345.9	0.5	715	389.8	0.5	736	437.1	0.6	–	439.0	–	–	457.8	–	–	–

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

2. The department's compensation of employees budget has been reduced by R88.4 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 35.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2015/16	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Receipt item/ Total: Average (%) 2015/16	Medium-term receipts estimate			Average growth rate (%) 2015/16 - 2018/19	Receipt item/ Total: Average (%) 2018/19
	2012/13	2013/14	2014/15					2016/17	2017/18	2018/19		
Departmental receipts	178 330	746 967	322 107	210 252	210 252	5.6%	100.0%	80 881	84 928	84 980	-26.1%	100.0%
Sales of goods and services produced by department	92 540	446	609	516	516	-82.3%	6.5%	621	654	691	10.2%	0.5%
Sales by market establishments	54	74	93	234	234	63.0%	-	100	105	110	-22.2%	0.1%
of which:												
Rental parking: Covered and open	54	74	93	234	234	63.0%	-	100	105	110	-22.2%	0.1%
Administrative fees	92 393	270	321	150	150	-88.2%	6.4%	350	368	389	37.4%	0.3%
of which:												
Foreign operating permits	-	270	321	149	149	-	0.1%	350	368	389	37.7%	0.3%
E-Natis fees	92 393	-	-	-	-	-100.0%	6.3%	-	-	-	-	-
Request for information: Promotion of Access to Information Act (2000)	-	-	-	1	1	-	-	-	-	-	-100.0%	-
Other sales	93	102	195	132	132	12.4%	-	171	181	192	13.3%	0.1%
of which:												
Commission on insurance	93	102	94	116	116	7.6%	-	70	74	78	-12.4%	0.1%
Services rendered: Transport fees	-	-	77	15	15	-	-	77	81	86	79.0%	0.1%
Replacement of security cards and tender documents	-	-	14	-	-	-	-	14	15	16	-	-
Departmental publications	-	-	10	1	1	-	-	10	11	12	128.9%	-
Sales of scrap, waste, arms and other used current goods	6	3	2	62	62	117.8%	-	30	32	34	-18.1%	-
of which:												
Waste paper	6	3	2	62	62	117.8%	-	30	32	34	-18.1%	-
Transfers received	-	-	-	244	244	-	-	-	-	-	-100.0%	0.1%
Fines, penalties and forfeits	41	-	-	-	-	-100.0%	-	70	74	78	-	-
Interest, dividends and rent on land	57	74 007	230 734	206 865	206 865	1436.8%	35.1%	150	158	167	-90.7%	45.0%
Interest	57	74	6 937	1 303	1 303	183.8%	0.6%	150	158	167	-49.6%	0.4%
Dividends	-	73 933	223 797	205 562	205 562	-	34.5%	-	-	-	-100.0%	44.6%
of which:												
Special restructuring proceeds from Airports Company of South Africa	-	73 933	223 797	205 562	205 562	-	34.5%	-	-	-	-100.0%	44.6%
Sales of capital assets	-	-	-	300	300	-	-	-	-	-	-100.0%	0.1%
Transactions in financial assets and liabilities	85 686	672 511	90 762	2 265	2 265	-70.2%	58.4%	80 010	84 010	84 010	233.5%	54.3%
Total	178 330	746 967	322 107	210 252	210 252	5.6%	100.0%	80 881	84 928	84 980	-26.1%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 35.6 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Ministry	41.5	33.0	35.6	36.1	-4.5%	10.2%	35.0	35.7	37.6	1.3%	9.0%
Management	91.6	48.4	44.7	66.4	-10.2%	17.5%	75.4	74.7	76.6	4.9%	18.3%
Corporate Services	150.1	166.5	205.3	191.7	8.5%	49.7%	198.6	201.2	212.4	3.5%	50.2%
Communications	46.9	33.7	41.6	41.4	-4.0%	11.4%	35.4	37.4	38.7	-2.2%	9.6%
Office Accommodation	29.5	33.9	50.3	47.8	17.4%	11.2%	50.3	52.8	55.9	5.4%	12.9%
Total	359.6	315.6	377.5	383.5	2.2%	100.0%	394.8	401.9	421.1	3.2%	100.0%
Change to 2015 Budget estimate							(4.4)	(19.3)	(24.5)		
Economic classification											
Current payments	339.4	295.7	362.4	369.9	2.9%	95.2%	381.1	387.5	406.0	3.1%	96.5%
Compensation of employees	136.3	141.4	155.0	175.8	8.9%	42.4%	198.9	195.7	204.8	5.2%	48.4%
Goods and services	203.1	154.3	207.4	194.1	-1.5%	52.8%	182.2	191.8	201.1	1.2%	48.0%
of which:											
Advertising	29.7	23.0	30.4	22.2	-9.2%	7.3%	21.3	23.2	22.9	1.1%	5.6%
Audit costs: External	6.8	7.0	5.4	9.4	11.6%	2.0%	10.0	10.5	11.2	5.7%	2.6%
Computer services	8.7	10.9	6.3	11.3	9.2%	2.6%	8.8	8.6	9.3	-6.4%	2.4%
Consultants: Business and advisory services	49.7	17.1	3.0	16.1	-31.3%	6.0%	12.6	13.5	14.2	-4.1%	3.5%
Operating leases	32.2	35.7	51.4	50.4	16.1%	11.8%	52.7	55.5	58.8	5.2%	13.6%
Travel and subsistence	25.4	24.7	72.9	28.8	4.3%	10.6%	28.6	28.8	30.2	1.6%	7.3%
Transfers and subsidies	9.7	11.6	8.7	10.6	3.1%	2.8%	11.2	11.8	12.5	5.4%	2.9%
Departmental agencies and accounts	-	0.9	1.0	1.0	-	0.2%	1.1	1.2	1.2	5.8%	0.3%
Higher education institutions	9.4	10.2	7.5	-	-100.0%	1.9%	-	-	-	-	-
Households	0.3	0.5	0.2	9.6	215.4%	0.7%	10.1	10.6	11.2	5.4%	2.6%
Payments for capital assets	6.0	8.3	6.2	2.9	-21.8%	1.6%	2.5	2.6	2.7	-1.9%	0.7%
Machinery and equipment	6.0	8.3	6.2	2.9	-21.8%	1.6%	2.5	2.6	2.7	-1.9%	0.7%
Payments for financial assets	4.5	0.1	0.2	-	-100.0%	0.3%	-	-	-	-	-
Total	359.6	315.6	377.5	383.5	2.2%	100.0%	394.8	401.9	421.1	3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.9%	0.7%	0.8%	0.7%	-	-	0.7%	0.7%	0.6%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	-	-	-	9.4	-	0.7%	9.9	10.4	11.0	5.4%	2.6%
Bursaries to non-employees	-	-	-	9.4	-	0.7%	9.9	10.4	11.0	5.4%	2.6%
Higher education institutions											
Current	9.4	10.2	7.5	-	-100.0%	1.9%	-	-	-	-	-
Universities of Pretoria, KwaZulu-Natal and Stellenbosch	9.4	10.2	7.5	-	-100.0%	1.9%	-	-	-	-	-

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:
 - updating the 1996 White Paper on National Transport Policy and submitting it to Cabinet by 2017
 - submitting the final draft of the national transport master plan 2050 to Cabinet by 2017.
- Promote the national, regional and continental integration of transport infrastructure operations and standards by:
 - facilitating the approval of the road freight strategy by 2017

- developing a model for the quantification for transport and logistics costs at key border posts by 2018.
- Enhance the economic regulation and socio-economic transformation of the transport sector by submitting the Single Transport Economic Regulator Bill to Parliament by 2017.

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 35.7 Integrated Transport Planning expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Macro Sector Planning	4.7	9.0	13.3	14.7	46.3%	12.5%	15.4	15.9	16.7	4.4%	18.8%
Freight Logistics	17.2	16.0	13.5	21.3	7.4%	20.4%	20.7	21.5	22.6	2.1%	25.7%
Modelling and Economic Analysis	60.1	21.8	19.8	27.4	-23.1%	38.8%	17.7	18.3	19.3	-11.1%	24.7%
Regional Integration	4.1	6.1	7.7	7.2	20.3%	7.6%	7.1	7.3	7.7	2.3%	8.8%
Research and Innovation	7.9	7.4	14.1	13.1	18.0%	12.8%	13.7	14.1	14.8	4.3%	16.6%
Integrated Transport Planning Administration Support	9.4	6.1	6.6	4.5	-22.0%	8.0%	4.2	4.4	4.7	1.5%	5.3%
Total	103.5	66.4	75.0	88.1	-5.2%	100.0%	79.0	81.5	85.8	-0.9%	100.0%
Change to 2015 Budget estimate				7.5			(4.0)	(6.2)	(6.9)		
Economic classification											
Current payments	103.1	65.5	74.1	87.4	-5.3%	99.1%	78.8	81.3	85.6	-0.7%	99.6%
Compensation of employees	30.4	31.7	36.6	42.5	11.8%	42.4%	44.3	44.9	47.5	3.8%	53.6%
Goods and services	72.7	33.8	37.5	45.0	-14.8%	56.7%	34.5	36.4	38.1	-5.4%	46.0%
of which:											
Catering: Departmental activities	0.0	0.1	0.1	0.3	128.7%	0.1%	0.4	0.5	0.5	19.8%	0.5%
Communication	0.6	0.4	0.6	0.5	-5.9%	0.6%	0.7	0.8	0.8	19.6%	0.8%
Consultants: Business and advisory services	60.3	22.6	27.4	29.0	-21.6%	41.9%	26.8	28.1	29.4	0.4%	33.9%
Travel and subsistence	5.9	4.3	5.2	4.7	-7.4%	6.0%	4.5	4.8	5.1	3.1%	5.7%
Training and development	0.0	0.0	0.4	0.6	763.1%	0.3%	0.4	0.5	0.5	-8.8%	0.6%
Venues and facilities	1.5	1.4	0.8	8.4	77.7%	3.6%	0.8	0.8	0.8	-53.5%	3.2%
Transfers and subsidies	0.2	0.1	0.2	-	-100.0%	0.2%	-	-	-	-	-
Households	0.2	0.1	0.2	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	0.2	0.8	0.7	0.6	60.6%	0.7%	0.2	0.2	0.2	-32.4%	0.4%
Machinery and equipment	0.2	0.8	0.7	0.6	60.6%	0.7%	0.2	0.2	0.2	-32.4%	0.4%
Total	103.5	66.4	75.0	88.1	-5.2%	100.0%	79.0	81.5	85.8	-0.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.2%	0.2%	0.2%	-	-	0.1%	0.1%	0.1%	-	-

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 approval of the national rail policy by Cabinet by 2017 and submitting the National Rail Bill to Parliament by 2019
 - developing a draft economic regulation framework for the rail sector by 2017
 - developing a branchline model for private sector participation by 2017.
- Regulate and enhance rail safety and security by:
 - submitting the draft National Railway Safety Regulator Amendment Bill to Cabinet by 2017
 - submitting the national railway safety strategy to Cabinet by 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 35.8 Rail Transport expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average
R million												
Rail Regulation	8.2	5.6	10.4	15.4	23.3%	0.1%	17.6	17.7	18.6	6.5%	0.1%	
Rail Infrastructure and Industry Development	3.9	14.9	13.7	9.0	32.1%	0.1%	9.7	10.3	10.4	5.0%	0.1%	
Rail Operations	5.1	4.2	9.9	6.9	10.7%	–	7.9	7.7	8.2	5.7%	–	
Rail Oversight	10 267.3	11 205.6	14 998.0	18 275.4	21.2%	99.8%	18 946.3	20 093.2	21 248.5	5.2%	99.8%	
Rail Administration Support	2.1	2.4	3.4	4.6	30.6%	–	4.1	4.9	4.8	1.1%	–	
Total	10 286.6	11 232.8	15 035.5	18 311.4	21.2%	100.0%	18 985.5	20 133.8	21 290.4	5.2%	100.0%	
Change to 2015 Budget estimate							(348.3)	(169.6)	(190.6)			

Table 35.8 Rail Transport 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	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million											
Current payments	19.2	27.0	37.2	35.8	23.1%	0.2%	39.2	40.5	41.9	5.4%	0.2%
Compensation of employees	12.7	13.4	20.2	20.7	17.7%	0.1%	23.3	23.5	24.1	5.2%	0.1%
Goods and services	6.5	13.6	17.0	15.1	32.5%	0.1%	15.9	17.0	17.8	5.6%	0.1%
of which:											
Catering: Departmental activities	0.0	0.0	0.0	0.1	198.1%	–	0.1	0.1	0.1	35.5%	–
Communication	0.1	0.2	0.3	0.4	37.3%	–	0.3	0.4	0.4	2.9%	–
Consultants: Business and advisory services	5.3	12.0	14.4	4.2	–7.3%	0.1%	4.2	4.5	4.7	3.8%	–
Infrastructure and planning services	–	–	–	8.5	–	–	9.7	9.9	10.4	6.9%	–
Consumables: Stationery, printing and office supplies	0.1	0.0	0.1	0.3	28.8%	–	0.2	0.4	0.4	15.8%	–
Travel and subsistence	0.6	0.5	1.2	1.2	27.2%	–	1.2	1.5	1.6	8.5%	–
Transfers and subsidies	10 267.3	11 205.6	14 997.8	18 275.4	21.2%	99.8%	18 946.3	20 093.2	21 248.5	5.2%	99.8%
Departmental agencies and accounts	39.3	46.5	51.5	53.4	10.7%	0.3%	56.0	59.6	63.0	5.7%	0.3%
Public corporations and private enterprises	10 227.9	11 159.1	14 946.3	18 222.0	21.2%	99.4%	18 890.3	20 033.6	21 185.5	5.2%	99.5%
Payments for capital assets	0.1	0.2	0.6	0.2	6.3%	–	0.1	0.1	0.1	-9.5%	–
Machinery and equipment	0.1	0.2	0.6	0.2	6.3%	–	0.1	0.1	0.1	-9.5%	–
Total	10 286.6	11 232.8	15 035.5	18 311.4	21.2%	100.0%	18 985.5	20 133.8	21 290.4	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	26.2%	26.1%	30.6%	34.2%	–	–	33.9%	33.0%	32.5%	–	–

Details of selected transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	39.3	46.5	51.5	53.4	10.7%	0.3%	56.0	59.6	63.0	5.7%	0.3%
Railway Safety Regulator	39.3	46.5	51.5	53.4	10.7%	0.3%	56.0	59.6	63.0	5.7%	0.3%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	3 526.8	4 328.0	3 887.3	4 066.2	4.9%	28.8%	4 281.7	4 495.7	4 756.5	5.4%	22.4%
Passenger Rail Agency of South Africa: Metrorail: Operations	3 138.1	3 678.0	3 458.9	3 618.0	4.9%	25.3%	3 809.8	4 000.2	4 232.2	5.4%	19.9%
Passenger Rail Agency of South Africa: Main line passenger services: Operations	388.7	650.0	428.4	448.1	4.9%	3.5%	471.9	495.6	524.3	5.4%	2.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	6 701.1	6 831.1	11 059.0	14 155.9	28.3%	70.6%	14 608.6	15 537.9	16 429.0	5.1%	77.1%
Passenger Rail Agency of South Africa: Other capital programmes	4 758.9	4 851.2	3 906.6	8 234.6	20.1%	39.6%	7 206.9	7 692.6	8 128.7	-0.4%	39.7%
Passenger Rail Agency of South Africa: Rolling stock fleet renewal programme	–	–	5 700.0	2 560.5	–	15.1%	4 170.3	4 420.5	4 676.9	22.2%	20.1%
Passenger Rail Agency of South Africa: Signalling	1 084.1	1 105.2	810.7	1 876.0	20.1%	8.9%	1 844.2	1 912.8	2 023.8	2.6%	9.7%
Passenger Rail Agency of South Africa: Metrorail: General overhaul of coaches	732.5	746.7	547.7	1 267.5	20.1%	6.0%	1 283.5	1 360.5	1 439.4	4.3%	6.8%
Passenger Rail Agency of South Africa: Main line passenger service: Refurbishment of coaches	125.6	128.0	93.9	217.3	20.1%	1.0%	103.8	151.4	160.2	-9.7%	0.8%

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 2017
 - monitoring the maintenance of the national and provincial road network in terms of the road asset management system on an ongoing basis

- developing a draft access road development plan for rural roads and conducting stakeholder consultations with identified rural municipalities by 2017.
- Regulate and enhance road transport safety and security by:
 - tabling the Administrative Adjudication of Road Traffic Offences Amendment Bill in Parliament in 2016/17
 - submitting the road safety strategy to Cabinet by 2017.
- Provide a compensation system for victims of road accidents that is reasonable, equitable, affordable and sustainable by tabling the Road Accident Benefit Scheme Bill in Parliament in 2016/17.

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 National African Roads Agency, the Road Traffic Management Corporation, the Road Traffic Infringement Agency and the provincial roads maintenance grant to provinces.
- *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, and coordinates the development of an asset management system for safe and resilient road infrastructure.

Expenditure trends and estimates

Table 35.9 Road Transport expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million											
Road Regulation	327.5	1 222.0	521.9	32.2	-53.8%	2.5%	34.6	37.3	39.4	6.9%	0.1%
Road Infrastructure and Industry Development	37.8	34.0	35.8	40.3	2.2%	0.2%	36.1	33.5	35.2	-4.4%	0.1%
Road Oversight	17 848.6	19 396.8	21 625.9	22 949.3	8.7%	97.2%	24 430.0	27 305.8	29 722.4	9.0%	99.6%
Road Administration Support	7.1	6.3	6.7	7.3	0.8%	–	7.1	7.7	8.1	3.7%	–
Road Engineering Standards	8.3	6.4	12.5	13.6	17.7%	–	17.8	21.4	22.5	18.3%	0.1%
Total	18 229.4	20 665.6	22 202.9	23 042.7	8.1%	100.0%	24 525.6	27 405.7	29 827.7	9.0%	100.0%
Change to 2015 Budget estimate				257.8			488.9	2 013.7	2 962.9		

Table 35.9 Road Transport expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Current payments	379.8	1 269.3	577.4	98.7	-36.2%	2.8%	101.4	105.8	111.4	4.1%	0.4%
Compensation of employees	33.7	34.6	40.9	50.3	14.2%	0.2%	56.4	56.9	60.2	6.2%	0.2%
Goods and services	346.1	1 234.7	536.5	48.4	-48.1%	2.6%	45.0	49.0	51.3	1.9%	0.2%
of which:											
Advertising	0.8	1.3	0.8	0.3	-24.3%	-	1.5	1.6	1.7	70.2%	-
Communication	0.5	0.6	0.7	0.9	21.7%	-	1.2	1.3	1.3	13.3%	-
Consultants: Business and advisory services	333.1	1 216.0	520.2	32.4	-54.0%	2.5%	26.5	29.3	30.5	-2.0%	0.1%
Consumables: Stationery, printing and office supplies	0.6	0.4	1.6	1.4	32.5%	-	1.0	1.0	1.1	-6.8%	-
Travel and subsistence	6.5	7.6	9.1	10.7	17.8%	-	10.5	10.9	11.4	2.1%	-
Venues and facilities	0.2	6.3	0.9	0.4	27.8%	-	0.8	1.1	1.2	43.5%	-
Transfers and subsidies	17 848.6	19 395.8	21 624.7	22 943.4	8.7%	97.2%	24 423.6	27 299.2	29 715.5	9.0%	99.6%
Provinces and municipalities	8 019.1	8 790.0	9 436.7	9 904.3	7.3%	43.0%	10 304.0	10 861.0	11 649.2	5.6%	40.8%
Departmental agencies and accounts	9 829.5	10 605.7	12 187.9	13 039.1	9.9%	54.3%	14 119.5	16 438.2	18 066.3	11.5%	58.8%
Households	0.0	0.2	0.0	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.5	0.5	0.8	0.6	5.5%	-	0.7	0.7	0.7	4.6%	-
Machinery and equipment	0.5	0.5	0.8	0.6	5.5%	-	0.7	0.7	0.7	4.6%	-
Payments for financial assets	0.4	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	18 229.4	20 665.6	22 202.9	23 042.7	8.1%	100.0%	24 525.6	27 405.7	29 827.7	9.0%	100.0%
Proportion of total programme expenditure to vote expenditure	46.4%	48.0%	45.2%	43.0%	-	-	43.8%	44.9%	45.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3 226.9	3 562.2	4 007.1	4 448.2	11.3%	18.1%	4 790.1	5 053.7	5 361.7	6.4%	18.8%
Road Traffic Management Corporation	82.4	83.5	259.5	184.1	30.7%	0.7%	193.9	203.6	215.4	5.4%	0.8%
South African National Roads Agency: Gauteng freeway improvement project	-	-	-	301.0	-	0.4%	425.1	463.4	505.1	18.8%	1.6%
South African National Roads Agency	3 125.5	3 453.7	3 736.1	3 951.6	8.1%	17.0%	4 161.1	4 369.1	4 622.5	5.4%	16.3%
Road Traffic Infringement Agency	19.0	25.0	11.5	11.5	-15.4%	0.1%	10.1	17.7	18.7	17.6%	0.1%
Capital	6 602.6	7 043.5	8 180.8	8 590.9	9.2%	36.2%	9 329.4	11 384.5	12 704.6	13.9%	40.1%
South African National Roads Agency: Non-toll network	5 934.6	6 448.6	7 515.3	7 721.1	9.2%	32.8%	7 935.6	9 335.8	10 083.5	9.3%	33.5%
South African National Roads Agency: Coal haulage road network	668.0	594.8	665.5	696.1	1.4%	3.1%	733.0	769.7	814.3	5.4%	2.9%
South African National Roads Agency: Moloto Road upgrade	-	-	-	155.5	-	0.2%	660.8	1 279.0	1 806.8	126.5%	3.7%
South African National Roads Agency: Botswana river crossing	-	-	-	18.2	-	-	-	-	-	-100.0%	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	37.3	52.2	75.2	96.8	37.4%	0.3%	101.5	107.3	113.5	5.4%	0.4%
Rural roads asset management systems grant	37.3	52.2	75.2	96.8	37.4%	0.3%	101.5	107.3	113.5	5.4%	0.4%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Capital	7 981.8	8 737.8	9 361.5	9 807.4	7.1%	42.7%	10 202.5	10 753.7	11 535.7	5.6%	40.4%
Provincial roads maintenance grant: Roads in support of electricity generation infrastructure	663.4	808.9	803.0	830.0	7.8%	3.7%	801.0	-	-	-100.0%	1.6%
Provincial roads maintenance grant: Roads maintenance	6 828.5	7 519.5	7 956.2	8 496.8	7.6%	36.6%	9 103.4	10 483.7	11 250.0	9.8%	37.5%
Provincial roads maintenance grant: Disaster relief	489.9	409.4	602.3	480.6	-0.6%	2.4%	298.1	270.0	285.7	-15.9%	1.3%

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 and investigations. Oversee aviation public entities.

Objectives

- Enhance the performance, efficiency and reliability of the aviation sector by:
 - submitting the national civil aviation policy to Cabinet by 2017
 - submitting the amendment of the Airports Company Act (1993) and the Air Traffic and Navigation Services Company Act (1993) to Cabinet by 2017
 - reviewing air services arrangements with 6 countries in 2016/17
 - implementing the national airports development plan upon approval by Cabinet by 2017.
- Enhance and regulate civil aviation safety and security by:
 - submitting the Civil Aviation Amendment Bill to Parliament by 2017
 - developing and implementing corrective actions for the audit findings of the International Civil Aviation Organisation on a continuous basis
 - investigating aircraft incidents and accidents, and generating safety recommendations on a continuous basis.

Subprogrammes

- *Aviation Policy and Regulation* 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 35.10 Civil Aviation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Aviation Policy and Regulations	22.3	27.4	26.1	22.1	-0.2%	11.2%	23.7	24.2	25.5	4.8%	13.1%
Aviation Economic Analysis and Industry Development	5.5	8.5	9.0	11.5	28.2%	4.0%	11.3	11.4	12.1	1.6%	6.3%
Aviation Safety, Security, Environment and Search and Rescue	9.2	61.8	64.7	69.7	96.6%	23.6%	169.3	72.3	75.8	2.8%	53.0%
Aviation Oversight	25.0	35.1	37.8	41.6	18.6%	16.0%	43.9	45.9	48.6	5.3%	24.6%
Aviation Administration Support	4.7	7.7	23.4	4.6	-0.7%	4.6%	5.0	5.6	5.9	8.7%	2.9%
Mthatha Airport	345.2	8.2	-	-	-100.0%	40.6%	-	-	-	-	-
Total	411.8	148.6	161.0	149.5	-28.7%	100.0%	253.2	159.4	167.8	3.9%	100.0%
Change to 2015 Budget estimate							96.5	(6.0)	(7.2)		
Economic classification											
Current payments	386.5	105.8	123.5	110.4	-34.2%	83.4%	212.1	116.3	122.2	3.4%	76.8%
Compensation of employees	29.2	31.3	32.4	34.9	6.1%	14.7%	39.4	39.4	41.6	6.1%	21.3%
Goods and services	357.3	74.5	91.1	75.5	-40.4%	68.7%	172.8	76.9	80.5	2.2%	55.6%
<i>of which:</i>											
Communication	0.5	53.1	53.0	53.3	385.7%	18.3%	156.1	58.9	62.3	5.4%	45.3%
Consultants: Business and advisory services	347.6	3.8	5.4	12.9	-66.6%	42.5%	6.9	7.3	7.3	-17.2%	4.7%
Consumables: Stationery, printing and office supplies	0.3	0.4	0.3	0.6	20.4%	0.2%	0.6	0.7	0.8	10.1%	0.4%
Operating leases	0.6	1.2	1.6	1.2	23.7%	0.5%	0.3	0.4	0.4	-33.2%	0.3%
Travel and subsistence	5.3	7.2	9.8	6.1	5.1%	3.3%	7.5	8.2	8.3	10.6%	4.1%
Training and development	-	0.1	0.0	0.4	-	0.1%	0.5	0.5	0.5	8.9%	0.3%
Transfers and subsidies	25.0	33.9	36.6	38.7	15.8%	15.4%	40.7	42.7	45.2	5.3%	22.9%
Departmental agencies and accounts	17.0	24.7	26.1	27.3	17.1%	10.9%	28.8	30.2	32.0	5.4%	16.2%
Foreign governments and international organisations	7.9	7.7	8.0	9.0	4.3%	3.7%	9.4	9.9	10.4	5.0%	5.3%
Non-profit institutions	-	1.5	2.3	2.4	-	0.7%	2.5	2.7	2.8	5.3%	1.4%
Households	0.0	0.1	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.3	9.0	0.9	0.4	14.3%	1.2%	0.4	0.4	0.4	1.9%	0.2%
Buildings and other fixed structures	-	8.2	-	-	-	0.9%	-	-	-	-	-
Machinery and equipment	0.3	0.8	0.9	0.4	14.3%	0.3%	0.4	0.4	0.4	1.9%	0.2%
Total	411.8	148.6	161.0	149.5	-28.7%	100.0%	253.2	159.4	167.8	3.9%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	0.3%	0.3%	0.3%	-	-	0.5%	0.3%	0.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	17.0	24.7	26.1	27.3	17.1%	10.9%	28.8	30.2	32.0	5.4%	16.2%
South African Civil Aviation Authority	17.0	18.2	19.2	20.1	5.7%	8.6%	21.2	22.3	23.5	5.4%	11.9%
South African Maritime Safety Authority	-	6.5	6.9	7.2	-	2.4%	7.6	8.0	8.4	5.4%	4.3%
Foreign governments and international organisations											
Current	7.9	7.7	8.0	9.0	4.3%	3.7%	9.4	9.9	10.4	5.0%	5.3%
African Civil Aviation Commission	2.9	3.8	3.9	4.5	15.4%	1.7%	4.7	5.0	5.3	5.4%	2.7%
International Civil Aviation Organisation	5.0	3.5	3.7	3.9	-8.0%	1.8%	4.1	4.3	4.6	5.4%	2.3%
Cospas search and rescue satellite aided tracking	-	0.4	0.4	0.5	-	0.1%	0.5	0.5	0.5	5.4%	0.3%
Southern African Development Community: International Civil Aviation Organisation Mission	-	-	-	0.1	-	-	0.1	0.1	0.1	-24.6%	-
Non-profit institutions											
Current	-	1.5	2.3	2.4	-	0.7%	2.5	2.7	2.8	5.3%	1.4%
National Sea Rescue Institute	-	1.2	2.0	2.1	-	0.6%	2.2	2.3	2.5	5.4%	1.2%
National emergency communications division of the South African Radio League	-	0.1	0.1	0.1	-	-	0.1	0.1	0.1	5.1%	-
Mountain Club of South Africa	-	0.1	0.1	0.1	-	-	0.1	0.1	0.1	5.1%	-
Off Road Rescue Unit	-	0.1	0.1	0.1	-	-	0.1	0.1	0.1	5.1%	-
K9 Search and Rescue Association of South Africa	-	0.1	0.1	0.1	-	-	0.1	0.1	0.1	5.1%	-

Programme 6: Maritime Transport

Programme purpose

Coordinate the advancement of a safe, reliable and economically viable maritime transport sector through the development of policies and strategies. Monitor the maritime implementation plan and oversee maritime public entities.

Objectives

- Enhance the performance, efficiency and reliability of the maritime transport sector by:
 - developing a white paper on maritime transport policy by 2018
 - developing a carbotage policy for coastal, regional and continental waters by 2017.
- Enhance and regulate maritime transport safety and security by:
 - developing the draft merchant shipping amendment bill by 2018
 - submitting the draft inland waterway strategy to Cabinet by 2017.

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, 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 35.11 Maritime Transport expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19		
R million												
Maritime Policy Development	7.2	9.2	11.1	12.1		19.0%	8.9%	13.1	13.5	14.1	5.3%	11.0%
Maritime Infrastructure and Industry Development	5.1	5.9	6.5	12.6	35.6%	6.7%	11.6	12.3	10.7	-5.4%	9.8%	
Implementation, Monitoring and Evaluations	83.6	60.1	58.8	58.0	-11.5%	58.2%	57.4	59.2	62.9	2.7%	49.4%	
Maritime Oversight	26.5	23.5	18.6	34.0	8.6%	22.9%	35.3	26.3	27.8	-6.4%	25.7%	
Maritime Administration Support	2.3	3.5	4.7	4.4	23.4%	3.3%	4.3	6.2	4.9	3.6%	4.1%	
Total	124.7	102.3	99.6	121.1	-1.0%	100.0%	121.7	117.5	120.4	-0.2%	100.0%	
Change to 2015				10.0			7.9	(2.5)	(6.4)			
Budget estimate												

Table 35.11 Maritime Transport expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	98.0	79.1	81.4	91.4	-2.3%	78.2%	91.1	95.8	97.5	2.2%	78.2%
Compensation of employees	13.2	16.5	19.6	21.7	18.0%	15.9%	24.7	27.4	25.9	6.0%	20.7%
Goods and services	84.8	62.5	61.8	69.7	-6.3%	62.3%	66.4	68.4	71.6	0.9%	57.4%
of which:											
Minor assets	0.0	0.3	0.2	0.1	43.5%	0.1%	0.3	0.4	0.4	44.5%	0.3%
Communication	31.0	0.3	0.3	0.7	-71.1%	7.2%	0.4	0.5	0.5	-11.8%	0.4%
Consultants: Business and advisory services	46.7	6.9	52.2	21.3	-23.0%	28.4%	18.6	17.6	18.1	-5.2%	15.7%
Infrastructure and planning services	-	46.1	-	42.4	-	19.8%	41.8	44.2	46.8	3.4%	36.4%
Operating leases	0.2	1.0	1.4	0.5	42.4%	0.7%	1.0	1.0	1.0	24.4%	0.7%
Travel and subsistence	3.8	5.2	4.7	3.6	-2.4%	3.9%	3.5	3.7	3.7	1.7%	3.0%
Transfers and subsidies	26.5	22.6	17.7	29.3	3.4%	21.5%	30.3	21.4	22.6	-8.3%	21.6%
Departmental agencies and accounts	24.4	22.3	16.9	27.6	4.3%	20.4%	28.6	19.5	20.6	-9.3%	20.0%
Foreign governments and international organisations	0.8	0.2	0.8	1.7	30.5%	0.8%	1.8	1.9	2.0	5.4%	1.5%
Non-profit institutions	1.4	-	-	-	-100.0%	0.3%	-	-	-	-	-
Payments for capital assets	0.1	0.6	0.5	0.3	33.1%	0.4%	0.3	0.3	0.3	1.2%	0.3%
Machinery and equipment	0.1	0.6	0.5	0.3	33.1%	0.4%	0.3	0.3	0.3	1.2%	0.3%
Total	124.7	102.3	99.6	121.1	-1.0%	100.0%	121.7	117.5	120.4	-0.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.2%	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	24.4	22.3	16.9	27.6	4.3%	20.4%	28.6	19.5	20.6	-9.3%	20.0%
South African Maritime Safety Authority	9.3	6.4	-	-	-100.0%	3.5%	-	-	-	-	-
Ports Regulator of South Africa	15.1	15.9	16.9	27.6	22.4%	16.9%	28.6	19.5	20.6	-9.3%	20.0%
Foreign governments and international organisations											
Current	0.8	0.2	0.8	1.7	30.5%	0.8%	1.8	1.9	2.0	5.4%	1.5%
International Maritime Organisation	0.4	-	0.5	1.4	50.4%	0.5%	1.5	1.5	1.6	5.4%	1.2%
Cospas search and rescue satellite aided tracking	0.4	-	-	-	-100.0%	0.1%	-	-	-	-	-
Indian Ocean memorandum of understanding	-	0.2	0.3	0.3	-	0.2%	0.3	0.3	0.4	5.5%	0.3%

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 a costing and financial framework on learner transport by 2017
 - developing integrated public transport network plans in 3 district municipalities by 2019.
- Improve the access and reliability of public transport by monitoring the planning and implementation of integrated public transport networks in 8 metropolitan and 5 local municipalities on a continuous basis.
- Promote sustainable public transport by:
 - monitoring the implementation of recommendations of the taxi recapitalisation programme review report on a continuous basis
 - submitting the integrated public transport turnaround plan to Cabinet by 2017
 - submitting the public transport safety improvement plan to Cabinet by 2017
 - submitting the public transport subsidy policy to Cabinet by 2017.

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* oversees the use of public transport subsidies and grants, and monitors compliance with the annual Division of Revenue Act in terms of the transferring of money, reporting, allocations and adjustments.
- *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.

Expenditure trends and estimates

Table 35.12 Public Transport expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million											
Public Transport Regulation	13.0	12.9	14.0	22.4	20.0%	0.1%	34.9	36.8	38.3	19.5%	0.3%
Rural and Scholar Transport	4.0	7.2	13.7	41.7	118.3%	0.2%	48.1	55.4	58.3	11.8%	0.4%
Public Transport Industry Development	104.9	111.7	118.4	176.4	18.9%	1.2%	173.7	182.8	191.2	2.7%	1.5%
Public Transport Oversight	9 625.6	10 350.8	11 021.2	11 242.8	5.3%	98.2%	11 366.7	12 493.1	13 217.7	5.5%	97.6%
Public Transport Administration Support	59.3	18.7	21.8	18.8	-31.9%	0.3%	14.9	15.4	16.2	-4.7%	0.1%
Public Transport Network Development	6.0	4.3	6.6	16.8	41.1%	0.1%	17.1	17.4	18.3	2.9%	0.1%
Total	9 812.8	10 505.6	11 195.7	11 518.9	5.5%	100.0%	11 655.4	12 801.0	13 540.0	5.5%	100.0%
Change to 2015				(17.5)			(353.5)	(37.3)	(42.8)		
Budget estimate											
Economic classification											
Current payments	186.8	154.3	174.1	275.4	13.8%	1.8%	288.5	307.6	322.1	5.4%	2.4%
Compensation of employees	32.2	35.5	41.3	44.0	10.9%	0.4%	50.2	51.3	53.7	6.9%	0.4%
Goods and services	154.6	118.8	132.8	231.4	14.4%	1.5%	238.3	256.4	268.4	5.1%	2.0%
of which:											
Communication	0.3	0.5	0.5	0.2	-21.6%	-	0.3	0.3	0.3	23.3%	-
Consultants: Business and advisory services	145.5	107.1	120.7	228.0	16.1%	1.4%	236.0	254.1	266.0	5.3%	2.0%
Contractors	1.4	0.0	0.1	0.1	-57.9%	-	0.1	0.1	0.1	-15.2%	-
Consumables: Stationery, printing and office supplies	0.4	1.1	0.2	0.3	-10.3%	-	0.2	0.2	0.2	-9.9%	-
Travel and subsistence	5.4	8.2	8.7	2.3	-24.8%	0.1%	1.3	1.3	1.4	-14.9%	-
Venues and facilities	1.0	1.1	1.5	0.5	-21.1%	-	0.4	0.3	0.4	-11.3%	-
Transfers and subsidies	9 625.6	10 350.8	11 021.1	11 242.8	5.3%	98.2%	11 366.7	12 493.1	13 217.7	5.5%	97.6%
Provinces and municipalities	9 201.7	10 102.5	10 703.6	10 892.5	5.8%	95.0%	10 993.0	12 082.8	12 783.6	5.5%	94.4%
Non-profit institutions	16.5	17.4	17.5	19.3	5.4%	0.2%	20.3	21.3	22.5	5.4%	0.2%
Households	407.4	230.9	300.1	331.0	-6.7%	2.9%	353.4	389.0	411.6	7.5%	3.0%
Payments for capital assets	0.3	0.6	0.5	0.7	23.6%	-	0.2	0.2	0.2	-27.9%	-
Machinery and equipment	0.3	0.6	0.5	0.7	23.6%	-	0.2	0.2	0.2	-27.9%	-
Payments for financial assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	9 812.8	10 505.6	11 195.7	11 518.9	5.5%	100.0%	11 655.4	12 801.0	13 540.0	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	25.0%	24.4%	22.8%	21.5%	-	-	20.8%	21.0%	20.7%	-	-

Table 35.12 Public Transport expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome						2016/17	2017/18	2018/19		
R million	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
Households										
Other transfers to households										
Current	407.4	230.9	300.1	331.0	-6.7%	2.9%	353.4	389.0	411.6	7.5% 3.0%
Taxi recapitalisation	407.4	230.9	300.1	331.0	-6.7%	2.9%	353.4	389.0	411.6	7.5% 3.0%
Provinces and municipalities										
Municipalities										
Municipal bank accounts										
Capital	4 884.4	5 550.0	5 870.8	5 953.1	6.8%	51.7%	5 592.7	6 359.9	6 793.3	4.5% 49.9%
Public transport network grant	4 884.4	5 550.0	5 870.8	5 953.1	6.8%	51.7%	5 592.7	6 359.9	6 793.3	4.5% 49.9%
Provinces and municipalities										
Provinces										
Provincial Revenue Funds										
Current	4 317.3	4 552.5	4 832.7	4 939.4	4.6%	43.3%	5 400.3	5 722.9	5 990.3	6.6% 44.5%
Public transport operations grant	4 317.3	4 552.5	4 832.7	4 939.4	4.6%	43.3%	5 400.3	5 722.9	5 990.3	6.6% 44.5%
Non-profit institutions										
Current	16.5	17.4	17.5	19.3	5.4%	0.2%	20.3	21.3	22.5	5.4% 0.2%
South African National Taxi Council	16.5	17.4	17.5	19.3	5.4%	0.2%	20.3	21.3	22.5	5.4% 0.2%

Entities

Airports Company of South Africa

Mandate

The Airports Company of 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 Brazil.

Selected performance indicators

Table 35.13 Airports Company of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Average maintenance and engineering costs per international airport per year (rand thousand)	Airport maintenance and engineering	Entity mandate	R195 475	R308 263	R229 692	R243 103	R259 169	R282 895	R322 147
Average security and safety costs per international airport per year (rand thousand)	Airport security and safety		R104 340	R134 383	R148 926	R157 254	R166 566	R182 855	R203 198
Cost benefit efficiency ratio per year	Airport management		57%	70%	72%	71%	78%	77%	80%
Number of departing passengers accommodated at all airports per year	Airport management		17 437 886	17 419 183	17 849 734	18 357 573	18 988 880	19 687 899	22 263 982
Number of arrival aircraft accommodated at all airports per year	Airport management		255 023	261 294	260 644	278 451	279 262	288 216	301 255
Employee cost per departing passenger per year	Airport management		R49	R57	R64	R54	R57	R60	R57
Aeronautical revenue per departing passenger per year	Airport management		R243	R262	R255	R276	R221	R222	R204
Non-aeronautical revenue per departing passenger per year	Airport management		R138	R147	R144	R163	R159	R163	R154

Expenditure analysis

The Airports Company of South Africa aims to provide safe and secure services and infrastructure for passengers and airlines to transport people and goods. It plans to achieve this through the effective use of existing airport infrastructure and infrastructure improvements. Over the MTEF period, the company plans to refurbish runways, taxiways and aprons at all airports; realign the runway at Cape Town International Airport; and build additional remote aprons at OR Tambo International Airport. These investments over the MTEF period are expected to allow for an increase in the number of aircraft arriving at airports from 278 451 in 2015/16 to 301 255 in 2018/19, and allow for more than 22.3 million passengers departing from airports operated by the company in South Africa by 2018/19. Capital expenditure of R12.2 billion over the medium term is planned for these activities.

The company will continue to focus on airport maintenance and engineering over the medium term. This includes all activities required to keep airport infrastructure in working order, and costs for specialist electrical, mechanical, civil and industrial engineers. Airport maintenance and engineering expenditure comprises 13.5 per cent of the company's projected total expenditure over the medium term, and is expected to increase at an average annual rate of 6.5 per cent to R966.4 million in 2018/19.

The construction of the King Shaka International Airport and the upgrades to the central terminal buildings at OR Tambo International Airport and Cape Town International Airport drive the bulk of operational expenditure in administration through depreciation and interest incurred on the loans that funded these projects.

Planned maintenance of various assets; regulated increases in rates, taxes, water and electricity; and annual contractual increases for security and cleaning services, and software licences are largely responsible for the average annual increase of 15 per cent in expenditure on goods and services between 2012/13 and 2015/16.

The company employs 3 307 personnel, and this number is expected to remain constant over the medium term, although expenditure on compensation of employees is expected to increase from R989.2 billion in 2015/16 to R1.3 billion in 2018/19 at an average annual rate of 8.7 per cent.

The company's revenue comes from both aeronautical and non-aeronautical sources. Aeronautical revenue relates to passenger facilitation services for which passenger service charges are collected, and airline services in the form of landing and parking fees. Non-aeronautical revenue includes and revenue streams from office rental and property development. Although total revenue increased at an average annual rate of 4.9 per cent between 2012/13 and 2015/16, it is expected to increase at an average annual rate of 0.5 per cent from R8.2 billion in 2015/16 to R8.3 billion in 2018/19. This is largely due to an expected decline in aeronautical revenue, which is regulated by an independent regulatory committee in terms of the Airports Company Act (1993). The expected decrease in aeronautical revenue relates to underspending on capital expenditure provided for by the regulator in the previous permission period. This was largely due to reduced demand as a result of tough economic conditions and delays in procurement.

Programmes/objectives/activities

Table 35.14 Airports Company of South Africa expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Administration	4 801.5	4 350.4	4 885.1	4 697.7	-0.7%	74.9%	4 208.7	4 351.7	4 788.2	0.6%	69.3%
Airport maintenance and engineering	586.4	651.5	709.4	801.0	11.0%	11.0%	841.4	903.1	966.4	6.5%	13.5%
Airport security and safety	313.0	378.0	418.4	482.8	15.5%	6.3%	522.7	564.9	609.6	8.1%	8.4%
Airport management	382.4	581.9	478.8	498.5	9.2%	7.8%	557.1	599.9	645.1	9.0%	8.8%
Total	6 083.4	5 961.9	6 491.7	6 480.0	2.1%	100.0%	6 129.9	6 419.5	7 009.4	2.7%	100.0%

Statements of historical financial performance and position

Table 35.15 Airports Company of South Africa statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R million	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	6 681.0	7 053.6	7 544.9	7 449.5	7 709.7	8 213.7	7 372.9	8 168.3	105.4%
Sale of goods and services other than capital assets	6 579.6	6 660.3	7 438.7	7 127.0	7 648.0	7 761.2	7 336.3	8 131.7	102.3%
<i>of which:</i>									
<i>Sales by market establishment</i>	6 579.6	6 660.3	7 438.7	7 127.0	7 648.0	7 761.2	7 336.3	8 131.7	102.3%
<i>Aeronautical revenue</i>	3 798 321.2	4 245 654.0	4 894 811.0	4 559 300.9	4 965 493.4	4 925 899.3	4 495 063.2	5 130 560.5	103.9%
<i>Non-Aeronautical revenue</i>	2 781 256.8	2 414 607.0	2 543 938.9	2 567 660.6	2 682 555.3	2 835 310.0	2 841 247.8	3 001 103.7	99.7%
Other non-tax revenue	101.4	393.3	106.1	322.6	61.7	452.5	36.6	36.6	394.0%
Total revenue	6 681.0	7 074.7	7 544.9	7 678.1	7 709.7	8 058.3	7 372.9	8 164.3	105.7%
Expenses									
Current expenses	5 487.1	5 433.4	6 041.1	5 364.8	5 770.9	5 775.6	5 881.3	5 825.5	96.6%
Compensation of employees	854.5	859.4	952.2	992.8	1 070.5	1 066.2	1 227.0	989.2	95.2%
Goods and services	1 508.6	1 575.4	1 736.1	1 745.0	1 992.1	1 876.4	2 014.1	2 391.0	104.6%
Depreciation	1 590.8	1 411.4	1 776.4	1 402.5	1 348.3	1 393.5	1 470.2	1 306.4	89.1%
Interest, dividends and rent on land	1 533.3	1 587.1	1 576.3	1 224.5	1 360.1	1 439.6	1 170.0	1 138.8	95.6%
Total expenses	5 845.3	6 083.4	6 541.0	5 961.9	6 397.7	6 491.7	6 403.3	6 480.0	99.3%
Surplus/(Deficit)	836.0	991.0	1 004.0	1 716.0	1 312.0	1 567.0	970.0	1 684.0	-
Statement of financial position									
Carrying value of assets	25 380.6	23 402.0	25 416.1	23 195.4	23 180.7	22 891.6	26 071.9	24 337.0	93.8%
Acquisition of assets	(1 091.1)	(990.6)	(1 626.6)	(928.0)	(1 327.8)	(776.9)	(3 148.7)	(1 354.6)	56.3%
Investments	797.2	2 493.0	979.7	2 832.4	932.8	2 137.7	-	-	275.4%
Inventory	0.9	6.2	0.9	1.2	6.2	1.4	6.2	1.2	69.9%
Receivables and prepayments	871.9	928.6	1 222.8	942.8	1 257.2	1 183.3	1 223.7	1 206.0	93.1%
Cash and cash equivalents	875.4	1 254.1	371.9	1 014.5	382.4	1 226.6	333.5	766.8	217.1%
Taxation	-	0.6	-	0.5	-	5.0	-	-	-
Derivatives financial instruments	-	11.2	-	-	-	0.7	-	-	-
Total assets	27 926.1	28 095.8	27 991.4	27 986.7	25 759.4	27 446.3	27 635.2	26 311.0	100.5%
Accumulated surplus/(deficit)	9 171.7	10 437.0	10 499.4	12 055.3	12 172.4	13 245.5	14 560.4	14 544.8	108.4%
Capital and reserves	750.0	501.6	750.0	628.5	750.0	750.0	750.0	750.0	87.7%
Borrowings	14 087.5	14 722.3	14 064.1	12 971.9	10 189.6	11 176.6	9 407.0	9 226.1	100.7%
Deferred income	128.3	74.9	-	72.3	346.9	66.2	346.9	172.0	46.9%
Trade and other payables	3 432.7	833.9	901.9	816.0	721.7	725.7	1 041.1	749.9	51.3%
Taxation	250.7	964.1	1 271.5	1 188.1	1 393.3	1 191.7	1 344.3	833.3	98.1%
Provisions	105.0	290.0	155.1	154.9	185.5	215.6	185.5	34.9	110.2%
Derivatives financial instruments	-	271.9	349.5	99.7	-	75.0	-	-	127.8%
Total equity and liabilities	27 926.1	28 095.8	27 991.4	27 986.7	25 759.4	27 446.3	27 635.2	26 311.0	100.5%

Statements of estimates of financial performance and position

Table 35.16 Airports Company of South Africa statements of estimates of financial performance and position

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	8 168.3	5.0%	99.7%	7 287.5	7 784.1	8 288.9	0.5%	100.0%
Sale of goods and services other than capital assets	8 131.7	6.9%	95.7%	7 226.9	7 579.2	7 959.9	-0.7%	98.0%
<i>of which:</i>								
<i>Sales by market establishment</i>	8 131.7	6.9%	95.7%	7 226.9	7 579.2	7 959.9	-0.7%	98.0%
<i>Aeronautical revenue</i>	5 130 560.5	6.5%	60 840.6%	4 202 063.1	4 365 816.2	4 539 645.6	-4.0%	57 839.3%
<i>Non-aeronautical revenue</i>	3 001 103.7	7.5%	34 878.9%	3 024 836.6	3 213 361.8	3 420 287.5	4.5%	40 202.7%
Other non-tax revenue	36.6	-54.7%	4.0%	60.6	205.0	328.9	107.8%	2.0%
Total revenue	8 164.3	4.9%	100.0%	7 287.5	7 784.1	8 288.9	0.5%	100.0%

Table 35.16 Airports Company of South Africa statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2015/16				2012/13 - 2015/16	2016/17	2017/18		
R million									
Expenses									
Current expenses	5 825.5	2.3%	89.5%	5 697.6	5 962.8	6 633.7	4.4%	97.7%	
Compensation of employees	989.2	4.8%	15.6%	1 090.8	1 178.0	1 272.3	8.7%	17.4%	
Goods and services	2 391.0	14.9%	30.2%	2 346.5	2 476.3	2 666.4	3.7%	37.9%	
Depreciation	1 306.4	-2.5%	22.1%	1 326.9	1 380.2	1 452.1	3.6%	21.0%	
Interest, dividends and rent on land	1 138.8	-10.5%	21.6%	933.5	928.3	1 243.0	3.0%	16.2%	
Total expenses	6 480.0	2.1%	100.0%	6 129.9	6 419.5	7 009.4	2.7%	100.0%	
Surplus/(Deficit)	1 684.0	-	-	1 158.0	1 365.0	1 279.0	-8.8%	-	
Statement of financial position									
Carrying value of assets	24 337.0	1.3%	85.5%	25 544.8	29 442.1	32 379.7	10.0%	94.1%	
of which:									
Acquisition of assets	(1 354.6)	11.0%	-3.7%	(2 534.6)	(5 277.5)	(4 389.7)	48.0%	-11.1%	
Inventory	1.2	-42.5%	0.0%	1.2	1.2	1.2	-	0.0%	
Receivables and prepayments	1 206.0	9.1%	3.9%	1 188.0	1 245.9	1 308.5	2.8%	4.2%	
Cash and cash equivalents	766.8	-15.1%	3.9%	361.3	379.0	398.0	-19.6%	1.7%	
Total assets	26 311.0	-2.2%	100.0%	27 095.3	31 068.1	34 087.4	9.0%	100.0%	
Accumulated surplus/(deficit)	14 544.8	11.7%	45.9%	15 302.3	16 666.9	17 946.3	7.3%	54.5%	
Capital and reserves	750.0	14.3%	2.4%	750.0	750.0	750.0	-	2.6%	
Borrowings	9 226.1	-14.4%	43.6%	9 027.8	11 144.6	12 999.8	12.1%	35.6%	
Deferred income	172.0	31.9%	0.4%	172.0	172.0	172.0	-	0.6%	
Trade and other payables	749.9	-3.5%	2.8%	981.7	1 468.3	1 369.1	22.2%	3.8%	
Taxation	833.3	-4.7%	3.8%	826.6	831.5	815.3	-0.7%	2.8%	
Provisions	34.9	-50.6%	0.6%	34.9	34.9	34.9	-	0.1%	
Total equity and liabilities	26 311.0	-2.2%	100.0%	27 095.3	31 068.1	34 087.4	40.9%	100.0%	

Personnel information

Table 35.17 Airports Company of South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				Unit Cost			
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	2015/16 - 2018/19		
Salary level	3 307	5 068	3 274	1 066.2	0.3	3 307	932.2	0.3	3 307	1 090.8	0.3	3 307	1 178.0	0.4	3 307	1 272.3	0.4	10.9%	100.0%
1 - 6	1 647	3 408	1 631	223.5	0.1	1 647	208.2	0.1	1 647	230.1	0.1	1 647	247.1	0.2	1 647	266.9	0.2	8.6%	49.8%
7 - 10	1 253	1 253	1 240	406.5	0.3	1 253	375.2	0.3	1 253	412.4	0.3	1 253	446.4	0.4	1 253	482.3	0.4	8.7%	37.9%
11 - 12	205	205	203	165.3	0.8	205	146.0	0.7	205	160.5	0.8	205	173.3	0.8	205	187.2	0.9	8.6%	6.2%
13 - 16	183	183	181	218.9	1.2	183	156.7	0.9	183	237.3	1.3	183	256.6	1.4	183	276.9	1.5	20.9%	5.5%
17 - 22	19	19	19	52.0	2.8	19	46.0	2.4	19	50.5	2.7	19	54.6	2.9	19	58.9	3.1	8.6%	0.6%

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 35.18 Passenger Rail Agency of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of new train sets delivered to Metrorail per year	Metrorail	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-1	-1	-1	1	5	13	26
Percentage of customer satisfaction rating per year	Administration	Entity mandate	65%	69%	69%	65%	65%	65%	65%
Number of Metrorail passenger trips per year	Metrorail		528 million	543 million	516 million	541 million	481 million	515 million	531 million
Number of Metrorail coaches refurbished per year	Metrorail	Outcome 6: An efficient, competitive and responsive economic infrastructure network	579	566	436	450	400	400	400
Number of Shosholoz Meyl passengers per year	Main line passenger services (Shosholoz Meyl)	Entity mandate	1 260 000	930 000	854 000	900 000	450 000	225 000	105 000
Number of Shosholoz Meyl coaches refurbished per year	Main line passenger services (Shosholoz Meyl)	Outcome 6: An efficient, competitive and responsive economic infrastructure network	3	32	59	60	60	60	60
Number of new Shosholoz Meyl locomotives per year	Main line passenger services (Shosholoz Meyl)		-1	-1	9	11	7	4	44
Number of train station improvement projects completed per year	Passenger Rail Agency of South Africa: Corporate real estate solutions		49	80	58	50	60	70	85
Number of train station upgrade projects completed for commercialisation per year	Passenger Rail Agency of South Africa: Corporate real estate solutions		8	14	14	15	35	40	50
Number of Autopax passengers per year	Autopax	Entity mandate	3.2 million	2.3 million	3.1 million	3 million	2.8 million	2.8 million	2.8 million
Percentage of Metrorail trains on time per year	Metrorail	Outcome 6: An efficient, competitive and responsive economic infrastructure network	78%	80%	81%	80%	81%	82%	83%
Percentage of Metrorail rolling stock available for service per year	Metrorail		-1	97%	97%	96%	96%	97%	97%

1. No historical data is available as these are new indicators.

Expenditure analysis

To improve the efficiency of rail services and increase passenger ridership by 3 per cent per year, as set out in government's 2014-2019 medium term strategic framework, the Passenger Rail Agency will focus on investing in the modernisation of depots, rail infrastructure, and rolling stock. It will aim to deliver 44 train sets for Metrorail, 55 new locomotives for the mainline passenger services, 5 depot upgrades, 125 station upgrades, and 1 380 coach refurbishments over the medium term to improve the reliability of commuter services. Capital investments of R50.6 billion over the medium term are expected in this regard. This is also expected to enable the percentage of Metrorail trains arriving on time to increase from 78 per cent in 2012/13 to 83 per cent in 2018/19.

Train service availability for metro rail, which measures the percentage of rolling stock available for utilisation, is expected to stabilise at 97 per cent over the MTEF period. This is expected to drive an increase in total expenditure over the medium term from R11.2 billion in 2015/16 to R13.8 billion in 2018/19. Expenditure on Metrorail constitutes a projected 60.9 per cent of total expenditure, which is expected to increase to R8.5 billion in 2018/19 at an average annual rate of 9 per cent over the MTEF period. This is driven largely by increased expenditure on compensation of employees and good and services. Compensation of employees is expected to increase at an average annual rate of 6.3 per cent over the medium term, and goods and services spending is expected to increase to R5.4 billion in 2018/19, in line with inflation expectations.

The agency's expenditure is funded through fare revenue, transfers from the Department of Transport, and rental income from its property portfolio. The agency's total revenue is expected to increase to R12 billion in 2018/19, at an average annual rate of 5.6 per cent, due to increases in transfers from the department from R5.5 billion in 2015/16 to R6.9 billion in 2018/19. As the agency services become more reliable, the number of Metrorail passenger trips is expected to increase from 481 million in 2016/17 to 531 million in 2018/19. In line with the drop in passenger trips in 2014/15, fare revenue is expected to increase to R3.8 billion in 2018/19, at an

average annual rate of 0.7 per cent. As the agency increases investments in the upgrade of major stations, rental income is expected to increase from R627.2 million in 2015/16 to R834 million in 2018/19.

Programmes/objectives/activities

Table 35.19 Passenger Rail Agency of South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	1 371.8	1 630.2	1 720.5	1 483.9	2.7%	14.6%	1 555.8	1 645.2	1 772.7	6.1%	12.9%
Metrorail	5 834.2	6 483.1	6 647.6	6 592.6	4.2%	60.0%	7 494.4	7 996.7	8 534.0	9.0%	60.9%
Main line passenger services (Shosholozo Meyl)	1 068.6	423.5	737.3	868.4	-6.7%	7.3%	922.3	978.4	1 037.9	6.1%	7.6%
Passenger Rail Agency of South Africa: Corporate real estate solutions	818.0	735.0	852.8	953.4	5.2%	7.9%	995.7	1 052.5	1 116.6	5.4%	8.2%
Intersite	66.3	41.3	32.4	66.5	0.1%	0.5%	65.7	56.0	69.4	1.4%	0.5%
Autopax	935.1	943.2	1 021.2	1 149.3	7.1%	9.5%	1 081.0	1 027.0	1 066.9	-2.5%	8.7%
Legal	-	-	77.4	66.4	-	0.3%	179.8	207.2	205.4	45.7%	1.3%
Total	10 094.0	10 256.3	11 089.2	11 180.4	3.5%	100.0%	12 294.6	12 963.0	13 802.8	7.3%	100.0%

Statements of historical financial performance and position

Table 35.20 Passenger Rail Agency 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	Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16	
Revenue									
Non-tax revenue	3 798.1	4 912.1	3 732.2	4 250.3	3 990.1	3 959.7	4 446.3	4 760.3	112.0%
Sale of goods and services other than capital assets	3 792.5	3 393.8	3 731.0	3 629.4	3 988.8	3 636.8	4 409.7	4 482.7	95.1%
of which:									
Sales by market establishment	3 577.5	3 066.4	3 589.5	3 330.6	3 792.4	3 421.1	4 255.0	4 317.8	92.9%
Rental income	590 720.0	310 117.0	492 640.0	458 292.0	508 624.9	480 351.0	648 291.0	627 212.1	83.7%
Fare revenue	2 986 742.0	2 756 286.0	3 096 832.0	2 872 263.9	3 283 765.7	2 940 707.1	3 606 732.8	3 690 600.0	94.5%
Other sales	215.1	327.4	141.5	298.9	196.4	215.7	154.7	164.9	142.3%
Other non-tax revenue	5.5	1 518.2	1.2	620.9	1.3	322.9	36.6	277.6	6 127.6%
Transfers received	4 645.0	5 025.2	4 766.6	6 291.2	5 206.6	5 948.8	5 459.8	5 459.8	113.2%
Total revenue	8 443.0	9 937.2	8 498.8	10 541.5	9 196.7	9 908.4	9 906.1	10 220.1	112.7%
Expenses									
Current expenses	9 198.3	10 093.8	10 328.9	10 256.3	9 890.7	11 089.2	10 788.8	11 180.4	106.0%
Compensation of employees	3 549.4	3 991.0	4 488.0	4 439.9	3 777.5	4 665.7	4 743.9	4 794.0	108.0%
Goods and services	4 103.0	4 586.5	4 559.9	3 518.5	4 642.4	3 960.6	4 529.9	4 544.5	93.1%
Depreciation	1 478.8	1 488.6	1 276.9	1 976.2	1 469.7	2 136.3	1 506.0	1 507.8	124.0%
Interest, dividends and rent on land	67.2	27.7	4.1	321.8	1.1	326.6	8.9	334.2	1 243.7%
Total expenses	9 198.3	10 094.0	10 328.9	10 256.3	9 890.7	11 089.2	10 788.8	11 180.4	106.0%
Surplus/(Deficit)	(755.0)	(157.0)	(1 830.0)	285.0	(694.0)	(1 181.0)	(883.0)	(960.0)	-

Table 35.20 Passenger Rail Agency of South Africa 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	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Carrying value of assets	27 788.5	26 460.9	31 300.1	31 380.2	41 326.4	35 160.7	47 169.3	43 886.5	92.8%
Acquisition of assets	(6 701.1)	(3 932.1)	(7 682.2)	(7 682.2)	(10 685.6)	(11 038.0)	(14 103.5)	(14 103.5)	93.8%
Inventory	223.0	241.9	240.4	240.4	236.6	253.6	220.5	249.9	107.1%
Loans	-	24.2	-	24.2	24.2	24.2	-	-	300.0%
Receivables and prepayments	400.8	190.3	260.6	1 254.2	254.2	8 004.1	516.5	10 344.2	1 382.1%
Cash and cash equivalents	775.8	4 986.5	1 495.7	3 484.2	2 536.1	1 683.7	2 085.2	959.3	161.2%
Defined benefit plan assets	8.2	7.1	7.6	7.6	7.6	4.2	8.3	3.2	69.6%
Taxation	0.1	-	0.1	-	-	-	-	-	-
Total assets	29 196.5	31 910.8	33 305.5	36 390.9	44 385.1	45 130.5	49 999.7	55 443.1	107.6%
Accumulated surplus/(deficit)	(6 268.4)	(1 917.9)	(5 189.5)	(2 928.2)	(3 622.2)	(3 698.2)	(4 019.6)	(4 658.5)	69.1%
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	27 455.2	24 043.6	30 900.2	30 310.6	39 702.3	37 703.3	46 149.8	49 489.0	98.2%
Borrowings	211.5	133.3	213.6	92.8	48.3	48.2	-	-	57.9%
Finance lease	-	5.8	-	-	-	2 405.9	-	2 731.2	-
Trade and other payables	3 160.8	4 823.5	2 467.0	4 040.7	3 370.9	3 550.8	2 957.2	2 949.9	128.5%
Provisions	389.2	574.4	664.8	626.8	637.7	692.6	664.0	683.3	109.4%
Derivatives financial instruments	-	-	1.0	-	-	179.6	-	-	17 366.6%
Total equity and liabilities	29 196.5	31 910.8	33 305.5	36 390.9	44 385.1	45 130.5	49 999.7	55 443.1	107.6%

Statements of estimates of financial performance and position**Table 35.21 Passenger Rail Agency of South Africa statements of estimates of financial performance and position**

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	4 760.3	-1.0%	44.1%	4 581.3	4 893.7	5 146.0	2.6%	43.6%
Sale of goods and services other than capital assets	4 482.7	9.7%	37.3%	4 390.2	4 692.6	4 944.8	3.3%	41.7%
<i>of which:</i>								
<i>Sales by market establishment</i>	4 317.8	12.1%	34.8%	4 096.1	4 390.5	4 597.7	2.1%	39.2%
<i>Rental income</i>	627 212.1	26.5%	4 613.3%	669 720.0	786 293.0	834 032.0	10.0%	6 536.5%
<i>Fare revenue</i>	3 690 600.0	10.2%	30 193.5%	3 426 405.0	3 604 169.0	3 763 678.0	0.7%	32 656.1%
<i>Other sales</i>	164.9	-20.4%	2.5%	294.0	302.2	347.1	28.2%	2.5%
Other non-tax revenue	277.6	-43.2%	6.8%	191.1	201.1	201.2	-10.2%	2.0%
Transfers received	5 459.8	2.8%	55.9%	6 256.6	6 501.4	6 890.5	8.1%	56.4%
Total revenue	10 220.1	0.9%	100.0%	10 837.9	11 395.1	12 036.5	5.6%	100.0%
Expenses								
Current expenses	11 180.4	3.5%	100.0%	12 294.6	12 963.0	13 802.8	7.3%	124.2%
Compensation of employees	4 794.0	6.3%	41.9%	5 129.5	5 437.3	5 763.5	6.3%	42.1%
Goods and services	4 544.5	-0.3%	39.0%	4 760.7	5 071.1	5 431.3	6.1%	39.5%
Depreciation	1 507.8	0.4%	16.7%	2 058.8	2 091.0	2 224.8	13.8%	15.6%
Interest, dividends and rent on land	334.2	129.3%	2.3%	345.5	363.6	383.1	4.7%	2.8%
Total expenses	11 180.4	3.5%	100.0%	12 294.6	12 963.0	13 802.8	7.3%	100.0%
Surplus/(Deficit)	(960.0)	1	-	(1 457.0)	(1 568.0)	(1 766.0)	22.5%	-

Table 35.21 Passenger Rail Agency of South Africa statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)			
				2015/16	2012/13 - 2015/16	2016/17			2017/18	2018/19	2015/16 - 2018/19
R million											
Carrying value of assets	43 886.5	18.4%	81.6%	51 061.7	62 074.5	74 987.2	19.6%	77.0%			
of which:											
Acquisition of assets	(14 103.5)	53.1%	-20.8%	(15 010.4)	(17 282.3)	(18 284.7)	9.0%	-21.9%			
Inventory	249.9	1.1%	0.6%	230.4	215.4	204.7	-6.4%	0.3%			
Receivables and prepayments	10 344.2	278.8%	10.1%	14 689.7	17 866.0	18 245.2	20.8%	20.2%			
Cash and cash equivalents	959.3	-42.3%	7.7%	2 211.8	2 834.9	1 417.4	13.9%	2.5%			
Defined benefit plan assets	3.2	-23.8%	0.0%	2.5	2.0	2.0	-14.1%	0.0%			
Total assets	55 443.1	20.2%	100.0%	68 196.1	82 992.9	94 856.6	19.6%	100.0%			
Accumulated surplus/(deficit)	(4 658.5)	34.4%	-7.7%	(6 115.2)	(7 683.0)	(9 485.3)	26.7%	-9.2%			
Capital and reserves	4 248.3	0.0%	10.5%	4 248.3	4 248.3	4 248.3	-0.0%	5.9%			
Capital reserve fund	49 489.0	27.2%	82.9%	61 521.8	76 324.2	89 404.8	21.8%	91.4%			
Finance lease	2 731.2	679.8%	2.6%	2 882.6	3 039.7	3 202.1	5.4%	4.0%			
Trade and other payables	2 949.9	-15.1%	9.9%	4 955.3	6 339.8	6 720.2	31.6%	6.8%			
Provisions	683.3	6.0%	1.6%	703.4	724.0	766.6	3.9%	1.0%			
Total equity and liabilities	55 443.1	20.2%	100.0%	68 196.1	82 992.9	94 856.6	89.5%	100.0%			

Personnel information

Table 35.22 Passenger Rail Agency of South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016			Number and cost of personnel posts filled / planned for on funded establishment												Number				
Number of Funded posts	Number of posts on approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)			
			2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Passenger Rail Agency of South Africa	17 102	17 102	17 102	4 665.7	0.3	17 102	4 694.5	0.3	17 102	5 129.5	0.3	17 732	5 437.3	0.3	17 732	5 763.5	0.3	7.1%	100.0%
Salary level																			
1 – 6	9 114	9 114	9 114	1 425.8	0.2	9 114	1 445.4	0.2	9 114	1 554.7	0.2	9 599	1 680.6	0.2	9 599	1 784.4	0.2	7.3%	53.7%
7 – 10	7 244	7 244	7 244	2 495.7	0.3	7 244	2 531.5	0.3	7 244	2 719.2	0.4	7 363	2 867.5	0.4	7 363	3 043.5	0.4	6.3%	41.9%
11 – 12	475	475	475	371.4	0.8	475	376.5	0.8	475	395.0	0.8	490	408.7	0.8	490	430.2	0.9	4.5%	2.8%
13 – 16	220	220	220	259.9	1.2	220	204.1	0.9	220	317.5	1.4	231	333.1	1.4	231	350.4	1.5	19.7%	1.3%
17 – 22	49	49	49	112.9	2.3	49	137.1	2.8	49	143.1	2.9	49	147.4	3.0	49	155.0	3.2	4.2%	0.3%

1. Rand million.

Road Accident Fund

Mandate

The Road Accident Fund Act (1996) provides for the establishment of the Road Accident Fund, whose legal mandate is to compensate South African road users for loss or damage caused by the negligent driving of motor vehicles within the borders of South Africa.

Selected performance indicators

Table 35.23 Road Accident Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Direct claims as a percentage of claim payments per year	Payment of claims to accident victims	Entity mandate	27%	20%	30%	33%	35%	38%	40%
Legal costs as a percentage of total costs per year	Payment of claims to accident victims		27%	21%	19%	17%	15%	13%	11%
Number of open claims received but not finalised per year	Payment of claims to accident victims		212 686	198 407	179 778	191 230	174 867	175 752	177 318

Expenditure analysis

The Road Accident Fund will continue to focus on compensating victims of road accidents for losses and damages, as required by the Road Accident Fund Act (1996). In line with this, claims payments are expected to increase to R68.7 billion in 2018/19, at an average annual rate of 7.4 per cent over the medium term.

Despite the expected increased expenditure on claims, the fund is facing growing deficits as a result of increased accidents on the roads and the number of claims growing faster than the fund's capacity to pay them. The accumulated deficit is expected to increase from R134.7 billion in 2015/16 to R221.9 billion in 2018/19 as the number of open claims increases to 177 318 in 2018/19. The fund aims to increase the percentage of direct claims to 40 per cent of total claims by 2018/19, resulting in a decrease in legal costs as a percentage of total costs by 2 per cent per year over the medium term.

The implementation of the ICT plan to provide for new customer service centres and systems changes in preparation for the implementation of the road accident benefit scheme is expected to drive growth in expenditure on goods and services from R645.5 million in 2015/16 to R890 million in 2018/19.

The administration and settlement of claims is carried out by 2 890 personnel. This number is expected to remain constant over the medium term as the expected growth in compensation of employees provides for salary increases.

Revenue from the Road Accident Fund levy on fuel funds the payments made to road accident victims and the administration of the fund. Total revenue is expected to increase at an average annual rate of 1.2 per cent over the medium term in line with expected growth in fuel sales, as the levy is expected to remain constant over the medium term. The significant increase in revenue in 2015/16 is due to the 50 cent per litre increase in the levy, from R1.04 to R1.54 per litre.

Programmes/objectives/activities

Table 35.24 Road Accident Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Administration	1 176.4	1 373.9	1 676.1	1 913.9	17.6%	3.8%	2 337.6	2 303.6	2 500.3	9.3%	3.7%
Payment of claims to accident victims	25 432.8	36 442.1	40 456.1	55 479.0	29.7%	96.2%	53 222.2	60 462.6	68 670.2	7.4%	96.3%
Total	26 609.2	37 816.0	42 132.2	57 392.9	29.2%	100.0%	55 559.8	62 766.1	71 170.6	7.4%	100.0%

Statements of historical financial performance and position

Table 35.25 Road Accident Fund 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	Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	148.4	260.0	668.0	238.4	149.5	65.6	36.6	66.2	62.9%
Other non-tax revenue	148.4	260.0	668.0	238.4	149.5	65.6	36.6	66.2	62.9%
Transfers received	17 853.1	17 883.8	20 930.7	20 278.0	22 457.9	22 614.3	24 084.5	32 982.7	109.9%
Total revenue	18 001.4	18 143.8	21 598.7	20 516.4	22 607.4	22 679.9	24 121.1	33 048.9	109.3%
Expenses									
Current expenses	1 281.6	1 176.4	1 478.3	1 373.9	1 732.7	1 676.1	1 913.9	1 913.9	95.8%
Compensation of employees	828.4	613.2	966.0	854.7	1 178.3	1 080.9	1 042.2	1 195.8	93.3%
Goods and services	377.1	474.6	433.9	452.1	481.1	482.7	799.1	645.5	98.3%
Depreciation	64.9	61.1	66.6	38.1	61.0	45.2	59.6	59.6	81.0%
Interest, dividends and rent on land	11.1	27.4	11.7	28.9	12.4	67.3	13.0	13.0	283.4%
Transfers and subsidies	13 898.7	25 432.8	17 973.4	36 442.1	23 895.8	40 456.1	33 559.1	55 479.0	176.7%
Total expenses	15 180.3	26 609.2	19 451.7	37 816.0	25 628.5	42 132.2	35 473.0	57 392.9	171.3%
Surplus/(Deficit)	2 821.0	(8 465.0)	2 147.0	(17 300.0)	(3 021.0)	(19 452.0)	(11 352.0)	(24 344.0)	-

Table 35.25 Road Accident Fund statements of historical financial performance and position

Statement of financial position		Budget		Audited outcome		Budget estimate		Revised estimate		Outcome/ Budget Average (%)
R million	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16					
Carrying value of assets	322.9	252.0	279.7	268.2	313.7	281.1	333.0	301.8	88.3%	
<i>Acquisition of assets</i>	<i>(810.6)</i>	<i>(15.3)</i>	<i>(86.7)</i>	<i>(51.0)</i>	<i>(82.5)</i>	<i>(56.9)</i>	<i>(90.8)</i>	<i>(90.8)</i>	<i>20.0%</i>	
Inventory	2.9	3.0	2.9	3.6	3.4	4.9	4.0	5.2	126.8%	
Loans	-	132.2	-	133.0	148.6	140.9	149.4	149.2	186.3%	
Accrued investment interest	-	32.7	21.0	16.1	36.8	4.4	18.1	4.6	76.2%	
Receivables and prepayments	3 803.0	4 153.5	5 012.4	4 768.7	5 107.0	5 887.1	7 399.5	8 330.3	108.5%	
Cash and cash equivalents	5 286.3	6 143.8	9 450.5	2 504.8	149.5	1 048.2	211.7	1 666.2	75.3%	
Total assets	9 415.1	10 717.3	14 766.4	7 694.3	5 758.9	7 366.6	8 115.7	10 457.4	95.2%	
Accumulated surplus/(deficit)	(39 263.2)	(73 626.0)	(43 232.7)	(90 925.5)	(52 159.1)	(110 377.8)	(104 390.7)	(134 667.5)	171.3%	
Capital and reserves	65.5	123.6	72.2	127.8	123.6	130.5	127.8	130.5	131.7%	
Trade and other payables	678.6	474.9	459.2	600.2	533.6	7 199.2	17 932.9	12 100.0	103.9%	
Provisions	47 934.1	83 744.7	57 467.6	97 891.9	57 260.8	110 414.7	94 445.7	132 894.5	165.3%	
Total equity and liabilities	9 415.1	10 717.3	14 766.4	7 694.3	5 758.9	7 366.6	8 115.7	10 457.4	95.2%	

Statements of estimates of financial performance and position**Table 35.26 Road Accident Fund statements of estimates of financial performance and position**

Statement of financial performance		Average growth rate (%)	Expen- diture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen- diture/ Total: Average (%)
R million	Revised estimate 2015/16	2012/13 - 2015/16	Average	2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	66.2	-36.6%	0.8%	81.7	82.0	82.1	7.4%	0.2%
Other non-tax revenue	66.2	-36.6%	0.8%	81.7	82.0	82.1	7.4%	0.2%
Transfers received	32 982.7	22.6%	99.2%	34 194.8	33 836.7	34 175.0	1.2%	99.8%
Total revenue	33 048.9	22.1%	100.0%	34 276.4	33 918.7	34 257.1	1.2%	100.0%
Expenses								
Current expenses	1 913.9	17.6%	3.8%	2 337.6	2 303.6	2 500.3	9.3%	8.4%
Compensation of employees	1 195.8	24.9%	2.3%	1 291.4	1 394.8	1 506.3	8.0%	2.2%
Goods and services	645.5	10.8%	1.3%	959.8	810.7	890.0	11.3%	1.3%
Depreciation	59.6	-0.8%	0.1%	72.6	83.6	88.6	14.1%	0.1%
Interest, dividends and rent on land	13.0	-22.0%	0.1%	13.7	14.5	15.4	5.8%	0.0%
Transfers and subsidies	55 479.0	29.7%	96.2%	53 222.2	60 462.6	68 670.2	7.4%	96.3%
Total expenses	57 392.9	29.2%	100.0%	55 559.8	62 766.1	71 170.6	7.4%	100.0%
Surplus/(Deficit)	(24 344.0)	-	-	(21 283.0)	(28 847.0)	(36 913.0)	14.9%	-
Statement of financial position								
Carrying value of assets	301.8	6.2%	3.1%	333.0	355.9	372.6	7.3%	3.0%
<i>of which:</i>								
<i>Acquisition of assets</i>	<i>(90.8)</i>	<i>80.9%</i>	<i>-0.6%</i>	<i>(95.6)</i>	<i>(100.3)</i>	<i>(105.4)</i>	<i>5.1%</i>	<i>-0.9%</i>
Inventory	5.2	20.2%	0.0%	5.5	5.9	6.2	6.0%	0.1%
Loans	149.2	4.1%	1.6%	158.2	167.7	177.7	6.0%	1.5%
Accrued investment interest	4.6	-47.9%	0.2%	4.9	5.2	5.5	6.0%	0.0%
Receivables and prepayments	8 330.3	26.1%	65.1%	9 113.7	9 204.9	9 296.9	3.7%	80.4%
Cash and cash equivalents	1 666.2	-35.3%	30.0%	1 681.7	1 682.0	1 682.1	0.3%	15.0%
Total assets	10 457.4	-0.8%	100.0%	11 296.9	11 421.5	11 541.0	3.3%	100.0%
Accumulated surplus/(deficit)	(134 667.5)	22.3%	-1 163.7%	(156 004.6)	(184 911.4)	(221 894.5)	18.1%	-1 552.6%
Capital and reserves	130.5	1.8%	1.5%	130.5	130.5	130.5	-	1.2%
Trade and other payables	12 100.0	194.3%	56.4%	18 736.5	30 645.0	48 923.2	59.3%	243.4%
Provisions	132 894.5	16.6%	1 205.8%	148 434.4	165 557.4	184 381.7	11.5%	1 408.0%
Total equity and liabilities	10 457.4	-0.8%	100.0%	11 296.9	11 421.5	11 541.0	89.0%	100.0%

Personnel information

Table 35.27 Road Accident Fund personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	
Road Accident Fund		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Salary level	2 890	2 890	2 780	1 080.9	0.4	2 890	1 170.3	0.4	2 890	1 291.4	0.4	2 890	1 394.8	0.5	2 890	1 506.3	0.5	8.8%	100.0%
1 – 6	559	559	559	66.4	0.1	559	73.5	0.1	559	79.3	0.1	559	85.7	0.2	559	92.5	0.2	8.0%	19.3%
7 – 10	1 872	1 872	1 771	626.4	0.4	1 872	693.0	0.4	1 872	748.4	0.4	1 872	808.3	0.4	1 872	873.0	0.5	8.0%	64.8%
11 – 12	378	378	377	286.3	0.8	378	316.7	0.8	378	342.0	0.9	378	369.4	1.0	378	398.9	1.1	8.0%	13.1%
13 – 16	75	75	68	85.7	1.3	75	69.3	0.9	75	102.3	1.4	75	110.5	1.5	75	119.4	1.6	19.9%	2.6%
17 – 22	6	6	5	16.2	3.2	6	17.9	3.0	6	19.4	3.2	6	20.9	3.5	6	22.6	3.8	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 in terms of the South African National Roads Agency 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, as well as the financing of these functions. This includes both toll and non-toll roads.

Selected performance indicators

Table 35.28 South African National Roads Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Smooth travel exposure: Percentage of travel undertaken per year on national roads with roughness less than 4.2 on the international roughness index	-Routine maintenance -Strengthening -Improvements -New facilities	Entity mandate	95.2%	96.3%	96.1%	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 -Strengthening -Improvements -New facilities		98.7%	97.7%	91.7%	95%	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 -Strengthening -Improvements -New facilities		97.3%	98.4%	99.4%	95%	95%	95%	95%
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 -Strengthening -Improvements -New facilities		93.6%	93.3%	98.5%	90%	90%	90%	90%
Length of network with active routine road maintenance contracts	Routine maintenance		19 704 km	19 704 km	21 403 km	21 452 km	21 579 km	21 800 km	21 800 km
Resurface length: Length of road resealed/overlayed per year	Routine maintenance	Outcome 6: An efficient, competitive and responsive economic infrastructure network	1 370 km	1 290 km	850 km	850 km	900 km	1 000 km	1 100 km
Length of road strengthened/improved or newly constructed per year	Improvements		502 km	659 km	400 km	400 km	450 km	475 km	500 km

Expenditure analysis

Consistent with outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government’s 2014-2019 medium term strategic framework, the focus of the South African National Road Agency over the MTEF period will be on upgrading and improving the national road network.

Providing active routine maintenance contracts for the national network is expected to drive expenditure on goods and services over the MTEF period, reflecting 10.5 per cent of total expenditure. With over 75 per cent of the network beyond the design life, road maintenance is becoming unviable and the agency is required to focus on improvements. As a result, goods and services is expected to decrease at an average annual rate of 15.7 per

cent over the medium term. The agency employs 295 personnel, and this number is expected to remain constant over the medium term. The expected increase in compensation of employees provides for salary increases.

Upgrading and strengthening the road network, upgrading intersections to interchanges, and installing intelligent transport systems that include features such as variable message signs and surveillance cameras is set to increase the value of total capital investments over the medium term from R10.6 billion in 2015/16 to R14.1 billion in 2018/19.

Over the medium term, the agency plans to reseal 2 550 km of the road network, and upgrade the R573 Moloto Road in Mpumalanga and Limpopo because of the high number of accidents on the road.

These activities, among others, are financed through transfers from the Department of Transport for the management of the non-toll network, and through revenue from toll fees for the toll network. Transfers from the department are expected to increase to R17.8 billion in 2018/19. Revenue from toll fees is expected to increase from R4 billion in 2015/16 to R6.3 billion in 2018/19, at an average annual rate of 16.1 per cent. This is due to improved revenue collection on the Gauteng freeway improvement project, as the new dispensation for the project takes effect.

Programmes/objectives/activities

Table 35.29 The South African National Roads Agency Limited expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	5 777.6	6 132.1	8 967.5	6 967.1	6.4%	50.1%	7 390.2	7 300.1	7 416.7	2.1%	47.0%
Routine maintenance	1 530.7	1 304.6	1 440.5	1 512.7	-0.4%	10.5%	1 946.5	1 677.6	1 376.1	-3.1%	10.5%
Strengthening	1 452.4	3 042.2	1 002.6	2 601.8	21.4%	14.4%	2 300.4	1 982.6	1 626.3	-14.5%	13.5%
Improvements	1 561.5	1 610.8	1 116.4	2 714.3	20.2%	12.2%	2 123.4	1 830.1	1 501.2	-17.9%	12.9%
New facilities	1 688.9	715.5	1 219.4	3 975.5	33.0%	12.7%	2 477.3	2 135.2	1 751.4	-23.9%	16.2%
Total	12 011.2	12 805.1	13 746.5	17 771.3	13.9%	100.0%	16 237.8	14 925.7	13 671.5	-8.4%	100.0%

Statements of historical financial performance and position

Table 35.30 The South African National Roads Agency Limited statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	3 360 427.1	2 112 067.2	3 344 498.2	3 514 848.9	4 198 183.5	6 339 071.2	5 031 911.6	4 049 964.8	100.5%
Sale of goods and services other than capital assets	3 360 427.1	2 103 989.6	3 344 498.2	3 485 221.4	4 198 037.0	6 338 447.1	5 031 874.9	4 049 306.6	100.3%
<i>of which:</i>									
Sales by market establishment	3 377.1	2 140.8	3 341.2	3 518.9	4 221.4	6 376.2	5 033.9	4 091.6	101.0%
Toll Income	3 357 050.0	2 101 443.0	3 341 157.0	3 481 612.0	4 193 491.0	6 331 769.0	5 026 841.0	4 044 865.0	
Other sales	-	405.8	-	90.5	324.6	302.0	-	350.0	353.8%
Other non-tax revenue	-	8 077.6	-	29 627.5	146.4	624.1	36.6	658.2	21 295.6%
Transfers received	6 405.8	9 756.3	7 809.7	6 842.0	8 197.9	5 369.4	12 542.5	12 542.5	98.7%
Total revenue	3 366 832.8	2 121 823.5	3 352 307.9	3 521 690.9	4 206 381.4	6 344 440.6	5 044 454.1	4 062 507.3	100.5%
Expenses									
Current expenses	11 045.0	12 011.2	13 944.1	12 805.1	23 362.8	13 746.5	17 771.3	17 771.3	85.2%
Compensation of employees	130.9	155.2	143.0	200.3	200.3	208.8	244.6	244.6	112.5%
Goods and services	5 451.3	6 501.6	7 321.1	6 856.0	18 123.7	8 498.9	11 565.6	11 565.6	78.7%
Depreciation	2 570.7	1 612.9	3 430.7	2 246.1	1 594.9	1 594.9	2 559.1	2 559.1	78.9%
Interest, dividends and rent on land	2 892.0	3 741.4	3 049.3	3 502.8	3 444.0	3 444.0	3 402.0	3 402.0	110.2%
Total expenses	11 045.0	12 011.2	13 944.1	12 805.1	23 362.8	13 746.5	17 771.3	17 771.3	85.2%
Surplus/(Deficit)	3 355 788.0	2 109 812.0	3 338 364.0	3 508 886.0	4 183 019.0	6 330 694.0	5 026 683.0	4 044 736.0	-

Table 35.30 The South African National Roads Agency Limited statements of historical financial performance and position

Statement of financial position									Outcome/ Budget Average (%)
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	
Carrying value of assets	229 660.1	270 097.6	271 919.0	305 167.8	277 511.4	310 282.7	307 217.7	314 083.7	110.4%
Acquisition of assets	(810.6)	(8 639.7)	(8 071.6)	(8 732.3)	(12 199.2)	(9 705.8)	(12 354.7)	(12 381.0)	118.0%
Investments	1 703.5	573.6	2 921.3	1 016.9	596.1	712.5	464.1	464.1	48.7%
Receivables and prepayments	1 877.6	564.9	1 719.7	1 158.1	2 357.8	4 665.9	4 857.8	4 157.8	97.5%
Cash and cash equivalents	4 950.0	4 419.3	3 631.9	4 150.9	3 939.0	9 780.7	5 939.0	5 939.0	131.6%
Non-current assets held for sale	-	132.9	-	86.7	139.6	27.0	120.0	139.6	148.8%
Total assets	238 191.2	275 788.4	280 191.9	311 580.5	284 543.9	325 468.8	318 598.6	324 784.2	110.4%
Accumulated surplus/(deficit)	(2 521.8)	(5 233.2)	(6 226.4)	(7 557.9)	(4 611.6)	(8 416.9)	(7 916.9)	(4 860.9)	122.5%
Capital and reserves	170 967.2	211 681.4	205 398.0	240 431.5	210 590.3	240 130.7	239 681.1	239 681.1	112.7%
Capital reserve fund	19 344.5	23 156.5	34 906.3	28 578.6	31 559.0	35 126.2	34 559.0	34 559.0	100.9%
Borrowings	46 730.4	28 190.9	42 191.4	30 083.8	36 627.0	36 714.2	35 144.2	38 144.2	82.8%
Deferred income	2.6	6 797.0	1 270.8	7 019.7	1 061.2	7 389.8	7 224.4	7 347.8	298.7%
Trade and other payables	3 319.2	2 611.6	2 331.4	1 811.7	2 730.3	2 954.7	2 930.4	2 930.6	91.1%
Benefits payable	-	11.6	-	28.6	-	32.5	-	-	-
Provisions	7.1	13.3	10.0	409.7	28.6	387.9	37.8	43.9	1 023.9%
Managed funds (e.g. poverty alleviation fund)	342.0	552.3	310.5	1 027.8	469.5	748.7	849.1	849.1	161.2%
Derivatives financial instruments	-	8 007.1	-	9 747.0	6 089.5	10 401.1	6 089.5	6 089.5	281.2%
Total equity and liabilities	238 191.2	275 788.3	280 191.9	311 580.5	284 543.9	325 468.8	318 598.6	324 784.2	110.4%

Statements of estimates of financial performance and position**Table 35.31 The South African National Roads Agency Limited statements of estimates of financial performance and position**

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Expen- diture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen- diture/ Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	5 408.0	-86.3%	99.7%	7 442.1	8 870.4	9 149.4	19.2%	33.6%
Sale of goods and services other than capital assets	4 749.8	-86.9%	99.7%	6 802.8	8 182.9	8 258.9	20.2%	30.4%
of which:								
Sales by market establishment	4 091.6	24.1%	0.1%	6 163.6	7 495.3	7 368.5	21.7%	27.2%
Toll Income	4 044 865.0	24.4%	99.3%	5 518 491.0	6 197 085.0	6 322 155.0	16.1%	24 126.3%
Other sales	350.0	-4.8%	0.0%	243.0	279.4	400.0	4.6%	1.4%
Other non-tax revenue	658.2	-56.6%	0.3%	639.2	687.5	890.5	10.6%	3.2%
Transfers received	12 542.5	8.7%	0.3%	13 915.6	16 217.0	17 832.2	12.4%	66.4%
Total revenue	17 950.5	-79.6%	100.0%	21 357.6	25 087.4	26 981.6	14.6%	100.0%
Expenses								
Current expenses	17 771.3	13.9%	100.0%	16 237.8	14 925.7	13 671.5	-8.4%	112.8%
Compensation of employees	244.6	16.4%	1.4%	269.0	296.0	325.6	10.0%	1.8%
Goods and services	11 565.6	21.2%	58.6%	9 494.8	8 206.5	6 922.9	-15.7%	57.3%
Depreciation	2 559.1	16.6%	14.2%	2 866.2	3 296.2	3 296.0	8.8%	19.6%
Interest, dividends and rent on land	3 402.0	-3.1%	25.7%	3 607.7	3 127.0	3 127.0	-2.8%	21.3%
Total expenses	17 771.3	13.9%	100.0%	16 237.8	14 925.7	13 671.5	-8.4%	100.0%
Surplus/(Deficit)	179.0	(1)	-	5 120.0	10 162.0	13 310.0	320.5%	-
Statement of financial position								
Carrying value of assets	314 083.7	5.2%	97.0%	322 546.5	328 986.2	332 068.0	1.9%	97.2%
of which:								
Acquisition of assets	(12 381.0)	12.7%	-3.2%	(10 650.9)	(13 312.1)	(14 111.4)	4.5%	-3.8%
Investments	464.1	-6.8%	0.2%	515.3	593.2	332.6	-10.5%	0.1%
Receivables and prepayments	4 157.8	94.5%	0.8%	3 956.9	3 457.6	3 630.5	-4.4%	1.1%
Cash and cash equivalents	5 939.0	10.4%	1.9%	4 433.7	4 502.4	4 727.5	-7.3%	1.5%
Non-current assets held for sale	139.6	1.6%	0.0%	146.6	132.3	139.0	-0.1%	0.0%
Total assets	324 784.2	5.6%	100.0%	331 598.9	337 671.7	340 897.6	1.6%	100.0%
Accumulated surplus/(deficit)	(4 860.9)	-2.4%	-2.1%	(2 070.7)	(711.6)	3 592.7	-190.4%	-0.3%
Capital and reserves	239 681.1	4.2%	75.4%	239 681.1	239 681.1	236 577.6	-0.4%	71.6%
Capital reserve fund	34 559.0	14.3%	9.8%	37 219.3	41 817.7	42 654.0	7.3%	11.7%
Borrowings	38 144.2	10.6%	10.7%	39 749.3	39 659.8	40 453.0	2.0%	11.8%
Deferred income	7 347.8	2.6%	2.3%	7 949.1	8 154.0	8 365.4	4.4%	2.4%
Trade and other payables	2 930.6	3.9%	0.8%	2 130.6	3 077.2	3 138.8	2.3%	0.8%
Provisions	43.9	48.9%	0.1%	50.6	53.9	57.7	9.6%	0.0%
Managed funds (e.g. poverty alleviation fund)	849.1	15.4%	0.3%	800.0	750.0	765.0	-3.4%	0.2%
Derivatives financial instruments	6 089.5	-8.7%	2.8%	6 089.5	5 189.5	5 293.3	-4.6%	1.7%
Total equity and liabilities	324 784.2	5.6%	100.0%	331 598.9	337 671.7	340 897.6	-173.3%	100.0%

Personnel information

Table 35.32 South African National Roads Agency personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate									Average growth rate (%)	Salary level/Total: Average (%)
								2016/17			2017/18			2018/19				
South African National Roads Agency		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19	
Salary level	316	295	208.8	0.7	295	210.1	0.7	295	269.0	0.9	295	296.0	1.0	295	325.6	1.1	15.7%	100.0%
1 – 6	11	11	1.7	0.2	11	2.0	0.2	11	2.2	0.2	11	2.4	0.2	11	2.6	0.2	10.1%	3.7%
7 – 10	165	157	52.8	0.3	157	66.9	0.4	157	73.6	0.5	157	81.0	0.5	157	89.1	0.6	10.0%	53.2%
11 – 12	58	48	63.3	1.0	48	45.8	1.0	48	50.4	1.1	48	55.4	1.2	48	61.0	1.3	10.0%	16.3%
13 – 16	79	76	81.6	1.4	76	85.1	1.1	76	131.5	1.7	76	144.7	1.9	76	159.2	2.1	23.2%	25.8%
17 – 22	3	3	9.3	3.1	3	10.3	3.4	3	11.3	3.8	3	12.5	4.2	3	13.7	4.6	10.0%	1.0%

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 **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 2016/17 is R1.4 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 2016/17 is R238.9 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 2016/17 is R196.8 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 equity of 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 2016/17 is R28.9 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 2016/17 is R253 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 2016/17 is R301.4 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 2016/17 is R701.1 million.
- The **South African Civil Aviation Authority** promotes, regulates and enforces civil aviation safety and security standards across the aviation industry. The authority's estimated expenditure for 2016/17 is R563.3 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 authority's estimated expenditure for 2016/17 is R329.7 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		
				2012/13	2013/14		2014/15	2016/17	2017/18
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)									
South African National Roads Agency	Development and upkeep of national road network	Various	-	6 602.6	7 043.5	8 180.8	9 329.4	11 384.5	12 704.6
Passenger Rail Agency of South Africa	Maintenance and rehabilitation of passenger rail infrastructure	Construction	-	6 701.1	7 481.1	11 059.0	10 438.3	11 117.4	11 752.1
Public transport infrastructure grant	Provision of public transport infrastructure and systems for municipalities	Various	-	4 884.4	4 668.7	4 678.0	-	-	-
Passenger Rail Agency of South Africa: Rolling stock	Provision of new rolling stock	Various	-	-	-	6 048.0	4 170.3	4 420.5	4 676.9
Provincial roads maintenance grant	Maintenance of provincial road infrastructure	Various	-	6 828.5	7 519.5	9 361.5	10 202.5	10 753.7	11 535.7
Public transport network grant	Funding for accelerated construction and improvement of public and non-motorised transport infrastructure	Various	-	-	-	-	5 592.7	6 359.9	6 793.3
Total			-	25 016.6	26 712.7	39 327.2	38 507.3	44 036.0	47 462.5

Vote 36

Water and Sanitation

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 659.5	1 587.3	24.4	47.7	1 691.9	1 778.4
Water Planning and Information Management	841.8	768.2	1.1	72.6	856.3	904.5
Water Infrastructure Development	11 696.4	300.1	7 438.0	3 958.4	12 779.2	13 757.9
Water and Sanitation Services	701.9	328.8	16.2	356.9	379.3	380.4
Water Sector Regulation	345.6	331.5	4.0	10.1	331.6	338.5
Total expenditure estimates	15 245.3	3 315.8	7 483.7	4 445.8	16 038.3	17 159.7
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 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 seeks to ensure that the country's water resources are protected, managed, used, developed, conserved and controlled through 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 people's right to have access to sufficient food and water, transforming the economy, and eradicating poverty.

Selected performance indicators

Table 36.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of new strategic partnerships established with countries in Africa per year	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	2	0	2	4	-1	-1	-1
Number of quarterly progress reports on the approved international relations implementation plan per year	Administration		-1	-1	-1	-1	4	4	4
Number of river systems with water quality management systems in place per year	Water Planning and Information Management	Outcome 10: Protect and enhance our environmental assets and natural resources	-2	-2	-2	5	2	4	2
Percentage of the water monitoring network implementation strategy completed per year ³	Water Planning and Information Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-3	10%	25%	60%	100%	-3	-3
Number of records of decisions for raw water planning projects completed per year ⁴	Water Planning and Information Management		4	1	3	3	2	4	3
Number of bulk infrastructure schemes completed per year	Water Infrastructure Development		3	7	8	-6	-6	-6	-6
Number of accelerated community infrastructure projects implemented per year	Water Infrastructure Development		14	8	25	-6	-6	-6	-6

Table 36.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of large water and wastewater services construction projects completed	Water Infrastructure Development	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- ⁷	- ⁷	- ⁷	6	3	7	2
Number of mega water and wastewater services construction projects completed	Water Infrastructure Development		- ⁷	- ⁷	- ⁷	0	1	1	1
Number of small water and wastewater services construction projects completed per year	Water Infrastructure Development	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	- ⁷	- ⁷	- ⁷	135	427	145	145
Number of households provided with interim/basic water supply in the 27 priority districts per year	Water Infrastructure Development		- ⁵	40 996	94 859	77 450	- ⁸	- ⁸	- ⁸
Number of rural households provided with access to sanitation as per norms and standards per year	Water Infrastructure Development	Outcome 7: Comprehensive rural development and land reform	37 852	11 858	9 347	11 960	9 456	9 939	7 470
Number of additional resource poor farmers financially supported to enhance access to water per year	Water and Sanitation Services		1 787	1 589	1 462	699	1 239	820	950
Number of tanks installed to harvest water for food production and other household productive use per year	Water and Sanitation Services		4 068	2 204	2 409	1 552	1 500	1 500	1 200
Number of existing bucket sanitation systems in formal settlements replaced with adequate sanitation services per year	Water and Sanitation Services	Outcome 8: Sustainable human settlements and improved quality of household life	- ⁹	4 393 ¹⁰	20 581	28 365 ¹¹	4 135 ¹¹	- ⁹	- ⁹
Percentage of water use authorisation applications per year finalised within 300 working days of application	Water Sector Regulation	Outcome 10: Protect And enhance our environmental assets and natural resources	- ¹²	- ¹²	23%	80%	80%	80%	80%
Number of wastewater treatment collector systems assessed for compliance with effluent standards per year	Water Sector Regulation		963	967	0 ¹³	963	963	963	963
Number of water treatment supply systems assessed for compliance with drinking water quality standards per year	Water Sector Regulation		931	913	0 ¹³	1 084	1 084	1 084	1 084

1. This indicator will be measured until 2015/16. From 2016/17 onwards, it will be replaced by a new indicator as the department will only establish partnerships with countries that are identified in the Department of International Relations and Cooperation's international relations partnership plan.

2. No historical data is available as this indicator was introduced in 2015/16.

3. This indicator was revised to factor in the network monitoring strategy, which is expected to be implemented in 2017/18. It will be discontinued from 2017/18, when strategy will be implemented.

4. From 2014/15 onwards, this indicator was expanded to allow for the inclusion of augmentation and feasibility studies in addition to reconciliation studies.

5. No historical data is available as this indicator was introduced in 2013/14.

6. This indicator has been revised as a result of the local government grant review and the merging of certain water grants. Over the medium term, performance will be measured by the number of small, large and mega water and wastewater services construction projects completed.

7. This is a new indicator as a result of the local government grant review, and will be measured from 2015/16 onwards.

8. The department will no longer report on this indicator as it is reported under small, large and mega projects.

9. This indicator was introduced in 2014/15 and is expected to be completed in 2015/16.

10. As reported by the Department of Human Settlements.

11. The total outstanding number of bucket systems in formal areas, to be eradicated in 2015/16 and 2016/17, was revised by the Department of Water and Sanitation as 32 500.

12. No historical data is available as this indicator was introduced in 2014/15.

13. Finalisation of the process was delayed as verification audits had to be completed.

Expenditure analysis

The vision outlined in the national development plan of ensuring water security for economic growth and increasing households' access to water is operationalised in outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (responsive, accountable, effective and efficient local government system) of government's 2014-2019 medium term strategic framework.

Over the medium term, the Department of Water and Sanitation will continue to focus on water infrastructure, including raw water infrastructure, such as dams and canals, bulk infrastructure, such as water treatment works, and water services infrastructure, such as reservoirs and pipelines to households. This work is mainly budgeted for in the *Water Infrastructure and Development* programme, which constitutes an average of 78.1 per cent of the department's total budget over the medium term. In 2014/15, there was underspending in the regional bulk infrastructure grant due to delays in finalising implementation plans by newly appointed implementing agents. All infrastructure projects have since been consolidated under the *Water Infrastructure Development* programme to coordinate their management. In addition, a portion of the regional bulk infrastructure grant has been converted to a direct grant to municipalities, totalling R5.8 billion over the MTEF period as a Cabinet approved reprioritisation within the grant. This allows well functioning municipalities to take full responsibility for their infrastructure projects, and frees up the department to use the indirect component of the grant to complete infrastructure projects on behalf of low capacity municipalities. Infrastructure projects are funded mainly through transfers to the Water Trading Entity, the regional bulk infrastructure grant, and the new water services infrastructure grant. For technical reasons, in 2016/17 the municipal water infrastructure grant, the

water services operating subsidy grant and the rural households infrastructure grant will be merged into a single grant, the water services infrastructure grant, which will be used for reticulation and on-site solutions in municipalities with low capacity.

The department will also replace the bucket sanitation system, improve its regulatory function, and continue with efforts to provide drought relief to affected communities.

Raw water infrastructure

The department is responsible for the design, construction, commissioning and rehabilitation of raw water infrastructure, including dams and bulk distribution systems. Raw water infrastructure projects are undertaken by the Water Trading Entity as the department's implementing agent. 3 raw water projects are expected to be completed over the MTEF period at an estimated total cost of R6.1 billion. Expenditure is in the *Infrastructure Development and Rehabilitation* subprogramme of the *Water Infrastructure Development* programme. Despite the Cabinet approved reductions of R4.4 billion over the MTEF period to the Water Trading Entity, as part of Cabinet's decision to lower the national aggregate expenditure ceiling, spending in the subprogramme is still set to increase at an average annual rate of 10.5 per cent from 2015/16 to 2018/19. And given the entity's improved operational efficiencies and overall increase in revenue, the reductions are not expected to have a substantive impact on its performance.

Bulk infrastructure

To ensure that water is available for households and farmers, the department, through its implementing agents, will complete 2 mega projects (project cost is more than R400 million) and 12 large water and wastewater infrastructure projects (project cost is more than R250 million but less than R400 million) over the medium term. These are funded through the regional bulk infrastructure grant, which is allocated R15 billion over the MTEF period. An example of a project to be completed over the MTEF period is the Xonxa Dam water supply to Lukhanji municipality in Eastern Cape, at a total project cost of R444 million. This project will mitigate the impact of the current water shortfall and benefit the entire municipal population of 52 050 households. Also to be completed over the MTEF period is the upgrading of the Wolmaransstad wastewater treatment works in the Maquassi Hills municipality in North West, at a total project cost of R154 million. The project entails upgrading the sewage treatment works to double its treatment capacity to meet the growth in sewage volumes arising from development in the area. The project beneficiaries are the existing 12 700 households and the households projected to be established in the area over the next 20 years.

Water services infrastructure

To improve household access to water and sanitation, the department will provide funding and institutional support to municipalities and other implementing agents to complete 234 small water and wastewater services projects (project cost is less than R250 million) over the MTEF period. The funding is provided through the new water services infrastructure grant, which receives R12 billion over the MTEF period in the *Water Services Infrastructure* subprogramme of the *Water Infrastructure Development* programme. Most of the grant is allocated to the 27 priority rural district municipalities. These projects include the provision of water from tankers, boreholes, standpipes and pipelines, and the refurbishment of water treatment works.

Sanitation services

To ensure that the 32 500 remaining sanitation buckets in formal areas are replaced with adequate sanitation services by the end of 2016/17, R350 million has been allocated to extend the time frame of the bucket eradication programme. The decrease in the *Water and Sanitation Services* programme in 2017/18 reflects the completion of the bucket eradication programme.

Regulatory function

To complement infrastructure delivery, the department develops and implements integrated planning strategies and effective policies and procedures, and maintains data management systems. Over the medium term, the department will strengthen its regulatory function by finalising pricing regulations for full cost recovery on water schemes and will continue the process of establishing a water regulator. These activities are budgeted for in the *Water Sector Regulation* programme.

Drought relief

The department has reprioritised approximately R502 million in 2015/16 for drought relief activities, which will include procuring water tankers, delivering water, protecting springs, and refurbishing and drilling boreholes.

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 and Sanitation Services														
5. Water Sector Regulation														
Programme	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
Programme 1	1 383.1	1 351.4	1 391.6	1 536.7	1 703.8	1 717.3	–	1 404.0	1 331.0	1 526.2	1 487.5	1 441.7	132.3%	98.9%
Programme 2	698.4	617.2	662.2	731.6	721.5	618.6	–	853.6	800.2	814.0	744.0	682.0	123.1%	94.1%
Programme 3	6 030.7	6 170.8	6 370.8	6 624.0	6 673.6	7 678.1	–	10 008.3	8 871.2	12 484.0	11 815.8	11 544.7	137.1%	99.4%
Programme 4 ¹	492.1	636.0	278.3	1 080.1	1 063.3	294.8	–	1 191.0	456.6	1 391.1	1 414.7	1 349.5	80.3%	55.3%
Programme 5	208.4	217.7	205.1	214.6	213.4	197.1	–	190.5	157.6	231.3	284.6	276.6	127.8%	92.3%
Total	8 812.7	8 993.2	8 907.9	10 187.0	10 375.6	10 505.9	–	13 647.4	11 616.7	16 446.5	15 746.5	15 294.5	130.7%	95.0%
Change to 2015 Budget estimate											(700.0)			
Economic classification														
Current payments	2 636.0	2 471.2	2 370.9	2 694.4	2 707.4	2 465.2	–	3 058.5	2 595.6	3 175.0	3 122.2	2 989.3	122.5%	91.7%
Compensation of employees	1 084.2	1 058.3	1 055.5	1 227.2	1 181.5	1 139.7	–	1 388.0	1 275.7	1 492.1	1 428.4	1 372.3	127.3%	95.8%
Goods and services	1 549.9	1 410.5	1 311.9	1 465.1	1 525.7	1 325.4	–	1 670.3	1 318.8	1 682.9	1 687.2	1 610.5	118.5%	88.4%
<i>of which:</i>														
Computer services	94.6	93.8	109.2	130.3	145.1	143.0	–	148.7	127.1	127.8	122.7	105.7	137.5%	95.0%
Consultants: Business and advisory services	177.0	199.2	180.6	174.1	198.6	158.1	–	225.3	135.0	164.7	110.4	109.4	113.0%	79.5%
Infrastructure and planning services	351.3	275.7	155.9	170.5	184.6	188.6	–	182.7	141.2	190.5	319.4	305.4	111.1%	82.2%
Contractors	53.4	52.9	64.4	144.0	147.5	129.4	–	154.1	132.8	209.6	176.6	174.6	123.2%	94.4%
Operating leases	29.1	17.6	1.0	13.0	16.0	229.5	–	272.9	231.8	295.4	253.4	253.4	212.1%	127.8%
Travel and subsistence	31.9	22.4	227.0	30.7	33.2	20.2	–	222.4	203.6	37.2	196.1	164.6	616.6%	129.8%
Interest and rent on land	1.9	2.4	3.5	2.1	0.2	0.1	–	0.1	1.1	–	6.5	6.5	278.7%	119.8%
Transfers and subsidies	2 913.4	2 909.4	2 932.7	3 916.4	3 918.1	4 020.6	–	4 563.9	4 588.8	6 086.4	5 072.6	5 022.1	128.2%	100.6%
Provinces and municipalities	562.6	562.6	562.8	1 024.0	1 024.1	1 129.8	–	1 033.3	1 051.4	2 155.4	2 305.5	2 255.0	133.6%	101.5%
Departmental agencies and accounts	2 144.4	2 140.4	2 107.9	2 431.5	2 431.5	2 437.1	–	2 737.8	2 739.5	2 516.8	1 739.2	1 739.2	127.2%	99.7%
Higher education institutions	–	–	–	–	–	–	–	–	–	0.6	2.0	2.0	333.3%	100.0%
Foreign governments and international organisations	180.6	180.6	180.6	188.6	188.6	182.3	–	185.2	185.2	180.9	189.3	189.3	134.0%	99.1%
Public corporations and private enterprises	–	–	49.4	250.0	250.0	244.1	–	580.0	579.9	1 200.0	802.0	802.0	115.5%	102.7%
Non-profit institutions	–	–	0.5	–	0.7	1.2	–	1.9	1.8	1.9	2.0	2.0	282.2%	117.7%
Households	25.8	25.8	31.6	22.2	23.1	26.2	–	25.7	31.0	30.7	32.7	32.7	154.5%	113.2%
Payments for capital assets	3 263.2	3 612.5	3 603.9	3 576.2	3 750.0	3 968.1	–	6 025.0	4 432.2	7 185.1	7 551.8	7 283.0	137.5%	92.1%
Buildings and other fixed structures	3 171.5	3 512.7	3 530.2	3 475.6	3 642.1	3 731.4	–	5 937.3	4 368.4	7 084.7	7 419.0	7 150.3	136.8%	91.6%
Machinery and equipment	68.5	84.7	64.8	93.2	100.3	236.0	–	83.4	53.5	74.0	92.3	92.3	189.5%	123.8%
Land and sub-soil assets	–	–	–	–	–	–	–	0.9	–	–	–	–	–	–
Software and other intangible assets	23.2	15.2	8.9	7.3	7.6	0.7	–	3.4	10.3	26.5	40.4	40.4	105.5%	90.6%
Payments for financial assets	–	–	0.3	–	–	52.0	–	–	0.1	–	–	–	–	–
Total	8 812.7	8 993.2	8 907.9	10 187.0	10 375.6	10 505.9	–	13 647.4	11 616.7	16 446.5	15 746.5	15 294.5	130.7%	95.0%

1. The Sanitation function was shifted from the Department of Human Settlements to the Department of Water and Sanitation in 2014/15.

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 and Sanitation Services								
5. Water Sector Regulation								
Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2016/17	2017/18		
R million								
Programme 1	1 441.7	2.2%	12.7%	1 659.5	1 691.9	1 778.4	7.2%	10.3%
Programme 2	682.0	3.4%	6.0%	841.8	856.3	904.5	9.9%	5.2%
Programme 3	11 544.7	23.2%	74.4%	11 696.4	12 779.2	13 757.9	6.0%	78.1%
Programme 4	1 349.5	28.5%	5.1%	701.9	379.3	380.4	-34.4%	4.4%
Programme 5	276.6	8.3%	1.8%	345.6	331.6	338.5	7.0%	2.0%
Total	15 294.5	19.4%	100.0%	15 245.3	16 038.3	17 159.7	3.9%	100.0%
Change to 2015				(1 110.3)	(2 160.5)	(2 094.6)		
Budget estimate								
Economic classification								
Current payments	2 989.3	6.6%	22.5%	3 315.8	3 380.5	3 494.6	5.3%	20.7%
Compensation of employees	1 372.3	9.0%	10.5%	1 667.2	1 670.2	1 739.7	8.2%	10.1%
Goods and services	1 610.5	4.5%	12.0%	1 648.6	1 710.3	1 754.9	2.9%	10.5%
<i>of which:</i>								
Computer services	105.7	4.1%	1.0%	141.3	141.9	145.4	11.2%	0.8%
Consultants: Business and advisory services	109.4	-18.1%	1.3%	136.6	172.3	173.3	16.6%	0.9%
Infrastructure and planning services	305.4	3.5%	1.7%	183.0	195.0	216.9	-10.8%	1.4%
Contractors	174.6	48.9%	1.1%	136.7	137.8	114.2	-13.2%	0.9%
Operating leases	253.4	143.4%	1.5%	298.8	316.8	335.3	9.8%	1.9%
Travel and subsistence	164.6	94.4%	1.3%	252.2	217.5	232.2	12.2%	1.4%
Interest and rent on land	6.5	38.8%	0.0%	-	-	-	-100.0%	0.0%
Transfers and subsidies	5 022.1	20.0%	35.8%	7 483.7	8 934.1	9 741.8	24.7%	48.9%
Provinces and municipalities	2 255.0	58.9%	10.8%	4 695.4	5 595.3	6 019.5	38.7%	29.1%
Departmental agencies and accounts	1 739.2	-6.7%	19.5%	1 713.7	2 001.2	2 352.8	10.6%	12.2%
Higher education institutions	2.0	-	0.0%	3.4	3.4	3.4	19.8%	0.0%
Foreign governments and international organisations	189.3	1.6%	1.6%	188.4	197.7	209.2	3.4%	1.2%
Public corporations and private enterprises	802.0	-	3.6%	844.8	1 098.5	1 115.8	11.6%	6.1%
Non-profit institutions	2.0	-	0.0%	2.8	1.9	2.9	13.0%	0.0%
Households	32.7	8.2%	0.3%	35.3	36.1	38.2	5.3%	0.2%
Payments for capital assets	7 283.0	26.3%	41.6%	4 445.8	3 723.6	3 923.3	-18.6%	30.4%
Buildings and other fixed structures	7 150.3	26.7%	40.5%	4 334.6	3 590.3	3 773.8	-19.2%	29.6%
Machinery and equipment	92.3	2.9%	1.0%	87.7	90.2	103.9	4.0%	0.6%
Software and other intangible assets	40.4	38.6%	0.1%	23.4	43.1	45.6	4.1%	0.2%
Total	15 294.5	19.4%	100.0%	15 245.3	16 038.3	17 159.7	3.9%	100.0%

Personnel information

Table 36.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number			
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2015/16 - 2018/19						
		2014/15			2015/16			2016/17		2017/18		2018/19								
		Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost				
Water and Sanitation		4 994	200	3 637	1 275.7	0.4	3 974	1 372.3	0.3	4 511	1 667.2	0.4	4 511	1 769.2	0.4	4 525	1 894.7	0.4	4.4%	100.0%
Salary level		4 994	200	3 637	1 275.7	0.4	3 974	1 372.3	0.3	4 511	1 667.2	0.4	4 511	1 769.2	0.4	4 525	1 894.7	0.4	4.4%	100.0%
1 – 6		2 197	122	1 636	282.5	0.2	1 769	325.5	0.2	1 938	380.8	0.2	1 938	398.8	0.2	1 962	416.6	0.2	3.5%	43.4%
7 – 10		1 890	46	1 342	456.3	0.3	1 503	517.9	0.3	1 754	659.3	0.4	1 756	704.9	0.4	1 695	721.3	0.4	4.1%	38.3%
11 – 12		679	31	523	387.2	0.7	554	380.9	0.7	651	452.9	0.7	646	478.1	0.7	681	539.1	0.8	7.1%	14.5%
13 – 16		228	1	136	149.7	1.1	148	148.0	1.0	168	174.2	1.0	171	187.3	1.1	187	217.8	1.2	8.1%	3.8%
Programme		4 994	200	3 637	1 275.7	0.4	3 974	1 372.3	0.3	4 511	1 667.2	0.4	4 511	1 769.2	0.4	4 525	1 894.7	0.4	4.4%	100.0%
Programme 1		2 454	107	1 783	608.6	0.3	1 917	618.5	0.3	2 122	749.6	0.4	2 122	787.2	0.4	2 041	835.2	0.4	2.1%	46.8%
Programme 2		1 138	39	895	364.9	0.4	872	331.6	0.4	1 087	412.5	0.4	1 092	440.2	0.4	1 086	460.6	0.4	7.6%	23.6%
Programme 3		391	1	338	81.6	0.2	390	114.7	0.3	390	125.3	0.3	390	131.2	0.3	390	138.9	0.4	–	8.9%
Programme 4		559	7	322	123.0	0.4	387	143.1	0.4	456	175.1	0.4	456	191.3	0.4	559	224.5	0.4	13.0%	10.6%
Programme 5		452	46	299	97.6	0.3	408	164.4	0.4	456	204.8	0.4	451	219.2	0.5	449	235.5	0.5	3.2%	10.1%
Reduction		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total		4 994	200	3 637	1 275.7	0.4	3 974	1 372.3	0.3	4 511	1 667.2	0.4	4 511	1 769.2	0.4	4 525	1 894.7	0.4	–	–

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

2. The department's compensation of employees budget has been reduced by R254 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 36.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19			
Departmental receipts	26 015	65 950	15 333	19 092	19 092	-9.8%	100.0%	18 148	19 183	18 721	-0.7%	100.0%
Sales of goods and services produced by department	2 964	2 774	2 356	2 468	2 468	-5.9%	8.4%	926	961	998	-26.1%	7.1%
Sales by market establishments	1 340	1 943	935	916	916	-11.9%	4.1%	926	961	998	2.9%	5.1%
of which:												
Market establishment: Rental dwelling	1 161	1 788	722	691	691	-15.9%	3.5%	713	748	785	4.3%	3.9%
Market establishment: Non-residential building	–	–	23	35	35	–	–	23	23	23	-13.1%	0.1%
Market establishment: Rental parking	179	155	190	190	190	2.0%	0.6%	190	190	190	–	1.0%
Administrative fees	25	26	67	101	101	59.3%	0.2%	–	–	–	-100.0%	0.1%
of which:												
Services rendered: Transport fees	1	–	52	53	53	275.6%	0.1%	–	–	–	-100.0%	0.1%
Sales: Tender documents	–	–	11	–	–	–	–	–	–	–	–	–
Sales: Maps	10	12	–	2	2	-41.5%	–	–	–	–	-100.0%	–
Replacement of security cards	2	–	4	10	10	71.0%	–	–	–	–	-100.0%	–
Sales: Water potable	12	14	–	36	36	44.2%	–	–	–	–	-100.0%	–
Other sales	1 599	805	1 354	1 451	1 451	-3.2%	4.1%	–	–	–	-100.0%	1.9%
of which:												
Rental capital assets	15	15	22	65	65	63.0%	0.1%	–	–	–	-100.0%	0.1%
Sales: Departmental publications and production	1	240	3	4	4	58.7%	0.2%	–	–	–	-100.0%	–
Services rendered: Commission on insurance and garnishee	1 587	550	772	737	737	-22.6%	2.9%	–	–	–	-100.0%	1.0%
Sales: Meals and refreshments	32	–	557	507	507	151.2%	0.9%	–	–	–	-100.0%	0.7%
Services rendered: Boarding service (staff)/Boarding service (private)	(36)	–	–	138	138	-256.5%	0.1%	–	–	–	-100.0%	0.2%
Sales of scrap, waste, arms and other used current goods	45	9	4	24	24	-18.9%	0.1%	22	22	23	-1.4%	0.1%
of which:												
Sales: Scrap	42	6	4	21	21	-20.6%	0.1%	22	22	23	3.1%	0.1%
Sales: Waste paper	3	3	–	3	3	–	–	–	–	–	-100.0%	–
Transfers received	–	–	63	–	–	–	–	–	–	–	–	–
Interest, dividends and rent on land	(558)	4 612	2 544	3 500	3 500	-284.4%	8.0%	3 700	4 000	4 200	6.3%	20.5%
Interest	(558)	4 612	2 544	3 500	3 500	-284.4%	8.0%	3 700	4 000	4 200	6.3%	20.5%
Transactions in financial assets and liabilities	23 564	58 555	10 366	13 100	13 100	-17.8%	83.5%	13 500	14 200	13 500	1.0%	72.3%
Total	26 015	65 950	15 333	19 092	19 092	-9.8%	100.0%	18 148	19 183	18 721	-0.7%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department. Strategically manage mine water. Develop and promote international relations on water resources between neighbouring countries.

Objectives

- 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.
- Maintain a maximum 10 per cent vacancy rate of funded posts for engineers and scientists through effective skills development, graduate programmes, succession planning and recruitment interventions over the medium term.
- Ensure the health of the water ecosystem by completing the acid mine drainage long term solution project for the Witwatersrand (Gauteng) over the medium term.

Subprogrammes

- *Ministry* provides for the 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, as well as the provision for salaries and operational budgets of the department's regional office heads.
- *Internal Audit* provides independent, objective assurance and advisory services designed to add value and improve the department's operations.
- *Corporate Services* provides enterprise wide support, comprising human resources, legal services, 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, as well as 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, including the management of mine water in South Africa with specific emphasis on acid mine management.
- *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 36.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Ministry	47.1	45.3	43.3	50.9	2.7%	3.1%	52.3	49.9	62.2	6.9%	3.3%
Departmental Management	204.2	188.1	149.0	130.0	-14.0%	11.3%	145.5	157.5	168.5	9.0%	9.1%
Internal Audit	16.9	18.2	20.2	24.8	13.7%	1.4%	27.8	29.7	31.7	8.5%	1.7%
Corporate Services	516.5	560.9	622.7	680.0	9.6%	40.2%	776.2	797.2	810.8	6.0%	46.3%
Financial Management	178.0	240.4	209.4	207.2	5.2%	14.1%	275.4	255.7	280.0	10.6%	15.4%
Office Accommodation	249.3	259.3	253.7	352.6	12.3%	18.8%	334.9	354.3	374.9	2.1%	21.4%
Programme Management Unit	156.8	378.0	-	4.9	-68.6%	9.1%	5.2	5.5	5.8	5.9%	0.3%
International Water Support	23.0	27.0	32.7	37.2	17.4%	2.0%	42.2	42.1	44.5	6.2%	2.5%
Total	1 391.6	1 717.3	1 331.0	1 487.5	2.2%	100.0%	1 659.5	1 691.9	1 778.4	6.1%	100.0%
Change to 2015 Budget estimate				(38.6)			(26.7)	(52.0)	(66.7)		

Table 36.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million	1 184.7	1 243.6	1 276.0	1 394.9	5.6%	86.0%	1 587.3	1 600.4	1 673.4	6.3%	94.5%
Current payments											
Compensation of employees	516.5	553.5	608.6	645.6	7.7%	39.2%	749.6	787.2	835.2	9.0%	45.6%
Goods and services	666.8	690.0	666.4	742.8	3.7%	46.7%	837.8	813.2	838.2	4.1%	48.8%
<i>of which:</i>											
Advertising	15.5	15.3	30.9	30.8	25.8%	1.6%	49.1	50.2	32.4	1.7%	2.5%
Computer services	79.9	102.2	79.6	42.0	-19.3%	5.1%	74.2	73.6	78.1	22.9%	4.0%
Contractors	11.6	17.6	33.9	45.3	57.4%	1.8%	58.3	43.8	41.7	-2.7%	2.9%
Operating leases	0.4	228.3	230.7	250.3	781.8%	12.0%	294.5	312.0	330.1	9.7%	17.9%
Property payments	278.5	59.8	46.0	122.1	-24.0%	8.5%	60.0	63.1	66.8	-18.2%	4.7%
Travel and subsistence	101.6	100.4	86.0	65.8	-13.5%	6.0%	94.6	69.3	71.5	2.8%	4.6%
Interest and rent on land	1.3	0.1	1.0	6.5	69.8%	0.2%	-	-	-	-100.0%	0.1%
Transfers and subsidies	21.4	19.9	21.3	22.3	1.3%	1.4%	24.4	26.3	27.6	7.4%	1.5%
Departmental agencies and accounts	0.0	0.0	4.4	3.1	699.5%	0.1%	2.2	2.7	2.8	-2.7%	0.2%
Higher education institutions	-	-	-	2.0	-	-	3.4	3.4	3.4	19.8%	0.2%
Foreign governments and international organisations	0.6	0.6	0.9	1.0	20.2%	0.1%	0.9	0.9	1.0	-1.8%	0.1%
Non-profit institutions	0.5	0.8	0.7	0.9	22.5%	-	0.7	0.7	0.8	-4.5%	-
Households	20.3	18.4	15.3	15.3	-9.1%	1.2%	17.2	18.5	19.6	8.6%	1.1%
Payments for capital assets	185.2	401.8	33.7	70.4	-27.6%	11.7%	47.7	65.3	77.4	3.2%	3.9%
Buildings and other fixed structures	157.7	378.0	-	-	-100.0%	9.0%	-	-	-	-	-
Machinery and equipment	22.3	23.7	23.9	30.5	11.0%	1.7%	25.2	23.1	32.8	2.5%	1.7%
Software and other intangible assets	5.3	0.1	9.8	39.9	96.0%	0.9%	22.5	42.1	44.6	3.8%	2.3%
Payments for financial assets	0.3	52.0	0.1	-	-100.0%	0.9%	-	-	-	-	-
Total	1 391.6	1 717.3	1 331.0	1 487.5	2.2%	100.0%	1 659.5	1 691.9	1 778.4	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	15.6%	16.3%	11.5%	9.4%	-	-	10.9%	10.5%	10.4%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	14.6	12.9	13.5	13.9	-1.6%	0.9%	15.5	16.8	17.7	8.4%	1.0%
Bursaries for non-employees	14.4	12.5	13.5	13.9	-1.2%	0.9%	15.5	16.8	17.7	8.4%	1.0%
Other transfers to households	0.2	0.4	-	-	-100.0%	-	-	-	-	-	-

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 maintenance of a reliable and equitable water supply by completing a record of decisions for 7 raw water planning projects by March 2018.
- Generate information that is used to inform decisions on programmes for water management by improving the monitoring of water resources through the implementation of the water monitoring strategy in prioritised catchments by March 2017.
- Ensure the protection of water resources by implementing an integrated water quality management strategy and determining resource quality objectives for 8 river systems by March 2018.
- Measure the health of the ecosystem by continuously monitoring 98 rivers while completing up to 6 climate change vulnerability assessments for hydro climatic zones by March 2018.
- Audit water service authorities within the 27 priority district municipalities on their delivery of water and sanitation, as referenced in water services development plans and developing investment frameworks for the 27 priority district municipalities by March 2018.

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. This entails preparing reconciliation strategies, drafting feasibility plans, compiling the integrated hydrological plan, undertaking options analyses, and macro planning.
- *Water Ecosystems* develops and implements measures to protect water resources by classifying water resource systems, determining reserves, conducting resource quality assessments, developing pollution control guidelines, and 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 the local level, to ensure that all South Africans have access to effective, sustainable and affordable water services. This is done through policy and legislative framework, information and planning, support, and monitoring and evaluation.
- *Sanitation Planning and Management* develops the national strategy for the planning of sanitation services and provides planning support to municipalities for the provisions of sustainable sanitation services.

Expenditure trends and estimates

Table 36.7 Water Planning and Information Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Water Planning, Information Management and Support	3.4	4.7	5.6	5.0	13.3%	0.7%	7.5	7.5	7.9	16.7%	0.8%
Integrated Planning	162.8	182.2	217.7	187.0	4.7%	26.5%	124.7	120.3	137.0	-9.8%	17.0%
Water Ecosystems	32.1	46.9	48.0	42.6	10.0%	6.0%	53.7	59.6	60.7	12.5%	6.5%
Water Information Management	459.1	379.3	527.1	509.4	3.5%	66.4%	515.7	524.7	547.7	2.4%	62.7%
Water Services and Local Water Management	–	–	–	–	–	–	121.6	125.4	131.4	–	11.3%
Sanitation Planning and Management	4.8	5.4	1.8	–	-100.0%	0.4%	18.6	18.8	19.8	–	1.7%
Total	662.2	618.6	800.2	744.0	4.0%	100.0%	841.8	856.3	904.5	6.7%	100.0%
Change to 2015				(64.7)			(18.2)	(28.8)	(31.9)		
Budget estimate											
Economic classification											
Current payments	586.4	486.7	743.9	679.7	5.0%	88.4%	768.2	777.4	821.6	6.5%	91.0%
Compensation of employees	282.8	201.8	366.5	350.6	7.4%	42.5%	412.5	440.2	460.6	9.5%	49.7%
Goods and services	301.9	284.9	377.3	329.0	2.9%	45.8%	355.7	337.2	361.0	3.1%	41.3%
of which:											
Communication	6.9	2.8	8.6	7.4	2.5%	0.9%	8.4	8.6	9.6	9.0%	1.0%
Computer services	27.9	75.9	46.3	62.8	31.0%	7.5%	50.1	47.8	46.4	-9.6%	6.2%
Consultants: Business and advisory services	8.5	8.6	31.9	20.8	34.5%	2.5%	35.1	37.0	35.5	19.5%	3.8%
Infrastructure and planning services	118.6	125.7	123.4	94.4	-7.3%	16.4%	128.1	118.6	133.7	12.3%	14.2%
Contractors	12.7	4.0	29.1	24.9	25.2%	2.5%	9.3	8.5	7.9	-31.9%	1.5%
Travel and subsistence	68.8	44.4	69.9	55.8	-6.7%	8.5%	56.2	48.5	52.8	-1.8%	6.4%
Interest and rent on land	1.8	–	0.0	–	-100.0%	0.1%	–	–	–	–	–
Transfers and subsidies	3.4	1.5	11.5	0.9	-35.1%	0.6%	1.1	1.1	1.2	9.1%	0.1%
Provinces and municipalities	0.3	0.0	0.6	0.4	11.3%	–	0.4	0.4	0.4	5.0%	–
Public corporations and private enterprises	–	0.1	–	–	–	–	–	–	–	–	–
Households	3.1	1.4	11.0	0.5	-44.8%	0.6%	0.7	0.7	0.7	12.1%	0.1%
Payments for capital assets	72.5	130.4	44.8	63.4	-4.4%	11.0%	72.6	77.7	81.7	8.8%	8.8%
Buildings and other fixed structures	30.1	107.4	28.5	26.1	-4.7%	6.8%	30.0	31.7	33.6	8.8%	3.6%
Machinery and equipment	38.8	22.4	15.9	36.8	-1.7%	4.0%	41.7	45.0	47.1	8.6%	5.1%
Software and other intangible assets	3.6	0.5	0.4	0.5	-49.3%	0.2%	0.9	1.0	1.0	29.0%	0.1%
Total	662.2	618.6	800.2	744.0	4.0%	100.0%	841.8	856.3	904.5	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	7.4%	5.9%	6.9%	4.7%	–	–	5.5%	5.3%	5.3%	–	–

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 funds to the Water Trading Entity for the design, construction, commissioning and rehabilitation of the following 3 raw water infrastructure projects: phase 2C of the Olifants River water resource development project by March 2017; the raising of the Hazelmere Dam by March 2018 and the Clanwilliam Dam by March 2019; and dam safety rehabilitation at Elandsdrift barrage, and Kalkfontein, Nkadimeng and Vaalkop dams by March 2017, and at Hammarsdale Dam by March 2018.
- Ensure access to reliable, sustainable and acceptable water in 192 000 households and sanitation in 26 865 rural households by completing and refurbishing 2 mega water and wastewater projects, 12 large water and wastewater projects and 234 small water and wastewater projects over the medium term.

Subprogrammes

- *Infrastructure Development and Rehabilitation* provides for the design, construction and commissioning of new water resource infrastructure, including dam safety rehabilitation.
- *Operation of Water Resources* funds expenditure on water resource management activities conducted by the department or catchment management agencies within water management areas.
- *Water Services Infrastructure* provides for the construction of new and the rehabilitation of existing water services infrastructure, including the transfer of water services schemes to water services institutions through the regional bulk infrastructure grant, the accelerated community infrastructure programme, and the water services infrastructure grant.

Expenditure trends and estimates

Table 36.8 Water Infrastructure Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Infrastructure Development and Rehabilitation	2 092.0	2 391.7	2 755.2	1 759.0	-5.6%	25.9%	1 731.9	2 021.8	2 373.9	10.5%	15.7%
Operation of Water Resources	159.5	167.1	164.2	164.4	1.0%	1.9%	165.0	173.0	183.0	3.6%	1.4%
Water Services Infrastructure	4 119.3	5 119.3	5 951.8	9 940.6	34.1%	72.2%	9 799.5	10 584.4	11 200.9	4.1%	82.9%
Total	6 370.8	7 678.1	8 871.2	11 863.9	23.0%	100.0%	11 696.4	12 779.2	13 757.9	5.1%	100.0%
Change to 2015 Budget estimate				(571.9)			(1 366.9)	(1 952.5)	(1 828.2)		
Economic classification											
Current payments	224.1	399.0	217.2	477.7	28.7%	3.8%	300.1	328.3	321.4	-12.4%	2.8%
Compensation of employees	76.4	184.2	81.6	114.7	14.5%	1.3%	125.3	131.2	138.9	6.6%	1.0%
Goods and services	147.6	214.7	135.6	363.0	35.0%	2.5%	174.7	197.1	182.5	-20.5%	1.8%
of which:											
Consultants: Business and advisory services	46.5	29.0	32.9	18.0	-27.1%	0.4%	37.6	39.7	42.8	33.4%	0.3%
Infrastructure and planning services	29.0	53.6	9.0	206.1	92.4%	0.9%	23.8	24.5	25.1	-50.4%	0.6%
Contractors	38.2	102.1	67.1	103.9	39.7%	0.9%	65.1	81.7	60.3	-16.6%	0.6%
Agency and support/outourced services	11.7	8.2	11.8	0.1	-82.3%	0.1%	11.4	12.0	12.7	480.7%	0.1%
Property payments	4.2	4.4	4.7	-	-100.0%	-	2.9	3.0	3.2	-	-
Travel and subsistence	13.1	9.3	5.1	11.0	-5.5%	0.1%	16.8	18.2	19.3	20.4%	0.1%
Interest and rent on land	0.2	0.0	-	-	-100.0%	-	-	-	-	-	-

Table 36.8 Water Infrastructure Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Transfers and subsidies	2 818.2	3 923.1	4 552.1	5 031.6	21.3%	46.9%	7 438.0	8 889.5	9 693.3	24.4%	62.0%
Provinces and municipalities	562.4	1 129.2	1 050.8	2 305.0	60.0%	14.5%	4 695.0	5 594.9	6 019.1	37.7%	37.2%
Departmental agencies and accounts	2 071.5	2 377.2	2 735.2	1 735.1	-5.7%	25.6%	1 709.5	1 998.0	2 348.7	10.6%	15.6%
Foreign governments and international organisations	180.0	181.6	184.3	188.2	1.5%	2.1%	187.5	196.8	208.2	3.4%	1.6%
Public corporations and private enterprises	–	231.4	579.9	802.0	–	4.6%	844.8	1 098.5	1 115.8	11.6%	7.7%
Households	4.2	3.6	2.0	1.3	-33.4%	–	1.3	1.4	1.4	4.9%	–
Payments for capital assets	3 328.5	3 356.1	4 101.9	6 354.6	24.1%	49.3%	3 958.4	3 561.4	3 743.2	-16.2%	35.2%
Buildings and other fixed structures	3 327.8	3 353.5	4 093.2	6 350.2	24.0%	49.2%	3 954.6	3 558.5	3 740.2	-16.2%	35.1%
Machinery and equipment	0.7	2.6	8.7	4.4	88.2%	–	3.7	2.9	3.0	-11.6%	–
Total	6 370.8	7 678.1	8 871.2	11 863.9	23.0%	100.0%	11 696.4	12 779.2	13 757.9	5.1%	100.0%
Proportion of total programme expenditure to vote expenditure	71.5%	73.1%	76.4%	75.3%	–	–	76.7%	79.7%	80.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	159.5	167.1	164.2	164.4	1.0%	1.9%	165.0	173.0	183.0	3.6%	1.4%
Water Trading Entity	159.5	167.1	164.2	164.4	1.0%	1.9%	165.0	173.0	183.0	3.6%	1.4%
Capital	1 912.0	2 210.1	2 570.9	1 570.7	-6.3%	23.8%	1 544.5	1 825.0	2 165.7	11.3%	14.2%
Water Trading Entity	1 912.0	2 210.1	2 570.9	1 570.7	-6.3%	23.8%	1 544.5	1 825.0	2 165.7	11.3%	14.2%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	562.4	1 129.2	1 050.8	2 305.0	60.0%	14.5%	4 695.0	5 594.9	6 019.1	37.7%	37.2%
Regional bulk infrastructure grant	–	–	–	–	–	–	1 850.0	1 865.0	2 060.0	–	11.5%
Water services infrastructure grant	562.4	1 129.2	1 050.8	2 305.0	60.0%	14.5%	2 845.0	3 729.9	3 959.1	19.8%	25.6%
Households											
Social benefits											
Current	4.2	3.6	2.0	1.3	-33.4%	–	1.3	1.4	1.4	4.9%	–
Water services operating subsidy: Employee social benefits	4.2	3.6	2.0	1.3	-33.4%	–	1.3	1.4	1.4	4.9%	–
Foreign governments and international organisations											
Current	180.0	181.6	184.3	188.2	1.5%	2.1%	187.5	196.8	208.2	3.4%	1.6%
Komati Basin Water Authority	180.0	181.6	184.3	188.2	1.5%	2.1%	187.5	196.8	208.2	3.4%	1.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	231.4	579.9	802.0	–	4.6%	844.8	1 098.5	1 115.8	11.6%	7.7%
Amatola Water Board: Regional bulk infrastructure	–	–	150.0	169.1	–	0.9%	–	–	–	-100.0%	0.3%
Magalies Water Board: Regional bulk infrastructure	–	231.4	70.0	150.0	–	1.3%	226.8	489.6	518.0	51.2%	2.8%
Umgeni Water Board: Regional bulk infrastructure	–	–	216.7	279.1	–	1.4%	400.0	380.0	355.6	8.4%	2.8%
Sedibeng Water Board: Regional bulk infrastructure	–	–	143.2	203.8	–	1.0%	218.0	228.9	242.2	5.9%	1.8%

Programme 4: Water and Sanitation Services

Programme purpose

Ensure the provision of sustainable water and sanitation services, including implementation support and advocacy to support household health and dignity.

Objectives

- Support the provision of water for use in households and food production through the installation of 4 200 rainwater harvesting tanks over the medium term.

- Support targeted rural development initiatives by financially supporting up to 3 009 resource poor farmers over the medium term.
- Improve access to basic sanitation and ensure human dignity by eradicating bucket sanitation services in formal areas by March 2017.
- Enhance the provision of water and sanitation services by facilitating sector collaboration and coordinating intergovernmental relations on the provision of these services as and when required.

Subprogrammes

- *Water Sector Support* provides for the implementation of rainwater harvesting tanks and financial support to resource poor farmers, including sector guidance, best practice, and innovation on sustainable water provision and sanitation services.
- *National Sanitation Services* supports the development of infrastructure for sanitation services for improved quality of life.

Expenditure trends and estimates

Table 36.9 Water and Sanitation Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average (%)
R million												
Water Sector Support	217.5	250.4	171.2	232.6		2.3%	36.4%	267.3	279.9	287.3	7.3%	37.7%
National Sanitation Services	60.8	44.4	285.4	1 133.9		165.2%	63.6%	434.7	99.3	93.1	-56.5%	62.3%
Total	278.3	294.8	456.6	1 366.5		70.0%	100.0%	701.9	379.3	380.4	-34.7%	100.0%
Change to 2015				(78.1)				205.2	(148.4)	(177.9)		
Budget estimate												
Economic classification												
Current payments	257.1	264.6	202.9	296.5		4.9%	42.6%	328.8	353.8	353.6	6.0%	47.1%
Compensation of employees	120.7	138.5	121.4	148.1		7.1%	22.1%	175.1	171.1	180.2	6.8%	23.9%
Goods and services	136.1	126.2	81.6	148.4		2.9%	20.5%	153.7	182.7	173.3	5.3%	23.3%
<i>of which:</i>												
Advertising	3.0	2.2	2.8	4.4		13.9%	0.5%	3.8	4.6	5.5	7.5%	0.6%
Computer services	0.4	0.2	0.2	10.1		191.5%	0.5%	11.5	12.3	13.0	8.6%	1.7%
Consultants: Business and advisory services	56.8	44.0	24.1	30.5		-18.7%	6.5%	12.7	34.9	20.6	-12.3%	3.5%
Infrastructure and planning services	-	1.7	-	15.6		-	0.7%	24.9	25.3	24.7	16.6%	3.2%
Agency and support/outourced services	25.0	12.4	8.1	22.4		-3.6%	2.8%	24.3	25.2	26.7	5.9%	3.5%
Travel and subsistence	29.3	39.4	28.0	34.2		5.3%	5.5%	37.6	39.9	40.9	6.1%	5.4%
Interest and rent on land	0.3	-	-	-		-100.0%	-	-	-	-	-	-
Transfers and subsidies	4.0	3.7	3.1	16.7		61.4%	1.1%	16.2	16.1	17.1	0.8%	2.3%
Provinces and municipalities	0.1	0.3	-	0.1		-14.0%	-	-	-	-	-100.0%	-
Non-profit institutions	-	0.3	0.4	1.1		-	0.1%	1.2	1.1	1.3	5.7%	0.2%
Households	3.9	3.0	2.7	15.6		58.8%	1.1%	15.0	15.0	15.8	0.5%	2.2%
Payments for capital assets	17.2	26.4	250.4	1 053.3		294.1%	56.2%	356.9	9.3	9.7	-79.0%	50.5%
Buildings and other fixed structures	11.8	20.3	246.6	1 042.7		346.0%	55.1%	350.0	-	-	-100.0%	49.2%
Machinery and equipment	5.4	6.0	3.8	10.5		24.6%	1.1%	6.9	9.3	9.7	-2.6%	1.3%
Payments for financial assets	0.0	0.1	0.1	-		-100.0%	-	-	-	-	-	-
Total	278.3	294.8	456.6	1 366.5		70.0%	100.0%	701.9	379.3	380.4	-34.7%	100.0%
Proportion of total programme expenditure to vote expenditure	3.1%	2.8%	3.9%	8.7%		-	-	4.6%	2.4%	2.2%	-	-
Details of selected transfers and subsidies												
Households												
Other transfers to households												
Current	3.8	2.3	1.4	-		-100.0%	0.3%	-	-	-	-	-
Resource poor farmers	3.8	2.3	1.4	-		-100.0%	0.3%	-	-	-	-	-
Households												
Social benefits												
Current	0.1	0.8	1.4	15.6		445.7%	0.7%	15.0	15.0	15.8	0.5%	2.2%
Employee social benefits	0.1	0.8	1.4	15.6		445.7%	0.7%	15.0	15.0	15.8	0.5%	2.2%
Non-profit institutions												
Current	-	0.3	0.4	1.1		-	0.1%	1.2	1.1	1.3	5.7%	0.2%
Various Institutions :2020 Vision for Water Education Programme	-	0.3	0.4	1.1		-	0.1%	1.2	1.1	1.3	5.7%	0.2%

Programme 5: 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

- Improve efficiency and effectiveness in the delivery of water and provide dignified sanitation by establishing 9 catchment management agencies and 9 regional water utilities by 2017/18.
- Ensure the equitable allocation of water resources for social and economic development over the medium term 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 while implementing measures in catchments with potential for acid mine drainage on an ongoing basis.
- 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.
- Create an enabling environment for water regulation by revising the water pricing strategy and developing an economic regulation strategy by 2017/18.

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 and cost reflective, achieves value for money for consumers and, where appropriate, that trade-offs are made between the cost, quality and sustainability of services, focusing on developing finance and pricing strategies.
- *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* coordinates and monitors compliance to standards, licence conditions and regulations across the full water value chain.
- *Enforcement* ensures that appropriate action is taken against non-compliance and unlawful water users.
- *Institutional Oversight* involves institutional governance and oversight of all water institutions, and facilitates their establishment and development.

Expenditure trends and estimates

Table 36.10 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Water Sector Regulation Management and Support	0.3	0.9	3.4	31.1	379.6%	4.2%	43.4	30.9	29.5	-1.8%	10.4%
Economic and Social Regulation	0.1	–	4.5	14.7	515.0%	2.3%	26.0	22.3	23.9	17.6%	6.7%
Water Use Authorisation and Administration	53.6	54.6	62.6	56.4	1.7%	26.9%	80.0	80.5	88.2	16.1%	23.5%
Water Supply Services and Sanitation Regulation	23.9	23.1	16.0	21.2	-4.0%	10.0%	20.0	27.6	29.4	11.5%	7.5%
Compliance Monitoring	0.0	0.6	21.8	57.3	1499.2%	9.4%	62.9	69.2	64.1	3.9%	19.5%
Enforcement	9.5	12.8	14.0	26.7	41.0%	7.5%	34.8	34.0	36.0	10.4%	10.1%
Institutional Oversight	117.7	105.1	35.3	77.3	-13.1%	39.7%	78.5	67.2	67.5	-4.4%	22.3%
Total	205.1	197.1	157.6	284.6	11.5%	100.0%	345.6	331.6	338.5	5.9%	100.0%
Change to 2015 Budget estimate				53.3			90.4	15.2	3.7		

Table 36.10 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Current payments	118.7	123.2	155.6	273.4	32.1%	79.5%	331.5	320.7	324.7	5.9%	96.1%
Compensation of employees	59.1	61.7	97.6	169.4	42.0%	45.9%	204.8	140.5	124.7	-9.7%	49.2%
Goods and services	59.6	61.5	57.9	104.0	20.4%	33.5%	126.7	180.2	199.9	24.3%	47.0%
<i>of which:</i>											
Computer services	0.8	0.6	0.9	0.5	-13.9%	0.3%	4.5	7.2	7.0	137.5%	1.5%
Consultants: Business and advisory services	23.0	30.3	23.1	26.1	4.2%	12.1%	28.9	49.8	62.9	34.1%	12.9%
Infrastructure and planning services	5.3	8.2	8.0	2.2	-25.2%	2.8%	3.3	23.5	30.1	138.5%	4.5%
Agency and support/outourced services	6.3	1.7	0.2	8.1	8.8%	1.9%	8.6	20.7	5.5	-12.1%	3.3%
Travel and subsistence	14.2	11.3	14.6	29.2	27.2%	8.2%	47.0	41.6	47.7	17.7%	12.7%
Training and development	1.1	0.9	1.1	4.7	61.3%	0.9%	5.8	5.6	7.2	14.7%	1.8%
Transfers and subsidies	85.8	72.6	0.8	1.1	-76.8%	19.0%	4.0	1.1	2.6	34.6%	0.7%
Departmental agencies and accounts	36.4	59.8	-	1.0	-69.8%	11.5%	2.0	0.5	1.2	6.6%	0.4%
Public corporations and private enterprises	49.4	12.6	-	-	-100.0%	7.3%	-	-	-	-	-
Non-profit institutions	-	-	0.6	-	-	0.1%	0.8	-	0.8	-	0.1%
Households	0.0	0.1	0.1	0.1	44.9%	-	1.2	0.6	0.6	104.7%	0.2%
Payments for capital assets	0.6	1.3	1.3	10.1	163.1%	1.6%	10.1	9.9	11.2	3.6%	3.2%
Buildings and other fixed structures	-	0.4	0.1	-	-	0.1%	-	-	-	-	-
Machinery and equipment	0.6	0.9	1.2	10.1	163.1%	1.5%	10.1	9.9	11.2	3.6%	3.2%
Total	205.1	197.1	157.6	284.6	11.5%	100.0%	345.6	331.6	338.5	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	2.3%	1.9%	1.4%	1.8%	-	-	2.3%	2.1%	2.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	36.4	59.8	-	1.0	-69.8%	11.5%	2.0	0.5	1.2	6.6%	0.4%
Water Research Commission	-	-	-	1.0	-	0.1%	2.0	0.5	1.2	6.6%	0.4%
Breede-Overberg Catchment Management Agency	19.0	31.6	-	-	-100.0%	6.0%	-	-	-	-	-
Inkomati Catchment Management Agency	17.4	28.2	-	-	-100.0%	5.4%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	49.4	12.6	-	-	-100.0%	7.3%	-	-	-	-	-
Rand Water Board	18.0	-	-	-	-100.0%	2.1%	-	-	-	-	-
Botshelo Water Board	31.4	12.6	-	-	-100.0%	5.2%	-	-	-	-	-

Entities

Consolidated water boards

Mandate

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 a water board 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 over time to include the provision of retail water and sanitation services on behalf of municipalities, as well as management services and training. 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 Pelladrift have been incorporated into Sedibeng Water, and Bushbuckridge Water has been incorporated into Rand Water.

Selected performance indicators

Table 36.11 Consolidated water boards volume of bulk treated water sales¹

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Amatola	Water board activities	Outcome 6: An efficient, competitive and responsive economic infrastructure network	31 451	31 723	33 189	41 201	54 554	55 099	55 650
Bloem	Water board activities		69 033	76 182	72 063	96 733	93 948	94 888	95 837
Botshelo	Water board activities		15 100	13 100	14 900	– ²	– ²	– ²	– ²
Bushbuckridge	Water board activities		36 756	35 137	49 694	– ³	– ³	– ³	– ³
Lepelle	Water board activities		94 025	97 637	98 022	97 637	97 637	103 715	106 765
Magalies	Water board activities		79 985	75 503	86 290	84 911	88 650	93 992	99 698
Mhlathuze	Water board activities		39 912	40 208	43 800	47 588	71 471	93 440	97 309
Overberg	Water board activities		4 727	2 136	2 156	2 268	2 313	3 375	5 173
Pelladriфт	Water board activities		4 520	4 013	3 075	– ⁴	– ⁴	– ⁴	– ⁴
Rand	Water board activities		1 490 188	1 526 861	1 548 669	1 610 859	1 641 796	1 670 528	1 699 762
Sedibeng	Water board activities	95 773	92 346	89 200	93 935	97 328	97 161	98 862	
Umgeni	Water board activities	416 550	439 544	446 548	457 928	468 740	481 313	488 533	

1. Measured in thousand kilolitres (kl'000).

2. Botshelo Water was disestablished in 2014/15 and operations have been incorporated into Magalies Water and Sedibeng Water.

3. Bushbuckridge Water was disestablished in 2014/15 and operations have been incorporated into Rand Water.

4. Pelladriфт Water was disestablished in 2014/15 and operations have been incorporated into Sedibeng Water.

Expenditure analysis

Water boards are legal entities that are self-funded and have their own governance structures and assets. The national development plan envisages that by 2030, all South Africans will have access to affordable, sufficient and safe water and decent sanitation, in line with outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium term strategic framework. In contributing to the achievement of the national development plan's goals, the boards will continue to assist the Department of Water and Sanitation in building water infrastructure that will enable the boards to provide bulk water and sanitation services in their areas of operation.

Operational costs for the provision of bulk treated water are expected to comprise the boards' main expenditure over the medium term, as well as capital spending on bulk infrastructure required to meet the projected increases in water demand as a result of a growing population and economy.

In providing bulk treated water, the boards' largest spending items are energy costs for pumping water, raw water costs, personnel costs, and chemical costs. High energy costs related to electricity price increases and pumping requirements related to the volume of water and the distance over which it is pumped are expected to drive an increase in expenditure over the medium term. Similarly, higher than inflation wage increases, and an increase in the number of personnel required to provide a range of support services to municipalities, including billing and collections, water loss management and sanitation, are expected to drive an increased in expenditure on compensation of employees over the medium term.

Revenue collected by the boards is derived mainly from the sale of bulk water, sanitation, and other services provided to water service authorities in their areas. It is expected that revenue from the sale of bulk water will increase over the medium term at an average annual rate of 15.4 per cent, due to increased water demand by municipalities, and an expected expansion in the boards' areas of operation. The carrying value of the boards' assets is expected to grow to R51.4 billion over the medium term as the boards are projected to invest R22 billion in capital infrastructure over this period to ensure the provision of treated water.

Programmes/objectives/activities

Table 36.12 Consolidated water boards expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	2 598.1	2 646.9	2 919.4	3 218.5	7.4%	21.4%	3 624.3	3 978.8	4 249.6	9.7%	20.2%
Water boards activities	8 434.8	10 124.1	11 158.8	12 347.4	13.5%	78.6%	13 897.9	15 811.6	17 674.0	12.7%	79.8%
Total	11 032.9	12 771.0	14 078.2	15 565.9	12.2%	100.0%	17 522.2	19 790.4	21 923.6	12.1%	100.0%

Statements of historical financial performance and position

Table 36.13 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	Outcome/Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	12 837.8	12 948.3	13 633.6	14 888.6	15 921.7	16 755.6	17 522.0	17 992.8	104.5%
Sale of goods and services other than capital assets	12 168.4	11 996.9	12 785.8	13 444.7	15 078.9	15 125.7	16 643.6	17 160.1	101.9%
<i>of which:</i>									
Administrative fees	–	–	–	15.1	–	20.3	13.1	17.2	402.7%
Sale of bulk water	12 168.4	11 996.9	12 785.8	13 429.6	15 078.9	15 105.4	16 630.5	17 082.2	101.7%
Other sales	–	–	–	–	–	–	–	60.7	–
Other non-tax revenue	669.5	951.3	847.8	1 443.9	842.8	1 629.9	878.4	832.8	150.0%
Transfers received	–	–	–	–	–	–	–	13.9	–
Total revenue	12 837.8	12 948.3	13 633.6	14 888.6	15 921.7	16 755.6	17 522.0	18 006.8	104.5%
Expenses									
Current expenses	11 372.3	11 032.9	11 990.0	12 771.0	13 745.2	14 078.2	14 783.3	15 565.9	103.0%
Compensation of employees	2 139.5	2 248.8	2 364.7	2 671.8	2 702.2	3 273.7	2 981.9	3 011.6	110.0%
Goods and services	8 422.4	8 167.3	8 796.9	9 337.7	10 249.8	9 986.6	10 883.7	11 476.8	101.6%
Depreciation	585.8	501.4	647.7	666.2	664.9	763.2	792.0	895.0	105.0%
Interest, dividends and rent on land	224.7	115.4	180.8	95.3	128.3	54.8	125.7	182.4	67.9%
Total expenses	11 372.3	11 032.9	11 990.0	12 771.0	13 745.2	14 078.2	14 783.3	15 565.9	103.0%
Surplus/(Deficit)	1 465.0	1 915.0	1 644.0	2 118.0	2 177.0	2 677.0	2 739.0	2 441.0	–
Statement of financial position									
Carrying value of assets	18 476.9	18 223.1	20 967.3	21 400.2	25 838.4	26 533.0	32 854.1	29 622.7	97.6%
Acquisition of assets	(3 510.3)	(2 469.1)	(4 693.2)	(3 720.0)	(5 171.8)	(5 896.9)	(6 074.6)	(6 461.7)	95.4%
Investments	2 115.1	3 254.8	1 687.2	3 573.4	1 622.4	2 760.4	1 541.2	2 171.6	168.8%
Inventory	106.4	288.8	112.6	309.3	115.2	199.4	353.6	186.9	143.1%
Loans	–	5.4	–	5.0	5.7	4.6	5.3	4.6	177.6%
Accrued investment interest	0.0	27.6	0.0	40.7	0.0	33.8	0.0	–	177 387.4%
Receivables and prepayments	1 876.8	2 597.0	1 820.9	3 730.7	2 340.7	4 843.6	2 601.3	3 998.0	175.6%
Cash and cash equivalents	1 362.9	2 022.5	1 650.4	2 125.7	1 966.0	2 243.8	1 877.8	2 325.6	127.1%
Non-current assets held for sale	192.4	1.8	69.5	1.6	13.5	1.5	–	1.5	2.3%
Defined benefit plan assets	0.3	20.0	7.7	20.8	–	26.4	–	–	836.9%
Total assets	24 130.9	26 441.0	26 315.5	31 207.4	31 902.0	36 646.4	39 233.2	38 311.0	109.1%
Accumulated surplus/(deficit)	13 641.0	14 380.2	15 485.5	16 702.7	18 082.4	19 395.6	21 390.1	20 056.8	102.8%
Capital and reserves	2 321.7	3 478.0	2 569.3	3 501.2	2 045.3	3 581.2	3 029.2	3 555.7	141.7%
Capital reserve fund	31.4	23.5	200.0	93.9	–	166.0	–	–	122.5%
Borrowings	4 751.1	3 198.4	4 489.2	4 270.0	6 314.5	5 399.5	7 686.3	6 646.3	84.0%
Finance lease	–	–	–	9.6	–	0.9	–	0.4	–
Accrued interest	–	31.4	32.4	27.4	28.6	26.8	29.5	59.7	160.6%
Deferred income	220.0	459.8	181.0	788.9	1 351.5	1 080.4	2 233.5	1 643.8	99.7%
Trade and other payables	2 758.5	3 830.8	2 758.9	4 765.3	3 324.8	5 851.9	3 743.7	5 184.4	156.0%
Taxation	–	6.0	–	17.3	–	18.6	2.3	7.1	2 153.6%
Provisions	407.2	966.0	434.9	965.1	688.6	1 058.7	1 053.5	1 152.2	160.3%
Derivatives financial instruments	–	66.9	33.3	65.9	66.2	66.8	65.1	3.2	123.2%
Total equity and liabilities	24 130.9	26 441.0	26 184.4	31 207.4	31 902.0	36 646.4	39 233.2	38 311.0	109.2%

Statements of estimates of financial performance and position

Table 36.14 Consolidated water boards statements of estimates of financial performance and position

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	17 992.8	11.6%	100.0%	20 780.7	23 892.2	27 451.9	15.1%	99.9%
Sale of goods and services other than capital assets	17 160.1	12.7%	92.1%	19 892.3	22 889.7	26 370.5	15.4%	95.7%
<i>of which:</i>								
Administrative fees	17.2	–	0.1%	18.3	19.4	20.0	5.1%	0.1%
Sale of bulk water	17 082.2	12.5%	92.0%	19 809.1	22 800.9	26 282.2	15.4%	95.3%
Other sales	60.7	–	0.1%	64.9	69.5	68.4	4.0%	0.3%
Other non-tax revenue	832.8	–4.3%	7.8%	888.4	1 002.4	1 081.3	9.1%	4.3%
Transfers received	13.9	–	0.0%	13.2	9.7	9.8	-10.9%	0.1%
Total revenue	18 006.8	11.6%	100.0%	20 793.9	23 901.8	27 461.7	15.1%	100.0%

Table 36.14 Consolidated water boards statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million								
Expenses	15 565.9	12.2%	100.0%	17 522.2	19 790.4	21 923.6	12.1%	143.4%
Current expenses	15 565.9	12.2%	100.0%	17 522.2	19 790.4	21 923.6	12.1%	143.4%
Compensation of employees	3 011.6	10.2%	21.0%	3 282.1	3 546.0	3 821.6	8.3%	18.4%
Goods and services	11 476.8	12.0%	73.0%	12 851.1	14 581.6	16 363.2	12.6%	73.8%
Depreciation	895.0	21.3%	5.2%	1 123.8	1 260.6	1 331.3	14.2%	6.2%
Interest, dividends and rent on land	182.4	16.5%	0.8%	265.2	402.1	407.4	30.7%	1.6%
Total expenses	15 565.9	12.2%	100.0%	17 522.2	19 790.4	21 923.6	12.1%	100.0%
Surplus/(Deficit)	2 441.0	-	-	3 272.0	4 111.0	5 538.0	31.4%	-
Statement of financial position								
Carrying value of assets	29 622.7	17.6%	71.8%	40 413.3	46 318.2	51 353.6	20.1%	82.7%
of which:								
Acquisition of assets	(6 461.7)	37.8%	-13.6%	(8 714.2)	(6 897.0)	(6 770.5)	1.6%	-14.7%
Investments	2 171.6	-12.6%	9.2%	1 933.3	2 244.6	2 314.1	2.1%	4.4%
Inventory	186.9	-13.5%	0.8%	353.8	375.1	390.8	27.9%	0.6%
Loans	4.6	-5.1%	0.0%	4.9	4.9	4.9	2.2%	0.0%
Receivables and prepayments	3 998.0	15.5%	11.4%	3 786.1	4 063.9	4 373.7	3.0%	8.2%
Cash and cash equivalents	2 325.6	4.8%	6.7%	1 817.9	1 990.7	1 452.6	-14.5%	4.0%
Non-current assets held for sale	1.5	-6.0%	0.0%	-	-	-	-100.0%	0.0%
Total assets	38 311.0	13.2%	100.0%	48 309.3	54 997.2	59 889.6	16.1%	100.0%
Accumulated surplus/(deficit)	20 056.8	11.7%	53.3%	24 237.4	27 973.4	32 222.3	17.1%	51.8%
Capital and reserves	3 555.7	0.7%	10.9%	3 562.0	3 568.7	3 139.8	-4.1%	7.1%
Borrowings	6 646.3	27.6%	14.5%	11 479.7	13 157.6	13 034.6	25.2%	21.7%
Finance lease	0.4	-	0.0%	-	-	-	-100.0%	0.0%
Accrued interest	59.7	23.9%	0.1%	83.1	83.3	83.8	11.9%	0.2%
Deferred income	1 643.8	52.9%	2.9%	2 765.8	3 834.9	5 006.9	45.0%	6.3%
Trade and other payables	5 184.4	10.6%	14.8%	5 282.4	5 412.9	5 364.8	1.1%	10.8%
Benefits payable	1.2	-	0.0%	1.5	1.6	1.8	12.7%	0.0%
Taxation	7.1	5.7%	0.0%	7.6	8.3	9.0	8.1%	0.0%
Provisions	1 152.2	6.0%	3.2%	821.7	883.8	948.9	-6.3%	2.0%
Derivatives financial instruments	3.2	-63.9%	0.2%	68.1	72.8	77.8	191.2%	0.1%
Total equity and liabilities	38 311.0	13.2%	100.0%	48 309.3	54 997.2	59 889.6	202.0%	100.0%

Rand Water

Mandate

Rand Water was established in terms of the Water Services Act (1997) and is listed as a schedule 3 B public entity in terms of the Public Finance Management Act (1999). The entity's core mandate is to abstract raw water, which is then treated, transported, stored and finally delivered as potable water to municipalities and to some mines and industries around Johannesburg. While the entity supplies water to approximately 12.3 million consumers in Gauteng, Rand Water's areas of operations have expanded to include parts of Limpopo, North West, Mpumalanga and Free State. Rand Water serves between 16 and 19 million people and 98 per cent of its water abstraction is from the Vaal river system. Municipal customers account for 90 per cent of total demand, with the balance being mainly direct supply to mines.

Selected performance indicators

Table 36.15 Rand Water performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Net debt/equity ratio per year	Administration	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	0.2	0.4	0.4	0.4	0.5	0.5	0.4
Debt service ratio per year	Administration		9.0	5.7	5.3	5.2	4.7	4.2	3.0
Cost of debt per year	Administration		11%	8%	10%	10%	10%	10%	
Costs per kilolitre (R/kl) per year	Bulk water	Outcome 6: An efficient, competitive and responsive economic infrastructure network	R4.60	R4.90	R5.17	R5.99	R6.65	R7.45	R8.21

Expenditure analysis

Rand Water contributes to the national development plan's vision of universal access to affordable, sufficient and safe water and decent sanitation by 2030 by accelerating the augmentation of the water infrastructure network, and connecting households in Gauteng, Limpopo, Mpumalanga, North West and Northern Free State. Over the medium term, it will focus on the provision of bulk water services in its expanded area of operations, and capital spending on bulk infrastructure. This is in line with outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (a responsive, accountable, effective and efficient developmental local government system) of government's 2014-2019 medium term strategic framework.

Operational costs for the provision of bulk treated water are expected to comprise the bulk of the organisation's expenditure over the medium term. Although the energy efficient measures implemented have yielded improvements, the energy costs of pumping water are a key cost driver for the organisation. These costs are largely responsible for the expected increase in expenditure at an average annual rate of 12.8 per cent over the MTEF period, from an estimated R10.1 billion in 2015/16 to R14.5 billion in 2018/19. The organisation has 3 842 funded posts, with 475 vacancies in 2015/16. As the organisation is expanding its operations and all vacancies are expected to be filled over the MTEF period.

Investment in infrastructure remains a critical requirement in meeting the projected increase in water demand to ensure water security and provide water to previously unserved households. To increase supply capacity and eliminate bottlenecks, capital expenditure is planned at 3 of the 4 main booster stations, namely Palmiet, Zwartkop and Mapleton. Due to construction timelines and revisions to the useful life of certain assets, depreciation costs are expected to increase over the medium term, albeit relatively slowly. In 2014/15, Rand Water's capital spending on infrastructure was R2.6 billion, and this is projected to total R11.7 billion over the medium term. Capital expenditure is funded through a mix of internal reserves and debt raised from capital markets, and is planned to peak in 2016/17 at R4.2 billion.

The organisation derives its income primarily from the sale of bulk water, and work done on behalf of municipalities and the Department of Water and Sanitation. Revenue is expected to grow at an average annual rate of 17.2 per cent over the medium term due to increases in water demand by existing customers and new areas served as a result of the organisation expanding its areas of operation.

Programmes/objectives/activities

Table 36.16 Rand Water expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	1 139.7	1 294.8	1 364.3	1 451.8	8.4%	15.1%	1 531.4	1 647.0	1 770.4	6.8%	13.2%
Bulk water	5 718.8	6 273.3	7 043.4	8 277.4	13.1%	78.3%	9 437.4	10 868.5	12 286.8	14.1%	83.2%
Secondary activities	377.0	719.3	777.4	398.8	1.9%	6.6%	435.7	460.5	487.2	6.9%	3.7%
Total	7 235.5	8 287.4	9 185.1	10 128.1	11.9%	100.0%	11 404.5	12 976.1	14 544.4	12.8%	100.0%

Statements of historical financial performance and position

Table 36.17 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	Outcome/Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	7 850.0	8 232.3	8 732.3	9 469.2	9 904.6	10 621.2	11 498.9	11 742.3	105.5%
Sale of goods and services other than capital assets	7 710.6	7 751.2	8 447.8	8 664.9	9 342.1	9 802.5	11 026.8	11 248.3	102.6%
of which:									
Sale of bulk water	7 710.6	7 751.2	8 447.8	8 664.9	9 342.1	9 802.5	11 026.8	11 248.3	102.6%
Other non-tax revenue	139.4	481.1	284.5	804.3	562.5	818.7	472.1	494.0	178.1%
Total revenue	7 850.0	8 232.3	8 732.3	9 469.2	9 904.6	10 621.2	11 498.9	11 742.3	105.5%

Table 36.17 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	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Expenses									
Current expenses	7 003.8	7 235.5	7 682.5	8 287.4	8 679.4	9 185.1	10 128.1	10 128.1	104.0%
Compensation of employees	1 156.1	1 370.7	1 312.9	1 651.2	1 535.3	1 842.4	1 682.1	1 682.1	115.1%
Goods and services	5 616.9	5 635.0	6 080.9	6 351.4	6 831.7	7 019.7	7 982.4	7 982.4	101.8%
Depreciation	228.5	229.8	280.5	280.3	312.3	323.0	463.6	463.6	100.9%
Interest, dividends and rent on land	2.3	-	8.2	4.5	-	-	-	-	43.1%
Total expenses	7 003.8	7 235.5	7 682.5	8 287.4	8 679.4	9 185.1	10 128.1	10 128.1	104.0%
Surplus/(Deficit)	846.0	997.0	1 050.0	1 182.0	1 225.0	1 436.0	1 371.0	1 614.0	-
Statement of financial position									
Carrying value of assets	10 177.9	10 094.2	12 059.1	12 313.4	15 454.0	14 835.6	18 055.6	14 835.6	93.4%
<i>Acquisition of assets</i>	<i>(1 866.7)</i>	<i>(1 643.3)</i>	<i>(2 594.0)</i>	<i>(2 243.7)</i>	<i>(2 602.3)</i>	<i>(2 579.7)</i>	<i>(2 766.0)</i>	<i>(2 579.7)</i>	<i>92.0%</i>
Investments	-	300.9	-	483.2	-	482.3	381.6	482.3	458.2%
Inventory	55.6	239.4	61.0	244.8	64.0	122.5	283.3	122.5	157.2%
Loans	-	5.4	-	5.0	5.7	4.6	5.3	4.6	177.6%
Receivables and prepayments	1 015.2	1 104.9	1 006.3	1 385.4	1 058.3	1 764.5	1 193.1	1 765.1	140.9%
Cash and cash equivalents	872.5	863.9	831.5	871.5	1 017.2	1 154.1	968.2	1 154.1	109.6%
Non-current assets held for sale	-	1.8	-	1.6	-	1.5	-	1.5	-
Total assets	12 121.2	12 610.4	13 957.9	15 304.9	17 599.1	18 365.0	20 887.0	18 365.6	100.1%
Accumulated surplus/(deficit)	8 310.4	8 511.7	9 445.3	9 718.0	10 809.0	11 158.5	12 987.4	11 158.5	97.6%
Borrowings	2 208.0	1 514.6	2 472.9	2 510.1	4 495.0	3 672.4	5 403.5	3 675.2	78.0%
Deferred income	64.5	182.2	78.6	200.7	108.7	170.2	215.6	170.2	154.8%
Trade and other payables	1 538.3	2 022.3	1 961.1	2 470.2	2 128.5	2 970.1	2 218.6	2 970.5	133.0%
Taxation	-	2.0	-	2.5	-	2.5	-	-	-
Provisions	-	325.4	-	345.9	-	330.3	-	391.2	-
Derivatives financial instruments	-	52.2	-	57.5	57.8	60.9	61.9	-	142.4%
Total equity and liabilities	12 121.2	12 610.4	13 957.9	15 304.9	17 599.1	18 365.0	20 887.0	18 365.6	100.1%

Statements of estimates of financial performance and position

Table 36.18 Rand Water statements of estimates of financial performance and position

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	11 742.3	12.6%	100.0%	13 713.3	16 019.8	18 790.3	17.0%	100.0%
Sale of goods and services other than capital assets	11 248.3	13.2%	93.4%	13 178.2	15 416.1	18 124.6	17.2%	96.1%
<i>of which:</i>								
<i>Sale of bulk water</i>	<i>11 248.3</i>	<i>13.2%</i>	<i>93.4%</i>	<i>13 178.2</i>	<i>15 416.1</i>	<i>18 124.6</i>	<i>17.2%</i>	<i>96.1%</i>
Other non-tax revenue	494.0	0.9%	6.6%	535.1	603.7	665.7	10.5%	3.9%
Total revenue	11 742.3	12.6%	100.0%	13 713.3	16 019.8	18 790.3	17.0%	100.0%
Expenses								
Current expenses	10 128.1	11.9%	100.0%	11 404.5	12 976.1	14 544.4	12.8%	147.5%
Compensation of employees	1 682.1	7.1%	18.9%	1 816.7	1 958.4	2 111.1	7.9%	15.5%
Goods and services	7 982.4	12.3%	77.4%	9 031.0	10 369.4	11 705.8	13.6%	79.6%
Depreciation	463.6	26.4%	3.7%	556.9	648.3	727.5	16.2%	4.9%
Total expenses	10 128.1	11.9%	100.0%	11 404.5	12 976.1	14 544.4	12.8%	100.0%
Surplus/(Deficit)	1 614.0	-	-	2 309.0	3 044.0	4 246.0	38.0%	-
Statement of financial position								
Carrying value of assets	14 835.6	13.7%	80.5%	22 053.1	26 168.3	29 672.8	26.0%	87.3%
<i>of which:</i>								
<i>Acquisition of assets</i>	<i>(2 579.7)</i>	<i>16.2%</i>	<i>-13.9%</i>	<i>(4 163.0)</i>	<i>(4 069.0)</i>	<i>(3 463.0)</i>	<i>10.3%</i>	<i>-13.8%</i>
Investments	482.3	17.0%	2.7%	436.2	511.1	597.9	7.4%	2.0%
Inventory	122.5	-20.0%	1.2%	284.2	300.4	317.8	37.4%	1.0%
Loans	4.6	-5.1%	0.0%	4.9	4.9	4.9	2.2%	0.0%
Receivables and prepayments	1 765.1	16.9%	9.3%	1 438.2	1 656.6	1 934.4	3.1%	6.7%
Cash and cash equivalents	1 154.1	10.1%	6.3%	484.9	602.9	508.8	-23.9%	3.0%
Non-current assets held for sale	1.5	-6.0%	0.0%	-	-	-	-100.0%	0.0%
Total assets	18 365.6	13.4%	100.0%	24 701.6	29 244.1	33 036.6	21.6%	100.0%

Table 36.18 Rand Water statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Accumulated surplus/(deficit)	11 158.5	9.4%	63.1%	14 318.4	16 923.5	20 648.4	22.8%	59.8%
Borrowings	3 675.2	34.4%	17.1%	7 023.6	8 774.2	8 767.0	33.6%	26.2%
Deferred income	170.2	-2.2%	1.2%	238.3	251.9	266.5	16.1%	0.9%
Trade and other payables	2 970.5	13.7%	16.1%	3 054.9	3 223.5	3 278.6	3.3%	12.4%
Provisions	391.2	6.3%	2.2%	-	-	-	-100.0%	0.5%
Derivatives financial instruments	-	-100.0%	0.3%	66.3	71.1	76.1	-	0.2%
Total equity and liabilities	18 365.6	13.4%	100.0%	24 701.6	29 244.1	33 036.6	-24.2%	100.0%

Personnel information

Table 36.19 Rand Water personnel numbers and cost by salary level¹

Rand Water	Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)			
			2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
Salary level	3 842	3 842	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
			3 381	1 842.4	0.5	3 367	1 682.1	0.5	3 842	1 816.7	0.5	3 842	1 958.4	0.5	3 842	2	0.5	7.9%	100.0%
1 - 6	1 144	1 144	821	428.1	0.5	818	393.0	0.5	1 144	424.4	0.4	1 144	457.6	0.4	1 144	493.2	0.4	7.9%	28.4%
7 - 10	2 057	2 057	2 011	882.2	0.4	2 002	776.2	0.4	2 057	838.3	0.4	2 057	903.7	0.4	2 057	974.2	0.5	7.9%	55.0%
11 - 12	446	446	394	307.3	0.8	392	301.5	0.8	446	325.6	0.7	446	351.0	0.8	446	378.4	0.8	7.9%	11.6%
13 - 16	184	184	145	186.5	1.3	145	185.0	1.3	184	199.8	1.1	184	215.4	1.2	184	232.2	1.3	7.9%	4.7%
17 - 22	11	11	10	38.2	3.8	10	26.3	2.6	11	28.5	2.6	11	30.7	2.8	11	33.1	3.0	7.9%	0.3%

1. Rand million.

Umgeni Water

Mandate

Umgeni Water was established as a public entity in terms of the Water Services Act (1997) and the Public Finance Management Act (1999) to provide water and sanitation services. The entity supplies water for the use of approximately 6 million consumers in KwaZulu-Natal.

Selected performance indicators

Table 36.20 Umgeni Water performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Debt service ratio per year	Bulk activities	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	4.5	5.1	6.4	4.6	3.9	5.8	3.2
Costs per kilolitre (R/k) per year	Bulk activities		R2.34	R2.76	R3.15	R3.77	R4.15	R4.49	R4.73
Debtors collection period (days)	Bulk activities		37	39	39	41	41	41	41
Weighted average cost of capital	Bulk activities		9%	9%	10%	9%	10%	10%	10%
Capital infrastructure expenditure per year	Bulk activities		R643m	R975m	R1 840m	R1 962m	R1 761m	R928m	R775m

Expenditure analysis

The national development plan envisages that all South Africans will have access to affordable, sufficient and safe water and decent sanitation by 2030. To this end, Umgeni Water will focus on working with the Department of Water and Sanitation to build regional bulk water infrastructure that will enable it to provide bulk water and sanitation services, and serve water services institutions in KwaZulu-Natal. In this way, the organisation contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network), outcome 7 (comprehensive rural development and land reform) and outcome 9 (a responsive, accountable, effective and efficient developmental local government system) of government's 2014-2019 medium term strategic framework.

The organisation's focus over the medium term will remain on the provision of bulk water and sanitation services through infrastructure maintenance and the rollout of the capital infrastructure programme. The organisation will intensify its focus on rural development, largely driving estimated capital expenditure of R3.5 billion over the MTEF period, increasing to 40 per cent of the infrastructure budget. As a result of additional funding requirements for both capital and operating expenditure, expenditure on interest is projected to grow due to a projected increase in interest bearing loans taken on by the organisation. Expenditure on interest, dividends and rent on land is expected to grow at an average annual rate of 19.8 per cent over the medium term.

The organisation has 1 048 funded posts, of which 1 018 were filled at the end of September 2015. The number of posts is expected remain the same over the MTEF period.

Umgeni Water derives its income primarily from the sale of bulk water. The volume of water sold is expected to increase at an average annual rate of 2.1 per cent over the medium term. Revenue is expected to grow from R2.4 billion in 2015/16 to R3.3 billion in 2018/19 at an average annual rate of 10.5 per cent, driven by increases in the volume sold, as well as the tariffs, which are determined annually on a cost reflective basis. The organisation will continue to focus on water conservation and demand management to reduce water losses.

Programmes/objectives/activities

Table 36.21 Umgeni Water expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	341.4	356.0	370.6	612.4	21.5%	25.3%	775.1	895.9	945.0	15.6%	36.0%
Bulk activities	786.8	976.4	1 040.9	1 174.4	14.3%	60.6%	1 216.1	1 311.4	1 413.6	6.4%	57.6%
Waste water	55.1	58.6	51.6	99.8	21.9%	4.0%	106.9	114.6	123.0	7.2%	5.0%
Other activities	215.1	282.0	104.3	28.6	-49.0%	10.1%	30.4	32.3	34.2	6.1%	1.4%
Total	1 398.3	1 673.0	1 567.3	1 915.3	11.1%	100.0%	2 128.5	2 354.1	2 515.8	9.5%	100.0%

Statements of historical financial performance and position

Table 36.22 Umgeni Water statements of historical financial performance and position

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
R million									
Revenue									
Non-tax revenue	2 023.8	2 065.2	2 018.3	2 355.5	2 282.0	2 394.3	2 364.9	2 437.8	106.5%
Sale of goods and services other than capital assets	1 958.3	1 908.8	1 958.9	2 204.1	2 231.5	2 222.6	2 317.6	2 391.1	103.1%
<i>of which:</i>									
<i>Sale of bulk water</i>	<i>1 958.3</i>	<i>1 908.8</i>	<i>1 958.9</i>	<i>2 204.1</i>	<i>2 231.5</i>	<i>2 222.6</i>	<i>2 317.6</i>	<i>2 391.1</i>	<i>103.1%</i>
Other non-tax revenue	65.5	156.3	59.4	151.3	50.5	171.7	47.3	46.6	236.1%
Total revenue	2 023.8	2 065.2	2 018.3	2 355.5	2 282.0	2 394.3	2 364.9	2 437.8	106.5%
Expenses									
Current expenses	1 662.2	1 398.3	1 626.6	1 673.0	1 857.7	1 567.3	1 915.3	1 915.3	92.8%
Compensation of employees	304.5	291.3	355.8	331.6	463.6	622.7	437.7	437.7	107.8%
Goods and services	1 135.7	950.6	1 047.3	1 190.2	1 215.1	818.6	1 271.2	1 271.2	90.6%
Depreciation	124.0	89.9	128.4	105.6	108.3	121.4	76.7	76.7	90.0%
Interest, dividends and rent on land	98.0	66.5	95.1	45.6	70.7	4.6	129.6	129.6	62.6%
Total expenses	1 662.2	1 398.3	1 626.6	1 673.0	1 857.7	1 567.3	1 915.3	1 915.3	92.8%
Surplus/(Deficit)	362.0	667.0	392.0	682.0	424.0	827.0	450.0	522.0	-
Statement of financial position									
Carrying value of assets	3 723.7	3 443.9	4 730.7	4 010.6	4 984.8	5 556.2	7 175.9	7 201.0	98.0%
Acquisition of assets	(784.0)	(476.1)	(976.0)	(779.0)	(1 204.2)	(1 883.2)	(1 559.3)	(2 133.4)	116.5%
Investments	1 711.3	2 113.6	1 014.3	2 257.6	1 075.9	1 661.6	707.2	1 003.2	156.1%
Inventory	9.2	11.0	9.4	11.5	9.6	12.1	18.0	12.4	101.6%
Accrued investment interest	0.0	27.6	0.0	40.7	0.0	33.8	0.0	-	177 387.4%
Receivables and prepayments	226.8	304.1	261.4	452.4	298.5	345.0	298.4	338.0	132.7%
Cash and cash equivalents	0.8	7.6	51.5	32.7	1.3	37.9	0.8	13.7	168.8%
Non-current assets held for sale	14.5	-	14.5	-	13.5	-	-	-	-
Total assets	5 686.3	5 907.9	6 081.9	6 805.5	6 383.6	7 646.6	8 200.4	8 568.2	109.8%

Table 36.22 Umgeni Water 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	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Accumulated surplus/(deficit)	2 851.5	3 171.0	3 466.0	3 973.3	3 894.9	4 796.3	4 811.7	5 141.2	113.7%
Capital and reserves	442.8	442.8	442.8	442.8	442.8	442.8	442.8	442.8	100.0%
Borrowings	1 461.7	1 135.4	1 383.3	1 250.0	1 181.5	1 171.8	1 692.5	1 943.3	96.2%
Accrued interest	–	31.4	32.4	27.4	28.6	26.8	29.5	59.7	160.6%
Deferred income	12.5	–	–	–	–	–	–	–	–
Trade and other payables	579.6	568.6	418.7	602.7	289.7	606.5	341.7	389.5	133.0%
Provisions	338.2	548.0	338.6	500.8	537.6	596.5	879.0	588.5	106.7%
Derivatives financial instruments	–	10.6	–	8.4	8.4	5.9	3.2	3.2	242.9%
Total equity and liabilities	5 686.3	5 907.9	6 081.9	6 805.5	6 383.6	7 646.6	8 200.4	8 568.2	109.8%

Statements of estimates of financial performance and position**Table 36.23 Umgeni Water statements of estimates of financial performance and position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	2 437.8	5.7%	100.0%	2 681.6	2 983.0	3 286.7	10.5%	100.0%	
Sale of goods and services other than capital assets	2 391.1	7.8%	94.2%	2 643.6	2 946.5	3 251.9	10.8%	98.6%	
<i>of which:</i>									
Sale of bulk water	2 391.1	7.8%	94.2%	2 643.6	2 946.5	3 251.9	10.8%	98.6%	
Other non-tax revenue	46.6	-33.2%	5.8%	38.0	36.5	34.8	-9.3%	1.4%	
Total revenue	2 437.8	5.7%	100.0%	2 681.6	2 983.0	3 286.7	10.5%	100.0%	
Expenses									
Current expenses	1 915.3	11.1%	100.0%	2 128.5	2 354.1	2 515.8	9.5%	132.4%	
Compensation of employees	437.7	14.5%	25.8%	483.2	522.1	563.3	8.8%	22.5%	
Goods and services	1 271.2	10.2%	64.4%	1 296.2	1 397.2	1 508.1	5.9%	61.6%	
Depreciation	76.7	-5.1%	6.1%	190.3	205.2	221.5	42.4%	7.6%	
Interest, dividends and rent on land	129.6	24.9%	3.6%	158.8	229.6	222.9	19.8%	8.2%	
Total expenses	1 915.3	11.1%	100.0%	2 128.5	2 354.1	2 515.8	9.5%	100.0%	
Surplus/(Deficit)	522.0	–	–	553.0	629.0	771.0	13.9%	–	
Statement of financial position									
Carrying value of assets	7 201.0	27.9%	68.5%	8 847.7	9 225.9	9 962.1	11.4%	87.3%	
<i>of which:</i>									
Acquisition of assets	(2 133.4)	64.9%	-17.3%	(2 311.9)	(1 038.0)	(1 379.5)	-13.5%	-17.6%	
Investments	1 003.2	-22.0%	25.6%	735.2	852.3	794.6	-7.5%	8.6%	
Inventory	12.4	3.9%	0.2%	12.9	13.4	14.0	4.1%	0.1%	
Receivables and prepayments	338.0	3.6%	5.1%	368.6	407.8	442.2	9.4%	3.9%	
Cash and cash equivalents	13.7	21.7%	0.3%	16.0	19.2	23.4	19.5%	0.2%	
Total assets	8 568.2	13.2%	100.0%	9 980.4	10 518.5	11 236.2	9.5%	100.0%	
Accumulated surplus/(deficit)	5 141.2	17.5%	58.7%	5 694.3	6 323.2	7 094.1	11.3%	60.1%	
Capital and reserves	442.8	–	6.2%	442.8	442.8	442.8	–	4.4%	
Borrowings	1 943.3	19.6%	18.9%	2 724.7	2 645.9	2 566.9	9.7%	24.5%	
Accrued interest	59.7	23.9%	0.5%	83.1	83.3	83.8	11.9%	0.8%	
Trade and other payables	389.5	-11.9%	7.7%	394.5	329.1	294.0	-9.0%	3.6%	
Provisions	588.5	2.4%	7.8%	640.9	694.2	754.6	8.6%	6.7%	
Derivatives financial instruments	3.2	-33.2%	0.1%	–	–	–	-100.0%	0.0%	
Total equity and liabilities	8 568.2	13.2%	100.0%	9 980.4	10 518.5	11 236.2	-67.3%	100.0%	

Personnel information

Table 36.24 Umgeni Water personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Umgeni Water																			
Salary level	1 048	1 048						1 069	483.2	0.5	1 071	522.1	0.5	1 072	563.3	0.5	8.8%	100.0%	
1 – 6	38	38	126	21.4	0.2	118	12.4	0.1	41	5.9	0.1	43	6.4	0.1	43	6.9	0.2	-17.6%	5.9%
7 – 10	651	651	570	182.1	0.3	582	186.8	0.3	669	227.6	0.3	669	245.4	0.4	669	264.7	0.4	12.3%	61.2%
11 – 12	274	274	197	115.6	0.6	222	140.8	0.6	274	160.1	0.6	274	173.8	0.6	274	187.4	0.7	10.0%	24.6%
13 – 16	82	82	98	75.0	0.8	92	89.3	1.0	82	82.9	1.0	82	89.3	1.1	83	96.5	1.2	2.6%	8.0%
17 – 22	3	3	26	228.7	8.8	4	8.4	2.1	3	6.7	2.2	3	7.2	2.4	3	7.8	2.6	-2.6%	0.3%

1. Rand million.

Trans-Caledon Tunnel Authority

Mandate

The Trans-Caledon Tunnel Authority was established in 1986 and derives its legislative mandate from the National Water Act (1998). As a specialised liability management entity, it finances and implements the development of bulk raw water infrastructure within an acceptable risk framework, and provides an integrated treasury management service to the department and water boards. The authority also plays an important role as a financial advisory service to the department and the water sector in the areas of project initiation, the restructuring of treasury activities and the review of water tariff setting methodologies.

Selected performance indicators

Table 36.25 Trans-Caledon Tunnel Authority performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of 14.5 km pipeline completed per year	Mooi-Mgeni transfer scheme	Outcome 6: An efficient, competitive and responsive economic infrastructure network	3%	10%	92%	100%	-1	-1	-1
Percentage of 40 km pipeline completed per year	Olifants River water resource development project		42%	48%	85%	99%	100%	-2	-2
Percentage of 43 km pipeline completed per year	Mokolo Crocodile water augmentation project		31%	62%	99%	100%	-1	-1	-1
Percentage of 160 km pipeline completed per year	Mokolo Crocodile water augmentation project		-3	-3	-3	-3	-3	20%	40%
Western basin: Percentage of upgrade to existing plant completed per year	Acid mine drainage		100%	-4	-4	-4	-4	-4	-4
Central basin: Percentage of upgrade to construction of new plant completed per year	Acid mine drainage		10%	95%	100%	-5	-5	-5	-5
Eastern basin: Percentage of upgrade to construction of new plant completed per year	Acid mine drainage		-6	-6	36%	98%	100%	-6	-6

1. Project was completed in 2015/16.

2. Project will be completed in 2016/17.

3. Project will commence in 2017/18.

4. Project was completed in 2012/13.

5. Project was completed in 2014/15.

6. Project commenced in 2014/15 and will be completed in 2016/17.

Expenditure analysis

The national development plan envisages universal access to affordable, sufficient and safe water and decent sanitation by 2030 to facilitate socioeconomic growth. In line with this, the Trans-Caledon Tunnel Authority will focus on the coordination of the national water and sanitation infrastructure strategic infrastructure project, which aims to address spatial imbalances by raising the level of service delivery in terms of access to and the quality of services in under-served areas. The authority will provide technical support to other sector institutions to enable them to deliver on their mandates, and contribute to outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (a responsive, accountable, effective and efficient developmental local government system) of government's 2014-2019 medium term strategic framework.

Over the medium term, the authority will focus on planning the second phase of the Lesotho Highlands water project, and finding a short term solution to acid mine drainage in the Witwatersrand. These activities are expected to drive an increase in total expenditure at an average annual rate of 10.4 per cent over the medium term, driven by expenditure in goods and services related particularly to operational and maintenance costs. The authority plans to improve business processes over the medium term to deliver projects in a timely and cost effective manner through improving key internal processes such as the turnaround time of the procurement of goods through increased efficiency. For projects where construction is completed, the authority ensures the debt is managed over the lifetime of the project and repaid in such a manner that the tariff remains constant in real terms, thereby ensuring affordability to the user.

The authority has 199 funded posts, of which 158 are filled. The authority expects to fill its vacant positions over the medium term.

Programmes/objectives/activities

Table 36.26 Trans-Caledon Tunnel Authority expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	2 940.3	3 203.7	3 121.0	4 215.0	12.8%	53.4%	5 169.5	6 232.8	6 575.6	16.0%	62.9%
Berg water project	93.2	97.5	92.7	82.4	-4.0%	1.5%	68.5	58.8	62.0	-9.1%	0.8%
Vaal River eastern subsystem augmentation project	396.0	571.0	367.8	340.6	-4.9%	6.8%	335.4	326.8	344.8	0.4%	3.9%
Mooi-Mgeni transfer scheme	581.0	600.3	567.6	288.1	-20.8%	8.4%	184.3	172.3	181.7	-14.2%	2.4%
Olifants River water resource development project	456.9	540.6	513.7	402.3	-4.2%	7.8%	16.8	3.3	3.5	-79.4%	1.4%
Komati water scheme augmentation project	444.5	329.1	132.6	128.4	-33.9%	4.3%	122.0	124.0	130.8	0.6%	1.5%
Mokolo Crocodile water augmentation project	561.9	427.8	273.8	840.8	14.4%	8.2%	1 464.2	2 603.6	2 746.8	48.4%	21.0%
Acid mine drainage	97.0	594.6	574.8	1 332.6	139.5%	9.7%	203.0	206.9	218.3	-45.3%	6.1%
Other projects	(1.0)	-	-	-	-100.0%	-0.0%	-	-	-	-	-
Total	5 569.9	6 364.5	5 643.9	7 630.3	11.1%	100.0%	7 563.7	9 728.5	10 263.6	10.4%	100.0%

Statements of historical financial performance and position

Table 36.27 Trans-Caledon Tunnel Authority 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	Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	3 671.7	5 361.0	6 665.4	5 014.5	8 103.8	5 453.7	6 824.9	4 418.5	80.1%
Sale of goods and services other than capital assets	3 671.7	2 793.0	5 105.4	2 958.0	6 355.7	2 547.5	5 407.1	4 871.6	64.1%
<i>of which:</i>									
<i>Sales by market establishment</i>	3 671.7	2 793.0	5 105.4	2 958.0	6 355.7	2 547.5	5 407.1	4 871.6	64.1%
Other non-tax revenue	-	2 568.0	1 560.0	2 056.5	1 748.0	2 906.2	1 417.8	(453.1)	149.8%
Total revenue	3 671.7	5 361.0	6 665.4	5 014.5	8 103.8	5 453.7	6 824.9	4 418.5	80.1%
Expenses									
Current expenses	3 774.0	5 569.9	7 378.5	6 364.5	8 750.3	5 643.9	7 630.3	7 630.3	91.6%
Compensation of employees	158.6	122.0	170.0	131.7	181.0	146.1	212.0	212.0	84.8%
Goods and services	793.8	2 661.1	4 926.1	2 833.5	6 106.7	2 392.7	4 648.2	4 648.2	76.1%
Depreciation	134.0	8.5	9.2	11.8	9.8	10.2	11.4	11.4	25.4%
Interest, dividends and rent on land	2 687.5	2 778.3	2 273.2	3 387.4	2 452.7	3 095.0	2 758.7	2 758.7	118.2%
Total expenses	3 774.0	5 569.9	7 378.5	6 364.5	8 750.3	5 643.9	7 630.3	7 630.3	91.6%
Surplus/(Deficit)	(102.0)	(209.0)	(713.0)	(1 350.0)	(647.0)	(190.0)	(805.0)	(3 212.0)	-
Statement of financial position									
Carrying value of assets	23 555.4	6.9	36.6	22.7	34.1	13.0	14.4	23.0	0.3%
Acquisition of assets	(1 659.2)	(6.0)	-	(19.8)	-	(1.1)	(14.4)	(11.0)	2.3%
Investments	3 117.3	3 258.9	3 486.4	3 466.8	4 569.1	4 011.0	8 109.1	11 499.0	115.3%
Receivables and prepayments	930.6	31 793.3	31 174.2	28 196.8	32 515.2	28 987.8	33 994.2	36 127.7	126.9%

Table 36.27 Trans-Caledon Tunnel Authority statements of historical financial performance and position

Statement of financial position	Budget		Audited outcome		Budget		Audited outcome		Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16		
R million									2012/13 - 2015/16
Cash and cash equivalents	1.3	23.2	-	-	-	-	-	-	1745.2%
Non-current assets held for sale	20.3	-	-	-	-	-	-	-	-
Taxation	-	15.0	-	25.4	-	47.5	-	-	-
Total assets	27 625.0	35 101.6	34 697.1	31 711.7	37 118.4	33 059.3	42 117.8	47 649.7	104.2%
Accumulated surplus/(deficit)	(4 196.4)	6 274.2	4 761.9	2 274.0	4 948.0	2 084.0	5 707.4	8 747.0	172.7%
Capital and reserves	131.7	-	-	-	-	-	-	-	-
Borrowings	27 770.1	26 715.0	29 028.1	26 953.1	31 110.7	27 882.0	35 476.7	38 129.3	97.0%
Finance lease	2 613.1	-	-	-	-	-	-	-	-
Trade and other payables	1 264.8	1 719.5	907.1	2 009.0	1 040.3	2 618.0	933.7	773.4	171.7%
Taxation	-	110.9	-	87.0	-	108.0	-	-	-
Provisions	41.6	282.0	-	388.5	-	367.1	-	-	2 493.5%
Derivatives financial instruments	-	-	-	0.0	-	-	-	-	-
Total equity and liabilities	27 625.0	35 101.6	34 697.1	31 711.6	37 099.0	33 059.1	42 117.8	47 649.7	104.2%

Statements of estimates of financial performance and position**Table 36.28 Trans-Caledon Tunnel Authority statements of estimates of financial performance and position**

Statement of financial performance	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2016/17	2017/18	2018/19		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	4 418.5	-6.2%	100.0%	6 529.0	8 822.7	9 307.9	28.2%	100.0%
Sale of goods and services other than capital assets	4 871.6	20.4%	67.0%	4 699.4	6 849.8	7 226.5	14.0%	84.4%
<i>of which:</i>								
Sales by market establishment	4 871.6	20.4%	67.0%	4 699.4	6 849.8	7 226.5	14.0%	84.4%
Other non-tax revenue	(453.1)	-156.1%	33.0%	1 829.6	1 972.9	2 081.4	-266.2%	15.6%
Total revenue	4 418.5	-6.2%	100.0%	6 529.0	8 822.7	9 307.9	28.2%	100.0%
Expenses								
Current expenses	7 630.3	11.1%	100.0%	7 563.7	9 728.5	10 263.6	10.4%	153.5%
Compensation of employees	212.0	20.2%	2.4%	225.8	237.1	250.1	5.7%	2.7%
Goods and services	4 648.2	20.4%	48.9%	4 461.5	6 600.0	6 963.0	14.4%	63.9%
Depreciation	11.4	10.4%	0.2%	12.1	12.7	13.4	5.7%	0.1%
Interest, dividends and rent on land	2 758.7	-0.2%	48.5%	2 864.3	2 878.7	3 037.1	3.3%	33.3%
Total expenses	7 630.3	11.1%	100.0%	7 563.7	9 728.5	10 263.6	10.4%	100.0%
Surplus/(Deficit)	(3 212.0)	1	-	(1 035.0)	(906.0)	(956.0)	-33.2%	-
Statement of financial position								
Carrying value of assets	23.0	49.5%	0.0%	25.7	28.3	29.8	9.0%	0.1%
<i>of which:</i>								
Acquisition of assets	(11.0)	22.4%	-0.0%	(3.0)	(2.0)	(2.1)	-42.3%	-0.0%
Investments	11 499.0	52.2%	14.1%	12 041.4	18 818.6	19 853.7	20.0%	30.2%
Receivables and prepayments	36 127.7	4.4%	85.7%	35 573.5	33 771.3	35 628.7	-0.5%	69.7%
Total assets	47 649.7	10.7%	100.0%	47 640.6	52 618.2	55 512.2	5.2%	100.0%
Accumulated surplus/(deficit)	8 747.0	11.7%	12.4%	7 712.4	6 806.5	7 180.9	-6.4%	15.1%
Borrowings	38 129.3	12.6%	81.4%	39 142.3	45 257.6	47 746.8	7.8%	83.6%
Trade and other payables	773.4	-23.4%	5.2%	785.8	554.0	584.5	-8.9%	1.3%
Total equity and liabilities	47 649.7	10.7%	100.0%	47 640.6	52 618.2	55 512.2	-7.5%	100.0%

Personnel information

Table 36.29 Trans-Caledon Tunnel Authority personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 2014/15			Revised estimate 2015/16			2016/17			2017/18			2018/19			Average growth rate (%)	Salary level/Total: Average (%)	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2015/16 - 2018/19
Trans-Caledon Tunnel Authority		158	146.1	0.9	158	212.0	1.3	199	225.8	1.1	199	237.1	1.2	199	250.1	1.3	5.7%	100.0%	
Salary level	199	199	158	146.1	0.9	158	212.0	1.3	199	225.8	1.1	199	237.1	1.2	199	250.1	1.3	5.7%	100.0%
1 – 6	6	6	6	0.9	0.1	6	0.9	0.2	6	1.0	0.2	6	1.1	0.2	6	1.1	0.2	6.7%	3.2%
7 – 10	91	91	88	42.7	0.5	88	44.6	0.5	91	47.7	0.5	91	50.6	0.6	91	53.6	0.6	6.3%	48.2%
11 – 12	3	3	3	3.8	1.3	3	6.9	2.3	3	7.4	2.5	3	7.9	2.6	3	8.4	2.8	6.7%	1.6%
13 – 16	83	83	49	66.8	1.4	49	111.9	2.3	83	118.7	1.4	83	123.1	1.5	83	129.3	1.6	4.9%	39.0%
17 – 22	16	16	12	31.9	2.7	12	47.6	4.0	16	50.9	3.2	16	54.4	3.4	16	57.7	3.6	6.6%	7.9%

1. Rand million.

Water Trading Entity

Mandate

The water trading account was established in 1983 to separate departmental revenue collected through the sale of raw water and related services from appropriated funds. In 2008, the trading account was converted by the Public Finance Management Act (1999), under which it became the water trading entity. The rationale was to create an entity that would manage the recovery of usage costs to ensure the long term sustainability of South Africa's water resources.

Through its two main components, the water resource management unit and the infrastructure branch, the Water Trading Entity is thus mandated to undertake: the construction of new water infrastructure such as dams, bulk distribution systems and pipelines, reservoirs, canals 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 to ensure a sustainable water supply for both domestic and industrial use. The entity is also 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 36.30 Water Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past		Current	Projections				
			2012/13	2013/14		2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of actual versus planned billing per year ¹	Administration	Outcome 12: An efficient, effective and development oriented public service	99%	100%	100%	-1	-1	-1	-1	
Percentage of reduction in outstanding debt over 60 days ¹	Administration		35%	36%	40%	-1	-1	-1	-1	
Number of debtor days	Administration		303	305	170	150	120	100	100	
Total 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	7	22	12	12	-2	-2	-2	
Number of kilometres of conveyance systems rehabilitated per year	Operations, maintenance and refurbishment of national water resources schemes		-2	-2	-2	-2	36 km	65 km	80 km	
Percentage spent on asset refurbishment and betterment against budget	Operations, maintenance and refurbishment of national water resources schemes		55%	70%	88%	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		-3	-3	-3	-3	90%	92%	95%	
Percentage of unscheduled maintenance projects completed per year as a proportion of planned maintenance projects	Operations, maintenance and refurbishment of national water resources schemes		-3	-3	-3	-3	10%	8%	5%	
Number of raw water projects completed per year	Water Infrastructure Development		0	1	1	1	1	1	1	
Total number of dam safety rehabilitation projects completed (cumulative) ²	Implementation of dam safety projects		35	35	39	-4	-4	-4	-4	
Number of dam safety rehabilitation projects per year	Implementation of dam safety projects		-4	-4	-4	12	4	1	5	
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		Outcome 10: Protect And enhance our environmental assets and natural resources	-5	-5	-5	-5	98	98	98

1. As of 2015/16, these indicators will be replaced with the indicator that measures the number of debtor days, which is specific, measurable and more accurate.

2. Over the medium term, the rehabilitation of water conveyance projects will be measured in kilometres completed.

3. Over the medium term, asset management will be measured against the asset management plan and not against budget. This will enable the entity to monitor the reduction of unscheduled maintenance and compliance with the maintenance plan versus the expenditure.

4. The number of dam safety rehabilitation projects will no longer be reported cumulatively, but per year over the medium term.

5. No historical data is available as this indicator is introduced in 2016/17.

Expenditure analysis

The ongoing objective of the Water Trading Entity is to develop new water resources to make sufficient water available to all users. This is directly linked to the objectives of the national development plan, which highlights the need for a comprehensive management strategy, including an investment programme for water resource development, bulk water supply, and wastewater management for major centres. It is further supported by outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium term strategic framework.

The focus of the entity over the medium term will remain on water resources through the development of new water infrastructure, and on the operations, maintenance and refurbishment of existing infrastructure. Key projects include the Olifants River water resources development project, which entails the construction of a pipeline from De Hoop Dam to Steelpoort; and the Steelpoort pumping station, which will pump water through existing infrastructure to the Mooihoek water treatment works. R1.6 billion has been spent on the Olifants River water resources development project up to 2015/16. Phases 2D, 2E and 2F of the project, which entail the construction of pipelines, will be advanced over the MTEF period with a combined allocation of R199.6 million, and are scheduled to be completed by 2020. Other key projects include the dam safety rehabilitation programme, with an allocation of R98.2 million over the MTEF period, and the raising of Clanwilliam Dam, with an allocation of R226.7 million of the MTEF period.

Higher royalty fees to be paid to the government of Lesotho for water delivered to South Africa and the payment of interest on debt not capitalised during the construction of projects are expected to drive an increase in expenditure on interest, dividends and rent on land from R1.7 billion in 2015/16 to R2.1 billion in 2018/19, at an average annual rate of 6.6 per cent. Due to the filling of vacant technical positions such as engineers, expenditure on compensation of employees is set to increase at an average annual rate of 7.4 per cent, from R979 million in 2015/16 to R1.2 billion in 2018/19. The entity has 4 302 funded posts, of which 3 716 are filled, with all vacancies expected to be filled by the end of 2016/17.

The entity generates revenue from raw water charges and a transfer from the Department of Water and Sanitation. Revenue from water sales exceeded budget expectations of 4 per cent, increasing by 17 per cent from R8.2 billion in 2013/14 to R9.6 billion in 2014/15. The improvement in revenue performance can be attributed to increases in the volume of consumption, annual tariffs, interest charged, and the additional external projects awarded to the internal construction unit. Revenue over the medium term is expected to increase due to the completion of dams and bulk distribution systems, increasing the availability of water and therefore the amount of water sold. The entity reported an operating surplus of R2.8 billion for 2014/15, driven by the improvement in revenue performance and higher interest charged on outstanding accounts.

Cabinet approved budget reductions of R4.4 billion made in 2015/16 will be effected over the medium term. These reductions are not expected to affect service delivery because of the entity's operational efficiencies, which are anticipated to continue over the MTEF period. Improved revenue collection, validation and verification of water users, the establishment of catchment management agencies, and the delegation of functions such as billing and collections to catchment management agencies are all expected to contribute to increased revenue from raw water charges. These measures will ensure that the budget reduction in the transfer from the department has a minimal impact on the entity's operations.

Programmes/objectives/activities

Table 36.31 Water Trading Entity expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	523.5	417.6	341.8	432.7	-6.2%	5.0%	454.3	477.4	505.1	5.3%	4.9%
Implementation of water resources management activities	551.0	439.6	383.0	571.2	1.2%	5.7%	660.1	693.6	733.9	8.7%	7.0%
Operations, maintenance and refurbishment of national water resources schemes	1 069.7	853.4	1 385.0	1 175.0	3.2%	13.0%	1 503.7	1 702.8	1 807.0	15.4%	16.2%

Table 36.31 Water Trading Entity expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Implementation of new water resources infrastructure	5 804.1	4 630.6	5 333.1	4 614.6	-7.4%	59.0%	4 810.0	5 177.2	5 482.3	5.9%	53.0%
Bulk water supply to strategic users	1 193.1	951.9	1 858.8	845.1	-10.9%	13.8%	1 157.3	1 338.8	1 416.5	18.8%	12.4%
Implementation of dam safety projects	377.7	301.4	197.8	315.8	-5.8%	3.5%	350.9	932.5	986.6	46.2%	6.5%
Total	9 519.1	7 594.5	9 499.5	7 954.4	-5.8%	100.0%	8 936.3	10 322.3	10 931.3	11.2%	100.0%

Statements of historical financial performance and position

Table 36.32 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	Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	2 918.9	7 535.2	7 618.9	8 197.0	7 942.5	9 579.1	8 317.5	9 825.9	131.1%
Sale of goods and services other than capital assets	2 865.5	7 167.8	7 562.6	7 811.7	7 882.8	8 607.5	8 254.9	9 730.9	125.4%
<i>of which:</i>									
Sale of raw water	2 865.5	7 167.8	7 562.6	7 811.7	7 882.8	8 607.5	8 254.9	9 730.9	125.4%
Other non-tax revenue	53.5	367.4	56.3	385.3	59.7	971.7	62.7	94.9	783.6%
Transfers received	869.5	1 817.1	1 865.1	2 377.2	2 410.7	2 735.2	3 165.4	1 735.1	104.3%
Total revenue	3 788.5	9 352.3	9 484.0	10 574.2	10 353.2	12 314.3	11 483.0	11 561.0	124.8%
Expenses									
Current expenses	4 299.0	9 519.1	7 178.5	7 594.5	7 838.9	9 499.5	7 954.4	7 954.4	126.8%
Compensation of employees	903.8	608.4	909.4	678.2	944.4	696.5	979.3	979.3	79.3%
Goods and services	1 722.7	3 709.2	2 531.3	3 781.9	2 683.4	4 562.6	2 699.3	2 699.3	153.1%
Depreciation	1 669.2	3 000.8	2 372.0	1 797.7	2 463.1	2 076.6	2 554.4	2 554.4	104.1%
Interest, dividends and rent on land	3.3	2 200.8	1 365.8	1 336.8	1 748.0	2 163.9	1 721.3	1 721.3	153.4%
Total expenses	4 299.0	9 519.1	7 178.5	7 594.5	7 838.9	9 499.5	7 954.4	7 954.4	126.8%
Surplus/(Deficit)	(511.0)	(167.0)	2 306.0	2 980.0	2 514.0	2 815.0	3 529.0	3 607.0	-
Statement of financial position									
Carrying value of assets	65 806.8	88 322.3	98 783.6	89 442.4	103 681.9	90 214.8	107 554.9	91 920.7	95.8%
Acquisition of assets	(2 184.8)	(1 057.1)	(1 091.1)	(1 497.9)	(2 771.0)	(1 401.3)	(2 610.2)	(2 610.2)	75.9%
Inventory	10.8	328.4	185.3	169.2	194.4	120.0	203.9	126.9	125.3%
Receivables and prepayments	2 362.7	3 241.9	2 478.5	3 808.4	2 599.9	5 621.2	2 727.3	4 721.6	171.1%
Cash and cash equivalents	1 385.6	2 094.6	1 639.7	1 924.9	1 720.1	1 545.9	2 346.6	2 346.6	111.6%
Total assets	69 565.9	93 987.2	103 087.0	95 344.9	108 196.2	97 501.8	112 832.6	99 115.8	98.0%
Accumulated surplus/(deficit)	1 070.7	61 304.9	67 390.4	66 432.5	72 436.9	69 170.6	76 669.7	69 245.9	122.3%
Capital and reserves	60 055.1	247.5	300.2	268.6	314.9	345.3	330.3	330.3	2.0%
Capital reserve fund	5 641.2	-	-	-	-	-	-	-	-
Borrowings	-	31 444.4	32 963.8	27 221.0	34 579.1	26 715.3	34 924.9	28 631.8	111.3%
Finance lease	13.3	25.3	15.4	49.4	16.2	50.6	17.0	17.0	229.8%
Trade and other payables	2 243.4	788.7	637.3	1 178.0	668.6	1 044.2	701.3	701.3	87.3%
Provisions	542.1	176.4	887.3	195.4	180.6	175.7	189.5	189.5	41.0%
Total equity and liabilities	69 565.9	93 987.2	103 087.0	95 344.9	108 196.2	97 501.8	112 832.6	99 115.8	98.0%

Statements of estimates of financial performance and position

Table 36.33 Water Trading Entity statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
Revenue									
Non-tax revenue	9 825.9	9.3%	80.2%	9 350.9	9 814.4	10 795.9	3.2%	83.7%	
Sale of goods and services other than capital assets	9 730.9	10.7%	76.1%	9 246.5	9 699.5	10 669.5	3.1%	82.8%	
<i>of which:</i>									
Sale of raw water	9 730.9	10.7%	76.1%	9 246.5	9 699.5	10 669.5	3.1%	82.8%	
Other non-tax revenue	94.9	-36.3%	4.1%	104.4	114.9	126.4	10.0%	0.9%	
Transfers received	1 735.1	-1.5%	19.8%	1 709.5	1 998.0	2 348.7	10.6%	16.3%	
Total revenue	11 561.0	7.3%	100.0%	11 060.4	11 812.4	13 144.6	4.4%	100.0%	

Table 36.33 Water Trading Entity statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Revised estimate	2012/13 - 2015/16			2016/17	2017/18	2018/19		
R million	2015/16							
Expenses								
Current expenses	7 954.4	-5.8%	100.0%	8 936.3	10 322.3	10 931.3	11.2%	137.4%
Compensation of employees	979.3	17.2%	8.7%	1 000.6	1 136.0	1 212.2	7.4%	11.4%
Goods and services	2 699.3	-10.1%	42.7%	3 567.6	4 297.1	4 546.3	19.0%	39.3%
Depreciation	2 554.4	-5.2%	27.3%	2 609.8	2 921.2	3 090.6	6.6%	29.5%
Interest, dividends and rent on land	1 721.3	-7.9%	21.3%	1 758.3	1 968.1	2 082.2	6.6%	19.9%
Total expenses	7 954.4	-5.8%	100.0%	8 936.3	10 322.3	10 931.3	11.2%	100.0%
Surplus/(Deficit)	3 607.0	(4)	-	2 124.0	1 490.0	2 213.0	-15.0%	-
Statement of financial position								
Carrying value of assets	91 920.7	1.3%	93.3%	92 833.5	93 757.2	94 692.0	1.0%	93.7%
<i>of which:</i>								
Acquisition of assets	(2 610.2)	35.2%	-1.7%	(3 904.3)	(4 099.5)	(4 509.5)	20.0%	-3.8%
Inventory	126.9	-27.2%	0.2%	134.3	150.3	168.2	9.9%	0.1%
Receivables and prepayments	4 721.6	13.4%	4.5%	3 777.3	3 021.8	2 417.4	-20.0%	3.5%
Cash and cash equivalents	2 346.6	3.9%	2.1%	2 482.7	2 779.0	3 110.7	9.9%	2.7%
Total assets	99 115.8	1.8%	100.0%	99 227.7	99 708.3	100 388.4	0.4%	100.0%
Accumulated surplus/(deficit)	69 245.9	4.1%	68.9%	70 313.3	71 689.7	73 147.1	1.8%	71.4%
Capital and reserves	330.3	10.1%	0.3%	347.8	365.2	386.4	5.4%	0.4%
Borrowings	28 631.8	-3.1%	29.6%	27 610.7	26 649.7	25 793.1	-3.4%	27.3%
Finance lease	17.0	-12.5%	0.0%	17.9	18.8	19.9	5.4%	0.0%
Trade and other payables	701.3	-3.8%	1.0%	738.5	775.4	820.4	5.4%	0.8%
Provisions	189.5	2.4%	0.2%	199.5	209.5	221.6	5.4%	0.2%
Total equity and liabilities	99 115.8	1.8%	100.0%	99 227.7	99 708.3	100 388.4	19.9%	100.0%

Personnel information

Table 36.34 Water Trading Entity personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Water Trading Entity	4 302	4 302	3 702	696.5	0.2	3 716	979.3	0.3	4 302	1 000.6	0.2	4 302	1 136.0	0.3	4 302	1 212.2	0.3	7.4%	100.0%
Salary level																			
1 - 6	3 245	3 245	2 811	358.9	0.1	2 824	492.0	0.2	3 245	500.9	0.2	3 245	570.6	0.2	3 245	615.6	0.2	7.8%	75.6%
7 - 10	909	909	780	256.3	0.3	780	356.9	0.5	909	364.7	0.4	909	417.1	0.5	909	438.8	0.5	7.1%	21.1%
11 - 12	135	135	103	72.8	0.7	104	111.7	1.1	135	115.2	0.9	135	127.7	0.9	135	135.2	1.0	6.6%	3.1%
13 - 16	13	13	8	8.5	1.1	8	18.8	2.3	13	19.7	1.5	13	20.6	1.6	13	22.7	1.7	6.5%	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 **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 2016/17 is estimated to be R51 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 2016/17 is estimated to be R79.6 million.
- The **Komati River Basin Water Authority** was established in terms of a treaty between South Africa and Swaziland relating to the water resources of the Komati River Basin. The basin primarily comprises the Driekoppies Dam in South Africa, commissioned in 1997, and the Maguga Dam in Swaziland, commissioned in 2002. The authority is governed by the Joint Water Commission, whose members are officials from the governments of Swaziland and South Africa. In 2016/17, the department will transfer R187.5 million for the repayment of a loan agreement.

- 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 2016/17 is R293.3 million.

Addition 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		
				2012/13	2013/14		2014/15	2016/17	2017/18
R million									
Departmental infrastructure									
Mega projects (total project cost of at least R1 billion over the project life cycle)									
Pongolapoort bulk water scheme	Construction of new bulk water scheme	Construction	1 100.0	147.8	359.9	290.0	45.0	20.1	-
Sedibeng bulk regional sewerage scheme remainder	Construction of new wastewater treatment works	Feasibility	1 200.0	-	-	35.0	50.0	64.2	100.0
OR Tambo Mhathha King Sabata Dalindyebo district municipality bulk water supply and sanitation	Augmentation of existing bulk water scheme	Construction	2 156.8	50.8	151.3	447.3	350.5	357.0	312.6
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	28.5	132.4	41.5
Vaal Ganagara scheme	Upgrading of existing bulk water scheme	Construction	2 000.0	16.5	25.3	53.8	65.0	94.3	261.4
Mogalakwena bulk water supply	Upgrading of boreholes and construction of new bulk water scheme	Construction	1 650.0	68.4	115.6	111.5	140.0	112.0	136.5
Nandoni water treatment works and distribution	Supply of water to Vhembe district municipality	Construction	1 789.7	207.3	-	-	-	-	-
Polokwane wastewater treatment works	Upgrading existing wastewater treatment works	Design	1 043.8	-	0.2	1.1	50.0	72.3	100.0
Provincial high catalytic projects (Mutesh Hub)	Construction of new bulk water scheme for various purposes	Feasibility	1 200.0	0.3	1.4	-	19.6	60.0	6.8
Ungeni Water Board: Lower Thukela bulk water supply scheme	Construction of new bulk water scheme	Construction	1 044.0	43.6	107.0	185.0	213.1	199.6	51.3
Matoks bulk water supply	Construction of new bulk water scheme	Feasibility	1 000.0	-	0.9	0.6	-	-	20.0
Giyani Water Services	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	2 211.4	-	-	486.9	140.4	-	-
Polokwane Bulk Water Supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	1 432.0	-	-	-	130.2	100.0	69.1
Ngwathe bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	160.0	-	2.1	2.9	15.0	20.5	41.3
Dniekoppies bulk water supply upgrades	Construction of new bulk water scheme	Design	93.0	5.9	-	0.5	13.2	22.5	42.5
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)									
Nandoni pipeline	Supply of water to Vhembe district municipality	Handed over	750.0	735.0	-	-	-	-	-
Ndlambe bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	588.1	12.9	71.2	38.2	77.9	76.1	120.0
Sedibeng bulk regional sewerage scheme: Sebokeng and Meyerion wastewater treatment works	Upgrading existing wastewater treatment works	Construction	856.0	5.9	32.2	93.7	224.1	173.1	225.6
Mbizana regional bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	910.8	121.4	160.1	88.9	80.0	93.0	79.8
Westonaria/Randfontein regional bulk wastewater treatment works (Hannes van Niekerk)	Upgrading existing wastewater treatment works	Handed over	266.0	172.1	67.0	-	-	-	-
Westonaria/Randfontein regional bulk wastewater treatment works (Zuurbekom)	Construction of new wastewater treatment works	Design	621.5	-	-	35.6	15.0	80.0	150.0

Addition table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2015/16	Medium-term expenditure estimate	
				2012/13	2013/14	2014/15		2016/17	2017/18
R million									
Western highveld regional bulk water supply	Upgrading of existing bulk water scheme	Construction	436.0	24.2	49.1	-	23.0	-	-
Greater Mithojani bulk water supply (phases 1 to 3)	Construction of new bulk water scheme	Construction	668.5	35.7	32.2	48.8	222.1	182.2	56.4
Ngoabo regional bulk water supply (iLembe)	Construction of new bulk water scheme	Construction	682.0	100.5	79.8	53.9	106.2	156.1	130.0
Umshwathi bulk water supply scheme	Construction of new bulk water scheme	Tender	531.8	-	-	-	-	209.9	188.8
Mooihoeke/Tubase bulk water supply	Augmentation existing bulk water scheme	Construction	714.0	30.3	49.1	7.0	53.0	120.0	110.0
Lebalelo central and north regional water supply	Construction of new bulk water scheme	Feasibility	600.0	-	-	-	5.0	20.6	70.0
Nzhelele Valley bulk water supply	Construction of new bulk water scheme	Feasibility	600.0	-	0.3	0.2	-	-	-
Namakwa bulk water supply	Upgrading of existing bulk water scheme	Construction	648.3	12.5	186.1	103.5	150.0	119.0	46.0
Madibeng bulk water supply	Upgrading of existing bulk water scheme	Construction	800.0	2.0	15.9	41.0	80.0	187.6	187.5
Taung/Naledi bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	839.3	220.0	97.6	111.9	104.2	69.3	52.3
Greater Mamusa bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	444.3	6.7	0.6	19.9	51.3	55.0	54.8
Planesberg north and south bulk water supply	Upgrading of existing bulk water scheme and construction of new bulk water scheme.	Construction	755.7	13.0	124.4	69.7	150.0	100.6	95.5
Chris Hani district municipality bulk water supply, Ncora cluster 4	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	353.1	25.2	35.0	84.0	31.4	68.3	56.0
Chris Hani district municipality: Ngoabo cluster 6	Construction of new bulk water scheme and spring protection	Construction	321.7	32.9	26.9	63.4	20.9	63.3	52.4
Xonxa Dam water supply to Lukharaji	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	444.0	69.8	77.9	95.7	55.3	58.0	-
Anatola Water: Refurbishment of 6 existing plants and downstream infrastructure	Upgrading of existing bulk water scheme	Feasibility	500.0	-	-	150.0	169.1	92.4	88.6
Nkeoana bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	304.0	1.9	11.8	22.9	30.0	40.0	31.8
Sterkfontein Dam scheme (phase 1)	Construction of new bulk water scheme	Construction	330.0	63.5	47.6	-	-	-	-
Mhlabatshane bulk water supply	Construction of new bulk water scheme	Construction	273.6	21.6	37.7	52.2	8.8	12.8	-
Greytown regional bulk scheme	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	610.6	30.1	28.3	37.8	128.0	116.4	79.2
Middledrift regional bulk scheme (phase 2)	Construction of new water treatment works	Construction	340.0	3.3	-	-	25.0	79.0	117.2
Sinthumule Kutama bulk water augmentation	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	488.6	15.0	24.4	97.6	97.5	52.0	-
Mouse bulk water supply	Upgrading of existing water treatment works and construction of new bulk water scheme	Construction	720.0	70.2	206.9	31.3	50.1	17.2	-

Addition 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			
				2012/13	2013/14	2014/15	2015/16		2016/17	2017/18	2018/19	
R million												
Glen Alpine bulk water supply	Construction of new bulk water scheme	Feasibility	345.0	-	-	0.5	-	-	15.0	-	-	30.0
Lephalale/Esikom: Bulk water augmentation	Augmentation of existing bulk water scheme	Feasibility	700.0	-	0.3	1.2	-	-	-	-	-	-
Moretele bulk water supply	Construction of new bulk water scheme	Construction	451.6	-	16.9	24.9	91.0	-	38.5	38.0	-	110.1
Bojanala regional water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Feasibility	400.0	0.9	-	-	-	-	-	-	-	-
West Coast desalination plant	Construction of new desalination plant	Design	339.5	6.0	4.5	10.0	-	-	-	-	-	-
Empuluzi and Methula bulk water scheme	Upgrading of existing bulk water scheme	Feasibility	261.9	5.2	-	0.1	0.7	-	-	-	-	20.0
Xhora east bulk water supply	Construction of new bulk water scheme	Construction	370.0	15.8	7.0	50.4	108.9	-	115.3	33.0	-	19.1
Greater Bulwer Donnybrook water scheme	Upgrading of existing water treatment works	Construction	343.3	5.6	-	33.4	14.0	-	60.0	100.0	-	38.7
Inyaka wastewater treatment works (phases 3 and 4)	Supply of water	Handed over	407.8	101.6	-	-	-	-	-	-	-	-
Nandoni distribution: Replacement of glass fibre reinforced pipes	Supply of water	Construction	296.0	129.2	-	-	-	-	-	-	-	-
Hluhluwe (phase 3 and 4)	Supply of water	Construction	412.2	99.3	-	-	-	-	-	-	-	-
Ohrigstad bulk water supply	Upgrading of existing bulk water scheme	Feasibility	450.0	-	-	0.1	-	-	-	-	-	-
Northern Nzikazi bulk water supply	Construction of new bulk water scheme	Design	257.0	0.5	0.3	-	34.9	-	66.0	38.8	-	63.4
Makhado West regional bulk water supply	Upgrading of existing bulk water scheme	Feasibility	800.0	-	-	-	-	-	-	-	-	50.0
Kagisano Molopo bulk water supply	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	350.0	-	-	2.9	18.0	-	9.0	9.7	-	30.0
Aqanang bulk water supply	Upgrading of existing bulk water scheme	Design	350.0	-	0.5	-	0.1	-	40.0	-	-	-
Nebo bulk water supply	Construction of new bulk water scheme	Construction	978.4	24.1	54.6	41.9	50.0	-	145.0	148.0	-	200.0
Magalies water supply to Waterberg	Construction of new bulk water scheme	Feasibility	800.0	-	-	0.7	2.0	-	17.0	-	-	-
Mpumalanaga Lowveld feasibility studies	Construction of new bulk water scheme	Identification	685.0	-	-	-	0.4	-	1.7	3.3	-	15.3
Ngwathe bulk Sewer phase 1 (Vredefort)	Upgrading of existing waste water treatment works	Construction	250.0	-	6.5	4.9	20.0	-	20.0	25.0	-	37.6
Dihlabeng bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	255.0	-	-	17.2	28.6	-	26.0	30.0	-	55.0
Nongoma bulk water supply	Construction of new bulk water scheme	Construction	529.1	36.1	56.2	31.1	128.0	-	110.4	60.3	-	23.2
Dukuduku resettlement bulk water supply	Construction of new bulk water scheme	Construction	350.0	46.0	30.0	26.8	15.0	-	15.2	-	-	-
Giyani bulk water supply drought relief	Construction of new bulk water scheme	Construction	500.0	11.9	35.0	1.0	30.0	-	19.9	-	-	-
Mametya Sekororo bulk water supply	Construction of new bulk water scheme	Construction	310.7	18.2	92.5	18.9	50.2	-	35.0	26.1	-	-
Tokologo regional water supply (phase 2)	Upgrading of bulk water scheme	Construction	290.0	-	-	7.9	30.0	-	50.1	30.0	-	37.0
Ngwathe boreholes	Borehole development to augment existing bulk water scheme	Hand over	250.0	36.1	2.1	-	-	-	-	-	-	-
Driefontein Indaka bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	326.3	-	-	66.7	85.0	-	80.0	79.6	-	-

Addition 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Masilonyana bulk water supply	Upgrading of existing bulk water scheme	Design	304.9	6.7	15.1	45.8	35.0	32.0	30.0	35.3
Musikalgwa regional water supply scheme (phase 1)	Construction of new bulk water scheme	Design	364.0	5.9	18.5	5.5	2.4	-	-	23.0
Emaaheni water treatment works (refurbishment)	Upgrading of existing water treatment works and construction of new bulk water scheme	Construction	355.6	-	-	29.1	35.5	45.2	19.9	56.9
Balf/Syat/Grey/Willem/Nthor bulk water supply	Construction of new bulk water scheme	Various	531.6	4.5	0.5	7.9	26.6	36.6	16.7	52.0
Ratlou local municipality bulk water supply	Upgrading existing water treatment works and new bulk water scheme	Feasibility	271.0	1.7	2.1	4.7	36.4	50.0	50.0	43.7
Matikeng South bulk water supply	Construction of new bulk water scheme	Design	286.6	1.5	21.2	30.1	37.3	50.0	42.9	51.2
Matjhabeng bulk sewer (Welkom)	Upgrading of existing water treatment works and construction of new bulk water scheme	Feasibility	300.0	-	-	-	3.0	10.0	35.0	60.0
Thembiile water scheme (Loskop)	Construction of new bulk water scheme	Feasibility	292.0	-	-	-	5.0	12.2	15.7	31.0
Western Highveld bulk water supply Scheme (Rust de Winter)	Construction of new bulk water scheme	Feasibility	643.0	-	-	41.1	29.8	51.1	62.8	102.3
Small projects (total project cost of less than R250 million over the project life cycle)										
Graaf-Reinet emergency water supply scheme	Upgrading of existing bulk water scheme	Feasibility	54.0	3.2	5.2	0.6	5.0	23.4	15.4	-
Sundays River: Paterson bulk water supply	Upgrading of existing water treatment works and construction of new bulk water scheme	Construction	106.5	14.1	6.4	6.6	26.3	5.5	-	-
Steylerville water supply scheme	Augmentation of existing bulk water scheme	Construction	90.5	7.0	12.5	20.0	32.1	23.9	-	-
Iluka water supply	Construction of new bulk water scheme	Construction	64.8	12.6	4.2	-	9.0	2.0	-	-
Ikwezi bulk water supply	Upgrading of existing bulk water scheme	Feasibility	50.6	0.1	0.3	2.7	3.6	12.6	33.8	-
Kirkwood water treatment works	Upgrading of existing bulk water scheme	Feasibility	20.5	0.2	-	1.0	2.8	8.5	8.0	-
Chris Hani district municipality bulk water supply: Quthubeni (cluster 9)	Construction of new bulk water scheme	Construction	208.0	21.0	40.2	13.8	12.3	15.0	20.2	37.7
Misgund bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Feasibility	13.6	0.1	0.0	0.4	2.5	9.0	1.7	-
Hofmeyer groundwater supply (phase 1)	Development of borehole to augment existing bulk water scheme	Construction	47.4	2.2	2.3	23.2	10.3	6.8	-	-
Middelburg groundwater supply	Development of borehole to augment existing bulk water scheme	Construction	31.1	10.9	0.6	0.1	1.5	6.4	-	-
Matatiele bulk water supply	Construction of new bulk water scheme	Construction	182.3	1.1	1.2	24.8	36.7	66.0	36.2	8.3
Mnqwasa bulk water supply	Construction of new bulk water scheme	Construction	125.5	23.6	12.1	30.5	11.3	-	-	-
Mount Ayliff bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	182.3	32.5	13.1	14.4	1.9	40.0	30.6	53.1
Jagersfontein/Fauresmith: Bulk water supply (phases 1 to 3)	Construction of new bulk water scheme	Construction	58.4	4.2	26.5	7.7	10.0	10.0	-	-
Mohokare bulk water supply	Construction of new bulk water scheme	Construction	170.3	10.5	22.0	28.6	28.0	45.0	23.0	13.4
Tokologo regional water supply (phase 1)	Construction of new bulk water scheme	Handed over	223.0	54.0	15.1	-	-	-	-	-

Addition 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Sasoto bulk water supply	Construction of new bulk water scheme	Construction	147.6	10.0	4.0	13.5	30.0	31.5	45.0	-
Dihlabeng bulk water supply (phase 1)	Construction of new bulk water scheme	Handed over	97.0	33.8	21.0	-	-	-	-	-
Phumelela bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	166.0	32.3	23.3	10.0	5.0	27.4	28.6	28.7
Moghaka regional water scheme	Construction of new bulk water scheme	Construction	90.4	8.0	11.9	8.8	30.5	30.0	-	-
Moghaka bulk sewer	Construction of bulk sewer	Construction	105.0	-	-	11.1	35.0	10.0	15.0	33.9
Ngwathe bulk water supply	Upgrading of existing wastewater treatment works	Feasibility	11.3	-	-	-	-	-	-	-
Letsemeng-Petrusburg-Koffiefontein bulk water supply	Upgrading of existing bulk water scheme	Feasibility	90.0	0.4	-	-	-	-	-	-
Nala bulk sewer (Wesselsbron/Monyakeng)	Construction of bulk sewer	Feasibility	46.0	-	4.0	13.7	23.0	5.3	-	-
Naledi bulk water supply	Upgrading of existing wastewater treatment works	Feasibility	140.0	0.4	-	-	-	-	-	-
Tswelopele bulk water supply	Construction of new bulk water scheme	Design	85.0	0.8	-	-	10.0	24.2	30.0	20.0
Mantsope-Tweespruit and Hobhouse bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	120.0	0.4	0.4	3.4	15.0	33.6	3.6	-
Sterkfontein Dam scheme: Maluti-a-Phofung bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	240.0	-	-	34.7	42.6	48.5	26.7	38.0
Extension of Kalahari East pipeline	Supply of water	Tender	169.4	-	-	2.8	132.9	36.9	-	-
Greater Eston water scheme	Construction of new bulk water scheme	Handed over	192.0	89.9	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	16.3	56.7	14.3	-	-	-	-
Emadlangeni bulk regional scheme	Construction of new bulk water scheme	Handed over	50.3	4.9	-	8.5	-	-	-	-
Mandlakazi bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	94.0	29.7	5.8	14.8	57.0	27.7	-	-
Hlabisa regional bulk water supply	Construction of new bulk water scheme	Handed over	166.9	14.4	30.0	38.7	8.0	-	-	-
Port Nolloth bulk water supply	Construction of new bulk water scheme	Design	36.8	-	-	1.1	-	15.9	19.9	-
Colesberg bulk water supply	Construction of new bulk water scheme	Design	123.8	24.3	35.4	6.9	1.3	-	-	-
Colesberg wastewater treatment works	Construction of new waste water treatment works	Handed over	19.4	3.4	-	-	-	-	-	-
Noupoort bulk water supply	Construction of new bulk water scheme	Construction	51.4	0.5	3.5	15.4	42.0	-	-	-
De Aar bulk water supply	Upgrading of existing bulk water scheme	Design	43.7	-	1.1	0.1	-	22.9	5.3	14.2
Hope town water treatment works bulk water supply (Thembehlhe)	Upgrading of existing bulk water scheme	Hand over	75.0	16.7	2.7	1.5	-	-	-	-
Strydenburg groundwater project	Ground water development	Construction	17.7	0.3	-	3.3	8.4	5.7	-	-
Heuningvei scheme bulk water supply	Construction of new bulk water scheme	Feasibility	142.3	51.4	52.2	5.6	9.0	-	-	-
Kuruman bulk water supply	Upgrading of existing bulk water scheme	Construction	48.4	3.6	6.2	22.9	15.6	-	-	-
Kaithu wastewater treatment works	Construction of new waste water treatment works	Handed over	17.6	17.0	0.6	-	-	-	-	-

Addition 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Kaahu bulk water supply	Construction of new bulk water scheme	Feasibility	90.0	0.6	0.1	-	-	10.0	69.3	
Hantam desalination plant (Brandvlei)	Construction of new desalination plant	Feasibility	57.2	0.7	-	4.1	5.3	12.4	30.0	
Loeriesfontein bulk water supply	Construction of new bulk water scheme	Feasibility	40.0	1.4	8.0	4.5	14.2	12.0	-	
Ritchie waste water treatment works bucket eradication programme	Construction of bulk water supply line and extension of the treatment works as well as associated infrastructure.	Feasibility	43.0	-	-	3.0	15.0	20.0	-	
Kameelmond Waste Water Treatment Works bucket eradication programme	Construction of new wastewater treatment works	Identification	65.0	-	-	0.7	-	-	-	
Hoipan bulk water supply (Windsorton)	Upgrading of existing bulk water scheme	Tender	29.2	0.4	0.2	3.5	23.1	2.0	-	
Upgrading of the Homevale wastewater treatment plant (Sol Plaatje wastewater treatment works)	Upgrading of existing waste water treatment works	Construction	78.0	31.8	15.6	36.6	-	-	-	
Niekershoop bulk water supply	Supply of water	Handed over	11.1	2.8	6.1	0.5	-	-	-	
Frankfort bulk sewer (Matube)	Construction of new bulk water scheme	Construction	131.4	-	-	6.2	40.0	40.0	27.8	
Pixley ka Seme bulk water supply	Upgrading of existing groundwater water scheme	Feasibility	40.0	1.6	2.1	0.8	-	-	-	
Manydale bulk water supply	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	11.2	-	-	-	1.2	10.0	-	
Uppington wastewater treatment works	Construction of a new wastewater treatment works in Uppington	Feasibility	15.7	-	-	-	-	15.0	-	
Kakamas wastewater treatment works	Construction of new wastewater treatment works	Feasibility	50.0	-	0.6	0.2	-	-	49.2	
Warrenton water treatment works	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	30.6	0.1	0.7	3.0	0.7	20.3	5.7	
Gariep Dam to Norvaltspond bulk water supply	Construction of new bulk water scheme	Construction	15.1	-	-	0.6	12.0	-	-	
Renosterberg bulk water supply	Construction of new bulk water scheme	Construction	20.7	-	-	5.4	20.0	-	-	30.0
Van Wyksvlei groundwater	Construction of new bulk water scheme	Design	97.6	0.4	0.2	2.9	3.9	15.0	20.0	40.3
Bloemendal water pipeline	Construction of new bulk water pipeline	Handed over	57.5	35.6	-	-	-	-	-	
Eerstehoek/Ekulindeni bulk water supply	Construction of new bulk water supply and upgrading of existing water treatment works	Feasibility	103.6	4.5	-	1.2	0.6	-	-	25.6
Aconthoek bulk water supply	Augmentation of existing bulk water scheme	Handed over	191.7	83.5	28.7	4.1	-	-	-	
Sibange water treatment works	Construction of new bulk water scheme	Design	97.8	6.1	-	-	0.7	15.2	18.5	45.5
Lushuhwane bulk water scheme	Construction of new bulk water and sanitation schemes	Design	91.9	-	-	0.5	2.5	25.4	25.3	32.0
Amsterdam and Sheepmore bulk water scheme	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	30.5	-	-	2.2	0.5	12.3	14.9	-
Thaba Chweu groundwater development	Ground water development	Construction	8.5	-	3.3	-	1.2	-	-	-
Emalaheni bulk water supply (phase 2)	Upgrading existing water treatment works and new bulk water scheme	Feasibility	150.0	26.0	14.8	-	1.0	4.7	-	-

Addition 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Hoxana bulk water supply	Upgrading existing water treatment works and new bulk water scheme	Design	89.8	5.5	0.4	0.5	24.3	42.8	27.0	-
Wolmaransdorp wastewater treatment works	Upgrading existing wastewater treatment works	Construction	154.1	9.3	1.5	14.3	64.0	55.7	-	-
Pocheisfontein water treatment works upgrade	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	200.0	-	-	7.6	7.1	19.0	34.8	39.3
Nahoon Dam (Buffalo City municipality)	Upgrading existing water treatment works and new bulk water scheme	Feasibility	150.0	-	2.4	-	-	-	-	-
Ngqamakwe water supply	Upgrading of existing wastewater treatment works	Feasibility	60.0	9.7	-	1.8	-	-	-	-
Citrudal wastewater treatment works	Construction of new wastewater treatment works	Construction	35.6	2.0	3.8	6.8	20.0	2.7	-	-
Clanwilliam water treatment works	Upgrading of existing bulk water scheme	construction	16.0	1.0	0.9	2.2	-	4.0	7.4	-
Clanwilliam/Lamberts Bay regional water supply	Upgrading of existing bulk water scheme	Construction	59.5	9.7	21.0	0.9	-	14.4	-	-
Tulbagh bulk water supply (Witzenberg)	Construction of new bulk water scheme	Construction	73.8	20.7	8.3	0.9	-	27.8	0.6	-
Drakenstein wastewater treatment works	Upgrading existing wastewater treatment works	Handed over	29.0	7.0	-	-	-	-	-	-
Stellenbosch wastewater treatment works	Upgrading existing wastewater treatment works	Construction	111.0	-	10.0	18.0	48.1	32.8	-	-
Worcester bulk water supply	Construction of new bulk water scheme	Construction	66.7	19.0	33.4	13.2	-	-	-	-
Grabouw wastewater treatment works	Upgrading of existing wastewater treatment works	Construction	24.1	7.7	8.5	5.4	2.2	-	-	-
Hermanus bulk water supply	Construction of new water treatment works, borehole development and upgrading of existing bulk water scheme	Hand over	20.6	12.0	-	-	-	-	-	-
Hermanus wastewater treatment works	Upgrading existing wastewater treatment works	Handed over	31.1	14.0	-	-	-	-	-	-
Swellendam wastewater treatment works	Upgrading of existing wastewater treatment works	Construction	42.9	19.4	10.1	13.1	-	-	-	-
Strausbaai wastewater treatment works	Upgrading of existing wastewater treatment works	Handed over	11.4	5.6	5.6	-	-	-	-	-
Oudshoorn groundwater supply	Ground water development	Feasibility	157.7	8.0	18.0	10.1	10.1	20.2	30.3	50.0
Beaufort West bulk water supply	Upgrading of existing wastewater treatment works and construction of new wastewater treatment works	Feasibility	46.3	0.9	0.2	-	-	-	16.0	11.8
Vanrhynsdorp raw water supply	Augmentation existing bulk water scheme	Design	38.0	-	-	-	-	-	-	15.2
Klawer bulk water supply	Augmentation of existing bulk water scheme from boreholes	Design	17.7	-	-	-	-	-	-	4.6
Paarl bulk sewer	Construction of new bulk sewage conveyance pipelines	Construction	100.0	-	39.3	19.4	39.0	1.9	-	-
Calitzdorp and Ladysmith wastewater treatment works	Upgrading existing waste water treatment works	Feasibility	70.7	0.5	0.2	3.0	3.0	10.0	20.0	33.9

Addition 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		
				2012/13	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	
R million												
Kannaland Dam relocation	Augmentation of existing bulk water scheme	Feasibility	72.9	3.4	2.1	11.6	-	19.2	26.7	-	-	-
Bitou cross border bulk water supply	Construction of new bulk sewage conveyance pipelines	Feasibility	120.0	0.5	2.4	1.9	-	5.0	30.0	40.0	-	-
Moretele bulk water supply (North)	Augmentation of existing bulk water scheme	Feasibility	100.0	-	-	-	10.6	9.5	14.0	-	-	-
Williston bulk water supply	Construction of new bulk water scheme	Feasibility	47.0	-	-	1.9	2.0	-	16.0	26.6	-	-
Makana bulk water supply (James Kleyntans)	Augmentation of existing bulk water scheme	Design	66.0	-	2.0	1.6	5.0	41.0	13.4	-	-	-
Ntabankulu bulk water supply	Construction of new bulk water scheme	Feasibility	245.0	-	-	1.7	-	1.5	11.0	19.0	-	-
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 Deilmas wastewater treatment works	Upgrading existing wastewater treatment works	Design	68.1	-	-	-	16.4	23.1	33.4	-	-	-
Upgrade of Boifeng wastewater treatment works	Upgrading existing wastewater treatment works	Design	51.9	-	-	-	27.6	18.0	2.6	-	-	-
Balfour wastewater treatment works	Upgrading existing wastewater treatment works	Tender	76.9	-	0.5	-	23.2	23.0	32.5	-	-	-
Masakoma pipeline	Supply of water	Handed over	19.0	19.0	-	-	-	-	-	-	-	-
Sterkspruit bulk water supply	Construction of new bulk water scheme	Feasibility	52.0	-	-	0.5	1.0	2.5	23.5	15.0	-	-
Greater Mpošana regional bulk water supply	Construction of new bulk water scheme	Feasibility	248.3	-	-	-	-	-	86.8	161.6	-	-
Belmont waste water treatment works	Upgrading existing waste water treatment works	Feasibility	142.0	-	-	-	2.5	17.5	30.0	62.0	-	-
Makana bulk sewer	Upgrading existing waste water treatment works	Feasibility	15.0	-	-	-	15.0	-	-	-	-	-
Mayfield waste water treatment works	Upgrading existing waste water treatment works	Feasibility	72.5	-	-	-	2.5	27.5	27.5	15.0	-	-
Lady Grey bulk water supply	Construction of new bulk water scheme	Feasibility	128.5	-	-	-	2.5	10.4	30.0	41.5	-	-
Coffee bay water treatment works	Upgrading existing water treatment works	Feasibility	116.0	-	-	-	-	12.7	30.0	73.3	-	-
Kinira regional bulk water supply	Construction of new bulk water scheme	Feasibility	34.5	-	-	-	-	1.5	16.0	17.0	-	-
Mount Ayliff bulk peri urban water supply	Construction of new bulk water scheme	Feasibility	187.4	-	-	-	2.5	20.0	38.0	52.0	-	-
Mikemane regional bulk water supply	Construction of new bulk water scheme	Feasibility	52.0	-	-	-	-	2.5	10.0	40.0	-	-
Hertzogville sewer	Upgrading existing waste water treatment works	Feasibility	1.7	-	-	-	1.7	-	-	-	-	-
Trompsburg bulk sewer	Upgrading existing waste water treatment works	Feasibility	68.7	-	-	-	-	5.7	15.5	28.0	-	-
Tweeling sewer pumpstation	Upgrading existing waste water treatment works	Feasibility	7.5	-	-	-	7.5	-	-	-	-	-
Heilbron sewer and pumpstation	Upgrading existing waste water treatment works	Feasibility	6.6	-	-	-	6.6	-	-	-	-	-
Rouxville outfall sewer	Upgrading existing waste water treatment works	Feasibility	1.7	-	-	-	1.7	-	-	-	-	-

Addition table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome					Adjusted appropriation 2015/16	Medium-term expenditure estimate				
				2012/13	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19			
R million														
Memel refurbishment waste water treatment works and sewer	Upgrading existing waste water treatment works	Feasibility	5.0	-	-	-	5.0	-	-	-	-	-	-	
Petrus Steyn refurbishment waste water treatment works	Upgrading existing waste water treatment works	Feasibility	6.0	-	-	-	6.0	-	-	-	-	-	-	
Lindley waste water package plant and works	Upgrading existing waste water treatment works	Feasibility	37.0	-	-	-	37.0	-	-	-	-	-	-	
Ficksburg pump stations	Upgrading existing waste water treatment works	Feasibility	8.0	-	-	-	8.0	-	-	-	-	-	-	
Upgrading of Deneysville waste water treatment works	Upgrading existing waste water treatment works	Feasibility	142.4	-	-	-	7.5	10.0	45.0	36.9	-	-	-	
Masilonana bulk sewer (Brandfort and Winburg)	Upgrading existing waste water treatment works	Feasibility	70.0	-	-	-	3.0	11.9	25.0	30.0	-	-	-	
Reitz Upgrading waste water treatment plant	Upgrading existing waste water treatment works	Feasibility	55.0	-	-	-	3.0	11.0	20.0	22.0	-	-	-	
Manisopa bulk sewer (Ladybrand)	Upgrading existing waste water treatment works	Feasibility	30.0	-	-	-	2.0	3.0	15.0	3.0	-	-	-	
Rothdene pump station and raising main	Upgrading existing waste water treatment works	Feasibility	37.4	-	-	-	10.0	21.4	-	-	-	-	-	
Mohlakeng pump station and sewer outfall	Upgrading existing waste water treatment works	Feasibility	70.0	-	-	-	6.0	36.0	28.0	-	-	-	-	
Koster waste water treatment works upgrade	Upgrading existing waste water treatment works	Design	109.1	3.1	2.0	8.0	10.0	26.0	60.1	-	-	-	-	
Ventersdorp bulk water supply	Construction of new bulk water scheme	Construction	40.4	13.8	10.9	5.9	5.3	1.3	-	-	-	-	-	
Nebo bulk water supply -De Hoop Agumentation/north/south/steelpoort	Construction of new bulk water scheme	Design	150.2	-	-	-	5.0	40.0	60.0	38.2	-	-	-	
Bushbuckridge water services	Construction of new bulk water scheme	Feasibility	50.0	-	-	-	-	50.0	-	-	-	-	-	
Douglas water treatment works upgrading	Upgrading existing water treatment works	Design	14.8	-	-	-	0.8	14.0	-	-	-	-	-	
Britstown oxidation ponds	Upgrading existing waste water treatment works	Design	30.6	-	-	-	0.6	15.0	10.0	-	-	-	-	
Ernelo bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	46.9	-	-	16.4	9.0	-	-	-	-	-	-	
Carolina Sibobela bulk water scheme	Construction of new bulk water scheme	Feasibility	200.0	-	1.0	0.2	-	-	-	-	-	-	-	
Spoenkop to Ladysmith bulk water supply	Construction of bulk water scheme	Feasibility	350.0	-	-	-	-	-	-	22.8	197.9	-	-	
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 Olifants River catchment area and to various communities on the Nebo Plateau and Sekhukhune	Construction	3 074.0	386.3	268.7	152.7	14.0	-	-	-	-	-	-	-

Addition table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2015/16	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
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	-	-	6 453	59.0	-	-	-
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 Nabo Plateau to Roossenekal	Construction	3 400.0	566.9	521.0	-	7.4	-	-	-
Olifants River water resources development project (phase 2D)	Construction of second pipeline between Steelpoort weir to and Mooihoek	Feasibility	834.5	-	-	-	44.5	33.2	21.7	8.3
Olifants River water resources development project (phases 2E and 2F)	Construction of second pipeline parallel to Lebalole scheme and Lebalole Scheme to Olifantspoort	Construction	2 412.2	-	-	-	-	58.1	55.4	22.9
Groot Letaba River water development project: Nwamitwa Dam	Meeting of projected growing primary supply requirements to 2025; improvement of water availability for the riverine ecosystem and building of Nwamitwa Dam	Design	1 325.0	-	-	-	75.3	-	-	-
Dam safety rehabilitation programme	Rehabilitation of assets and improvement of dam safety	Design	2 800.0	220.6	248.0	225.5	237.1	44.7	29.7	23.8
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	228.7	44.5	177.2	269.4	136.0	55.3	35.5
Mokolo River and West Crocodile River water augmentation project (phase 1)	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	2 138.0	-	-	-	3.7	-	-	-
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	-	-	-	74.2	17.7	21.7	-
Luskiski 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	-	-	-	-	-	-	-
Acid Mine Drainage	Construction of water treatment works	Feasibility	-	-	-	-	-	683.8	1 110.0	1 526.7
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	-	-	-	108.6	-	-	-

Addition table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2015/16	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R million										
Mdloti River development project: Raising of Hazelmare Dam	Augmentation of water supply to Umgeni Water for treatment, for KwaZulu-Natal north coast	Design	360.0	13.0	11.6	4.9	109.5	50.7	8.7	-
Mopani district municipality emergency works	Refurbishing of dilapidated infrastructure	Construction	80.0	36.8	103.9	89.1	82.4	-	-	-
Enterprise resource programme system upgrade	Upgrading of Systems Applications and Products system	Construction	205.0	22.6	25.4	-	-	-	-	-
National water resources infrastructure support/project management	Funding of national office costs including construction, engineering, operations and new development	Feasibility	-	213.3	344.0	-	165.2	224.7	238.2	252.5
Financial management/project support	Funding of financial management and SAP maintenance and support	Feasibility	-	207.1	158.3	483.4	148.4	212.0	224.7	238.2
Mzimkulu River: Novabeni off-channel storage	Ensuring a reliable water supply to the northern part of the lower KwaZulu-Natal south coast during dry periods	Feasibility	650.0	-	-	-	-	-	-	-
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	114.0	-	100.0	44.5	-	-	-	-
Molopo Eye water treatment plant, pipelines and reservoirs	Supply of water to North West	Handed over	39.8	16.6	22.5	-	-	-	-	-
Ermelo water treatment plant, pipelines and reservoirs	Supply of water to Bushbuckridge area	Handed over	47.8	-	48.5	-	-	-	-	-
Zeerust water treatment plant, pipelines and reservoirs	Supply of water to Zeerust area	Handed over	14.2	-	5.4	17.4	-	-	-	-
Water services	Supply of water	Construction	-	-	308.2	571.2	171.8	83.5	59.5	57.9
Disestablishment of Botshelo water board	Supply of water	Construction	-	-	-	92.9	-	-	-	-
Abaquusi, Nongoma and Jozini water intervention projects	Supply of water	Construction	-	-	-	66.8	-	-	-	-
Total			114 492.9	5 685.8	5 400.6	6 255.5	7 253.9	7 683.3	7 295.1	7 999.1

Vote 37

Arts and Culture

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	281.1	273.7	–	7.4	301.7	334.9
Institutional Governance	364.4	81.2	37.2	246.0	441.8	523.0
Arts and Culture Promotion and Development	1 094.7	113.7	981.0	–	1 140.5	1 190.7
Heritage Promotion and Preservation	2 330.6	128.6	2 202.0	–	2 608.6	2 494.2
Total expenditure estimates	4 070.9	597.2	3 220.2	253.4	4 492.7	4 542.9

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 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:

- develop and promote arts and culture in South Africa, and mainstream its role in social development
- develop and promote the official languages of South Africa, and enhance the linguistic diversity of the country
- improve economic and other development opportunities for South African arts and culture nationally and globally through mutually beneficial partnerships in order to ensure the sustainability of the sector
- develop and monitor the implementation of policy, legislation and strategic direction for the identification, conservation and promotion of cultural heritage.

Selected performance indicators

Table 37.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of community conversations on social cohesion and nation building conducted per year	Institutional Governance	Outcome 14: Nation building and social cohesion	61 ¹	– ²	45	33	33	33	33
Number of artists placed in schools per year	Arts and Culture Promotion and Development	Outcome 1: Quality basic education	75	200	240	300	340	380	420
Number of flagship cultural events supported per year	Arts and Culture Promotion and Development	Outcome 14: Nation building and social cohesion	19	22	22	25	25	18	20
Number of language practice bursaries awarded per year	Arts and Culture Promotion and Development		555	336	320	320	320	320	320
Number of part time job opportunities created across all work streams of the Mzansi golden economy strategy per year	Arts and Culture Promotion and Development	Outcome 4: Decent employment through inclusive economic growth	25 850	28 000	28 200	20 990	15 000	18 000	20 000
Number of community arts programmes activated per year	Arts and Culture Promotion and Development	Outcome 14: Nation building and social cohesion	– ³	– ³	9	80	150	200	250
Number of flagpoles and flags installed at schools per year	Heritage Promotion and Preservation		184	1 000	15 000	2 000	500	– ⁴	– ⁴
Percentage of schools that have booklet and poster (frame) of national symbols and orders per year	Heritage Promotion and Preservation		– ³	– ³	25% (6 423)	50% (12 846)	75% (19 269)	100% (25 692)	– ⁴
Number of bursaries in heritage studies awarded per year	Heritage Promotion and Preservation		65	106	120	65	65	65	65
Number of community libraries built per year	Heritage Promotion and Preservation		14	16	17	20	23	26	29
Number of community libraries upgraded per year	Heritage Promotion and Preservation		37	40	45	50	55	60	65

1. This figure includes pre-summit and post-summit engagements. The increase in 2012/13 was due to community conversations leading up to and after the 2012 national social cohesion summit.

2. No target was set, hence no conversations were held.

3. These are new indicators to give effect to outcome 14 and government's 2014-2019 medium term strategic framework.

4. These programmes are discontinued from the respective years.

Expenditure analysis

Over the medium term, the Department of Arts and Culture 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. The department's work contributes substantially to outcome 14 (nation building and social cohesion) of the 2014-2019 medium term strategic framework, as well as to outcome 4 (decent employment through inclusive economic growth) and outcome 1 (quality basic education).

The department's compensation of employees budget has been decreased by R18.3 million in 2017/18 and R30.2 million in 2018/19, and its goods and services budget by R52.3 million over the MTEF period. These decreases are part of the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget.

Developing arts, culture and heritage infrastructure

To redress the historical imbalances in how South African heritage has been narrated, and to contribute to social transformation, the department will maintain its momentum over the medium term constructing heritage infrastructure where previously there was none. Capital works projects amounting to R990.7 million are budgeted for in the *Institutional Governance* programme, comprising 74.4 per cent of the programme's total budget of R1.3 billion over the medium term. The main focus will be on the liberation heritage route. In 2016/17, 3 key sites per province will have been identified, and design and construction of new infrastructure or rehabilitation of existing infrastructure will begin, to be completed by 2018/19. Also in 2016/17, the department will conduct a feasibility study on a liberation movement museum. Heritage infrastructure projects that will be completed over the medium term include: the Sarah Baartman Centre of Remembrance in Hankey in Eastern Cape, to be completed in March 2018/19 (R137.3 million), the OR Tambo Memorial in Mbizana in Eastern Cape, to be completed in 2017/18 (R14 million), and the Ingquza Hill Museum in Lusikisiki in Eastern Cape, to

be completed in 2018/19 (R41 million). In addition to historical redress and social transformation, these projects have significant potential for tourism and will contribute to creating work opportunities in the communities in which the projects are based.

The department continues to support the delivery of infrastructure, technology and capacity building for community libraries, and the purchase of library materials, particularly in rural areas and some townships over the medium term. R2.1 billion over the period has been earmarked in the community library services grant for constructing 78 new libraries and upgrading 180 existing libraries. The department will also prioritise providing 60 dual purpose service points to support school curricula and enhance learning outcomes. Dual purpose service points are libraries that serve both the general community and its surrounding schools. The department has developed norms and standards for community libraries to ensure the most basic and equitable access to library services in communities. The related bill will be submitted to Cabinet in 2016/17.

Positioning the cultural and creative industries as drivers of economic growth and job creation

The department will continue to implement its Mzansi golden economy strategy over the MTEF period. The primary objective of the strategy is to create employment and stimulate the economy in the arts, culture and heritage sector. The strategy provides funds to creative industry practitioners to allow them to, amongst others participate in international professional development events to which they have been officially invited, such as conferences, festivals, performances and exhibitions. It also supports arts and culture productions to tour South Africa and internationally. Over the medium term, the department plans to support 170 such ventures. The Mzansi golden economy strategy also hosts 63 flagship cultural events over the medium term at an estimated cost of R532.1 million over the period, budgeted for in the *Cultural and Creative Industries Development* subprogramme in the *Arts and Culture Promotion and Development* programme. There are national flagship cultural events, such as the Buyel'Ekhaya Pan African Music Festival (Eastern Cape), the Joy of Jazz Festival (Gauteng), and the Marula Festival (Limpopo) and the Diamonds and Dorings Festival (Northern Cape). Another part of the strategy is to develop major international exchange platforms such as Africa Month and international cultural seasons. The cultural seasons are a programme of arts and culture exchange between South Africa and another country to create new international markets for South African arts and culture products. The department is planning the South Africa-Russia Season for the medium term. The department projects that the Mzansi golden economy strategy will create an estimated 53 000 work opportunities over the period.

The department has created a framework for a more feasible model for the National Creative Industries Academy of South Africa in response to information from the 2013 creative industries mapping study, the department's 2014 review of the academy, and the current fiscal environment. Over the medium term, the department plans rapid skills delivery training interventions in the arts nationally, such as performing arts incubators and master classes. These interventions equip artists to create new work and enter the art market. 6 performing arts incubator programmes were implemented in 2015/16 in partnership with the department's performing arts institutions, and over the medium term a further 12 incubators will be identified through open calls for proposals. The department will also provide 10 training programmes per year in identified scarce and critical skills, in particular related to arts and culture entrepreneurship, such as music business skills and core skills in the film industry. R105.6 million is allocated over the medium term towards these rapid skills delivery training interventions, also in the *Cultural and Creative Industries Development* subprogramme in the *Arts and Culture Promotion and Development* programme.

The department will establish a venture capital fund in partnership with the National Empowerment Fund over the medium term. This fund will finance and develop small, medium and micro enterprises (SMMEs), and through venture capital grants fund self-sustainable arts and culture projects run by previously disadvantaged South Africans. The aim is to unlock the economic potential of the arts, culture and heritage sectors, and the department has allocated R100 million to the venture capital fund over the medium term.

Contributing to social cohesion and nation building

The department has developed various social cohesion and nation building programmes based on the resolutions of the 2012 national social cohesion summit. Over the medium term, the department will continue to drive these programmes, including hosting community conversations, which are ongoing national social dialogues that seek to understand the possibilities and challenges of nation building and social cohesion. In addition, a group of distinguished persons has been appointed as social cohesion advocates to play a prominent role in taking

forward the summit resolutions. R12.3 million over the MTEF period has been budgeted in the *Social Cohesion and Nation Building* subprogramme in the *Institutional Governance* programme for conducting 33 community conversations per year, and R7.7 million for the social cohesion advocates programme. There will be fewer community conversations than in previous years as the department redirects funds to other social cohesion and nation building programmes. In 2018/19, the department will host a national social cohesion summit on progress in achieving the 2012 summit resolutions. R7.5 million is budgeted for the summit in the *Social Cohesion and Nation Building* subprogramme in the *Institutional Governance* programme.

Over the medium term, the department will support the Moral Regeneration Movement, a non-profit advocacy platform that facilitates and coordinates processes and initiatives to regenerate and preserve national morals. The deputy president is the patron of the Moral Regeneration Movement, and the Presidency is responsible for ensuring the implementation of the organisation's mandate. R10.5 million is budgeted for this in in the *Social Cohesion and Nation Building* subprogramme in the *Institutional Governance* programme.

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	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
Programme 1	195.0	181.8	210.8	214.5	214.1	242.7	228.3	234.4	253.2	244.0	242.4	253.6	108.9%	110.0%
Programme 2	78.9	111.4	116.3	216.7	256.9	296.2	240.1	100.0	261.8	424.1	397.6	341.5	105.8%	117.3%
Programme 3	895.4	859.7	813.5	1 025.6	898.1	888.4	1 032.9	1 031.5	998.0	1 076.2	1 076.2	1 058.2	93.3%	97.2%
Programme 4	1 519.3	1 522.5	1 518.7	1 460.9	1 548.6	1 379.2	2 026.5	2 158.8	1 941.3	2 175.6	2 109.9	2 107.7	96.7%	94.6%
Total	2 688.5	2 675.3	2 659.3	2 917.8	2 917.8	2 806.5	3 527.7	3 524.7	3 454.2	3 919.9	3 826.0	3 761.0	97.1%	98.0%
Change to 2015 Budget estimate	(93.8)													
Economic classification														
Current payments	581.7	542.7	489.1	669.1	680.9	496.9	693.3	609.0	534.7	640.2	634.7	643.2	83.7%	87.7%
Compensation of employees	180.0	183.0	172.7	196.4	196.4	190.8	209.9	209.9	206.3	221.9	220.4	218.9	97.6%	97.4%
Goods and services	401.6	359.7	316.3	472.7	484.5	306.1	483.4	399.1	328.3	418.4	414.4	424.4	77.4%	83.0%
of which:														
Consultants: Business and advisory services	14.1	19.1	2.6	8.6	4.3	5.2	3.7	7.3	4.5	41.0	33.6	33.6	67.9%	71.2%
Contractors	19.9	21.0	63.8	24.0	29.2	40.8	46.9	83.0	81.4	44.2	87.1	87.1	202.3%	124.0%
Agency and support/outourced services	205.9	152.0	71.6	247.0	252.2	105.2	238.3	95.8	51.9	106.2	61.1	61.1	36.3%	51.7%
Operating leases	61.3	60.7	48.3	70.2	69.5	9.7	73.8	74.1	15.0	77.2	61.2	66.2	49.3%	52.4%
Property payments	-	-	-	-	-	-	-	-	-	24.4	35.1	40.1	164.7%	114.2%
Travel and subsistence	1.8	1.8	2.0	2.0	1.6	1.8	1.7	2.3	1.8	57.8	64.3	64.3	110.5%	100.1%
Interest and rent on land	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Transfers and subsidies	2 100.2	2 125.6	2 164.8	2 241.7	2 229.9	2 281.8	2 827.1	2 908.4	2 908.4	3 162.1	2 947.3	2 932.3	99.6%	100.7%
Provinces and municipalities	564.6	564.6	564.6	597.8	597.8	606.3	1 016.2	1 032.8	1 019.7	1 311.0	1 274.3	1 274.3	99.3%	99.9%
Departmental agencies and accounts	1 435.8	1 437.0	1 429.6	1 535.9	1 535.9	1 433.9	1 643.4	1 606.4	1 520.1	1 449.0	1 313.8	1 313.8	94.0%	96.7%
Higher education institutions	-	-	-	-	-	3.0	12.5	1.0	0.6	-	-	-	28.6%	364.3%
Foreign governments and international organisations	-	7.5	-	1.8	-	2.9	3.0	3.2	3.1	3.7	4.2	4.2	120.4%	68.7%
Public corporations and private enterprises	-	-	-	-	-	54.1	2.4	11.6	147.3	201.3	167.9	152.9	173.9%	197.3%
Non-profit institutions	12.9	12.9	12.9	38.5	38.5	102.3	121.9	205.4	193.1	166.5	162.0	162.0	138.4%	112.3%
Households	87.0	103.6	157.7	67.7	57.6	79.3	27.7	48.0	24.5	30.6	25.1	25.1	134.6%	122.3%

Table 37.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Payments for capital assets	6.6	7.0	5.3	7.0	7.0	27.7	7.4	7.4	10.6	117.5	244.0	185.5	165.4%	86.3%
Buildings and other fixed structures	-	-	-	-	-	8.2	-	-	-	107.1	233.7	175.1	171.0%	78.4%
Machinery and equipment	6.6	7.0	5.1	7.0	7.0	7.0	7.4	7.4	5.2	7.4	7.4	7.4	86.9%	85.6%
Heritage assets	-	-	0.0	-	-	-	-	-	1.8	-	-	-	-	-
Software and other intangible assets	-	-	0.2	-	-	12.6	-	-	3.6	3.0	3.0	3.0	646.9%	646.9%
Payments for financial assets	-	-	0.1	-	-	0.1	-	-	0.5	-	-	-	-	-
Total	2 688.5	2 675.3	2 659.3	2 917.8	2 917.8	2 806.5	3 527.7	3 524.7	3 454.2	3 919.9	3 826.0	3 761.0	97.1%	98.0%

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million									
Programme 1	253.6	11.7%	7.6%	281.1	301.7	334.9	9.7%	6.9%	
Programme 2	341.5	45.3%	8.0%	364.4	441.8	523.0	15.3%	9.9%	
Programme 3	1 058.2	7.2%	29.6%	1 094.7	1 140.5	1 190.7	4.0%	26.6%	
Programme 4	2 107.7	11.5%	54.8%	2 330.6	2 608.6	2 494.2	5.8%	56.6%	
Total	3 761.0	12.0%	100.0%	4 070.9	4 492.7	4 542.9	6.5%	100.0%	
Change to 2015 Budget estimate				(32.5)	145.7	(56.3)			
Economic classification									
Current payments	643.2	5.8%	17.1%	597.2	645.8	695.5	2.6%	15.3%	
Compensation of employees	218.9	6.1%	6.2%	238.3	235.0	256.4	5.4%	5.6%	
Goods and services	424.4	5.7%	10.8%	358.8	410.7	439.1	1.1%	9.7%	
<i>of which:</i>									
<i>Consultants: Business and advisory services</i>	33.6	20.7%	0.4%	32.9	44.9	24.0	-10.6%	0.8%	
<i>Contractors</i>	87.1	60.8%	2.2%	35.0	39.2	40.3	-22.6%	1.2%	
<i>Agency and support/outourced services</i>	61.1	-26.2%	2.3%	42.5	46.5	64.0	1.5%	1.3%	
<i>Operating leases</i>	66.2	2.9%	1.1%	83.4	121.6	139.1	28.1%	2.4%	
<i>Property payments</i>	40.1	-	0.3%	44.8	27.0	33.5	-5.8%	0.9%	
<i>Travel and subsistence</i>	64.3	230.5%	0.6%	53.8	58.4	61.1	-1.7%	1.4%	
Transfers and subsidies	2 932.3	11.3%	81.1%	3 220.2	3 552.0	3 566.8	6.7%	78.7%	
Provinces and municipalities	1 274.3	31.2%	27.3%	1 357.1	1 440.8	1 522.0	6.1%	33.2%	
Departmental agencies and accounts	1 313.8	-2.9%	44.9%	1 522.2	1 753.0	1 572.8	6.2%	36.5%	
Foreign governments and international organisations	4.2	-17.7%	0.1%	3.7	4.1	4.3	0.9%	0.1%	
Public corporations and private enterprises	152.9	-	2.8%	146.2	165.8	270.1	20.9%	4.4%	
Non-profit institutions	162.0	132.6%	3.7%	163.3	157.4	162.6	0.1%	3.8%	
Households	25.1	-37.7%	2.3%	27.7	31.0	35.0	11.8%	0.7%	
Payments for capital assets	185.5	197.7%	1.8%	253.4	295.0	280.6	14.8%	6.0%	
Buildings and other fixed structures	175.1	-	1.4%	239.8	276.8	248.1	12.3%	5.6%	
Machinery and equipment	7.4	1.7%	0.2%	7.4	7.7	8.2	3.4%	0.2%	
Software and other intangible assets	3.0	-	0.2%	6.2	10.5	24.3	100.7%	0.3%	
Total	3 761.0	12.0%	100.0%	4 070.9	4 492.7	4 542.9	6.5%	100.0%	

Personnel information

Table 37.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Arts and Culture	512	48	453	206.3	0.5	509	218.9	0.4	512	238.3	0.5	512	253.3	0.5	512	286.6	0.6	0.2%	100.0%
Salary level	512	48	453	206.3	0.5	509	218.9	0.4	512	238.3	0.5	512	253.3	0.5	512	286.6	0.6	0.2%	100.0%
1 – 6	112	33	88	14.4	0.2	112	14.8	0.1	112	16.0	0.1	112	17.0	0.2	112	20.1	0.2	–	21.9%
7 – 10	240	6	209	69.0	0.3	238	81.1	0.3	240	88.5	0.4	240	94.2	0.4	240	105.4	0.4	0.3%	46.8%
11 – 12	102	3	96	59.5	0.6	101	63.7	0.6	102	69.2	0.7	102	73.8	0.7	102	83.2	0.8	0.3%	19.9%
13 – 16	56	6	58	56.6	1.0	56	55.1	1.0	56	60.1	1.1	56	63.3	1.1	56	72.2	1.3	–	11.0%
Other	2	–	2	6.8	3.4	2	4.2	2.1	2	4.6	2.3	2	4.9	2.4	2	5.8	2.9	–	0.4%
Programme	512	48	453	206.3	0.5	509	218.9	0.4	512	238.3	0.5	512	253.3	0.5	512	286.6	0.6	0.2%	100.0%
Programme 1	206	26	183	89.5	0.5	206	92.9	0.5	206	100.4	0.5	206	106.8	0.5	206	120.8	0.6	–	40.3%
Programme 2	61	5	45	26.7	0.6	61	33.1	0.5	61	35.8	0.6	61	38.0	0.6	61	43.1	0.7	–	11.9%
Programme 3	103	11	87	41.4	0.5	103	45.1	0.4	103	48.7	0.5	103	51.8	0.5	103	58.6	0.6	–	20.1%
Programme 4	142	6	138	48.7	0.4	139	47.8	0.3	142	53.4	0.4	142	56.7	0.4	142	64.1	0.5	0.7%	27.6%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(18.3)	–	–	(30.2)	–	–	–
Total	512	48	453	206.3	0.5	509	218.9	0.4	512	238.3	0.5	–	235.0	–	–	256.4	–	–	–

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

2. The department's compensation of employees budget has been reduced by R48.5 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 37.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	1 856	544	3 301	3 205	3 210	20.0%	100.0%	758	776	834	-36.2%	100.0%
Sales of goods and services produced by department	229	247	263	294	293	8.6%	11.6%	200	213	226	-8.3%	16.7%
Sales by market establishments	14	16	15	24	24	19.7%	0.8%	13	15	17	-10.9%	1.2%
of which:												
Rental parking: Covered and open	14	16	15	24	24	19.7%	0.8%	13	15	17	-10.9%	1.2%
Administrative fees	1	4	5	7	5	71.0%	0.2%	5	6	7	11.9%	0.4%
of which:												
Promotion of Access to Information Act (2000)	1	4	5	5	5	71.0%	0.2%	5	6	7	11.9%	0.4%
Duplicate certificates	–	–	–	2	–	–	–	–	–	–	–	–
Other sales	214	227	243	263	264	7.2%	10.6%	182	192	202	-8.5%	15.1%
of which:												
Coat of arms	113	106	108	116	116	0.9%	5.0%	110	115	120	1.1%	8.3%
Photocopy and faxes	25	42	50	81	81	48.0%	2.2%	30	35	40	-21.0%	3.3%
Commission on insurance and garnishee	74	77	78	60	60	-6.8%	3.2%	35	35	35	-16.4%	3.0%
Departmental Production	2	1	2	6	2	–	0.1%	2	2	2	–	0.1%
Transportation fees	–	1	5	–	5	–	0.1%	5	5	5	–	0.4%
Fines, penalties and forfeits	1	1	4	–	6	81.7%	0.1%	1	1	1	-45.0%	0.2%
Interest, dividends and rent on land	3	17	12	11	11	54.2%	0.5%	7	7	7	-14.0%	0.6%
Interest	3	17	12	11	11	54.2%	0.5%	7	7	7	-14.0%	0.6%
Sales of capital assets	168	–	25	–	–	-100.0%	2.2%	–	–	–	–	–
Transactions in financial assets and liabilities	1 455	279	2 997	2 900	2 900	25.8%	85.6%	550	555	600	-40.9%	82.6%
Total	1 856	544	3 301	3 205	3 210	20.0%	100.0%	758	776	834	-36.2%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 37.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Ministry	3.7	3.8	4.2	4.1	3.1%	1.7%	4.6	4.9	5.2	8.3%	1.6%
Management	49.4	68.9	53.6	42.8	-4.7%	22.6%	50.2	49.4	54.9	8.7%	17.0%
Corporate Services	67.5	74.6	87.9	81.5	6.5%	32.8%	83.2	85.4	90.7	3.6%	29.4%
Office of the CFO	24.5	21.6	27.5	25.1	0.9%	10.4%	26.6	25.7	29.4	5.4%	9.2%
Office Accommodation	65.7	73.6	79.9	88.9	10.6%	32.5%	116.5	136.4	154.7	20.3%	42.8%
Total	210.8	242.7	253.2	242.4	4.8%	100.0%	281.1	301.7	334.9	11.4%	100.0%
Change to 2015 Budget estimate				(1.6)			23.6	30.9	48.4		
Economic classification											
Current payments	205.2	171.6	176.7	235.0	4.6%	83.1%	273.7	294.0	326.8	11.6%	97.4%
Compensation of employees	71.8	80.5	89.5	91.7	8.5%	35.1%	100.4	98.6	109.6	6.1%	34.5%
Goods and services	133.4	91.1	87.2	143.3	2.4%	47.9%	173.3	195.4	217.1	14.8%	62.8%
of which:											
Audit costs: External	5.3	4.8	8.1	6.4	5.9%	2.6%	5.1	5.4	5.7	-3.5%	1.9%
Computer services	2.2	4.7	8.4	8.0	52.8%	2.4%	6.2	6.5	6.8	-5.0%	2.4%
Agency and support/outsourced services	15.6	13.1	6.6	2.1	-48.5%	3.9%	6.8	6.1	6.5	45.1%	1.9%
Operating leases	48.3	9.6	14.6	59.7	7.3%	13.9%	80.9	119.0	136.3	31.7%	34.1%
Property payments	22.4	4.3	5.7	35.1	16.1%	7.1%	44.7	26.9	28.5	-6.7%	11.7%
Travel and subsistence	20.1	1.8	1.7	11.2	-17.7%	3.7%	8.8	9.9	10.4	-2.3%	3.5%
Interest and rent on land	-	-	0.1	-	-	-	-	-	-	-	-
Transfers and subsidies	0.2	62.8	67.6	-	-100.0%	13.8%	-	-	-	-	-
Departmental agencies and accounts	0.0	62.5	64.4	-	-100.0%	13.4%	-	-	-	-	-
Households	0.2	0.3	3.1	-	-100.0%	0.4%	-	-	-	-	-
Payments for capital assets	5.3	8.3	8.6	7.4	11.4%	3.1%	7.4	7.7	8.2	3.4%	2.6%
Machinery and equipment	5.1	7.0	4.9	7.4	13.1%	2.6%	7.4	7.7	8.2	3.4%	2.6%
Software and other intangible assets	0.2	1.3	3.6	-	-100.0%	0.5%	-	-	-	-	-
Payments for financial assets	0.1	0.0	0.3	-	-100.0%	-	-	-	-	-	-
Total	210.8	242.7	253.2	242.4	4.8%	100.0%	281.1	301.7	334.9	11.4%	100.0%
Proportion of total programme expenditure to vote expenditure	7.9%	8.6%	7.3%	6.3%	-	-	6.9%	6.7%	7.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	0.0	62.5	64.4	-	-100.0%	13.4%	-	-	-	-	-
Public Service Sector Education and Training Authority	-	-	0.6	-	-	0.1%	-	-	-	-	-
Gifts and donations	0.0	0.1	-	-	-100.0%	-	-	-	-	-	-
Office accommodation	-	62.4	63.8	-	-	13.3%	-	-	-	-	-
Households											
Social benefits											
Current	0.2	0.1	3.0	-	-100.0%	0.3%	-	-	-	-	-
Employee social benefits	0.2	0.1	3.0	-	-100.0%	0.3%	-	-	-	-	-

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 public entities.

Objectives

- Drive integrated and joint outcomes based monitoring and evaluation across the arts, culture and heritage sector to ensure that the sector achieves its developmental objectives by:
 - signing annual shareholder compacts with all the department's public entities
 - hosting 12 governance forums between the department and its public entities by March 2017.
- Promote nation building and social cohesion through targeted engagements, dialogues and interactions with stakeholders and society by supporting 20 public platforms that advocate social cohesion per year over the medium term.
- Develop and sustain a positive image of South Africa's rich and diverse arts, culture and heritage across the continent and internationally by hosting and implementing 6 cultural seasons, including the annual Africa Month programme and a season with Russia in 2016/17; and 12 Africa projects over the medium term including provincial workshops on the Charter for African Cultural Renaissance, participation in the Buyel'Ekhaya Pan African Music Festival and the New Partnership for Africa's Development arts and education programme in 2016/17.
- Coordinate and manage arts, culture and heritage infrastructure that supports local, regional, national and international arts, culture and heritage offerings by:
 - developing and maintaining the annual user asset management plan
 - building 3 new community arts centres and refurbishing 25 existing centres over the medium term.

Subprogrammes

- *International Co-operation* 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 targeted groups in arts, culture and heritage, including arts and culture in schools. It is also responsible for the coordination of nation building and social cohesion (outcome 14), in line with government's 2014-2019 medium term strategic framework.
- *Coordination, Monitoring, Evaluation and Good Governance* provides sector wide 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. Funds are awarded annually based on entity business plans.

Expenditure trends and estimates

Table 37.7 Institutional Governance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17	2017/18	2018/19			
R million											
International Co-operation	31.4	37.4	33.5	38.2	6.7%	13.1%	37.8	39.9	42.8	3.9%	9.2%
Social Cohesion and Nation Building	49.2	35.3	38.7	48.8	-0.3%	16.1%	50.9	53.0	55.8	4.6%	12.1%
Coordination, Monitoring, Evaluation and Good Governance	8.4	9.7	9.4	16.9	26.4%	4.1%	19.0	18.3	21.1	7.6%	4.4%
Capital Works	27.3	213.9	180.1	293.7	120.8%	66.7%	256.8	330.6	403.3	11.2%	74.4%
Total	116.3	296.2	261.8	397.6	50.7%	100.0%	364.4	441.8	523.0	9.6%	100.0%
Change to 2015				(26.5)			(31.5)	22.8	79.7		
Budget estimate											
Economic classification											
Current payments	67.9	65.1	59.9	74.3	3.1%	24.9%	81.2	80.8	94.6	8.4%	19.2%
Compensation of employees	20.6	23.5	26.7	30.6	14.1%	9.5%	35.8	35.6	39.5	8.8%	8.2%
Goods and services	47.3	41.6	33.2	43.7	-2.6%	15.5%	45.3	45.2	55.2	8.1%	11.0%
of which:											
Catering: Departmental activities	0.3	0.9	0.6	1.5	78.2%	0.3%	1.7	1.9	1.8	5.3%	0.4%
Communication	1.6	1.4	1.6	1.8	3.3%	0.6%	1.8	1.9	2.1	5.1%	0.4%
Consultants: Business and advisory services	0.3	0.4	0.0	8.3	217.0%	0.8%	8.0	7.9	8.4	0.6%	1.9%
Contractors	20.4	9.7	10.3	2.5	-50.2%	4.0%	2.1	2.0	3.1	7.5%	0.6%
Agency and support/outourced services	9.3	10.7	8.2	6.8	-9.8%	3.3%	9.9	7.5	9.8	12.7%	2.0%
Travel and subsistence	9.9	13.3	0.3	19.0	24.0%	4.0%	16.8	19.1	19.9	1.6%	4.3%

Table 37.7 Institutional Governance expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Transfers and subsidies	21.1	148.3	154.8	86.6	60.1%	38.3%	37.2	73.8	156.0	21.7%	20.5%
Departmental agencies and accounts	–	77.0	35.1	–	–	10.5%	–	–	–	–	–
Foreign governments and international organisations	–	1.9	2.0	2.5	–	0.6%	2.4	2.7	2.9	4.7%	0.6%
Public corporations and private enterprises	–	54.1	79.5	54.0	–	17.5%	5.0	40.8	120.2	30.6%	12.7%
Non-profit institutions	3.8	–	32.6	21.2	76.9%	5.4%	20.5	20.5	22.6	2.1%	4.9%
Households	17.3	15.4	5.7	8.9	-19.9%	4.4%	9.3	9.8	10.4	5.4%	2.2%
Payments for capital assets	27.3	82.8	47.0	236.7	105.5%	36.7%	246.0	287.2	272.4	4.8%	60.4%
Buildings and other fixed structures	27.3	82.8	45.0	233.7	104.6%	36.3%	239.8	276.8	248.1	2.0%	57.8%
Machinery and equipment	–	–	0.1	–	–	–	–	–	–	–	–
Heritage assets	–	–	1.8	–	–	0.2%	–	–	–	–	–
Software and other intangible assets	–	–	–	3.0	–	0.3%	6.2	10.5	24.3	100.7%	2.5%
Total	116.3	296.2	261.8	397.6	50.7%	100.0%	364.4	441.8	523.0	9.6%	100.0%
Proportion of total programme expenditure to vote expenditure	4.4%	10.6%	7.6%	10.4%	–	–	9.0%	9.8%	11.5%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	17.3	15.4	5.7	8.9	-19.9%	4.4%	9.3	9.8	10.4	5.4%	2.2%
Arts and youth development	17.3	15.4	5.7	8.9	-19.9%	4.4%	9.3	9.8	10.4	5.4%	2.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Capital	–	77.0	35.1	–	–	10.5%	–	–	–	–	–
Heritage legacy projects	–	77.0	35.1	–	–	10.5%	–	–	–	–	–
Foreign governments and international organisations											
Current	–	1.9	2.0	2.5	–	0.6%	2.4	2.7	2.9	4.7%	0.6%
Commonwealth Foundation	–	1.9	2.0	2.5	–	0.6%	2.4	2.7	2.9	4.7%	0.6%
Non-profit institutions											
Current	3.8	–	12.4	18.2	68.1%	3.2%	19.0	19.8	20.8	4.5%	4.5%
Various institutions	–	–	9.4	15.9	–	2.4%	13.1	13.9	14.8	-2.3%	3.3%
Gcwala-Ngamasiko Cultural Festival	–	–	1.0	2.3	–	0.3%	2.4	2.4	2.5	2.2%	0.6%
Kauru African contemporary art touring exhibition	3.8	–	2.0	–	-100.0%	0.5%	–	–	–	–	–
Moral Regeneration Movement	–	–	–	–	–	–	3.5	3.5	3.5	–	0.6%
Capital	–	–	20.2	3.0	–	2.2%	1.5	0.7	1.8	-16.4%	0.4%
Die Erfenisstigting	–	–	4.2	–	–	0.4%	–	–	–	–	–
Adams College	–	–	4.6	–	–	0.4%	–	0.5	–	–	–
Voortrekker Monument	–	–	0.4	–	–	–	1.5	0.3	1.8	–	0.2%
Liliesleaf Farm	–	–	10.6	–	–	1.0%	–	–	–	–	–
Valoyi Traditional Authority Trust	–	–	0.5	–	–	–	–	–	–	–	–
Origins Centre	–	–	–	3.0	–	0.3%	–	–	–	-100.0%	0.2%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	–	1.5	–	–	0.1%	–	–	–	–	–
Various institutions	–	–	1.5	–	–	0.1%	–	–	–	–	–
Capital	–	–	–	54.0	–	5.0%	5.0	40.8	120.2	30.6%	12.7%
Bram Fischer House	–	–	–	2.0	–	0.2%	–	–	–	-100.0%	0.1%
National Heritage Monument	–	–	–	52.0	–	4.9%	5.0	40.8	120.2	32.2%	12.6%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Capital	–	54.1	78.0	–	–	12.3%	–	–	–	–	–
Heritage legacy projects	–	54.1	78.0	–	–	12.3%	–	–	–	–	–

Programme 3: Arts and Culture Promotion and Development

Programme purpose

Promote and develop arts, culture and languages.

Objectives

- Promote arts and culture through investment in programmes that support and enable local content and development; support programmes that produce local content, such as films; and create specific transformation targets, over the medium term.
- Develop cultural and creative industries through interventions and initiatives that stimulate increased audiences and local content by:
 - providing ongoing support to flagship cultural events such as the Cape Town International Jazz Festival, the Joy of Jazz festival, the National Arts Festival and the Mangaung African Cultural Festival
 - supporting 8 key touring productions and exhibitions per year
 - implementing 20 public art development programmes per year.
- Position the sector as a contributor to economic growth by:
 - establishing 12 new performing arts incubator programmes and supporting the 6 established incubators that support the development of arts and culture entrepreneurs over the medium term
 - creating 15 000 part time job opportunities across all work streams of the Mzansi golden economy strategy by March 2017.
- Develop and maintain arts, culture and heritage infrastructure that supports local, regional, national and international arts and culture offerings by refurbishing 10 community arts centres by March 2017.
- Increase participation in and access to arts and culture by implementing programmes in 350 community art centres by March 2018.
- Promote the use of marginalised official languages by supporting the implementation of the Use of Official Languages Act (2012) and work with all national departments over the medium term in establishing language policy units as per the act.

Subprogrammes

- *National Language Services* promotes the use and equal status of all official languages. This entails the review of the national language policy, 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 37.8 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
National Language Services	38.3	38.9	43.5	45.9	6.2%	4.4%	48.5	48.7	49.4	2.5%	4.3%
Pan South African Language Board	69.5	95.7	83.5	87.3	7.9%	8.9%	92.0	96.6	102.2	5.4%	8.4%
Cultural and Creative Industries Development	197.6	267.3	343.7	343.2	20.2%	30.5%	356.9	371.1	394.5	4.7%	32.6%
Performing Arts Institutions	334.2	293.7	286.8	329.3	-0.5%	32.9%	326.7	337.0	323.5	-0.6%	29.2%
National Film and Video Foundation	86.4	105.2	147.6	116.7	10.5%	12.1%	122.9	129.1	136.5	5.4%	11.2%
National Arts Council	87.5	87.6	91.9	96.1	3.2%	9.6%	101.2	106.2	112.4	5.4%	9.2%
Capital Works of Performing Arts Institutions	-	-	1.0	57.7	-	1.6%	46.5	51.9	72.3	7.8%	5.1%
Total	813.5	888.4	998.0	1 076.2	9.8%	100.0%	1 094.7	1 140.5	1 190.7	3.4%	100.0%
Change to 2015 Budget estimate				-			(26.5)	(42.1)	(60.5)		
Economic classification											
Current payments	110.9	141.6	144.0	197.9	21.3%	15.7%	113.7	136.2	132.5	-12.5%	12.9%
Compensation of employees	37.5	39.6	41.4	48.1	8.6%	4.4%	48.7	48.3	50.3	1.5%	4.3%
Goods and services	73.4	102.0	102.6	149.8	26.9%	11.3%	65.0	87.9	82.1	-18.2%	8.6%
<i>of which:</i>											
Advertising	3.1	0.4	11.7	6.2	26.1%	0.6%	5.2	8.4	8.9	13.0%	0.6%
Consultants: Business and advisory services	0.2	2.6	2.9	22.9	353.9%	0.8%	22.1	34.0	12.4	-18.4%	2.0%
Legal services	1.4	0.0	-	2.7	24.8%	0.1%	1.3	1.6	1.5	-18.2%	0.2%
Contractors	20.4	9.0	41.9	50.4	35.2%	3.2%	1.3	1.8	1.9	-66.7%	1.2%
Agency and support/outsourced services	36.9	70.9	29.2	40.5	3.2%	4.7%	18.3	25.1	39.8	-0.6%	2.7%
Travel and subsistence	7.3	1.0	0.0	19.2	37.9%	0.7%	13.4	13.4	13.7	-10.6%	1.3%
Transfers and subsidies	702.6	737.7	853.9	878.3	7.7%	84.0%	981.0	1 004.3	1 058.3	6.4%	87.1%
Provinces and municipalities	-	11.5	3.5	-	-	0.4%	-	-	-	-	-
Departmental agencies and accounts	571.2	576.4	617.4	629.8	3.3%	63.4%	697.5	741.2	764.8	6.7%	62.9%
Higher education institutions	-	-	0.6	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	73.9	113.9	-	5.0%	141.2	125.0	149.9	9.6%	11.8%
Non-profit institutions	6.5	95.6	146.9	123.5	166.3%	9.9%	129.3	122.6	124.9	0.4%	11.1%
Households	124.9	54.3	11.7	11.2	-55.3%	5.3%	13.0	15.6	18.7	18.8%	1.3%
Payments for capital assets	-	9.1	0.1	-	-	0.2%	-	-	-	-	-
Buildings and other fixed structures	-	-	0.1	-	-	-	-	-	-	-	-
Software and other intangible assets	-	9.1	-	-	-	0.2%	-	-	-	-	-
Total	813.5	888.4	998.0	1 076.2	9.8%	100.0%	1 094.7	1 140.5	1 190.7	3.4%	100.0%
Proportion of total programme expenditure to vote expenditure	30.6%	31.7%	28.9%	28.1%	-	-	26.9%	25.4%	26.2%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	124.9	54.3	11.6	11.2	-55.3%	5.3%	13.0	15.6	18.7	18.8%	1.3%
Language development projects	9.8	12.5	7.8	8.9	-3.3%	1.0%	9.5	11.1	13.2	14.3%	0.9%
Visual and performing arts projects	32.9	24.8	-	-	-100.0%	1.5%	-	-	-	-	-
Cultural industries	63.7	9.2	-	-	-100.0%	1.9%	-	-	-	-	-
2013 Africa Cup of Nations	18.5	-	-	-	-100.0%	0.5%	-	-	-	-	-
2014 African Nations Championship	-	7.0	-	-	-	0.2%	-	-	-	-	-
Mzansi golden economy: Public art	-	0.8	0.8	0.8	-	0.1%	0.5	0.5	0.5	-14.5%	0.1%
Various institutions: Mzansi golden economy: Cultural events	-	-	0.7	-	-	-	1.0	1.5	1.5	-	0.1%
Various institutions: Mzansi golden economy: Touring ventures	-	-	1.2	1.5	-	0.1%	1.0	1.0	2.0	10.1%	0.1%
Various institutions: Mzansi golden economy: Export market development and promotion	-	-	-	-	-	-	1.0	1.5	1.5	-	0.1%
Arts and culture industries: Local market development and promotion	-	-	1.1	-	-	-	-	-	-	-	-

Table 37.8 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	434.0	492.1	553.0	531.3	7.0%	53.2%	609.5	665.4	713.4	10.3%	56.0%
Gifts and donations	0.1	0.1	–	–	-100.0%	–	–	–	–	–	–
Pan South African Language Board	69.5	95.7	83.5	87.3	7.9%	8.9%	92.0	96.6	102.2	5.4%	8.4%
Artscape	45.0	47.8	50.8	54.7	6.7%	5.3%	55.9	58.7	62.1	4.3%	5.1%
The Market Theatre	24.6	26.2	27.8	30.8	7.8%	2.9%	30.6	32.2	34.0	3.4%	2.8%
National Arts Council	87.5	87.6	91.9	96.1	3.2%	9.6%	101.2	106.2	112.4	5.4%	9.2%
Performing Arts Centre of the Free State	33.3	35.5	37.7	41.0	7.3%	3.9%	41.5	47.6	46.1	4.0%	3.9%
The Playhouse Company	38.5	40.6	43.1	41.2	2.3%	4.3%	41.2	49.8	52.7	8.6%	4.1%
The South African State Theatre	39.7	42.4	45.0	48.7	7.0%	4.7%	49.6	52.1	55.1	4.2%	4.6%
Windybrow Theatre	9.5	10.1	10.7	12.8	10.6%	1.1%	11.8	12.4	13.1	0.8%	1.1%
National Film and Video Foundation	86.4	105.2	147.6	116.7	10.5%	12.1%	122.9	129.1	136.5	5.4%	11.2%
Mzansi golden economy: Art bank resources	–	–	3.0	–	–	0.1%	6.0	8.0	10.0	–	0.5%
Mzansi golden economy: Public art	–	1.0	0.5	–	–	–	–	–	–	–	–
Various institutions: Mzansi golden economy: Cultural events	–	–	5.5	–	–	0.1%	13.5	13.5	13.5	–	0.9%
Various institutions: Mzansi golden economy: Touring ventures	–	–	3.7	–	–	0.1%	7.0	10.0	7.0	–	0.5%
Various institutions: Mzansi golden economy: Artists in schools	–	–	2.2	–	–	0.1%	1.3	1.3	2.6	–	0.1%
Various institutions: Mzansi golden economy: Export market development and promotion	–	–	–	2.0	–	0.1%	7.0	10.0	7.0	51.8%	0.6%
Various institutions: Mzansi golden economy: Entrepreneur and local content development	–	–	–	–	–	–	20.0	30.0	50.0	–	2.2%
Performing arts institutions: Mzansi golden economy: Incubators entrepreneur and local content development	–	–	–	–	–	–	8.0	8.0	9.0	–	0.6%
Capital	137.1	84.3	64.5	98.4	-10.5%	10.2%	88.1	75.8	51.4	-19.5%	7.0%
Artscape: Capital works projects	44.0	45.7	–	14.8	-30.5%	2.8%	14.8	29.0	15.0	0.5%	1.6%
The South Africa State Theatre: Capital works projects	9.8	9.8	20.1	16.7	19.8%	1.5%	4.8	4.0	4.0	-38.0%	0.7%
The Playhouse Company: Capital works projects	25.8	2.0	24.4	12.5	-21.5%	1.7%	13.8	1.8	1.9	-46.6%	0.7%
Performing Arts Centre of the Free State: Capital works projects	15.7	4.4	5.0	24.4	15.9%	1.3%	30.0	20.0	10.5	-24.5%	1.9%
The Market Theatre: Capital works projects	22.2	22.5	15.0	14.0	-14.3%	2.0%	24.7	21.0	20.0	12.6%	1.8%
Windybrow Theatre: Capital works projects	19.7	–	–	10.0	-20.2%	0.8%	–	–	–	-100.0%	0.2%
National Arts Council: Capital works projects	–	–	–	1.0	–	–	–	–	–	-100.0%	–
National Film and Video Foundation: Capital works Projects	–	–	–	5.0	–	0.1%	–	–	–	-100.0%	0.1%
Provinces and municipalities											
Provinces											
Provincial agencies and funds											
Current	–	11.5	3.5	–	–	0.4%	–	–	–	–	–
Various institutions: Mzansi golden economy: Cultural events	–	11.5	3.5	–	–	0.4%	–	–	–	–	–
Non-profit institutions											
Current	6.5	95.6	146.9	123.5	166.3%	9.9%	129.3	122.6	124.9	0.4%	11.1%
Business and Arts South Africa	6.5	6.9	7.3	7.6	5.4%	0.8%	8.1	8.5	8.9	5.4%	0.7%
Human languages technologies projects	–	–	1.2	–	–	–	1.0	1.0	–	–	–
Mzansi golden economy: Public art	–	6.5	7.0	–	–	0.4%	3.0	4.5	4.0	–	0.3%
Various institutions: Mzansi golden economy: Cultural events	–	81.5	98.4	53.1	–	6.2%	64.0	49.7	48.4	-3.0%	4.8%
Various institutions: Mzansi golden economy: Touring ventures	–	0.6	10.1	13.0	–	0.6%	3.0	7.5	8.0	-14.9%	0.7%
Various institutions: Mzansi golden economy: National Cultural Industries Skills Academy	–	–	–	1.8	–	–	15.1	16.6	17.3	114.3%	1.1%
Various institutions: Mzansi golden economy: Artists in schools	–	–	4.0	–	–	0.1%	9.4	12.4	12.8	–	0.8%
Various institutions: Mzansi golden economy: Community arts development	–	–	–	5.5	–	0.1%	–	1.4	5.0	-3.1%	0.3%
Various institutions: Mzansi golden economy: Export market development and promotion	–	–	–	8.0	–	0.2%	2.8	4.0	2.5	-32.1%	0.4%
Various institutions: Mzansi golden economy: Entrepreneur and local content development	–	–	–	12.0	–	0.3%	1.0	1.0	1.0	-56.3%	0.3%
Arts and culture industries: Local market development and promotion	–	–	18.9	16.5	–	0.9%	13.9	9.0	10.0	-15.4%	1.1%
Arts and culture industries: Community arts development	–	–	–	6.0	–	0.2%	8.0	7.1	7.0	5.1%	0.6%

Table 37.8 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	-	71.4	52.7	-	3.3%	94.7	73.1	77.6	13.8%	6.6%
Human languages technologies projects	-	-	4.3	4.4	-	0.2%	4.1	3.3	3.0	-12.0%	0.3%
Mzansi golden economy: Public art	-	-	1.1	-	-	-	1.0	1.0	1.0	-	0.1%
Various institutions: Mzansi golden economy: Cultural events	-	-	47.9	20.0	-	1.8%	63.0	36.0	37.0	22.8%	3.5%
Various institutions: Mzansi golden economy: Touring ventures	-	-	9.4	5.0	-	0.4%	4.0	6.5	8.0	17.0%	0.5%
Various institutions: Mzansi golden economy: National Cultural Industries Skills Academy	-	-	-	1.0	-	-	7.5	9.0	10.0	115.4%	0.6%
Various institutions: Mzansi golden economy: Artists in schools	-	-	4.0	-	-	0.1%	1.3	1.3	2.6	-	0.1%
Various institutions: Mzansi golden economy: Export market development and promotion	-	-	-	10.0	-	0.3%	2.8	4.0	3.0	-33.1%	0.4%
Various institutions: Mzansi golden economy: Entrepreneur and local content development	-	-	-	10.8	-	0.3%	5.0	3.0	3.0	-34.8%	0.5%
Various institutions: Mzansi golden economy: 20 years of freedom	-	-	0.4	-	-	-	-	-	-	-	-
Arts and culture industries: Local market development and promotion	-	-	4.3	-	-	0.1%	6.0	9.0	10.0	-	0.6%
Arts and culture industries: Entrepreneur and local content development	-	-	-	1.5	-	-	-	-	-	-100.0%	-
Capital	-	-	1.0	51.7	-	1.4%	46.5	51.9	72.3	11.8%	4.9%
Various institutions	-	-	1.0	51.7	-	1.4%	46.5	51.9	72.3	11.8%	4.9%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	1.5	9.5	-	0.3%	-	-	-	-100.0%	0.2%
Arts and culture industries: Local market development and promotion	-	-	1.5	9.5	-	0.3%	-	-	-	-100.0%	0.2%

Programme 4: Heritage Promotion and Preservation

Programme purpose

Preserve and promote South African heritage, archival and heraldic heritage, and fund libraries.

Objectives

- Promote a culture of reading and writing across society, and respect for oral knowledge and histories by:
 - distributing 410 000 items of library material per year
 - conducting 4 oral history projects annually.
- Initiate heritage infrastructure projects in rural and under-provisioned places that have multipurpose use for communities by constructing 3 new heritage structures over the medium term.
- Promote heritage and advance the socioeconomic inclusivity and contribution of the sector by using local labour and/or small to medium enterprises to service 1 new or 1 refurbished heritage site over the medium term.

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, and develops related policy. The bulk of this subprogramme's budget is used for transfers to the National Library of South Africa, the South African Library for the Blind and Blind South Africa.
- *Public Library Services* transfers the community library services grant to provincial departments for constructing and upgrading libraries, 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 developing and implementing 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 37.9 Heritage Promotion and Preservation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Heritage Promotion	71.4	75.5	109.8	87.0	6.8%	4.9%	87.3	92.3	96.4	3.5%	3.8%
National Archive Services	36.9	45.4	40.4	40.2	3.0%	2.3%	40.3	40.8	43.6	2.7%	1.7%
Heritage Institutions	406.7	464.0	546.5	462.9	4.4%	27.1%	579.7	702.6	533.1	4.8%	23.9%
National Library Services	89.8	91.9	103.0	105.7	5.6%	5.6%	123.4	177.5	139.8	9.8%	5.7%
Public Library Services	567.3	600.3	1 036.9	1 302.5	31.9%	50.5%	1 382.7	1 468.0	1 550.9	6.0%	59.8%
Capital Works	249.9	–	–	–	-100.0%	3.6%	–	–	–	–	–
South African Heritage Resources Agency	41.0	43.7	46.4	48.6	5.8%	2.6%	51.1	57.9	57.0	5.5%	2.2%
South African Geographical Names Council	5.5	4.9	2.4	4.5	-6.7%	0.2%	4.4	4.9	5.2	4.9%	0.2%
National Heritage Council	50.1	53.6	55.9	58.5	5.3%	3.1%	61.6	64.7	68.4	5.4%	2.7%
Total	1 518.7	1 379.2	1 941.3	2 109.9	11.6%	100.0%	2 330.6	2 608.6	2 494.2	5.7%	100.0%
Change to 2015				(65.7)			1.8	134.1	(123.9)		
Budget estimate											
Economic classification											
Current payments	105.1	118.7	151.1	127.5	6.7%	7.2%	128.6	134.8	141.7	3.6%	5.6%
Compensation of employees	42.8	47.2	48.7	50.0	5.3%	2.7%	53.4	52.5	57.0	4.5%	2.2%
Goods and services	62.3	71.5	102.3	77.5	7.5%	4.5%	75.2	82.3	84.7	3.0%	3.3%
of which:											
Computer services	0.9	–	4.2	2.9	50.6%	0.1%	4.4	4.7	5.0	19.5%	0.2%
Legal services	–	0.5	–	2.0	–	–	2.3	2.4	2.5	7.7%	0.1%
Contractors	19.9	21.6	22.7	30.8	15.7%	1.4%	30.1	33.9	33.6	3.0%	1.3%
Agency and support/outourced services	9.8	10.5	7.9	11.7	6.0%	0.6%	7.5	7.7	8.0	-12.0%	0.4%
Consumable supplies	0.1	8.2	0.5	5.2	261.1%	0.2%	5.7	6.2	6.5	7.5%	0.2%
Travel and subsistence	16.8	17.9	–	14.9	-3.9%	0.7%	14.7	16.0	17.0	4.6%	0.7%
Transfers and subsidies	1 413.6	1 258.3	1 790.1	1 982.4	11.9%	92.7%	2 202.0	2 473.8	2 352.5	5.9%	94.4%
Provinces and municipalities	564.6	594.8	1 016.2	1 274.3	31.2%	49.6%	1 357.1	1 440.8	1 522.0	6.1%	58.6%
Departmental agencies and accounts	831.2	646.5	755.1	684.0	-6.3%	42.0%	824.6	1 011.8	808.0	5.7%	34.9%
Foreign governments and international organisations	–	1.0	1.1	1.7	–	0.1%	1.3	1.4	1.4	-5.3%	0.1%
Non-profit institutions	6.3	6.7	13.5	17.3	39.7%	0.6%	13.6	14.3	15.1	-4.4%	0.6%
Households	11.5	9.3	4.1	5.0	-24.0%	0.4%	5.3	5.6	5.9	5.5%	0.2%
Payments for capital assets	–	2.2	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	2.2	–	–	–	–	–	–	–	–	–
Payments for financial assets	0.1	0.0	0.1	–	-100.0%	–	–	–	–	–	–
Total	1 518.7	1 379.2	1 941.3	2 109.9	11.6%	100.0%	2 330.6	2 608.6	2 494.2	5.7%	100.0%
Proportion of total programme expenditure to vote expenditure	57.1%	49.1%	56.2%	55.1%	–	–	57.3%	58.1%	54.9%	–	–

Table 37.9 Heritage Promotion and Preservation expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Households											
Other transfers to households											
Current	11.5	9.3	3.7	5.0	-24.0%	0.4%	5.3	5.6	5.9	5.5%	0.2%
Heritage projects	11.0	8.5	2.6	5.0	-22.9%	0.4%	5.3	5.6	5.9	5.5%	0.2%
Projects that conserve archival material	0.5	0.8	1.1	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	520.1	553.8	599.9	622.2	6.2%	33.0%	651.6	893.0	737.5	5.8%	30.4%
Die Afrikaanse Taalmuseum en Monument	4.6	5.0	5.3	5.6	6.9%	0.3%	5.9	7.2	6.5	5.4%	0.3%
Freedom Park (Pretoria)	62.3	66.4	70.5	65.7	1.8%	3.8%	65.5	96.5	86.2	9.5%	3.3%
Iziko Museums (Cape Town)	57.7	61.5	65.3	68.3	5.8%	3.6%	72.0	89.6	79.9	5.4%	3.2%
Luthuli Museum (Stanger)	7.0	7.5	8.9	9.3	9.9%	0.5%	9.8	11.3	10.9	5.5%	0.4%
KwaZulu-Natal Museum (Pietermaritzburg)	15.3	16.4	17.4	18.2	5.9%	1.0%	19.1	24.6	21.3	5.4%	0.9%
National Heritage Council	50.1	53.6	55.9	58.5	5.3%	3.1%	61.6	64.7	68.4	5.4%	2.7%
National Museum (Bloemfontein)	35.1	38.4	41.1	43.3	7.3%	2.3%	45.6	97.9	50.7	5.4%	2.5%
Nelson Mandela Museum (Mthatha)	17.7	18.9	20.1	21.1	6.1%	1.1%	22.3	24.9	24.7	5.4%	1.0%
Robben Island Museum (Cape Town)	58.9	61.6	66.8	68.4	5.1%	3.7%	72.0	88.6	80.0	5.4%	3.2%
South African Heritage Resources Agency	41.0	43.7	46.4	48.6	5.8%	2.6%	51.1	57.9	57.0	5.5%	2.2%
National English Literary Museum (Grahamstown)	7.6	8.1	8.7	9.1	5.9%	0.5%	9.5	12.0	10.6	5.4%	0.4%
Voortrekker Museum (Pietermaritzburg)	10.5	11.2	11.9	12.5	5.8%	0.7%	13.1	14.8	14.6	5.4%	0.6%
War Museum of the Boer Republics (Bloemfontein)	7.8	8.0	8.6	9.1	5.4%	0.5%	9.6	21.1	10.7	5.4%	0.5%
William Humphreys Art Gallery (Kimberley)	5.3	5.6	6.0	6.2	5.8%	0.3%	6.6	7.9	7.3	5.4%	0.3%
Ditsong Museums of South Africa (Pretoria)	58.4	62.5	66.4	69.4	5.9%	3.7%	73.1	121.7	81.2	5.4%	3.6%
National Library of South Africa	66.2	69.8	84.1	91.5	11.4%	4.5%	96.4	133.2	107.0	5.4%	4.5%
South African Library for the Blind	14.6	15.6	16.6	17.4	6.0%	0.9%	18.3	19.2	20.3	5.4%	0.8%
Capital	311.1	92.7	155.2	61.8	-41.6%	8.9%	173.0	118.8	70.6	4.5%	4.4%
Museums	249.9	-	-	-	-100.0%	3.6%	-	-	-	-	-
Iziko Museums (Cape Town): Capital works projects	12.4	26.4	51.7	26.5	28.9%	1.7%	75.3	53.6	-	-100.0%	1.6%
Nelson Mandela Museum (Mthatha): Capital works projects	5.7	13.7	10.2	1.8	-32.7%	0.5%	6.8	1.9	-	-100.0%	0.1%
KwaZulu-Natal Museum (Pietermaritzburg): Capital works projects	0.3	17.7	0.9	-	-100.0%	0.3%	-	-	-	-	-
Luthuli Museum (Stanger): Capital works projects	-	1.9	0.9	-	-	-	0.5	0.3	-	-	-
Voortrekker Museum (Pietermaritzburg): Capital works projects	-	5.0	1.3	-	-	0.1%	-	-	-	-	-
William Humphreys Art Gallery (Kimberley): Capital works projects	-	0.3	1.2	-	-	-	-	-	-	-	-
War Museum of the Boer Republics (Bloemfontein): Capital works projects	10.5	1.8	0.6	-	-100.0%	0.2%	-	-	-	-	-
Die Afrikaanse Taalmuseum en Monument (Paarl): Capital works projects	-	0.5	1.0	-	-	-	2.0	-	-	-	-
Ditsong Museums of South Africa (Pretoria): Capital works projects	8.0	19.1	14.3	2.1	-36.1%	0.6%	5.1	-	-	-100.0%	0.1%
National Museum (Bloemfontein): Capital works projects	0.6	0.4	13.1	-	-100.0%	0.2%	-	-	-	-	-
National English Literary Museum (Grahamstown): Capital works projects	-	0.0	36.5	26.0	-	0.9%	50.0	18.9	-	-100.0%	1.0%
Robben Island Museum (Cape Town): Capital works projects	16.4	5.8	17.5	-	-100.0%	0.6%	15.4	9.3	48.0	-	0.8%
Freedom Park (Pretoria): Capital works projects	4.3	-	-	-	-100.0%	0.1%	-	-	-	-	-
National Library of South Africa: Capital works projects	3.0	-	3.7	4.8	18.0%	0.2%	16.9	29.9	10.2	28.4%	0.6%
South African Library for the Blind: Capital works projects	-	-	2.1	0.7	-	-	1.0	4.8	12.3	166.5%	0.2%

Table 37.9 Heritage Promotion and Preservation expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Foreign governments and international organisations											
Current	-	1.0	1.1	1.7	-	0.1%	1.3	1.4	1.4	-5.3%	0.1%
African World Heritage Fund	-	1.0	1.1	1.7	-	0.1%	1.3	1.4	1.4	-5.3%	0.1%
Non-profit institutions											
Current	6.3	6.7	12.2	17.3	39.7%	0.6%	13.6	14.3	15.1	-4.4%	0.6%
Various institutions	-	-	0.7	4.0	-	0.1%	4.0	4.2	4.4	3.6%	0.2%
Engelburg House Art Collection (Pretoria)	0.3	0.3	0.3	0.3	5.3%	-	0.3	0.3	0.4	5.3%	-
Blind South Africa	6.1	6.4	6.8	7.1	5.4%	0.4%	7.5	7.9	8.3	5.4%	0.3%
Library and Information Association of South Africa	-	-	4.5	4.5	-	0.1%	1.8	1.9	2.0	-23.8%	0.1%
South African National Council for the Blind	-	-	-	1.0	-	-	-	-	-	-100.0%	-
African Renaissance Institute	-	-	-	0.4	-	-	-	-	-	-100.0%	-
Capital	-	-	1.3	-	-	-	-	-	-	-	-
Blind South Africa: Capital works projects	-	-	1.3	-	-	-	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	407.1	389.7	670.4	854.9	28.1%	33.4%	648.0	684.1	725.6	-5.3%	30.5%
Community library services grant: Capital	407.1	389.7	670.4	854.9	28.1%	33.4%	648.0	684.1	725.6	-5.3%	30.5%
Capital	157.5	205.0	345.8	419.4	38.6%	16.2%	709.1	756.6	796.4	23.8%	28.1%
Community library services grant: Current	157.5	205.0	345.8	419.4	38.6%	16.2%	709.1	756.6	796.4	23.8%	28.1%

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 of Arts and Culture: Freedom Park; Northern Flagship Institutions, Pretoria; Iziko Museum, Cape Town; Natal Museum, Pietermaritzburg; Bloemfontein National Museum; Die Afrikaanse Taalmuseum, Paarl; The National English Literary Museum, Grahamstown; the Voortrekker Museum, Pietermaritzburg; War Museum of the Boer Republics, Bloemfontein; William Humphreys Art Gallery, Kimberley; Luthuli Museum, Stanger; and Nelson Mandela Museum, Mthatha. The museums total budget for 2016/17 is R642.5 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 libraries total budget for 2016/17 is R131.6 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 2016/17 is R101.2 million.
- The **National Film and Video Foundation of South Africa** 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 2016/17 is R126.5 million.
- The **National Heritage Council of South Africa** 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 2016/17 is R61.6 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 violations from any individual, organisation or institution. The board's total budget for 2016/17 is R93.5 million.

- The following **performing arts institutions** receive annual transfers from the Department of Arts and Culture: the State Theatre, The Playhouse Company, Artscape Theatre Centre, the Market Theatre, the Performing Arts Council of the Free State and the Windybrow Theatre. In addition to the annual transfer from the department, these entities also generate their own revenue through entrance fees, donor assistance and sponsorships. Total institutions total budget for 2016/17 is R391 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 2016/17 is R60.8 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		
				2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Liberation heritage route	Construction	Construction	1 070.4	-	-	-	60.0	29.2	52.8	53.2
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Sarah Baartman Centre	Construction	Construction	556.3	-	-	4.9	40.0	48.5	42.3	46.5
Small projects (total project cost of less than R250 million over the project life cycle)										
Isibhubhu Cultural Arena	Construction	Construction	170.0	-	-	78.0	-	29.2	49.0	88.7
Viakplaas	Renovation and construction	Construction	17.0	-	-	-	-	2.0	5.0	10.0
Isandawana	Construction	Construction	17.0	-	-	-	-	6.0	7.0	4.0
Nelson Mandela House	Purchase	Construction	6.0	-	-	-	4.0	2.0	-	-
Drakenstein correctional facility	Renovations	Construction	10.7	-	-	-	3.1	-	3.0	2.4
Archie Gumede Place	Development	Construction	6.0	-	-	-	-	2.9	3.1	-
Khoi and San heritage route	Development	Design	45.0	-	-	-	3.0	3.5	7.5	20.0
Gumtree Mill	Construction	Construction	4.2	-	-	-	-	0.2	2.0	2.0
Raymond Mhlabi statue	Development	Construction	5.0	-	-	-	-	2.0	3.0	-
Delville Wood	Construction	Construction	20.0	-	-	-	-	10.0	10.0	-
JL Dube House	Upgrades	Various	131.2	-	-	-	4.1	6.0	12.5	13.2
OR Tambo Memorial	Upgrades	Various	228.0	-	-	-	6.5	3.0	11.0	-
Inguza Hill Museum	Upgrades	Various	163.5	-	-	-	5.0	7.0	10.0	23.9
Incubators	Construction	Construction	10.4	-	-	-	-	2.0	8.4	-
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
The Playhouse Company	Upgrades	Various	295.5	25.8	2.0	24.4	12.5	13.8	1.8	1.9
Performing Arts Centre of the Free State	Upgrades	Various	288.4	15.7	4.4	5.0	24.4	30.0	20.0	10.5
Upgrading of community arts centres	Upgrades	Various	308.0	-	-	-	15.0	24.0	32.0	49.3
National Heritage Monument	Upgrades	Various	675.0	-	-	-	72.0	5.0	40.8	120.2
Robben Island Museum	Upgrades	Various	466.9	16.4	5.8	17.5	-	15.4	9.3	48.0
National archives building: Pretoria	Upgrades	Various	533.2	27.3	0.1	45.0	116.9	94.0	66.0	4.3
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	Upgrades	Various	214.4	-	87.4	55.3	-	-	-	-
William Humphreys art gallery	Upgrades	Various	1.5	-	0.3	1.2	-	-	-	-
Die Afrikaanse Taal Museum	Upgrades	Various	8.6	-	0.6	1.0	-	2.0	-	-
Ditsong Museums	Upgrades	Various	63.1	8.0	19.1	14.3	2.1	5.1	-	-
KwaZulu-Natal Museums	Upgrades	Various	26.0	0.3	17.3	0.9	-	-	-	-
Luthuli Museum	Upgrades	Various	4.7	-	1.9	0.9	-	0.5	0.3	-
Voortrekker Museum	Upgrades	Various	18.1	-	5.0	1.3	-	-	-	-
National Museum: Bloemfontein	Upgrades	Various	13.9	-	0.8	13.1	-	-	-	-
National English Literary Museum	Upgrades	Various	147.5	0.6	0.0	36.5	40.0	50.0	18.9	-
Nelson Mandela Museum	Upgrades	Various	40.1	5.7	13.7	10.2	1.8	6.8	1.9	-
Anglo-Boer War Museum	Upgrades	Various	13.1	10.5	1.8	0.6	-	-	-	-
Iziko Museums of Cape Town	Upgrades	Various	259.9	12.4	26.4	51.7	40.5	75.3	53.6	-
South African Heritage Resources Agency	Upgrades	Various	1.0	-	-	-	-	-	-	-
National Library: Centre for the Book	Upgrades	Various	67.8	-	66.8	-	-	-	-	-

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			
				2012/13	2013/14	2014/15	2015/16		2016/17	2017/18	2018/19	
R million												
National Library, Pretoria Campus	Upgrades	Various	145.1	3.0	-	3.7	4.8	16.9	29.9	10.2		
South African Library for the Blind	Upgrades	Various	87.0	-	19.0	2.1	0.7	1.0	4.8	12.3		
Artscape	Upgrades	Various	211.1	44.0	45.7	-	14.8	14.8	29.0	15.0		
The Market Theatre	Upgrades	Various	240.0	22.2	22.5	15.0	14.0	24.7	21.0	20.0		
The South Africa State Theatre	Upgrades	Various	255.1	9.8	9.8	20.1	16.7	4.8	4.0	4.0		
Windybrow Theatre	Upgrades	Various	29.7	19.7	-	-	10.0	-	-	-		
Performing Arts Projects	Upgrades	Various	21.1	-	-	1.0	-	-	-	-		
National Arts Council	Upgrades	Various	22.0	-	-	-	1.0	-	-	-		
National Film and Video Foundation	Upgrades	Various	15.0	-	-	-	5.0	-	-	-		
Freedom Park	Upgrades	Various	6.3	4.3	-	-	-	-	-	-		
Cultural precincts	Upgrades	Various	8.0	-	-	-	-	-	-	-		
Die Erfenisstigting	Upgrades	Various	4.2	-	-	4.2	-	-	-	-		
Adams College	Upgrades	Various	5.1	-	-	4.6	-	-	0.5	-		
Voortrekker Monument	Upgrades	Various	4.0	-	-	0.4	-	1.5	0.3	1.8		
Blind South Africa	Upgrades	Various	1.3	-	-	1.3	-	-	-	-		
Cultural precincts	Upgrades	Various	210.8	-	-	-	20.0	12.5	8.1	20.0		
Upgrading of public spaces	Upgrades	Various	16.1	-	-	-	6.7	3.0	3.5	3.0		
South African Roadies Association	Construction	Various	15.0	-	-	-	10.0	5.0	-	-		
Bram Fischer House	Upgrades	Various	2.0	-	-	-	2.0	-	-	-		
Origins Centre	Upgrades	Various	36.7	-	-	-	3.0	-	-	-		
Total			7 222.8	225.5	350.3	414.2	559.6	559.4	572.3	584.3		

Vote 38

Human Settlements

Budget summary

R million	2016/17					2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	442.3	438.9	0.0	3.3	–	469.9	467.3
Human Settlements Policy, Strategy and Planning	83.1	81.0	1.2	0.9	–	88.3	87.0
Human Settlements Delivery Support	224.6	214.2	9.4	1.0	–	208.3	199.9
Housing Development Finance	29 940.9	24.9	29 815.9	0.2	100.0	33 799.8	35 865.8
Total expenditure estimates	30 690.9	758.9	29 826.5	5.5	100.0	34 566.3	36 620.0
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 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 3 of the Housing Act (1997), which 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; setting broad national housing delivery goals, and monitoring the financial and non-financial performance of provinces and municipalities against these goals; building the capacity of provinces and municipalities; and promoting 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of municipalities assessed for accreditation per year	Human Settlements Policy, Strategy and Planning	Outcome 8: Sustainable human settlements and improved quality of household life	1	1	0	6	7	10	11
Number of municipalities provided with technical assistance for informal settlement upgrading per year	Human Settlements Delivery Support		20	20	62	53	53	53	53
Number of informal settlements assessed per year	Human Settlements Delivery Support		– ¹	148	336	400	473	485	506
Number of additional People's Housing Process subsidies allocated to approved beneficiaries per year	Human Settlements Delivery Support		– ²	– ²	4 802	6 500	7 000	7 500	8 000
Number of subsidy housing units provided per year	Housing Development Finance		115 079	105 936	94 566	103 983	108 017	117 105	139 329

Table 38.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of additional households living in affordable rental housing units per year	Housing Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	15 554	4 984	5 668	4 987	5 447	5 770	6 116
Number of additional households living in informal settlements upgraded to level 2 in terms of the upgrading informal settlements programme per year	Housing Development Finance		54 918	41 496	74 017	63 866	189 039	204 943	218 136
Number of finance linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Housing Development Finance		– ³	– ³	1 193	12 929	17 231	18 680	19 967
Total value of finance linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Housing Development Finance		– ³	– ³	R35.6m	R35.7m	R422m	R658m	R858m
Number of catalytic projects initiated per year	Housing Development Finance		– ²	– ²	– ²	10	12	13	15

1. No historical data is available as this indicator was introduced in 2013/14.

2. No historical data is available as these are new indicators.

3. No historical data is available as data was only collected from 2014/15 onwards.

Expenditure analysis

The Department of Human Settlements is committed to the national development plan's 2030 vision of transforming human settlements and the spatial economy to create more functionally integrated, balanced and vibrant urban settlements. Outcome 8 in government's 2014-2019 medium term strategic framework (sustainable human settlements and improved quality of household life) guides the department's work over the medium term towards ensuring, among others, that poor households have access to adequate housing in better living environments and institutional capacity and coordination is improved.

Catalytic human settlements projects to deliver on national housing targets

The department's goal is to deliver 1.495 million housing opportunities by 2019 as set out in the 2014-2019 medium term strategic framework. Over the medium term, the department will work towards the 2019 target largely by developing at least 50 mixed use human settlement projects. Catalytic human settlement projects aim to initiate more spatially, socially and economically integrated communities.

The department will facilitate various housing opportunities in these projects. The housing opportunities themselves are implemented by provinces, metropolitan municipalities and public entities. These implementing agents are funded by contributions from the department in the form of transfers. The transfers are in the *Housing Development Finance* programme, and will increase at an average annual rate of 6.3 per cent to R35.7 billion by 2018/19. Significant private investment is expected for catalytic projects in the form of rental and affordable housing, and economic infrastructure, such as shopping centres and other commercial developments. The human settlements development grant to provinces amounts to R61.6 billion over the medium term, reflecting average annual growth of 6.8 per cent over the period. This grant funds all subsidised housing programmes as stipulated in the National Housing Code, including fully subsidised housing, finance linked subsidies, social housing and the upgrading of informal settlements. The urban settlements development grant to metropolitan municipalities supports the development of the built environment more broadly, with a strong emphasis on upgrading informal settlements. This grant is expected to grow at an average annual rate of 4.5 per cent over the medium term to R12.1 billion in 2018/19.

State subsidised housing

Over the medium term, the human settlements development grant to provinces is expected to fund the delivery of 364 451 fully subsidised housing units to meet the 2014-2019 medium term strategic framework target of 563 000 by 2019. The grant will also fund 55 878 finance linked subsidies to qualifying beneficiaries, aiming to reach the medium term strategic framework target of 70 000. These two forms of housing opportunity account for 42 per cent of national government's target of 1.495 million by 2019.

The department is expected to upgrade the housing subsidy system over the medium term which is reflected under increased goods and services spending under the *Human Settlements Delivery Support* programme related to computer services, for the administration of subsidies. In addition, the Special Investigating Unit's

investigations into housing subsidy fraud are funded under consultants in goods and services in the *Administration* programme.

Social housing

A key model for the delivery of affordable housing is social housing, which provides medium density, affordable, rental housing to low and middle income households. Social housing contributes to transforming urban spatial patterns as it promotes integration and densification in close proximity to economic and social amenities. The department's social housing programme is largely funded through the restructuring capital grant, which is transferred from the *Housing Development Finance* programme to be administered by the Social Housing Regulatory Authority. Despite a R1.1 billion reduction in the grant over the medium term, as a result of underperformance due to institutional and structural problems, the grant is still expected to increase over the period, reaching R1 billion by 2018/19. This will fund the delivery of 17 333 social housing units, contributing to achieving the medium term strategic framework's target of an additional 27 000 social housing units by 2019.

Upgrading informal settlements

Another important departmental focus is the upgrading of informal settlements to provide households with secure tenure and access to basic services, such as water and sanitation. This is a key contributor to improving the quality of household lives, bringing social cohesion, and reducing inequality in urban areas, particularly around large cities. The target set by the 2014-2019 medium term strategic framework is that 750 000 poor households will have adequate housing in better living environments by 2019. The department expects to fund the upgrading of 612 118 households in informal settlements over the medium term, through the human settlements development grant to provinces and the urban settlements development grant to metropolitan municipalities.

The department's national upgrading support programme is expected to provide project level technical support to 53 municipalities per year over the medium term for planning the upgrading of informal settlements. The support is to be provided by consultants, funded by R150 million over the medium term in the *Human Settlements Delivery Support* programme. In addition, the Housing Development Agency will provide such support in identified mining towns, amounting to R60 million over the period. The total human settlements development grant includes earmarked funds of R1.1 billion in 2016/17 for upgrading informal settlements in mining towns.

New human settlements legislation

Using the department's 2004 comprehensive plan for the development of sustainable human settlements as the foundation, the department is currently drafting the White Paper on Human Settlements, which is expected to set the agenda for new human settlements legislation. The white paper is expected to be completed early in 2016/17 and new legislation tabled in Parliament in 2017/18. Developing and implementing the legislation will drive spending in the *Human Settlements Policy, Strategy and Planning* programme, which is expected to increase to R87 million by 2018/19.

Operational capacity to support service delivery

At 30 September 2015, the department had 660 filled posts. In 2016/17, 56.5 per cent of the total compensation of employees budget is expected to be spent in the *Administration* programme, which has the highest number of posts as a result of incrementally increasing internal support over several years for line function activities in the department. Goods and services expenditure in the *Administration* programme amounts to approximately 59.2 per cent of the total departmental goods and services budget for spending related to personnel, such as travel and subsistence, venues and facilities, advertising, operating leases and property payments.

The department receives increased funding for compensation of employees in 2016/17 and for goods and services related to consultants in 2016/17 and 2017/18. This will allow for the department to continue to improve its line function activities, specifically under the programme management unit, which provides assistance with project planning and readiness. Project monitoring and evaluation systems are expected to improve, as is support to provinces and municipalities nationally for the management of human settlement

developments. In addition, rigorous financial and socioeconomic feasibility studies on proposed catalytic projects will be able to be undertaken before funding allocations are made.

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	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	412.0	425.0	285.7	422.4	422.4	280.4	425.9	433.3	433.1	435.1	440.6	420.6	83.7%	82.5%
Programme 2	83.5	85.4	63.2	84.1	84.1	73.3	89.4	87.0	78.7	74.3	73.5	73.5	87.2%	87.5%
Programme 3	158.5	161.0	128.5	153.6	188.9	98.7	207.0	183.5	133.7	169.8	165.6	185.6	79.3%	78.2%
Programme 4	24 058.0	24 057.0	23 719.5	27 377.1	27 280.0	26 990.8	28 695.3	28 713.9	28 712.7	30 264.1	29 863.6	29 863.6	99.0%	99.4%
Total	24 712.0	24 728.5	24 196.9	28 037.2	27 975.4	27 443.3	29 417.6	29 417.6	29 358.2	30 943.4	30 543.4	30 543.4	98.6%	99.0%
Change to 2015 Budget estimate											(400.0)			
Economic classification														
Current payments	667.4	666.6	473.3	724.2	700.2	454.5	733.0	696.6	605.8	687.0	674.8	674.8	78.5%	80.7%
Compensation of employees	299.0	285.1	222.9	330.1	326.9	240.2	351.7	328.8	290.9	322.2	320.8	320.8	82.5%	85.2%
Goods and services	368.0	380.7	250.4	393.7	373.2	214.3	381.3	367.7	314.9	364.7	354.0	354.0	75.2%	76.8%
<i>of which:</i>														
Advertising	23.1	21.8	21.0	21.9	15.6	23.3	16.5	25.1	29.6	16.4	19.7	19.7	120.3%	113.9%
Computer services	61.7	53.1	32.5	51.2	51.5	26.8	53.2	53.0	31.0	54.1	54.2	54.2	65.6%	68.3%
Consultants: Business and advisory services	138.0	142.7	74.4	157.8	143.5	30.9	146.5	123.4	72.1	126.2	112.8	112.8	51.0%	55.5%
Operating leases	34.5	40.2	16.8	36.0	35.2	23.2	36.4	24.7	25.4	38.0	26.6	26.6	63.5%	72.6%
Property payments	2.1	4.1	5.9	3.1	2.3	1.6	2.5	12.6	6.8	2.6	14.3	14.3	281.6%	85.6%
Travel and subsistence	32.4	40.3	51.0	39.3	39.3	42.3	45.7	45.0	66.7	46.5	47.0	47.0	126.1%	120.6%
Interest and rent on land	0.5	0.8	-	0.4	-	0.0	-	0.0	0.0	-	0.0	0.0	7.8%	8.3%
Transfers and subsidies	23 884.4	23 892.6	23 566.9	27 209.8	27 165.6	26 879.7	28 450.6	28 480.9	28 507.6	30 252.4	29 692.7	29 692.7	99.0%	99.5%
Provinces and municipalities	23 118.2	23 118.2	22 787.2	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	99.7%	99.7%
Departmental agencies and accounts	760.8	760.8	760.8	1 033.8	1 050.8	764.6	772.1	793.2	798.0	1 385.5	724.5	724.5	77.1%	91.5%
Higher education institutions	-	3.1	3.1	3.2	3.7	3.9	3.9	4.5	4.5	-	-	-	161.4%	101.8%
Foreign governments and international organisations	1.0	1.0	1.3	1.1	1.6	1.1	1.1	1.1	1.3	1.2	1.2	1.2	110.7%	99.2%
Public corporations and private enterprises	-	-	-	-	-	-	-	4.0	4.0	-	-	-	-	100.0%
Non-profit institutions	0.4	0.4	0.4	-	-	-	-	-	-	-	-	-	100.0%	100.0%
Households	4.0	9.1	14.1	4.2	4.3	4.8	4.5	9.0	30.8	8.8	10.0	10.0	278.1%	184.2%
Payments for capital assets	8.2	17.3	4.6	3.3	9.7	8.9	3.9	10.2	14.7	4.0	14.8	14.8	221.7%	82.8%
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	0.2	0.2	-	100.0%
Machinery and equipment	8.0	15.8	4.6	3.0	9.2	8.2	3.7	9.9	13.3	3.7	14.5	14.5	219.7%	82.2%
Software and other intangible assets	0.2	1.5	0.0	0.2	0.5	0.7	0.2	0.2	1.4	0.3	0.1	0.1	234.6%	94.7%
Payments for financial assets	152.0	152.0	152.1	100.0	100.0	100.2	230.0	230.0	230.1	-	161.1	161.1	133.5%	100.1%
Total	24 712.0	24 728.5	24 196.9	28 037.2	27 975.4	27 443.3	29 417.6	29 417.6	29 358.2	30 943.4	30 543.4	30 543.4	98.6%	99.0%

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									
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Programme 1	420.6	-0.3%	1.3%	442.3	469.9	467.3	3.6%	1.4%	
Programme 2	73.5	-4.9%	0.3%	83.1	88.3	87.0	5.7%	0.3%	
Programme 3	185.6	4.8%	0.5%	224.6	208.3	199.9	2.5%	0.6%	
Programme 4	29 863.6	7.5%	98.0%	29 940.9	33 799.8	35 865.8	6.3%	97.8%	
Total	30 543.4	7.3%	100.0%	30 690.9	34 566.3	36 620.0	6.2%	100.0%	
Change to 2015 Budget estimate				(2 515.1)	(680.3)	(670.9)			
Economic classification									
Current payments	674.8	0.4%	2.0%	758.9	776.4	763.0	4.2%	2.2%	
Compensation of employees	320.8	4.0%	1.0%	383.5	387.5	381.2	5.9%	1.1%	
Goods and services	354.0	-2.4%	1.0%	375.4	388.9	381.8	2.6%	1.1%	
of which:									
Advertising	19.7	-3.3%	0.1%	23.9	25.1	26.4	10.2%	0.1%	
Computer services	54.2	0.7%	0.1%	56.7	59.5	62.5	4.9%	0.2%	
Consultants: Business and advisory services	112.8	-7.5%	0.3%	117.8	118.3	97.7	-4.7%	0.3%	
Operating leases	26.6	-12.9%	0.1%	28.2	29.6	31.1	5.4%	0.1%	
Property payments	14.3	51.1%	0.0%	14.6	15.4	16.1	4.2%	0.0%	
Travel and subsistence	47.0	5.3%	0.2%	50.9	53.5	56.1	6.1%	0.2%	
Transfers and subsidies	29 692.7	7.5%	97.4%	29 826.5	33 634.2	35 692.3	6.3%	97.3%	
Provinces and municipalities	28 957.0	7.8%	94.6%	29 123.5	32 532.6	34 334.0	5.8%	94.4%	
Departmental agencies and accounts	724.5	-1.6%	2.7%	692.4	1 090.5	1 346.5	22.9%	2.9%	
Foreign governments and international organisations	1.2	4.8%	0.0%	1.2	1.3	1.3	5.4%	0.0%	
Households	10.0	3.2%	0.1%	9.4	9.9	10.4	1.4%	0.0%	
Payments for capital assets	14.8	-5.0%	0.0%	5.5	5.7	6.0	-25.9%	0.0%	
Buildings and other fixed structures	0.2	-	0.0%	-	-	-	-100.0%	0.0%	
Machinery and equipment	14.5	-2.7%	0.0%	5.2	5.5	5.7	-26.7%	0.0%	
Software and other intangible assets	0.1	-67.0%	0.0%	0.3	0.3	0.3	75.6%	0.0%	
Payments for financial assets	161.1	2.0%	0.6%	100.0	150.0	158.7	-0.5%	0.4%	
Total	30 543.4	7.3%	100.0%	30 690.9	34 566.3	36 620.0	6.2%	100.0%	

Personnel information

Table 38.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																			
1. Administration																			
2. Human Settlements Policy, Strategy and Planning																			
3. Human Settlements Delivery Support																			
4. Housing Development Finance																			
Human Settlements	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)			
			2014/15	Cost	Unit Cost	2015/16	Cost	Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19		
Salary level	850	-	658	290.9	0.4	660	320.8	0.5	694	383.5	0.6	699	416.4	0.6	673	424.4	0.6	0.7%	100.0%
1 – 6	195	-	158	31.4	0.2	146	30.0	0.2	145	34.3	0.2	145	37.0	0.3	145	40.0	0.3	0.2%	21.3%
7 – 10	357	-	268	94.4	0.4	272	100.5	0.4	273	111.7	0.4	274	121.1	0.4	275	131.4	0.5	0.4%	40.1%
11 – 12	168	-	120	72.4	0.6	121	79.2	0.7	124	87.6	0.7	126	96.3	0.8	127	105.0	0.8	1.6%	18.3%
13 – 16	130	-	92	90.7	1.0	101	108.4	1.1	104	122.1	1.2	106	134.1	1.3	106	144.8	1.4	1.6%	15.3%
Other	-	-	20	1.9	0.1	20	2.6	0.1	48	27.8	0.6	48	28.0	0.6	20	3.2	0.2	-	5.0%
Programme	850	-	658	290.9	0.4	660	320.8	0.5	694	383.5	0.6	699	416.4	0.6	673	424.4	0.6	0.7%	100.0%
Programme 1	511	-	450	178.8	0.4	446	197.1	0.4	446	216.5	0.5	448	235.5	0.5	448	254.5	0.6	0.1%	65.6%
Programme 2	121	-	76	45.3	0.6	79	48.5	0.6	80	55.7	0.7	80	60.2	0.8	80	65.1	0.8	0.4%	11.7%
Programme 3	186	-	102	53.0	0.5	106	59.9	0.6	138	93.3	0.7	141	101.2	0.7	115	83.7	0.7	2.8%	18.3%
Programme 4	32	-	30	13.7	0.5	29	15.3	0.5	30	18.1	0.6	30	19.5	0.7	30	21.1	0.7	1.1%	4.4%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(28.9)	-	-	(43.1)	-	-	-
Total	850	-	658	290.9	0.4	660	320.8	0.5	694	383.5	0.6	-	387.5	-	-	381.2	-	-	-

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

2. The department's compensation of employees budget has been reduced by R72.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 38.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	1 039	763	1 014	1 695	1 695	17.7%	100.0%	519	522	525	-32.3%	100.0%
Sales of goods and services produced by department	167	190	200	210	210	7.9%	17.0%	214	217	220	1.6%	26.4%
Sales by market establishments	47	52	57	58	58	7.3%	4.7%	59	60	61	1.7%	7.3%
of which:												
Parking	47	52	57	58	58	7.3%	4.7%	59	60	61	1.7%	7.3%
Administrative fees	-	1	-	2	2	-	0.1%	3	3	3	14.5%	0.3%
of which:												
Commission on insurance	-	1	-	2	2	-	0.1%	3	3	3	14.5%	0.3%
Other sales	120	137	143	150	150	7.7%	12.2%	152	154	156	1.3%	18.8%
of which:												
Replacement of security cards	120	137	143	150	150	7.7%	12.2%	152	154	156	1.3%	18.8%
Sales of scrap, waste, arms and other used current goods	3	3	4	5	5	18.6%	0.3%	5	5	5	-	0.6%
of which:												
Waste paper	3	3	4	5	5	18.6%	0.3%	5	5	5	-	0.6%
Interest, dividends and rent on land	90	63	286	300	300	49.4%	16.4%	300	300	300	-	36.8%
Interest	90	63	286	300	300	49.4%	16.4%	300	300	300	-	36.8%
Transactions in financial assets and liabilities	779	507	524	1 180	1 180	14.8%	66.3%	-	-	-	-100.0%	36.2%
Total	1 039	763	1 014	1 695	1 695	17.7%	100.0%	519	522	525	-32.3%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 38.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Ministry	30.4	28.7	66.4	61.4	26.4%	13.2%	60.2	63.9	64.1	1.5%	13.9%
Departmental Management	61.6	53.5	101.9	98.8	17.1%	22.2%	102.1	107.2	98.5	-0.1%	22.6%
Corporate Services	139.6	134.1	190.5	175.3	7.9%	45.1%	188.2	201.3	204.8	5.3%	42.8%
Property Management	20.4	24.7	32.2	37.7	22.7%	8.1%	39.9	41.9	44.0	5.3%	9.1%
Financial Management	33.7	39.3	42.1	47.5	12.1%	11.5%	51.8	55.6	55.9	5.6%	11.7%
Total	285.7	280.4	433.1	420.6	13.8%	100.0%	442.3	469.9	467.3	3.6%	100.0%
Change to 2015				(14.5)			(20.5)	(20.2)	(51.2)		
Budget estimate											
Economic classification											
Current payments	282.0	272.9	397.8	407.9	13.1%	95.8%	438.9	466.4	463.6	4.4%	98.7%
Compensation of employees	134.7	140.6	178.8	197.1	13.5%	45.9%	216.5	233.1	228.8	5.1%	48.6%
Goods and services	147.3	132.3	219.0	210.8	12.7%	50.0%	222.4	233.2	234.8	3.7%	50.1%
of which:											
Advertising	20.8	19.9	29.5	17.9	-4.8%	6.2%	23.5	24.7	25.9	13.0%	5.1%
Computer services	17.3	9.4	16.1	33.3	24.3%	5.4%	29.7	31.9	34.3	1.0%	7.2%
Consultants: Business and advisory services	24.5	16.1	44.1	40.3	18.1%	8.8%	39.4	40.3	31.4	-8.0%	8.4%
Operating leases	16.8	23.2	25.4	26.4	16.2%	6.5%	27.9	29.3	30.8	5.3%	6.4%
Property payments	5.9	1.6	6.8	14.2	33.9%	2.0%	14.6	15.4	16.1	4.3%	3.4%
Travel and subsistence	27.8	23.9	11.9	24.4	-4.2%	6.2%	25.7	27.0	28.3	5.1%	5.9%
Transfers and subsidies	0.1	0.2	22.7	0.9	126.2%	1.7%	0.0	0.0	0.0	-61.5%	0.1%
Departmental agencies and accounts	-	-	1.2	-	-	0.1%	-	-	-	-	-
Households	0.1	0.2	21.5	0.9	126.2%	1.6%	0.0	0.0	0.0	-61.5%	0.1%

Table 38.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Payments for capital assets	3.5	7.2	12.4	11.8	49.4%	2.5%	3.3	3.5	3.7	-32.2%	1.2%
Buildings and other fixed structures	–	–	–	0.2	–	–	–	–	–	-100.0%	–
Machinery and equipment	3.5	6.6	11.0	11.5	48.5%	2.3%	3.1	3.2	3.4	-33.5%	1.2%
Software and other intangible assets	0.0	0.6	1.4	0.1	22.4%	0.1%	0.3	0.3	0.3	75.6%	0.1%
Payments for financial assets	0.1	0.1	0.1	0.1	14.9%	–	–	–	–	-100.0%	–
Total	285.7	280.4	433.1	420.6	13.8%	100.0%	442.3	469.9	467.3	3.6%	100.0%
Proportion of total programme expenditure to vote expenditure	1.2%	1.0%	1.5%	1.4%	–	–	1.4%	1.4%	1.3%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	0.1	0.2	21.5	0.9	126.2%	1.6%	0.0	0.0	0.0	-61.5%	0.1%
Gifts and donations	–	0.1	0.7	0.0	–	0.1%	0.0	0.0	0.0	3.7%	–
Transfers to households	0.1	0.1	20.8	0.8	122.3%	1.5%	–	–	–	-100.0%	–

Programme 2: Human Settlements Policy, Strategy and Planning

Programme purpose

Manage the development of, 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 contained in the national development plan, by 2016/17.
- 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 28 municipalities for accreditation by 2018/19.
- 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 38.7 Human Settlements Policy, Strategy and Planning expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
R million											
Management for Policy, Strategy and Planning	2.2	3.6	3.9	6.3	42.6%	5.5%	7.4	7.8	7.8	7.4%	8.8%
Human Settlements Policy Frameworks	27.8	27.8	29.7	28.2	0.5%	39.3%	30.9	32.9	32.3	4.6%	37.4%
Human Settlements Strategy and Planning	33.3	42.0	45.1	39.1	5.5%	55.2%	44.8	47.6	46.9	6.3%	53.8%
Total	63.2	73.3	78.7	73.5	5.2%	100.0%	83.1	88.3	87.0	5.7%	100.0%
Change to 2015 Budget estimate				(0.8)			3.8	4.5	(1.7)		
Economic classification											
Current payments	61.0	71.6	72.1	71.3	5.4%	95.6%	81.0	86.1	84.6	5.9%	97.4%
Compensation of employees	33.3	38.3	45.3	48.5	13.4%	57.3%	55.7	59.6	58.1	6.2%	66.9%
Goods and services	27.7	33.3	26.8	22.8	-6.3%	38.3%	25.3	26.5	26.5	5.2%	30.5%
of which:											
Catering: Departmental activities	2.8	2.0	1.7	1.0	-28.9%	2.6%	1.3	1.3	1.4	11.8%	1.5%
Communication	1.1	1.2	1.6	1.5	11.0%	1.9%	1.4	1.5	1.6	0.5%	1.8%
Consultants: Business and advisory services	8.5	4.5	3.2	4.7	-18.3%	7.2%	6.3	6.6	5.6	6.5%	7.0%
Travel and subsistence	12.4	9.5	12.4	10.1	-6.6%	15.4%	10.3	10.8	11.4	4.1%	12.8%
Operating payments	0.4	0.9	0.3	0.7	26.4%	0.8%	0.8	0.9	0.9	6.9%	1.0%
Venues and facilities	1.5	2.0	6.8	1.7	5.2%	4.2%	3.1	3.2	3.4	25.1%	3.4%
Transfers and subsidies	1.8	1.1	5.4	1.2	-14.0%	3.3%	1.2	1.3	1.3	5.4%	1.5%
Foreign governments and international organisations	1.3	1.1	1.3	1.2	-3.5%	1.7%	1.2	1.3	1.3	5.4%	1.5%
Public corporations and private enterprises	-	-	4.0	-	-	1.4%	-	-	-	-	-
Non-profit institutions	0.4	-	-	-	-100.0%	0.1%	-	-	-	-	-
Households	0.1	0.1	0.1	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	0.4	0.6	1.2	1.1	36.0%	1.1%	0.9	0.9	1.0	-3.6%	1.1%
Machinery and equipment	0.4	0.6	1.2	1.1	36.0%	1.1%	0.9	0.9	1.0	-3.6%	1.1%
Total	63.2	73.3	78.7	73.5	5.2%	100.0%	83.1	88.3	87.0	5.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.3%	0.2%	-	-	0.3%	0.3%	0.2%	-	-
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	-	4.0	-	-	1.4%	-	-	-	-	-
Council for Scientific and Industrial Research	-	-	4.0	-	-	1.4%	-	-	-	-	-

Programme 3: Human Settlements Delivery Support

Programme purpose

Support the execution, 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 through the progressive implementation of the national upgrading support programme in 53 municipalities per year.
- 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 38.8 Human Settlements Delivery 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million											
Management for Human Settlements Delivery											
Support	3.1	4.1	7.0	7.4	33.1%	3.9%	9.2	9.8	9.8	10.1%	4.4%
Programme Management Unit	39.8	50.5	69.6	124.9	46.4%	52.1%	165.0	145.1	137.1	3.2%	69.9%
Chief of Operations	85.5	44.2	57.1	53.3	-14.6%	43.9%	50.3	53.4	53.0	-0.2%	25.7%
Total	128.5	98.7	133.7	185.6	13.0%	100.0%	224.6	208.3	199.9	2.5%	100.0%
Change to 2015 Budget estimate				15.8			48.3	26.1	7.1		
Economic classification											
Current payments	110.9	89.3	119.1	175.3	16.5%	90.5%	214.2	197.4	188.4	2.4%	94.7%
Compensation of employees	40.1	47.2	53.0	59.9	14.3%	36.6%	93.3	75.5	75.4	8.0%	37.1%
Goods and services	70.9	42.0	66.1	115.5	17.7%	53.9%	120.9	121.9	113.0	-0.7%	57.6%
of which:											
Communication	1.3	1.4	1.4	2.1	18.8%	1.1%	1.8	1.9	2.0	-1.4%	1.0%
Computer services	15.2	17.4	15.0	20.8	11.2%	12.5%	27.0	27.6	28.2	10.5%	12.6%
Consultants: Business and advisory services	40.5	9.4	24.5	66.8	18.1%	25.8%	70.5	69.8	59.0	-4.0%	32.5%
Consumables: Stationery, printing and office supplies	0.6	0.4	0.4	1.2	23.7%	0.5%	2.2	2.3	2.4	26.6%	1.0%
Travel and subsistence	9.7	7.7	12.3	10.6	3.0%	7.4%	12.5	13.1	13.7	8.9%	6.1%
Venues and facilities	1.4	3.0	3.5	1.3	-1.0%	1.7%	1.8	1.9	2.0	14.0%	0.8%
Transfers and subsidies	17.0	8.5	13.6	9.2	-18.5%	8.8%	9.4	9.8	10.4	4.3%	4.7%
Higher education institutions	3.1	3.9	4.5	-	-100.0%	2.1%	-	-	-	-	-
Households	13.9	4.6	9.1	9.2	-12.9%	6.7%	9.4	9.8	10.4	4.3%	4.7%
Payments for capital assets	0.6	0.9	1.0	1.1	23.3%	0.7%	1.0	1.1	1.2	2.1%	0.5%
Machinery and equipment	0.6	0.8	1.0	1.1	23.3%	0.6%	1.0	1.1	1.2	2.1%	0.5%
Software and other intangible assets	-	0.1	-	-	-	-	-	-	-	-	-
Total	128.5	98.7	133.7	185.6	13.0%	100.0%	224.6	208.3	199.9	2.5%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.4%	0.5%	0.6%	-	-	0.7%	0.6%	0.5%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	13.9	4.6	9.1	9.2	-12.9%	6.7%	9.4	9.8	10.4	4.3%	4.7%
Transfers to households	0.0	0.0	0.1	0.5	122.6%	0.1%	-	-	-	-100.0%	0.1%
Bursaries for non-employees	13.8	4.6	9.0	8.7	-14.2%	6.6%	9.4	9.8	10.4	6.0%	4.7%
Higher education institutions											
Current	3.1	3.9	4.5	-	-100.0%	2.1%	-	-	-	-	-
Nelson Mandela Metropolitan University	3.1	3.9	4.5	-	-100.0%	2.1%	-	-	-	-	-

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 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 subsequently been closed down as the conditional grant no longer exists.

Expenditure trends and estimates

Table 38.9 Housing Development Finance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Management for Housing Development Finance	1.7	1.9	0.4	3.0	21.6%	–	3.7	3.9	4.0	9.9%	–
Chief Investment Officer	17.8	19.0	16.5	18.1	0.5%	0.1%	21.3	22.7	22.7	7.8%	0.1%
Human Settlements Development Grant	15 395.0	17 028.3	17 084.4	18 302.7	5.9%	62.0%	18 284.0	21 060.3	22 281.8	6.8%	61.7%
Contributions	912.8	864.6	1 026.8	885.5	-1.0%	3.4%	792.4	1 240.5	1 505.2	19.3%	3.4%
Urban Settlements Development Grant	7 392.2	9 076.9	10 284.7	10 554.3	12.6%	34.1%	10 839.5	11 472.2	12 052.1	4.5%	34.7%
Municipal Human Settlements Capacity Grant	–	–	300.0	100.0	–	0.4%	–	–	–	-100.0%	0.1%
Total	23 719.5	26 990.8	28 712.7	29 863.6	8.0%	100.0%	29 940.9	33 799.8	35 865.8	6.3%	100.0%
Change to 2015 Budget estimate				(400.5)			(2 546.7)	(690.7)	(625.1)		
Economic classification											
Current payments	19.4	20.8	16.7	20.2	1.4%	0.1%	24.9	26.5	26.4	9.3%	0.1%
Compensation of employees	14.8	14.1	13.7	15.3	1.0%	0.1%	18.1	19.3	18.9	7.3%	0.1%
Goods and services	4.6	6.7	3.0	4.9	2.6%	–	6.8	7.2	7.5	15.0%	–
of which:											
Catering: Departmental activities	0.2	0.1	0.0	0.2	1.9%	–	0.2	0.3	0.3	7.5%	–
Communication	0.2	0.2	0.3	0.4	24.3%	–	0.4	0.4	0.4	-0.5%	–
Consultants: Business and advisory services	0.9	0.8	0.2	1.1	6.5%	–	1.6	1.6	1.7	15.4%	–
Consumables: Stationery, printing and office supplies	1.9	1.8	0.1	0.7	-29.2%	–	1.4	1.5	1.6	32.6%	–
Travel and subsistence	1.1	1.1	–	1.8	18.1%	–	2.4	2.6	2.7	13.9%	–
Venues and facilities	0.1	0.1	–	0.1	6.3%	–	0.3	0.3	0.3	49.6%	–

Table 38.9 Housing Development Finance expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Transfers and subsidies	23 548.1	26 869.9	28 465.9	29 681.5	8.0%	99.3%	29 815.9	33 623.1	35 680.5	6.3%	99.5%
Provinces and municipalities	22 787.2	26 105.2	27 669.1	28 957.0	8.3%	96.6%	29 123.5	32 532.6	34 334.0	5.8%	96.5%
Departmental agencies and accounts	760.8	764.6	796.8	724.5	-1.6%	2.8%	692.4	1 090.5	1 346.5	22.9%	3.0%
Payments for capital assets	0.1	0.2	0.1	0.9	128.1%	-	0.2	0.2	0.2	-34.7%	-
Machinery and equipment	0.1	0.2	0.1	0.9	128.1%	-	0.2	0.2	0.2	-34.7%	-
Payments for financial assets	152.0	100.0	230.0	161.0	1.9%	0.6%	100.0	150.0	158.7	-0.5%	0.4%
Total	23 719.5	26 990.8	28 712.7	29 863.6	8.0%	100.0%	29 940.9	33 799.8	35 865.8	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	98.0%	98.4%	97.8%	97.8%	-	-	97.6%	97.8%	97.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	113.4	146.6	199.3	292.2	37.1%	0.7%	268.0	321.8	340.4	5.2%	0.9%
Social Housing Regulatory Authority: Operational	21.1	32.2	33.5	34.6	17.9%	0.1%	36.4	38.2	40.4	5.4%	0.1%
Housing Development Agency	92.3	97.5	121.0	176.2	24.0%	0.4%	167.5	215.7	228.2	9.0%	0.6%
National Home Builders Registration Council	-	-	4.0	-	-	-	-	-	-	-	-
Servcon Housing Solutions	-	-	0.9	-	-	-	-	-	-	-	-
Community Schemes Ombud Service	-	17.0	40.0	39.5	-	0.1%	23.9	29.4	31.1	-7.7%	0.1%
Social Housing Regulatory Authority: Institutional investment	-	-	-	41.9	-	-	34.2	30.5	30.7	-9.9%	0.1%
Social Housing Regulatory Authority: Regulations	-	-	-	-	-	-	6.0	8.0	10.0	-	-
Capital	647.4	618.0	597.5	432.3	-12.6%	2.1%	424.4	768.7	1 006.1	32.5%	2.0%
Social Housing Regulatory Authority: Restructuring capital grant	647.4	618.0	597.5	432.3	-12.6%	2.1%	424.4	768.7	1 006.1	32.5%	2.0%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	300.0	100.0	-	0.4%	-	-	-	-100.0%	0.1%
Municipal human settlements capacity grant	-	-	300.0	100.0	-	0.4%	-	-	-	-100.0%	0.1%
Capital	7 392.2	9 076.9	10 284.7	10 554.3	12.6%	34.1%	10 839.5	11 472.2	12 052.1	4.5%	34.7%
Urban settlements development grant	7 392.2	9 076.9	10 284.7	10 554.3	12.6%	34.1%	10 839.5	11 472.2	12 052.1	4.5%	34.7%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Capital	15 395.0	17 028.3	17 084.4	18 302.7	5.9%	62.0%	18 284.0	21 060.3	22 281.8	6.8%	61.7%
Human settlements development grant	15 395.0	17 028.3	17 084.4	18 302.7	5.9%	62.0%	18 284.0	21 060.3	22 281.8	6.8%	61.7%

Entities

National Home Builders Registration Council

Mandate

The National Home Builders Registration Council was established in terms of the Housing Consumers Protection Measures Act (1998), as amended, 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 38.10 National Home Builders Registration Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of subsidy inspections carried out per year ¹	Regulation	Outcome 8: Sustainable human settlements and improved quality of household life	179 930	230 217	223 915	385 200	408 312	432 811	458 779
Number of non-subsidy inspections carried out per year ¹			248 114	221 107	304 267	200 820	212 869	225 641	239 180
Number of home inspectors to be trained per year			- ²	- ²	- ²	400	440	460	500
Number of home builders to be trained per year			1 002	1 369	2 629	1 200	1 500	2 000	2 500
Number of people to be trained in construction for government projects (youth, women, people with disabilities and military veterans) per year			948	934	1 184	2 000	2 000	2 000	2 000

Table 38.10 National Home Builders Registration Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of subsidy sector project enrolments per year	Protection	Outcome 8: Sustainable human settlements and improved quality of household life	32 959	26 719	32 347	51 655	54 496	57 493	60 655
Number of subsidy home enrolments per year			161 443	119 440	168 753	126 352	133 301	140 633	148 368
Number of late enrolments per year ³			658	1 743	1 483	1 255	1 397	1 474	1 562
Number of forensic assessments conducted per year			32 760	40 500	19 875	35 000	20 000	25 000	30 000
Number of geotechnical assessments conducted per year			– ⁴	45 000	2 613	12 000	12 000	15 000	20 000
Number of days taken to evaluate structural claims per year			– ⁴	– ⁴	20	20	20	20	20
Number of non-subsidy enrolments per year			44 698	50 622	52 632	50 205	52 966	55 879	58 953

1. Inspections carried out range from a minimum of 4 to a maximum of 8 inspection stages per home.

2. No historical data is available as this is a new indicator.

3. The increase in the target for late enrolments is as a result of an increase in the number of total enrolments. The late enrolment target is estimated as 2.5 per cent of the total number of enrolments estimated per year.

4. These indicators were not previously monitored.

Expenditure analysis

The National Home Builders Registration Council assures the quality of housing delivery by the private sector and government, and provides training for home builders. This is in line with the national development plan's vision of adequate housing and improved quality 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 focus over the MTEF period will be on strengthening its consumer protection and regulation functions.

The council generates revenue through a combination of fees from the enrolment of homes, technical services that the council provides, and interest and dividends earned from its warranty fund. Total revenue is expected to increase from R1.1 billion in 2015/16 to R1.3 billion in 2018/19, reflecting average annual growth of 5.1 per cent. This is largely due to the growth of building activity in the non-subsidy sector, particularly for housing units under R500 000, and to continued compliance with the enrolment of subsidy homes.

Strengthening its consumer protection services and regulation functions is expected to increase the council's total expenditure over the medium term to R991.8 million in 2018/19, reflecting average annual growth of 5.7 per cent.

Over the medium term, the council expects to conduct 1 299 902 inspections in the subsidy market and 677 690 inspections in the non-subsidy market, and to train 6 000 home builders and 6 000 youth, women, people with disabilities and military veterans in government housing projects. Spending on these activities is projected to increase from R399.1 million in 2015/16 to R468.7 million in 2018/19.

Consumer protection services are largely connected to quality assurance and housing innovation. The council will strengthen the capacity of its project management office and the Centre for Research and Housing Innovation, which focuses on home builder training, inspector training and alternative building technologies. By 2018/19, the council expects 172 644 subsidy home project enrolments, 422 302 subsidy home enrolments, 167 798 non-subsidy home enrolments, and 38 projects with new technologies being implemented. This work is supported by spending mostly on compensation of employees, which is projected to increase at an average annual rate of 5.5 per cent over the medium term to R530 million in 2018/19.

Programmes/objectives/activities

Table 38.11 National Home Builders Registration Council expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	506.5	157.5	266.4	303.7	-15.7%	46.2%	337.1	348.4	365.4	6.4%	36.9%
Regulation	140.6	248.3	298.0	399.1	41.6%	40.8%	421.1	444.2	468.7	5.5%	47.2%
Protection	12.7	102.8	89.4	136.7	120.7%	13.0%	141.7	149.5	157.7	4.9%	16.0%
Total	659.7	508.5	653.9	839.5	8.4%	100.0%	899.9	942.2	991.8	5.7%	100.0%

Statements of historical financial performance and position

Table 38.12 National Home Builders Registration Council statements of historical financial performance and position

R million	Budget		Audited outcome		Budget		Audited outcome		Outcome/ Budget Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2013/14 - 2015/16	2014/15 - 2015/16		
Statement of financial performance									
Revenue									
Non-tax revenue	742.8	1 188.8	932.3	723.1	965.2	1 177.1	1 049.1	1 088.2	113.2%
Sale of goods and services other than capital assets	529.1	840.4	727.6	402.5	753.4	807.7	817.4	812.9	101.3%
<i>of which:</i>									
Administrative fees	-	-	-	(9.8)	-	(7.9)	-	-	-
Sales by market establishment	529.1	840.4	727.6	412.2	753.4	815.6	817.4	812.9	101.9%
Other non-tax revenue	213.8	348.4	204.7	320.7	211.9	369.4	231.7	275.3	152.4%
Total revenue	742.8	1 188.8	932.3	723.1	965.2	1 177.1	1 049.1	1 088.2	113.2%
Expenses									
Current expenses	524.9	659.7	812.6	508.5	865.1	653.9	948.3	839.5	84.5%
Compensation of employees	257.0	195.0	294.3	259.7	454.5	316.7	570.3	451.4	77.6%
Goods and services	247.7	452.9	491.1	238.7	382.0	323.7	353.8	362.9	93.5%
Depreciation	20.2	11.8	27.2	10.1	28.5	9.1	24.2	25.2	56.2%
Interest, dividends and rent on land	-	0.0	-	-	-	4.4	-	-	-
Transfers and subsidies	3.2	-	2.5	-	-	-	-	-	-
Total expenses	528.1	659.7	815.1	508.5	865.1	653.9	948.3	839.5	84.3%
Surplus/(Deficit)	215.0	529.0	117.0	215.0	100.0	523.0	101.0	249.0	-
Statement of financial position									
Carrying value of assets	98.3	77.0	331.7	155.3	348.4	191.6	376.6	350.9	67.1%
Acquisition of assets	(810.6)	(40.9)	(1 091.1)	(88.7)	(2 771.0)	(65.9)	(8.0)	(8.0)	4.3%
Investments	3 586.6	3 974.4	3 576.4	4 422.2	4 071.6	4 990.5	4 566.4	5 187.3	117.6%
Inventory	0.1	0.2	0.5	0.2	0.3	0.9	0.2	0.2	140.2%
Receivables and prepayments	23.7	35.7	27.2	35.7	26.0	19.3	29.9	29.3	112.4%
Cash and cash equivalents	25.1	134.5	25.0	147.5	29.2	171.7	29.2	109.2	518.8%
Total assets	3 733.8	4 221.9	3 960.8	4 760.8	4 475.5	5 374.0	5 002.2	5 677.0	116.7%
Accumulated surplus/(deficit)	2 854.6	3 051.1	2 870.6	3 274.3	3 265.7	3 776.6	3 452.1	4 146.0	114.5%
Capital and reserves	46.3	29.0	50.6	20.4	29.0	41.2	50.4	43.4	76.0%
Trade and other payables	45.3	125.9	62.8	171.9	164.4	192.4	203.7	191.6	143.1%
Provisions	787.6	1 016.0	374.2	1 294.2	1 016.3	1 363.8	1 295.9	1 295.9	143.1%
Total equity and liabilities	3 733.8	4 221.9	3 358.4	4 760.8	4 475.5	5 374.0	5 002.2	5 677.0	120.9%

Statements of estimates of financial performance and position

Table 38.13 National Home Builders Registration Council statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2015/16				2012/13 - 2015/16	2016/17	2017/18		
R million									
Revenue									
Non-tax revenue		1 088.2	-2.9%	100.0%	1 142.5	1 201.0	1 264.1	5.1%	100.0%
Sale of goods and services other than capital assets		812.9	-1.1%	67.4%	857.6	904.7	954.4	5.5%	75.1%
<i>of which:</i>									
Sales by market establishment		812.9	-1.1%	67.9%	857.6	904.7	954.4	5.5%	75.1%
Other non-tax revenue		275.3	-7.6%	32.6%	284.9	296.4	309.7	4.0%	24.9%
Total revenue		1 088.2	-2.9%	100.0%	1 142.5	1 201.0	1 264.1	5.1%	100.0%
Expenses									
Current expenses		839.5	8.4%	100.0%	899.9	942.2	991.8	5.7%	149.1%
Goods and services		362.9	-7.1%	52.1%	390.2	405.4	426.4	5.5%	43.2%
Depreciation		25.2	28.7%	2.0%	33.5	34.4	35.4	12.0%	3.5%
Total expenses		839.5	8.4%	100.0%	899.9	942.2	991.8	5.7%	100.0%
Surplus/(Deficit)		249.0	-	-	243.0	259.0	272.0	3.0%	-
Statement of financial position									
Carrying value of assets		350.9	65.8%	3.7%	325.4	299.0	271.7	-8.2%	5.1%
<i>of which:</i>									
Acquisition of assets		(8.0)	-41.9%	-1.0%	(8.0)	(8.0)	(8.0)	-	-0.1%
Investments		5 187.3	9.3%	92.8%	5 549.0	5 915.2	6 304.6	6.7%	92.7%
Inventory		0.2	-5.1%	0.0%	0.2	0.2	0.3	7.0%	0.0%
Receivables and prepayments		29.3	-6.4%	0.6%	27.9	31.0	32.0	2.9%	0.5%
Cash and cash equivalents		109.2	-6.7%	2.9%	109.1	108.3	107.7	-0.5%	1.8%
Total assets		5 677.0	10.4%	100.0%	6 011.6	6 353.8	6 716.2	5.8%	100.0%
Accumulated surplus/(deficit)		4 146.0	10.8%	71.1%	4 405.9	4 681.8	4 970.8	6.2%	73.5%
Capital and reserves		43.4	14.4%	0.7%	36.0	28.2	20.0	-22.7%	0.5%
Trade and other payables		191.6	15.0%	3.4%	202.5	201.7	204.3	2.2%	3.2%
Provisions		1 295.9	8.5%	24.9%	1 367.1	1 442.1	1 521.1	5.5%	22.7%
Total equity and liabilities		5 677.0	10.4%	100.0%	6 011.6	6 353.8	6 716.2	-8.9%	100.0%

Personnel information

Table 38.14 National Home Builders Registration Council personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
National Home Builders Registration Council	700	640	316.7	0.5	700	451.4	0.6	704	476.2	0.7	704	502.4	0.7	704	530.0	0.8	5.5%	100.0%	
Salary level	700																		
1 – 6	28	28	28	3.2	0.1	28	5.4	0.2	28	5.7	0.2	28	6.0	0.2	28	6.3	0.2	5.5%	4.0%
7 – 10	411	411	394	156.5	0.4	411	196.3	0.5	411	207.1	0.5	410	218.5	0.5	410	230.5	0.6	5.5%	58.4%
11 – 12	201	201	175	110.6	0.6	201	159.2	0.8	201	171.1	0.9	201	177.3	0.9	201	187.1	0.9	5.5%	28.6%
13 – 16	54	54	37	34.4	0.9	54	72.1	1.3	56	73.0	1.3	57	80.2	1.4	57	84.6	1.5	5.5%	8.0%
17 – 22	6	6	6	11.9	2.0	6	18.3	3.1	8	19.3	2.4	8	20.4	2.5	8	21.5	2.7	5.5%	1.1%

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 2016/17 is R25.5 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 entity's total budget for 2016/17 is R129.5 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 entity's total budget for 2016/17 is R543.9 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 entity's total budget for 2016/17 is R206.4 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 2016/17 is R105 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 2016/17 is R41.9 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 2016/17 is R501 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
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	Houses completed and sites serviced	Various	-	15 395.0	17 028.3	17 084.4	18 302.7	18 284.0	21 060.3	22 281.8
Urban settlements development grant	Bulk infrastructure installed	Various	-	7 392.2	9 076.9	10 284.7	10 554.3	10 839.5	11 472.2	12 052.1
Social Housing Regulatory Authority: Restructuring capital grant	Funding of social housing	Various	-	647.4	618.0	597.5	432.3	424.4	768.7	1 006.1
Total			-	23 434.6	26 723.2	27 966.6	29 289.3	29 547.8	33 301.3	35 340.0

Vote 39

Rural Development and Land Reform

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 462.1	1 455.7	0.4	5.9	1 547.7	1 644.1
National Geomatics Management Services	817.9	711.8	101.0	5.2	755.2	785.4
Rural Development	1 914.4	388.1	1 521.9	4.4	1 995.8	2 030.8
Restitution	3 168.2	647.6	2 518.2	2.5	3 346.0	3 545.2
Land Reform	2 761.8	619.6	2 140.7	1.5	2 904.7	3 073.3
Total expenditure estimates	10 124.3	3 822.7	6 282.2	19.4	10 549.5	11 078.8
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 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 the following acts:

- The Restitution of Land Rights Act (1994) 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) 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) 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) 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) promotes the orderly physical development of South Africa, and for that purpose, makes 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) provides for the administration of the land registration system and the registration of land rights.
- The Land Survey Act (1997) provides for the regulation of the survey of land in South Africa.
- The Sectional Titles Act (1986) provides for: the division of building 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 over, 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) 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.
- The department is also mandated to initiate, facilitate, coordinate, catalyse and implement an integrated rural development programme, which is linked to the need to create vibrant, equitable and sustainable rural communities (outcome 7 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of youth recruited through the national rural youth service corps per year ¹	Rural Development	Outcome 7: Comprehensive rural development and land reform	5 881	4 600	3 145	2 500	2 700	2 700	2 700
Number of agricultural enterprises supported per year	Rural Development		- ²	- ²	- ²	- ²	132	176	220
Number of infrastructure projects implemented per year	Rural Development		- ²	- ²	- ²	- ²	340	355	355
Number of land claims finalised per year	Restitution		- ²	- ²	372	373	371	389	459
Number of hectares acquired per year	Land Reform		157 556 ha	153 586 ha	354 802 ha	370 000 ha	180 000 ha	179 000 ha	1189 000 ha
Number of farms under recapitalisation and development per year	Land Reform		200	442	217	331	351	369	387

1. The decrease in the number of youth recruited through the national rural youth service corps per year from 2012/13 to 2015/16 was due to cost containment measures implemented on the programme. The target increases over the medium term due to funds being reprioritised towards the programme.

2. No historical data is available as these are indicators.

Expenditure analysis

The Department of Rural Development and Land Reform has an ongoing commitment to building sustainable rural livelihoods, which aligns the department's work with chapter 6 of the national development plan (an inclusive rural economy) and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium term strategic framework.

Over the medium term the department will focus on: recapitalising and redeveloping redistributed farms; establishing agri-parks; the One Household, One Hectare programme; socioeconomic and river valley catalytic, animal and veld management projects; extending the lodgement of land claims; the national rural youth service corps; security of tenure; the Land Rights Management Facility Act (2015); establishing the South African Geomatics Council and strengthening the relative rights of people working on the land.

The department's total allocation over the MTEF period is R31.7 billion. The largest share goes to the *Land Restitution* programme for speeding up the restitution of land rights. The programme is allocated R3.2 billion in 2016/17, which increases to R3.5 billion in 2018/19.

Cabinet has approved reductions of R828 million over the medium term on the compensation of employees budget as part of its decision to lower the national aggregate expenditure ceiling. The department will nevertheless employ more personnel over the medium term, within its compensation of employees budget of R6.7 billion. Reductions of R663 million on goods and services have also been made.

Recapitalising and redeveloping redistributed farms

The recapitalisation and development programme is responsible for making redistributed land productive and profitable by providing mechanised irrigation, farmer mentorship and farm inputs. Since the programme started in 2008/09, just over 4.5 million hectares of land have been acquired for redistribution and 1 496 farms have been created. Over the medium term, the department aims to acquire about 1.14 million hectares of strategically located land and create 1 107 productive and profitable farms. The estimated cost over the period is R4.6 billion, which is budgeted for in the *Agricultural Land Holding Account* subprogramme in the *Land Reform* programme.

The programme will employ 61 more staff over the medium term (from 664 in 2016/17 to 725 in 2018/19) to spread the recapitalisation and development process country wide and speed it up. Compensation of employees spending decreases somewhat over the period due to cost containment measures such as reduced bonuses and bursaries.

The Office of the Valuer-General has been operational since 2014/15. The office makes it more efficient for the department to acquire land, and values the land equitably. Its total allocation over the medium term is R24 million in the *Office of the Valuer-General* subprogramme in the *Land Reform* programme.

Establishing agri-parks

An agri-park is a networked system of agro-production, processing, logistics, marketing, training and extension services, located in a district municipality. Agri-parks aim to grow rural economies by facilitating the efficient movement of rural produce to markets. They support smallholder farmers by providing capacity building, mentorship, farm infrastructure, extension services, and production and mechanisation inputs. Agri-parks are developed on underutilised land. Smallholder farmers will own 70 per cent of an agri-park, and 30 per cent will be owned by government and commercial farmers.

Since the inception of the agri-parks initiative in 2015/16, approximately 10 566 smallholder farmers have been identified to benefit from agri-parks, and 69 692 hectares of land have been distributed for agri-parks. R2 billion per year will be allocated from 2015/16 over a 10-year period for developing agri-parks in 44 rural districts. This industrialisation of the rural economy is expected to create vibrant, equitable and sustainable rural communities with food security, and to speed up rural development. Agri-parks are also expected to contribute to government's target of creating 1 million new jobs in rural economies by 2030. Linked to the agri-parks initiative, the One Household, One Hectare programme promotes food security and improves rural livelihoods by allocating land to selected beneficiaries for subsistence farming. R2.8 billion over the MTEF period is allocated for this programme in the *Rural Infrastructure Development* subprogramme of the *Rural Development* programme. This constitutes 9 per cent of the department's budget.

Socioeconomic and river valley catalytic projects

Socioeconomic and river valley catalytic and animal and veld management projects aim to improve rural development through providing irrigation infrastructure and equipment. R1.9 billion over the MTEF period is allocated in the *Rural Enterprise and Industrial Development* subprogramme in the *Rural Development* programme. This constitutes 6 per cent of the departmental budget.

Extending the lodgement of land claims

The Restitution of Land Rights Amendment Act (2014) extended the lodgement of land claims for 5 years, from 1 July 2014 to 30 June 2019. Since then, 101 843 new claims have been lodged through an electronic system in 14 lodgement service centres and in mobile lodgement offices. Consultants are part of the pre-settlement of claims, and major cost drivers in 2015/16 were consultants and travel and subsistence in the *Restitution Regional Offices* subprogramme of the *Restitution* programme. Over the MTEF period, R678 million will be spent on consultants and travel and subsistence. Research to confirm the validity of claims is allocated R150 million in the same subprogramme for 2016/17. This will cover expenses for travelling to interview claimants and hold workshops. The total number of claims over the 5-year period of the extension is expected to be 397 000.

R10 billion is allocated for settling land restitution claims over the MTEF period, which constitutes 31 per cent of the department's budget. Personnel numbers will increase from 794 in 2016/17 to 805 in 2018/19, and compensation of employees will increase from R337 million to R396 million.

National rural youth service corps

The national rural youth service corps supports youth working on several projects to promote sustainable rural livelihoods, including implementing the animal and veld management programme and the fencing scheme, and supporting agricultural enterprises. The corps receives an allocation of R1.3 billion over the medium term in the *National Rural Youth Services Corps* subprogramme, which constitutes 4 per cent of the department's budget over the medium term. The allocation grows from R426 million in 2016/17 to R451 million in 2017/18, but then decreases to R395 million in 2018/19 due to cost containment measures. The corps expects to increase the number of new participants by 10 210 over the medium term to reach a total of 15 000.

The projected decrease in expenditure on goods and services in the *Rural Development* programme as a whole over the medium term is due to the establishment of Thaba-Nchu College in 2015/16. Less will be spent on travel and subsistence as recruits will be lodged at the college.

Security of tenure

R493.2 million was reprioritised within the *Land Reform* programme over the MTEF period for the implementation of 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 as well as provide for obligations regarding alternative accommodation for evicted people.

Establishing the South African Geomatics Council

Increased funding of R12 million over the MTEF period has been reprioritised from the Registration of Deeds Trading Account to establish the South African Geomatics Council in terms of the Geomatics Profession Act (2013). The council acts as a juristic person and oversees the geomatics profession. The act also provides for the establishment of a disciplinary mechanism and an appeal board.

Expenditure trends

Table 39.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. National Geomatics Management Services														
3. Rural Development														
4. Restitution														
5. Land Reform														
Programme	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
Programme 1	1 096.7	1 091.3	1 076.7	940.7	1 189.8	1 238.8	1 147.8	1 314.9	1 382.2	1 264.3	1 324.9	1 314.9	112.7%	101.9%
Programme 2	561.9	595.9	575.1	508.5	794.7	814.6	796.7	779.7	732.5	799.9	748.1	748.1	107.6%	98.4%
Programme 3	934.8	1 041.2	1 075.6	1 227.4	1 792.4	1 700.8	2 011.6	2 011.6	1 801.0	1 975.7	1 984.6	1 984.6	106.7%	96.1%
Programme 4	3 000.0	2 961.5	2 865.7	3 388.0	2 916.8	2 836.7	2 680.7	2 680.7	2 997.9	2 602.7	2 602.7	2 602.7	96.8%	101.3%
Programme 5	3 284.2	3 284.2	3 326.5	3 395.1	2 766.0	2 863.2	2 818.4	2 668.4	2 482.1	2 737.1	2 537.1	2 537.1	91.6%	99.6%
Total	8 877.6	8 974.1	8 919.6	9 459.7	9 459.7	9 454.1	9 455.3	9 455.3	9 395.8	9 379.7	9 197.4	9 187.4	99.4%	99.7%
Change to 2015 Budget estimate											(182.3)			

Table 39.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Current payments	3 213.0	3 516.5	3 180.1	3 052.1	4 599.2	3 722.2	3 549.6	3 675.5	3 139.7	3 617.7	3 469.9	3 459.9	100.5%	88.5%
Compensation of employees	1 556.0	1 483.9	1 727.8	1 676.9	1 965.4	1 541.3	2 195.8	1 999.8	1 791.6	2 115.9	2 114.7	2 114.7	95.1%	94.9%
Goods and services	1 657.0	2 032.6	1 416.6	1 375.2	2 633.8	2 175.2	1 353.8	1 675.7	1 342.5	1 501.8	1 354.8	1 344.8	106.6%	81.6%
<i>of which:</i>														
<i>Computer services</i>	60.7	66.6	98.9	46.0	217.2	96.6	112.9	144.2	105.9	114.7	133.9	133.9	130.2%	77.5%
<i>Consultants: Business and advisory services</i>	345.8	438.6	233.5	309.7	953.3	236.9	252.3	206.9	166.4	232.5	180.7	180.7	71.7%	45.9%
<i>Legal services</i>	20.6	23.9	81.1	18.4	45.0	104.7	39.6	43.3	130.2	37.9	39.1	39.1	304.7%	234.7%
<i>Operating leases</i>	100.9	84.2	142.4	150.4	97.6	180.5	67.6	63.8	189.1	72.0	166.9	156.9	171.1%	162.1%
<i>Property payments</i>	160.5	286.8	84.5	38.2	129.1	93.7	83.2	206.4	105.6	177.2	125.7	125.7	89.2%	54.7%
<i>Travel and subsistence</i>	127.3	228.2	321.2	76.3	491.4	791.0	282.8	420.2	277.8	335.8	241.2	241.2	198.4%	118.1%
<i>Interest and rent on land</i>	-	-	35.7	-	-	5.8	-	-	5.7	-	0.3	0.3	-	15 803.7%
Transfers and subsidies	5 649.8	5 420.5	5 604.9	6 391.4	4 819.8	5 470.9	5 881.7	5 721.9	5 458.3	5 736.8	5 665.7	5 665.7	93.8%	102.6%
Provinces and municipalities	0.0	0.1	0.6	0.1	0.2	10.5	0.2	64.5	125.6	3.7	57.2	57.2	4 745.9%	159.0%
Departmental agencies and accounts	2 189.2	2 067.3	2 328.3	2 481.3	1 934.3	2 184.4	2 068.5	1 852.6	1 752.4	1 679.6	1 380.0	1 376.0	90.8%	105.6%
Foreign governments and international organisations	1.3	1.5	1.5	1.4	1.8	1.8	1.5	1.5	2.1	1.5	1.5	1.5	119.4%	108.5%
Public corporations and private enterprises	130.9	10.9	193.4	118.5	58.5	120.7	0.0	0.0	41.0	0.0	0.0	0.0	142.3%	511.0%
Non-profit institutions	2.7	2.7	5.1	2.8	2.8	6.4	3.0	3.0	3.8	3.2	3.2	7.2	191.1%	191.1%
Households	3 325.6	3 337.9	3 076.2	3 787.2	2 822.2	3 147.2	3 808.5	3 800.3	3 533.4	4 048.8	4 223.8	4 223.8	93.4%	98.6%
Payments for capital assets	14.7	37.1	124.2	16.3	40.8	254.5	24.0	58.0	793.4	25.1	61.8	61.8	1 538.7%	624.5%
Buildings and other fixed structures	-	-	61.1	-	1.0	154.8	-	6.2	401.1	-	-	-	-	8 618.5%
Machinery and equipment	13.1	36.2	41.5	14.8	38.1	41.2	22.6	50.2	165.6	23.3	61.5	61.5	419.8%	166.6%
Biological assets	-	-	-	-	-	0.3	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	21.6	-	-	58.2	-	-	226.7	-	-	-	-	-
Software and other intangible assets	1.7	0.9	-	1.4	1.7	-	1.5	1.6	-	1.8	0.3	0.3	4.0%	5.7%
Payments for financial assets	-	-	10.4	-	-	6.5	-	-	4.4	-	-	-	-	-
Total	8 877.6	8 974.1	8 919.6	9 459.7	9 459.7	9 454.1	9 455.3	9 455.3	9 395.8	9 379.7	9 197.4	9 187.4	99.4%	99.7%

Expenditure estimates

Table 39.3 Vote expenditure estimates by programme and economic classification

Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Programme 1	1 314.9	6.4%	13.6%	1 462.1	1 547.7	1 644.1	7.7%	14.6%
Programme 2	748.1	7.9%	7.8%	817.9	755.2	785.4	1.6%	7.6%
Programme 3	1 984.6	24.0%	17.8%	1 914.4	1 995.8	2 030.8	0.8%	19.4%
Programme 4	2 602.7	-4.2%	30.6%	3 168.2	3 346.0	3 545.2	10.9%	30.9%
Programme 5	2 537.1	-8.2%	30.3%	2 761.8	2 904.7	3 073.3	6.6%	27.5%
Total	9 187.4	0.8%	100.0%	10 124.3	10 549.5	11 078.8	6.4%	100.0%
Change to 2015 Budget estimate				(267.7)	(339.2)	(356.9)		

Table 39.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2015/16	2016/17	2017/18		
R million								
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Current payments	3 459.9	-0.5%	36.5%	3 822.7	3 908.1	4 111.5	5.9%	37.4%
Compensation of employees	2 114.7	12.5%	19.4%	2 142.6	2 219.0	2 351.9	3.6%	21.6%
Goods and services	1 344.8	-12.9%	17.0%	1 680.2	1 689.1	1 759.6	9.4%	15.8%
of which:								
Computer services	133.9	26.2%	1.2%	140.8	154.7	164.8	7.2%	1.5%
Consultants: Business and advisory services	180.7	-25.6%	2.2%	375.1	400.6	412.3	31.6%	3.3%
Legal services	39.1	17.8%	1.0%	107.1	100.6	105.2	39.1%	0.9%
Operating leases	156.9	23.0%	1.8%	261.7	236.2	248.8	16.6%	2.2%
Property payments	125.7	-24.0%	1.1%	139.6	155.7	167.5	10.0%	1.4%
Travel and subsistence	241.2	1.9%	4.4%	216.7	200.3	203.1	-5.6%	2.1%
Interest and rent on land	0.3	-	0.1%	-	-	-	-100.0%	0.0%
Transfers and subsidies	5 665.7	1.5%	60.1%	6 282.2	6 621.8	6 948.9	7.0%	62.3%
Provinces and municipalities	57.2	848.5%	0.5%	83.3	86.1	91.0	16.7%	0.8%
Departmental agencies and accounts	1 376.0	-12.7%	20.7%	1 592.5	1 640.0	1 740.9	8.2%	15.5%
Foreign governments and international organisations	1.5	-1.0%	0.0%	1.6	1.7	1.7	5.4%	0.0%
Non-profit institutions	7.2	38.4%	0.1%	3.3	3.5	3.7	-19.8%	0.0%
Households	4 223.8	8.2%	37.8%	4 601.4	4 890.5	5 111.6	6.6%	46.0%
Payments for capital assets	61.8	18.5%	3.3%	19.4	19.5	18.3	-33.3%	0.3%
Machinery and equipment	61.5	19.4%	0.8%	18.3	18.3	18.1	-33.6%	0.3%
Software and other intangible assets	0.3	-35.6%	0.0%	1.1	1.2	0.3	1.6%	0.0%
Total	9 187.4	0.8%	100.0%	10 124.3	10 549.5	11 078.8	6.4%	100.0%

Personnel information

Table 39.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2015/16 - 2018/19					
		2014/15		2015/16			2016/17		2017/18			2018/19							
		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																			
Salary level	5 376	398	4 563	1 791.6	0.4	5 077	2 114.7	0.4	4 790	2 142.6	0.4	4 869	2 369.9	0.5	4 940	2 620.6	0.5	-0.9%	100.0%
1 - 6	1 337	184	1 227	252.6	0.2	1 230	258.9	0.2	1 207	295.3	0.2	1 211	320.8	0.3	1 222	349.7	0.3	-0.2%	24.8%
7 - 10	2 742	143	2 367	834.6	0.4	2 686	1 007.5	0.4	2 559	1 043.5	0.4	2 595	1 149.2	0.4	2 619	1 254.4	0.5	-0.8%	53.2%
11 - 12	977	70	728	445.7	0.6	842	535.5	0.6	767	522.7	0.7	792	581.8	0.7	799	638.4	0.8	-1.7%	16.3%
13 - 16	320	1	241	258.7	1.1	319	312.9	1.0	257	281.1	1.1	271	318.2	1.2	300	378.0	1.3	-2.0%	5.8%
Programme	5 376	398	4 563	1 791.6	0.4	5 077	2 114.7	0.4	4 790	2 142.6	0.4	4 869	2 369.9	0.5	4 940	2 620.6	0.5	-0.9%	100.0%
Programme 1	1 575	16	1 577	635.5	0.4	1 733	697.2	0.4	1 610	696.4	0.4	1 654	773.8	0.5	1 675	859.7	0.5	-1.1%	33.9%
Programme 2	1 257	259	1 159	411.6	0.4	1 230	480.0	0.4	1 196	504.9	0.4	1 205	551.6	0.5	1 209	601.8	0.5	-0.6%	24.6%
Programme 3	519	9	531	249.6	0.5	545	269.1	0.5	526	282.5	0.5	523	307.5	0.6	526	334.8	0.6	-1.2%	10.8%
Programme 4	1 244	-	718	255.3	0.4	790	312.3	0.4	794	336.6	0.4	784	371.8	0.5	805	409.3	0.5	0.6%	16.1%
Programme 5	781	114	578	239.5	0.4	779	356.2	0.5	664	322.2	0.5	703	365.3	0.5	725	414.9	0.6	-2.4%	14.6%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(150.9)	-	-	(268.6)	-	-	-
Total	5 376	398	4 563	1 791.6	0.4	5 077	2 114.7	0.4	4 790	2 142.6	0.4	-	2 219.0	-	-	2 351.9	-	-	-

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

2. The department's compensation of employees budget has been reduced by R419.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 39.5 Departmental receipts by economic classification

R thousand	Audited outcome				Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16					2012/13 - 2015/16	2016/17	2017/18		
Departmental receipts	79 624	104 622	87 439	91 431	72 075	-3.3%	100.0%	93 173	97 830	99 341	11.3%	100.0%	
Sales of goods and services produced by department	20 140	21 213	21 534	24 121	23 589	5.4%	25.2%	23 494	24 667	24 914	1.8%	26.7%	
Sales by market establishments	881	1 019	1 023	1 034	745	-5.4%	1.1%	1 148	1 206	1 218	17.8%	1.2%	
<i>of which:</i>													
Market establishment: Non-residential building	877	1 018	1 022	1 034	745	-5.3%	1.1%	1 085	1 140	1 151	15.6%	1.1%	
Market establishment: Parking: Covered and open	4	1	1	-	-	-100.0%	-	63	66	67	-	0.1%	
Administrative fees	16 325	16 658	16 722	18 854	18 061	3.4%	19.7%	18 830	19 771	19 969	3.4%	21.1%	
<i>of which:</i>													
Servitude rights	976	969	292	1 359	1 413	13.1%	1.1%	468	491	496	-29.5%	0.8%	
Surveyor inspection fees	15 348	15 687	16 427	17 486	16 640	2.7%	18.6%	18 361	19 279	19 472	5.4%	20.3%	
Request information: Promotion of Access to Information Act (2000)	1	2	3	9	8	100.0%	-	1	1	1	-50.0%	-	
Other sales	2 934	3 536	3 789	4 233	4 783	17.7%	4.4%	3 516	3 690	3 727	-8.0%	4.3%	
<i>of which:</i>													
Services rendered: Commission on insurance and garnishees	569	697	824	633	906	16.8%	0.9%	543	570	576	-14.0%	0.7%	
Services rendered: Management fees	1	1	1	52	4	58.7%	-	39	41	41	117.2%	-	
Sales: Tender documents	229	355	665	1 218	1 326	79.6%	0.7%	487	511	516	-27.0%	0.8%	
Sales: Maps	1 949	2 168	1 889	1 978	1 900	-0.8%	2.3%	2 077	2 180	2 202	5.0%	2.3%	
Plan sales: Charts/posters	186	315	410	352	647	51.5%	0.5%	370	388	392	-15.4%	0.5%	
Sales of scrap, waste, arms and other used current goods	2	5	5	15	8	58.7%	-	16	17	17	28.6%	-	
<i>of which:</i>													
Sales: Scrap	2	4	4	14	7	51.8%	-	15	16	16	31.7%	-	
Sales: Waste paper	-	1	1	1	1	-	-	1	1	1	-	-	
Transfers received	-	-	-	244	-	-	-	-	-	-	-	-	
Interest, dividends and rent on land	31 507	21 469	13 503	16 051	16 285	-19.7%	24.1%	16 853	17 695	18 405	4.2%	19.1%	
Interest	22 558	18 862	12 043	12 082	14 454	-13.8%	19.8%	12 686	13 320	13 986	-1.1%	15.0%	
Rent on land	8 949	2 607	1 460	3 969	1 831	-41.1%	4.3%	4 167	4 375	4 419	34.1%	4.1%	
Sales of capital assets	205	147	523	700	700	50.6%	0.5%	-	-	-	-100.0%	0.2%	
Transactions in financial assets and liabilities	27 770	61 788	51 874	50 300	31 493	4.3%	50.3%	52 810	55 451	56 005	21.2%	54.0%	
Total	79 624	104 622	87 439	91 431	72 075	-3.3%	100.0%	93 173	97 830	99 341	11.3%	100.0%	

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 39.6 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19
R million											
Ministry	24.3	34.9	41.2	41.0	19.1%	2.8%	38.6	38.3	41.6	0.5%	2.7%
Management	80.1	114.2	133.8	151.5	23.7%	9.6%	153.3	171.9	183.6	6.6%	11.0%
Internal Audit	48.3	32.8	41.0	51.8	2.4%	3.5%	47.8	52.2	55.5	2.3%	3.5%
Corporate Services	340.8	433.1	499.0	387.6	4.4%	33.1%	406.0	445.0	470.9	6.7%	28.6%
Financial Services	127.6	144.1	168.2	183.4	12.9%	12.4%	227.2	242.9	253.7	11.4%	15.2%
Provincial Coordination	273.1	277.9	294.5	318.5	5.3%	23.2%	334.1	365.0	388.2	6.8%	23.5%
Office Accommodation	182.5	201.7	204.5	191.1	1.5%	15.5%	255.1	232.3	250.6	9.4%	15.5%
Total	1 076.7	1 238.8	1 382.2	1 324.9	7.2%	100.0%	1 462.1	1 547.7	1 644.1	7.5%	100.0%
Change to 2015				60.7			143.7	158.6	174.4		
Budget estimate											
Economic classification											
Current payments	1 014.7	1 161.8	1 222.0	1 291.3	8.4%	93.4%	1 455.7	1 541.1	1 637.6	8.2%	99.1%
Compensation of employees	430.6	531.2	635.5	697.2	17.4%	45.7%	696.4	769.4	815.2	5.3%	49.8%
Goods and services	584.1	630.5	586.5	594.1	0.6%	47.7%	759.3	771.8	822.5	11.4%	49.3%
of which:											
Computer services	77.3	84.4	89.2	117.5	15.0%	7.3%	128.7	142.6	153.7	9.4%	9.1%
Consultants: Business and advisory services	34.8	44.6	34.3	27.9	-7.1%	2.8%	28.1	30.3	30.8	3.3%	2.0%
Operating leases	141.4	172.1	174.1	147.4	1.4%	12.6%	247.5	220.3	233.3	16.5%	14.2%
Property payments	68.5	73.5	87.1	95.8	11.8%	6.5%	120.8	132.7	144.7	14.7%	8.3%
Travel and subsistence	67.6	85.5	65.7	53.9	-7.2%	5.4%	55.5	55.3	57.3	2.0%	3.7%
Training and development	15.3	16.4	5.9	8.7	-17.2%	0.9%	21.4	23.6	26.1	44.5%	1.3%
Transfers and subsidies	37.6	58.0	39.3	0.2	-82.9%	2.7%	0.4	0.1	0.2	-1.1%	-
Departmental agencies and accounts	5.0	5.4	3.5	0.0	-90.7%	0.3%	-	-	-	-100.0%	-
Public corporations and private enterprises	32.3	51.9	33.7	-	-100.0%	2.3%	-	-	-	-	-
Households	0.4	0.7	2.1	0.2	-20.1%	0.1%	0.4	0.1	0.2	-1.7%	-
Payments for capital assets	22.4	17.8	119.4	33.4	14.2%	3.8%	5.9	6.5	6.3	-42.8%	0.9%
Buildings and other fixed structures	7.8	2.5	7.7	-	-100.0%	0.4%	-	-	-	-	-
Machinery and equipment	14.6	15.3	111.7	33.4	31.7%	3.5%	5.9	6.5	6.3	-42.7%	0.9%
Software and other intangible assets	-	-	-	0.1	-	-	-	-	-	-100.0%	-
Payments for financial assets	1.9	1.2	1.4	-	-100.0%	0.1%	-	-	-	-	-
Total	1 076.7	1 238.8	1 382.2	1 324.9	7.2%	100.0%	1 462.1	1 547.7	1 644.1	7.5%	100.0%
Proportion of total programme expenditure to vote expenditure	12.1%	13.1%	14.7%	14.4%	-	-	14.4%	14.7%	14.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5.0	5.4	3.5	0.0	-90.7%	0.3%	-	-	-	-100.0%	-
Public Service Sector Education and Training Authority	-	2.4	3.5	-	-	0.1%	-	-	-	-	-
Human Sciences Resource Council	5.0	-	-	-	-100.0%	0.1%	-	-	-	-	-
Council for Scientific and Industrial Research	-	3.0	-	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises	-	51.9	33.7	-	-	1.7%	-	-	-	-	-
Coega	-	51.9	33.7	-	-	1.7%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations	32.3	-	-	-	-100.0%	0.6%	-	-	-	-	-
Coega	32.3	-	-	-	-100.0%	0.6%	-	-	-	-	-

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 through the application of relevant legislation by 2020.
- Develop and implement the national spatial development framework to appropriately direct government investment in order to yield results with maximum impact by 2020.
- Support all municipalities in implementing the Spatial Land Use Management Act (2013) and stimulating development in areas of poverty, as well as reducing spatial inequalities, by holding 9 workshops on the implementation of the act by 2020.
- Improve the management efficiency of cadastral surveys 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; the development of the national spatial development framework and rural development plans, guidelines, and norms and standards; and ensuring compliance with the Spatial Land Use Management Act (2013). This subprogramme also provides support to the South African Council for Planners and technical assistance to other spheres of government by providing spatial development frameworks and land use schemes, and establishing 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 39.7 National Geomatics Management Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R million											
National Geomatics Management Services	472.2	446.1	434.5	513.2	2.8%	65.0%	565.0	445.0	458.3	-3.7%	63.8%
Spatial Planning and Land Use Management	89.0	123.9	181.8	211.8	33.5%	21.1%	177.9	174.4	183.5	-4.7%	24.1%
Registration of Deeds Trading Account	11.1	241.7	113.2	15.9	12.7%	13.3%	67.6	128.2	135.9	104.3%	11.2%
South African Council for Planners	2.7	2.8	3.0	3.2	5.4%	0.4%	3.3	3.5	3.7	5.4%	0.4%
South African Geomatics Council	–	–	–	4.0	–	0.1%	4.0	4.0	4.0	–	0.5%
Total	575.1	814.6	732.5	748.1	9.2%	100.0%	817.9	755.2	785.4	1.6%	100.0%
Change to 2015				(51.8)			(12.5)	(120.1)	(140.6)		
Budget estimate											

Table 39.7 National Geomatics Management Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
Current payments	517.0	528.0	602.0	686.6	9.9%	81.3%	711.8	588.0	610.3	-3.8%	83.6%
Compensation of employees	321.2	357.4	411.6	480.0	14.3%	54.7%	504.9	420.8	444.4	-2.5%	59.6%
Goods and services	195.9	170.6	190.3	206.6	1.8%	26.6%	206.9	167.2	165.9	-7.1%	24.0%
<i>of which:</i>											
Minor assets	1.3	1.5	0.5	3.2	33.5%	0.2%	19.9	2.6	2.0	-14.9%	0.9%
Computer services	17.1	9.2	15.2	11.6	-12.1%	1.9%	10.5	10.1	9.0	-8.2%	1.3%
Consultants: Business and advisory services	31.6	52.3	86.4	96.7	45.1%	9.3%	72.9	76.8	82.2	-5.3%	10.6%
Contractors	16.8	22.2	15.5	20.6	7.1%	2.6%	22.8	24.2	20.9	0.4%	2.9%
Consumables: Stationery, printing and office supplies	5.1	4.8	4.9	4.9	-1.3%	0.7%	5.5	6.0	5.9	6.4%	0.7%
Travel and subsistence	70.7	29.8	20.8	18.5	-36.0%	4.9%	48.3	21.6	21.4	5.0%	3.5%
Interest and rent on land	0.0	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies	43.6	277.6	124.6	51.6	5.8%	17.3%	101.0	162.9	172.4	49.5%	15.7%
Departmental agencies and accounts	11.1	242.2	118.1	19.9	21.4%	13.6%	71.6	132.2	139.9	91.5%	11.7%
Foreign governments and international organisations	1.5	1.8	2.1	1.5	0.8%	0.2%	1.6	1.7	1.7	5.4%	0.2%
Non-profit institutions	2.7	2.8	3.0	3.2	5.4%	0.4%	3.3	3.5	3.7	5.4%	0.4%
Households	28.3	30.7	1.4	27.0	-1.5%	3.0%	24.4	25.5	27.0	-	3.3%
Payments for capital assets	13.6	7.0	4.8	9.9	-10.2%	1.2%	5.2	4.2	2.7	-35.0%	0.7%
Machinery and equipment	13.6	7.0	4.8	9.7	-10.7%	1.2%	4.1	3.0	2.4	-36.9%	0.6%
Software and other intangible assets	-	-	-	0.2	-	-	1.1	1.2	0.3	19.2%	0.1%
Payments for financial assets	0.9	2.0	1.1	-	-100.0%	0.1%	-	-	-	-	-
Total	575.1	814.6	732.5	748.1	9.2%	100.0%	817.9	755.2	785.4	1.6%	100.0%
Proportion of total programme expenditure to vote expenditure	6.4%	8.6%	7.8%	8.1%	-	-	8.1%	7.2%	7.1%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	26.8	28.7	0.2	26.9	0.2%	2.9%	24.1	25.4	26.8	-0.1%	3.3%
Bursaries for non-employees	26.7	28.7	0.2	26.9	0.2%	2.9%	24.1	25.4	26.8	-0.1%	3.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	11.1	242.2	118.1	19.9	21.4%	13.6%	71.6	132.2	139.9	91.5%	11.7%
Council for Scientific and Industrial Research	-	0.5	1.9	-	-	0.1%	-	-	-	-	-
Registration of deeds trading account	11.1	241.7	113.2	15.9	12.7%	13.3%	67.6	128.2	135.9	104.3%	11.2%
South African Geomatics Council	-	-	-	4.0	-	0.1%	4.0	4.0	4.0	-	0.5%
South African Local Government Association national member assembly	-	-	3.0	-	-	0.1%	-	-	-	-	-
Non-profit institutions											
Current	2.7	2.8	3.0	3.2	5.4%	0.4%	3.3	3.5	3.7	5.4%	0.4%
South African Council for Planners	2.7	2.8	3.0	3.2	5.4%	0.4%	3.3	3.5	3.7	5.4%	0.4%
Foreign governments and international organisations											
Current	1.5	1.8	2.1	1.5	0.8%	0.2%	1.6	1.7	1.7	5.4%	0.2%
Regional centre for mapping of resources for development	1.5	1.8	2.1	1.5	0.8%	0.2%	1.6	1.7	1.7	5.4%	0.2%

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 2020.

- Increase job opportunities through the comprehensive rural development programme and land reform initiatives by 2020.
- Ensure skills development opportunities are created through the national rural youth service corps, and rural development and land reform initiatives by 2020.

Subprogrammes

- *Rural Infrastructure Development* facilitates improved access to social and economic infrastructure, and provides income generating opportunities through improved physical infrastructure in rural areas.
- *Rural Enterprise and Industrial Development* is responsible for the creation of an enabling institutional environment for sustainable rural development, and provides for social and economic development and sustainable livelihoods 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 the creation of cooperatives; and develop rural enterprises and industries.
- *National Rural Youth Services Corps* is responsible for training rural youth in a variety of skills such as building and farming, or skills to match the needs of communities from which they are recruited.

Expenditure trends and estimates

Table 39.8 Rural 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 (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R million											
Rural Infrastructure Development	252.5	362.5	712.4	926.7	54.3%	34.4%	906.5	922.5	977.2	1.8%	47.1%
Rural Enterprise and Industrial Development	287.3	517.1	459.3	725.9	36.2%	30.3%	581.8	621.8	658.4	-3.2%	32.7%
National Rural Youth Services Corps	535.8	821.2	629.2	331.9	-14.7%	35.3%	426.0	451.5	395.1	6.0%	20.2%
Total	1 075.6	1 700.8	1 801.0	1 984.6	22.7%	100.0%	1 914.4	1 995.8	2 030.8	0.8%	100.0%
Change to 2015 Budget estimate				8.8			(273.1)	(268.0)	(279.8)		
Economic classification											
Current payments	918.2	1 064.3	417.1	425.3	-22.6%	43.0%	388.1	403.3	417.3	-0.6%	20.6%
Compensation of employees	610.1	200.4	249.6	269.1	-23.9%	20.3%	282.5	297.0	314.8	5.4%	14.7%
Goods and services	308.1	863.9	167.5	156.3	-20.2%	22.8%	105.6	106.3	102.4	-13.1%	5.9%
of which:											
Administrative fees	10.2	36.6	6.4	7.8	-8.8%	0.9%	8.6	7.6	6.2	-7.0%	0.4%
Minor assets	1.3	6.8	1.2	10.7	103.9%	0.3%	8.2	5.1	5.3	-21.0%	0.4%
Consultants: Business and advisory services	144.0	76.6	26.0	5.5	-66.3%	3.8%	17.4	16.9	16.6	44.1%	0.7%
Consumables: Stationery, printing and office supplies	1.8	3.4	3.4	8.4	66.3%	0.3%	7.6	7.1	7.2	-5.1%	0.4%
Travel and subsistence	79.9	556.4	90.3	80.7	0.4%	12.3%	37.1	44.7	41.4	-19.9%	2.6%
Venues and facilities	16.9	38.5	18.2	7.4	-24.2%	1.2%	6.4	5.7	5.5	-9.1%	0.3%
Transfers and subsidies	100.8	479.8	985.5	1 553.2	148.8%	47.5%	1 521.9	1 587.9	1 608.6	1.2%	79.1%
Provinces and municipalities	-	7.1	4.6	-	-	0.2%	-	-	-	-	-
Departmental agencies and accounts	90.8	225.1	-	-	-100.0%	4.8%	-	-	-	-	-
Public corporations and private enterprises	7.5	68.8	7.3	-	-100.0%	1.3%	-	-	-	-	-
Non-profit institutions	2.4	3.6	0.7	-	-100.0%	0.1%	-	-	-	-	-
Households	0.1	175.2	972.9	1 553.2	2523.6%	41.2%	1 521.9	1 587.9	1 608.6	1.2%	79.1%
Payments for capital assets	56.3	156.2	398.1	6.1	-52.3%	9.4%	4.4	4.6	4.9	-7.2%	0.3%
Buildings and other fixed structures	52.8	150.3	393.5	-	-100.0%	9.1%	-	-	-	-	-
Machinery and equipment	3.5	5.6	4.6	6.1	20.3%	0.3%	4.4	4.6	4.9	-7.2%	0.3%
Biological assets	-	0.3	-	-	-	-	-	-	-	-	-
Payments for financial assets	0.2	0.6	0.3	-	-100.0%	-	-	-	-	-	-
Total	1 075.6	1 700.8	1 801.0	1 984.6	22.7%	100.0%	1 914.4	1 995.8	2 030.8	0.8%	100.0%
Proportion of total programme expenditure to vote expenditure	12.1%	18.0%	19.2%	21.6%	-	-	18.9%	18.9%	18.3%	-	-

Table 39.8 Rural Development expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Households											
Other transfers to households											
Current	-	175.0	972.6	1 553.1	-	41.2%	1 521.9	1 587.9	1 608.6	1.2%	79.1%
Rural Infrastructure Development	-	-	193.8	801.7	-	15.2%	794.2	814.4	864.6	2.5%	41.3%
Rural Enterprise and Industrial Development	-	-	246.8	517.4	-	11.6%	390.6	417.5	450.0	-4.5%	22.4%
National Rural Youth Services Corps	-	175.0	531.9	234.1	-	14.3%	337.1	356.0	294.0	7.9%	15.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	90.8	225.1	-	-	-100.0%	4.8%	-	-	-	-	-
Agricultural Research Council	72.2	174.3	-	-	-100.0%	3.8%	-	-	-	-	-
Agricultural Business Development Agency	17.4	7.6	-	-	-100.0%	0.4%	-	-	-	-	-
Provincial Agricultural and Rural Development Corporation	1.2	-	-	-	-100.0%	-	-	-	-	-	-
Development Bank of Southern Africa	-	20.7	-	-	-	0.3%	-	-	-	-	-
National Agricultural Marketing Council	-	9.5	-	-	-	0.1%	-	-	-	-	-
National Woolgrowers' Association	-	11.9	-	-	-	0.2%	-	-	-	-	-
Mpumalanga Regional Training Trust	-	1.2	-	-	-	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	7.1	4.6	-	-	0.2%	-	-	-	-	-
Municipal rates and taxes	-	7.1	4.6	-	-	0.2%	-	-	-	-	-
Non-profit institutions											
Current	2.4	3.6	0.7	-	-100.0%	0.1%	-	-	-	-	-
Goedgedacht Trust	2.4	1.6	-	-	-100.0%	0.1%	-	-	-	-	-
Ikageng self-help association for the blind	-	1.0	0.7	-	-	-	-	-	-	-	-
Ikemiseng Association for the Blind	-	1.0	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	7.5	68.8	6.5	-	-100.0%	1.3%	-	-	-	-	-
Independent Development Trust	7.5	31.5	6.5	-	-100.0%	0.7%	-	-	-	-	-
Council for Scientific and Industrial Research	-	37.3	-	-	-	0.6%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	-	-	0.8	-	-	-	-	-	-	-	-
Independent Development Trust	-	-	0.8	-	-	-	-	-	-	-	-

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 2019 through:
 - the finalisation of 1 302 land claims
 - the settling of 2 070 new land claims
 - the approval of 255 phased projects
 - the researching of 4 619 new land claims.
- Reopen the lodgement of land restitution claims for those who did not meet the 1998 deadline by soliciting and receiving new land claims by 2019.

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* pays grants to redress 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 39.9 Restitution expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R million											
Restitution National Office	38.8	160.0	126.9	59.3	15.2%	3.4%	217.5	233.5	239.3	59.2%	5.9%
Restitution Regional Offices	356.4	388.1	610.1	427.4	6.2%	15.8%	437.7	490.0	522.6	6.9%	14.8%
Restitution Grants	2 470.5	2 288.6	2 260.9	2 116.0	-5.0%	80.8%	2 512.9	2 622.6	2 783.4	9.6%	79.3%
Total	2 865.7	2 836.7	2 997.9	2 602.7	-3.2%	100.0%	3 168.2	3 346.0	3 545.2	10.9%	100.0%
Change to 2015				-			(13.1)	5.1	10.5		
Budget estimate											
Economic classification											
Current payments	361.0	493.1	453.3	472.1	9.4%	15.7%	647.6	716.3	754.3	16.9%	20.5%
Compensation of employees	177.8	216.9	255.3	312.3	20.7%	8.5%	336.6	369.3	395.8	8.2%	11.2%
Goods and services	147.6	270.8	192.7	159.5	2.6%	6.8%	310.9	347.0	358.5	31.0%	9.3%
of which:											
Minor assets	1.4	1.0	2.5	8.6	82.4%	0.1%	5.7	8.8	9.3	2.6%	0.3%
Communication	12.8	12.2	12.2	11.8	-2.8%	0.4%	9.3	13.9	14.4	7.1%	0.4%
Consultants: Business and advisory services	12.2	57.7	17.9	12.8	1.7%	0.9%	180.2	187.7	189.4	145.5%	4.5%
Legal services	29.1	20.3	32.4	14.4	-20.8%	0.9%	15.3	20.5	20.4	12.3%	0.6%
Agency and support/outsourced services	12.7	14.4	7.0	9.0	-10.8%	0.4%	10.6	12.3	16.2	21.6%	0.4%
Travel and subsistence	44.6	69.8	46.8	33.5	-9.1%	1.7%	36.9	40.6	42.8	8.5%	1.2%
Interest and rent on land	35.7	5.4	5.4	0.3	-79.7%	0.4%	-	-	-	-100.0%	-
Transfers and subsidies	2 470.6	2 278.6	2 278.7	2 124.8	-4.9%	81.0%	2 518.2	2 627.1	2 788.2	9.5%	79.4%
Provinces and municipalities	0.0	0.5	17.4	8.4	1087.0%	0.2%	5.0	4.2	4.5	-18.8%	0.2%
Households	2 470.6	2 278.1	2 261.3	2 116.5	-5.0%	80.7%	2 513.2	2 622.9	2 783.7	9.6%	79.3%
Payments for capital assets	27.2	63.0	264.8	5.7	-40.5%	3.2%	2.5	2.6	2.7	-21.9%	0.1%
Machinery and equipment	5.6	4.8	38.2	5.7	0.8%	0.5%	2.5	2.6	2.7	-21.9%	0.1%
Land and sub-soil assets	21.6	58.2	226.7	-	-100.0%	2.7%	-	-	-	-	-
Payments for financial assets	6.9	2.1	1.0	-	-100.0%	0.1%	-	-	-	-	-
Total	2 865.7	2 836.7	2 997.9	2 602.7	-3.2%	100.0%	3 168.2	3 346.0	3 545.2	10.9%	100.0%
Proportion of total programme expenditure to vote expenditure	32.1%	30.0%	31.9%	28.3%	-	-	31.3%	31.7%	32.0%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Capital	2 470.5	2 278.0	2 260.9	2 116.0	-5.0%	80.7%	2 512.9	2 622.6	2 783.4	9.6%	79.3%
Restitution grants	2 470.5	2 278.0	2 260.9	2 116.0	-5.0%	80.7%	2 512.9	2 622.6	2 783.4	9.6%	79.3%

Programme 5: Land Reform

Programme purpose

Provide sustainable land reform programmes in South Africa.

Objectives

- Facilitate the accelerated rollout of the land redistribution programme by acquiring 2 million hectares of strategically located land for equitable redistribution and agricultural development, in line with national economic job drivers, by 2020.
- Provide comprehensive farm development support through the recapitalisation and development programme by 2019.
- 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 to be compliant with legislation
 - supporting farm dwellers with secure tenure rights and ensuring 100 per cent completeness of the immovable asset register.

Subprogrammes

- *Land Reform National Office* develops and coordinates land reform projects; facilitates the implementation of land reform programmes and projects; provides support services to provincial offices; provides state land administration services; provides information, risk and compliance management in the land reform branch; provides strategic land reform intervention support through recapitalisation and development services to align land reform strategic institutional partnerships, and land acquisition and land warehouse services; and is responsible for the land reform empowerment facility, which provides for transfers to Khula Enterprise Finance, the revolving credit loan facility that was established to finance land acquisition and equity in commercial farming ventures.
- *Land Reform Provincial Offices* implements land reform programmes and projects, and administers state land in each province. Provincial offices have also been developed for recapitalising and developing distressed land reform projects, and strengthening the security of tenure of farm dwellers and labour tenants by providing legal support.
- *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 land valuations of land earmarked for land reform and land restitution purposes.

Expenditure trends and estimates

Table 39.10 Land Reform expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Land Reform National Office	129.0	204.5	170.3	166.2	8.8%	6.0%	242.7	250.0	261.0	16.2%	8.2%
Land Reform Provincial Offices	246.0	285.3	385.5	480.5	25.0%	12.5%	451.8	486.6	513.0	2.2%	17.1%
Land Reform Grants	634.3	661.7	295.5	524.9	-6.1%	18.9%	539.4	652.0	689.8	9.5%	21.3%
KwaZulu-Natal Ingonyama Trust Board	18.8	14.5	17.3	18.1	-1.3%	0.6%	18.8	19.7	20.9	4.9%	0.7%
Agricultural Land Holding Account	2 298.3	1 697.1	1 613.5	1 342.0	-16.4%	62.0%	1 502.1	1 488.0	1 580.1	5.6%	52.4%
Office of Valuer-General	-	-	-	5.5	-	-	7.0	8.4	8.6	16.1%	0.3%
Total	3 326.5	2 863.2	2 482.1	2 537.1	-8.6%	100.0%	2 761.8	2 904.7	3 073.3	6.6%	100.0%
Change to 2015				(200.0)			(112.6)	(114.8)	(121.4)		
Budget estimate											

Table 39.10 Land Reform expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Current payments	369.0	475.1	445.2	594.6	17.2%	16.8%	619.6	659.3	692.0	5.2%	22.8%
Compensation of employees	188.1	235.3	239.5	356.2	23.7%	9.1%	322.2	362.5	381.7	2.3%	12.6%
Goods and services	181.0	239.5	205.5	238.4	9.6%	7.7%	297.4	296.9	310.4	9.2%	10.1%
of which:											
Administrative fees	3.4	2.6	2.7	18.3	75.6%	0.2%	17.0	7.1	7.4	-26.1%	0.4%
Minor assets	1.7	1.6	2.4	15.1	106.0%	0.2%	11.0	12.1	11.8	-7.8%	0.4%
Consultants: Business and advisory services	11.0	5.7	1.8	37.8	51.1%	0.5%	76.6	88.9	93.4	35.1%	2.6%
Legal services	42.7	79.2	87.3	22.5	-19.2%	2.1%	82.6	70.4	74.5	49.0%	2.2%
Agency and support/outsourced services	14.7	38.3	0.9	1.8	-50.7%	0.5%	10.8	11.6	12.5	92.3%	0.3%
Travel and subsistence	58.5	49.4	54.2	54.5	-2.3%	1.9%	38.9	38.1	40.2	-9.7%	1.5%
Interest and rent on land	-	0.3	0.2	-	-	-	-	-	-	-	-
Transfers and subsidies	2 952.3	2 377.0	2 030.1	1 935.9	-13.1%	82.9%	2 140.7	2 243.7	2 379.6	7.1%	77.1%
Provinces and municipalities	0.5	2.9	103.6	48.8	350.9%	1.4%	78.3	81.9	86.5	21.0%	2.6%
Departmental agencies and accounts	2 221.3	1 711.6	1 630.8	1 360.1	-15.1%	61.8%	1 520.9	1 507.7	1 601.0	5.6%	53.1%
Public corporations and private enterprises	153.6	-	-	0.0	-98.1%	1.4%	0.0	0.0	0.0	-	-
Households	576.9	662.5	295.7	527.0	-3.0%	18.4%	541.4	654.1	692.1	9.5%	21.4%
Payments for capital assets	4.6	10.5	6.3	6.6	13.1%	0.2%	1.5	1.6	1.7	-36.0%	0.1%
Buildings and other fixed structures	0.4	2.0	-	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	4.2	8.6	6.3	6.6	16.5%	0.2%	1.5	1.6	1.7	-36.0%	0.1%
Payments for financial assets	0.5	0.6	0.5	-	-100.0%	-	-	-	-	-	-
Total	3 326.5	2 863.2	2 482.1	2 537.1	-8.6%	100.0%	2 761.8	2 904.7	3 073.3	6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	37.3%	30.3%	26.4%	27.6%	-	-	27.3%	27.5%	27.7%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Capital	576.6	661.7	295.5	524.9	-3.1%	18.4%	539.4	652.0	689.8	9.5%	21.3%
Land reform grants	576.6	661.7	295.5	524.9	-3.1%	18.4%	539.4	652.0	689.8	9.5%	21.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 221.3	1 711.6	1 630.8	1 360.1	-15.1%	61.8%	1 520.9	1 507.7	1 601.0	5.6%	53.1%
KwaZulu-Natal Ingonyama Trust Board	18.8	14.5	17.3	18.1	-1.3%	0.6%	18.8	19.7	20.9	4.9%	0.7%
Agricultural land holding account	2 202.5	1 697.1	1 613.5	1 342.0	-15.2%	61.2%	1 502.1	1 488.0	1 580.1	5.6%	52.4%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	0.5	2.9	103.6	48.8	350.9%	1.4%	78.3	81.9	86.5	21.0%	2.6%
Vehicle licences	0.0	0.0	103.6	48.8	1416.1%	1.4%	3.2	4.0	4.2	-55.9%	0.5%
Rates and taxes	0.5	2.8	-	-	-100.0%	-	75.1	77.9	82.3	-	2.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	95.8	-	-	-	-100.0%	0.9%	-	-	-	-	-
Agricultural land holding account	95.8	-	-	-	-100.0%	0.9%	-	-	-	-	-
Capital	57.7	-	-	-	-100.0%	0.5%	-	-	-	-	-
Independent Development Trust	57.7	-	-	-	-100.0%	0.5%	-	-	-	-	-

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, where the minister may, from money appropriated by Parliament for this purpose, acquire land for the purposes of this act. Therefore, the state will proactively target land and merge this with the demand or need for land. The account's total budget for 2016/17 is R1.6 billion.

- The **KwaZulu-Natal Ingonyama Trust Board** is a land management agency that provides support to communities on land management and estate management services to the Minister of Rural Development and Land Reform. The board 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 2016/17 is R115 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 2016/17 is R758 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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
R million										
Van Der Sterr building (Cape Town): Upgrading and installation of backup generator	Upgrading	Handed over	17.0	0.6	-	-	-	-	-	-
Surveyor general, Plain Street (Cape Town): Upgrading of kitchen and toilet	Upgrading	Handed over	2.9	2.7	-	-	-	-	-	-
Deeds office and surveyor general office (Pietermaritzburg): Upgrading, repairs and renovations	Upgrading, repairs and renovations	Identification	70.1	-	2.2	-	-	-	-	-
Old Cooperation Building (Pretoria): Upgrading of power supply and reticulation	Upgrading	Tender	9.5	1.4	-	-	-	-	-	-
Deeds office (Bloemfontein): Upgrading of sewerage system	Upgrading	Tender	1.8	-	-	0.1	1.4	-	-	-
Deeds office (Bloemfontein): Maintenance of fire protection system	Maintenance	Tender	2.1	-	-	0.2	0.2	0.4	-	-
Surveyor General building, 90 Plein Street (Cape Town): Upgrading of kitchen and toilet facilities	Upgrading	Construction	1.6	-	-	-	0.1	-	-	-
Land claims office, Van Der Sterr building (Cape Town): Refurbishment	Refurbishment	Finalization	0.5	-	-	0.8	-	-	-	-
Deeds office (Cape Town): Renovation and alteration	Renovation and alteration	Identification	24.1	-	-	0.5	15.6	4.1	-	-
49 Beacon Street, Ladysmith (KwaZulu-Natal): Upgrading of accommodation	Upgrading	Identification	6.5	-	-	2.1	3.5	-	-	-
Old Cooperation Building (Pretoria): Replacement of lifts	Replacement	Finalization	3.6	-	-	-	0.3	-	-	-
Old Cooperation Building (Pretoria): Heritage and south block upgrading	Upgrading	Identification	26.3	-	-	1.3	2.6	0.0	-	-
Total			166.0	4.7	2.2	4.9	23.5	4.5	-	-

Vote 40

Sport and Recreation South Africa

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	134.9	132.6	0.1	2.2	138.2	145.3
Active Nation	648.7	54.5	594.2	–	682.8	721.2
Winning Nation	91.1	59.9	31.2	–	93.5	98.7
Sport Support	137.6	13.3	124.3	–	144.9	153.1
Sport Infrastructure Support	16.3	16.3	–	–	15.6	16.7
Total expenditure estimates	1 028.6	276.6	749.8	2.2	1 075.0	1 135.0
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 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, which 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of people actively participating in sport and recreation promotion campaigns and events per year	Active Nation	Outcome 14: Nation building and social cohesion	42 000 ¹	24 300 ¹	9 150	11 700	11 700	12 000	13 000
Number of sport and recreation promotional campaigns and events implemented per year	Active Nation		– ²	– ²	6	5	5	5	5
Number of national school sport championships supported per year	Active Nation		1	1	1	2	3	3	3
Number of participants in national school sport championships per year	Active Nation		– ²	8 690	10 915	7 500	7 500	7 500	7 500
Number of schools, hubs and clubs provided with equipment and/or attire as per the established norms and standards per year	Active Nation		– ²	6 520	1 693	3 000	2 500	2 500	2 500
Number of major international events receiving intra-governmental support per year	Winning Nation		9	10	4	4	4	4	4

Table 40.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of athletes supported by the sports academies per year	Winning Nation	Outcome 14: Nation building and social cohesion	-2	-2	-2	3 300	3 400	3 500	3 600
Number of athletes supported through the scientific support programme per year	Winning Nation		90	58	40	50	80	80	80
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		54	68	64	60	60	60	60

1. These figures include spectators. Information on participants only is not available for these years.

2. No historical data is available as these are new indicators.

Expenditure analysis

Over the medium term, the Department of Sport and Recreation will respond to the national development plan's imperatives of nation building, social cohesion and a healthy national lifestyle by encouraging participation in sport and recreation at various levels, developing talented athletes and supporting high performance athletes, and supporting transformation in sport and recreation, as stipulated in the national sport and recreation plan. The department is also preparing for the hosting of the 2022 Commonwealth Games in Durban. The department is a key delivery partner for sub-outcome 3 (promoting social cohesion across society through increased interaction across race and class via sport) of outcome 14 (nation building and social cohesion) of government's 2014-2019 medium term strategic framework.

The department's compensation of employees budget has been reduced by R8.3 million in 2017/18 and R13.3 million in 2018/19 as part of Cabinet's decision to lower the national aggregate expenditure ceiling. There have also been such reductions in the goods and services budget of R194 000 in 2016/17, R4 million in 2017/18 and R5.3 million in 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget, while the goods and services reductions will be absorbed by implementing cost saving measures.

Encouraging participation in sport and recreation

The department supports lifelong wellness by providing opportunities for mass participation in sport and recreation. This function is funded by an allocation of R2.1 billion over the medium term in the *Active Nation* programme, accounting for around 64 per cent of the department's total expenditure for the period. The intention is to mobilise communities to take part in sport and recreation activities, contributing to the national vision of building an active nation. As various departmental sport and recreation events gain popularity and attract larger audiences, the department expects participation to increase from 9 150 participants in 2014/15 to 13 000 in 2018/19. The department's involvement in mass participation in sport and recreation includes loveLife, community sport and school sport.

The department will transfer R121.7 million to loveLife over the MTEF period, in the *Community Sport* subprogramme in the *Active Nation* programme. loveLife's project priorities are aligned to the national sport and recreation plan. Special attention will continue to be given to crafting messages and developing programmes to make them attractive and relevant to loveLife's target audience, which is mostly the youth. Following the revival of the department's partnership with loveLife in 2013, it is envisaged that in 2016 loveLife will use the department's annual youth camp and the national school sport championship as platforms for its youth projects. The loveLife games are sports and arts and culture events structured around youth leadership development, life skills, sexual health and other HIV prevention programmes.

Community sport creates opportunities to identify raw talent in the most underdeveloped parts of South Africa. Young people are provided with the opportunity to display their skills, and national federations and talent scouts get wider exposure to South African sporting talent. The *Provincial Sport Support and Coordination* subprogramme manages the transfer of R1.8 billion over the medium term for community sport programmes via the mass participation and sport development grant.

In conjunction with the Department of Basic Education, Sport and Recreation South Africa supports school sport leagues by providing equipment and attire, and by coordinating the training of educators in code specific coaching, technical officiating, team management and sports administration. The focus of the department's school sport work is integrating the 16 priority sport codes (soccer, cricket, rugby, netball and athletics among them) and indigenous games (like morabaraba and jukskei) into the school sport system. The department is committed to maximising access to sport and recreation in every school in South Africa by coordinating the school sport leagues, which culminate in the 3 annual national school sport championships. The number of participants in the national school sport championships over the MTEF period has been reduced to 7 500 participants per year as a result of the reduction in the number of age categories per sport code. Nevertheless, 22 500 athletes will participate in the national school sport championships over the MTEF period at an estimated cost of R786 million. The *School Sport* subprogramme manages the transfer of the mass participation and sport development grant for school sport programmes.

For oversight of the mass participation and sport development conditional grant outputs, the department has set aside R4.6 million over the MTEF period in the *Provincial Sport Support and Coordination* subprogramme.

Developing talented athletes

The department's talent identification and development strategy includes a ministerial sports bursary, which is awarded to learners from grades 8 to 12 for the duration of their high school career. The bursary allows them to attend a sports focus school, of which there were 24 across South Africa in 2015. These schools are identified by provincial departments as having exceptional sports coaching and facilities. New recruits for the bursary programme were identified during the 2015 national school sport championships. Including those already on the programme, a minimum of 40 athletes who meet the performance criteria are expected to be supported in 2016/17. A second level of support is provided to 40 emerging athletes with the potential to compete at a high performance level, but who are not yet on the South African Sports Confederation and Olympic Committee's operation excellence programme. These athletes request specific support, which is provided on an ad hoc basis on consideration of their circumstances and their performance potential. Both these forms of support are funded in the *Scientific Support* subprogramme in the *Winning Nation* programme, which is allocated R180 million over the medium term. The provincial sports academies provide further support to talented athletes, funded through the mass participation and sports development grant, which will support 3 400 athletes in 2016/17.

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 4 major games (the All Africa Games, the World Games, the Commonwealth Games, and the Olympic and Paralympic games). The department will transfer R29.5 million over the MTEF period to the South African Sports Confederation and Olympic Committee through the *Scientific Support* subprogramme of the *Winning Nation* programme.

Supporting transformation in sport and recreation

The department has created a transformation charter to support the national development plan's long term nation building imperatives for South African sport. The aim of the 2012 Transformation Charter for South African Sport is to guide the establishment of an accessible, demographically representative, sustainable and competitive sport system. The department will provide funding and various other kinds of support to assist 60 national federations over the medium term to meet their transformation targets. R113 million is earmarked in 2016/17 in the *Sport Support* programme for this. This allocation increases to R126 million in 2018/19 and is disbursed in accordance with the sport bodies grant framework.

The findings of both the 2013 and 2014 reports on transformation in sport and recreation stress the importance of suitable sport and recreation facilities. Over the medium term, the department receives increased funding of R24 million to oversee and support municipalities to plan and deliver sport and recreation infrastructure. These funds are in the *Sport Infrastructure Support* programme, which accounts for the average annual growth of 31.3 per cent growth over the period. Of this, R19.2 million, in compensation of employees, is to intensify the department's monitoring of municipalities' use of municipal infrastructure grant funds for building sport and recreation facilities. The department will conduct project appraisals of sport and recreation infrastructure projects funded by the grant, and target specific municipalities where these infrastructure needs are most acute. The department will work closely with the Department of Cooperative Governance and the South African Local

Government Association, as well as with municipalities themselves, to ensure that the construction and maintenance of sport and recreation facilities get their proper share of the municipal infrastructure grant.

Hosting the 2022 Commonwealth Games

The Commonwealth Games Federation announced in September 2015 that Durban would host the 2022 games. To coordinate and manage the preparation of the games, the department has reprioritised R6.2 million over the MTEF period to the *Major Events* subprogramme in the *Winning Nation* programme through cost saving measures across various programmes.

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	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13	2015/16
Programme 1	113.2	108.1	100.3	124.4	124.9	114.6	131.3	116.7	105.2	124.8	115.2	119.9	89.1%	94.6%
Programme 2	525.4	534.8	539.5	593.3	592.3	606.7	615.2	620.1	624.8	628.6	627.2	627.5	101.5%	101.0%
Programme 3	13.9	271.2	292.5	226.8	228.8	231.4	91.3	78.1	83.1	92.2	75.6	76.0	161.0%	104.5%
Programme 4	187.3	143.8	117.5	119.7	118.2	115.8	122.2	145.1	148.9	133.2	156.1	148.5	94.4%	94.2%
Programme 5	8.6	5.3	4.3	9.3	9.3	4.6	10.4	10.4	4.9	9.7	6.8	7.4	55.7%	66.7%
Total	848.4	1 063.1	1 054.1	1 073.5	1 073.5	1 073.0	970.4	970.4	966.8	988.5	980.9	979.4	105.0%	99.6%
Change to 2015 Budget estimate											(7.7)			
Economic classification														
Current payments	240.4	226.0	219.7	258.4	258.4	257.6	269.5	269.5	265.5	265.7	262.1	260.6	97.0%	98.8%
Compensation of employees	91.9	73.7	73.7	97.9	85.9	76.6	103.0	103.0	82.4	100.7	93.8	95.8	83.5%	92.2%
Goods and services	148.6	152.3	146.0	160.5	172.5	181.0	166.4	166.4	183.0	165.0	168.3	164.8	105.3%	102.3%
of which:														
Audit costs: External	5.1	4.0	5.2	5.1	4.5	4.5	5.1	5.1	5.1	4.5	4.5	4.5	97.7%	106.6%
Communication	3.9	3.9	4.5	4.5	4.2	4.3	4.7	4.7	3.6	4.9	7.8	7.8	112.6%	98.4%
Contractors	58.0	56.3	40.8	59.1	82.8	47.0	61.5	61.5	26.5	59.6	58.8	56.3	71.6%	65.7%
Operating leases	6.2	9.0	0.7	17.2	17.2	14.7	19.0	19.0	8.8	17.3	6.2	6.2	51.0%	59.3%
Travel and subsistence	36.9	36.9	33.6	36.2	31.0	30.8	36.5	36.5	29.5	37.8	35.9	35.9	88.0%	92.5%
Venues and facilities	9.5	12.2	15.4	9.5	6.3	56.3	10.1	10.1	57.6	12.7	19.4	19.4	355.6%	309.8%
Interest and rent on land	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Transfers and subsidies	605.5	834.1	833.2	812.9	812.9	814.3	698.8	698.8	699.1	720.7	716.6	716.6	107.9%	100.0%
Provinces and municipalities	469.6	592.8	592.8	617.6	617.6	617.6	525.6	525.6	525.6	537.3	533.2	533.2	105.5%	100.0%
Departmental agencies and accounts	18.3	19.0	19.0	20.6	20.6	21.8	26.5	26.5	26.5	30.4	30.4	30.4	101.9%	101.1%
Non-profit institutions	117.5	222.2	221.3	174.7	174.7	174.7	146.6	146.6	146.6	153.0	153.0	153.0	117.5%	99.9%
Households	-	0.1	0.1	-	-	0.3	-	-	0.4	-	-	-	-	702.0%
Payments for capital assets	2.5	3.0	1.2	2.2	2.2	1.2	2.2	2.2	2.1	2.2	2.2	2.2	74.0%	70.1%
Buildings and other fixed structures	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-
Machinery and equipment	2.5	2.5	1.2	2.2	2.2	0.8	2.2	2.2	1.8	2.2	2.2	2.2	66.6%	66.6%
Heritage assets	-	0.5	-	-	-	0.1	-	-	-	-	-	-	-	24.4%
Software and other intangible assets	-	-	-	-	-	-	-	-	0.3	-	-	-	-	-
Payments for financial assets	0.0	0.0	0.0	-	-	0.0	-	-	0.1	-	-	-	456.0%	456.0%
Total	848.4	1 063.1	1 054.1	1 073.5	1 073.5	1 073.0	970.4	970.4	966.8	988.5	980.9	979.4	105.0%	99.6%

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Programme 1	119.9	3.5%	10.8%	134.9	138.2	145.3	6.6%	12.8%	
Programme 2	627.5	5.5%	58.9%	648.7	682.8	721.2	4.7%	63.5%	
Programme 3	76.0	-34.6%	16.8%	91.1	93.5	98.7	9.1%	8.5%	
Programme 4	148.5	1.1%	13.0%	137.6	144.9	153.1	1.0%	13.8%	
Programme 5	7.4	11.9%	0.5%	16.3	15.6	16.7	31.3%	1.3%	
Total	979.4	-2.7%	100.0%	1 028.6	1 075.0	1 135.0	5.0%	100.0%	
Change to 2015 Budget estimate				(5.8)	(18.7)	(22.1)			
Economic classification									
Current payments	260.6	4.9%	24.6%	276.6	283.0	298.5	4.6%	26.5%	
Compensation of employees	95.8	9.1%	8.1%	108.6	107.3	113.3	5.8%	10.1%	
Goods and services	164.8	2.7%	16.6%	168.0	175.8	185.2	4.0%	16.4%	
of which:									
Audit costs: External	4.5	3.2%	0.5%	5.5	5.7	6.0	10.6%	0.5%	
Communication	7.8	26.0%	0.5%	5.6	6.2	7.9	0.4%	0.7%	
Contractors	56.3	0.0%	4.2%	56.7	57.5	58.2	1.1%	5.4%	
Operating leases	6.2	-11.6%	0.7%	13.9	17.5	17.3	40.8%	1.3%	
Travel and subsistence	35.9	-0.9%	3.2%	41.8	43.7	46.6	9.1%	4.0%	
Venues and facilities	19.4	16.7%	3.7%	15.3	15.1	17.2	-3.9%	1.6%	
Transfers and subsidies	716.6	-4.9%	75.2%	749.8	789.7	834.1	5.2%	73.3%	
Provinces and municipalities	533.2	-3.5%	55.7%	555.7	585.8	618.4	5.1%	54.4%	
Departmental agencies and accounts	30.4	16.8%	2.4%	33.0	34.7	36.7	6.5%	3.2%	
Non-profit institutions	153.0	-11.7%	17.1%	161.1	169.2	179.0	5.4%	15.7%	
Payments for capital assets	2.2	-10.0%	0.2%	2.2	2.3	2.4	3.5%	0.2%	
Machinery and equipment	2.2	-4.3%	0.1%	2.2	2.3	2.4	3.5%	0.2%	
Total	979.4	-2.7%	100.0%	1 028.6	1 075.0	1 135.0	5.0%	100.0%	

Personnel information

Table 40.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																			
1. Administration																			
2. Active Nation																			
3. Winning Nation																			
4. Sport Support																			
5. Sport Infrastructure Support																			
Sport and Recreation South Africa	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)	Salary level/Total: Average (%)			
			2014/15	Cost	Unit Cost	2015/16	Cost	Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19		
	211	28	172	82.4	0.5	211	95.8	0.5	222	108.6	0.5	224	115.6	0.5	227	126.6	0.6	2.5%	100.0%
Salary level																			
1 – 6	51	10	34	5.5	0.2	51	9.2	0.2	53	10.3	0.2	53	10.8	0.2	53	11.8	0.2	1.3%	23.8%
7 – 10	91	13	75	26.6	0.4	91	31.1	0.3	96	36.6	0.4	96	39.2	0.4	96	42.3	0.4	1.8%	42.9%
11 – 12	38	1	32	18.3	0.6	38	22.0	0.6	41	25.2	0.6	41	25.9	0.6	41	28.0	0.7	2.6%	18.2%
13 – 16	29	4	27	25.7	1.0	29	28.5	1.0	30	31.1	1.0	30	33.3	1.1	30	35.7	1.2	1.1%	13.5%
Other	2	–	4	6.2	1.6	2	5.0	2.5	2	5.3	2.7	4	6.3	1.6	7	8.7	1.2	51.8%	1.7%
Programme	211	28	172	82.4	0.5	211	95.8	0.5	222	108.6	0.5	224	115.6	0.5	227	126.6	0.6	2.5%	100.0%
Programme 1	155	17	124	59.7	0.5	155	70.3	0.5	155	77.2	0.5	155	80.8	0.5	155	88.3	0.6	–	70.1%
Programme 2	25	1	19	7.4	0.4	25	11.3	0.5	25	11.7	0.5	27	13.5	0.5	30	16.0	0.5	6.3%	12.1%
Programme 3	9	6	6	2.6	0.4	9	4.3	0.5	9	4.4	0.5	9	4.5	0.5	9	4.7	0.5	–	4.1%
Programme 4	16	3	18	10.5	0.6	16	7.3	0.5	16	7.5	0.5	16	8.4	0.5	16	8.6	0.5	–	7.2%
Programme 5	6	1	5	2.3	0.5	6	2.7	0.4	17	7.8	0.5	17	8.4	0.5	17	9.0	0.5	41.5%	6.4%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(8.3)	–	–	(13.3)	–	–	–
Total	211	28	172	82.4	0.5	211	95.8	0.5	222	108.6	0.5	–	107.3	–	–	113.3	–	–	–

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

2. The department's compensation of employees budget has been reduced by R21.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 40.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2015/16	Revised estimate	Average growth rate (%) 2012/13 - 2015/16	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%) 2015/16 - 2018/19	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2016/17	2017/18	2018/19		
Departmental receipts	8 712	210	107	273	296	-67.6%	100.0%	315	335	355	6.2%	100.0%
Sales of goods and services produced by department	54	52	52	66	49	-3.2%	2.2%	102	120	140	41.9%	31.6%
Sales by market establishments	-	-	-	-	29	-	0.3%	35	40	45	15.8%	11.5%
of which:												
Sales by market establishments	-	-	-	-	29	-	0.3%	35	40	45	15.8%	11.5%
Other sales	54	52	52	66	20	-28.2%	1.9%	67	80	95	68.1%	20.1%
of which:												
Rental parking covered and open	54	52	52	66	20	-28.2%	1.9%	67	80	95	68.1%	20.1%
Interest, dividends and rent on land	3	2	6	7	56	165.3%	0.7%	9	11	15	-35.5%	7.0%
Interest	3	2	6	7	56	165.3%	0.7%	9	11	15	-35.5%	7.0%
Transactions in financial assets and liabilities	8 655	156	49	200	191	-72.0%	97.1%	204	204	200	1.5%	61.4%
Total	8 712	210	107	273	296	-67.6%	100.0%	315	335	355	6.2%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 40.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Total	100.3	114.6	105.2	115.5	4.8%	100.0%	134.9	138.2	145.3	8.0%	100.0%
Change to 2015 Budget estimate				(9.4)			3.8	0.2	(9.1)		
Economic classification											
Current payments	98.9	113.3	102.7	113.2	4.6%	98.3%	132.6	135.9	142.8	8.1%	98.2%
Compensation of employees	53.3	56.2	59.7	64.4	6.5%	53.6%	77.2	75.7	79.7	7.4%	55.6%
Goods and services	45.5	57.0	43.0	48.9	2.4%	44.6%	55.4	60.2	63.2	9.0%	42.6%
of which:											
Audit costs: External	5.2	4.5	5.1	4.5	-4.9%	4.4%	5.5	5.7	6.0	10.6%	4.1%
Communication	3.9	2.4	2.9	5.8	14.6%	3.4%	3.4	3.9	5.5	-2.0%	3.5%
Contractors	2.0	2.4	2.5	2.5	8.6%	2.2%	4.5	4.7	4.9	25.0%	3.1%
Operating leases	0.7	14.7	8.8	6.2	107.3%	7.0%	13.9	17.5	17.3	40.8%	10.3%
Property payments	3.2	2.8	2.1	3.2	0.4%	2.6%	3.0	2.7	2.8	-5.2%	2.2%
Travel and subsistence	17.0	15.9	10.5	13.2	-8.2%	13.0%	11.9	11.8	12.0	-3.0%	9.2%
Transfers and subsidies	0.2	0.3	0.3	0.1	-21.3%	0.2%	0.1	0.1	0.1	5.2%	0.1%
Departmental agencies and accounts	0.1	0.1	0.0	0.1	9.0%	0.1%	0.1	0.1	0.1	5.2%	0.1%
Households	0.1	0.3	0.3	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	1.2	1.0	2.1	2.2	21.3%	1.5%	2.2	2.3	2.4	3.5%	1.7%
Machinery and equipment	1.2	0.8	1.8	2.2	21.3%	1.4%	2.2	2.3	2.4	3.5%	1.7%
Heritage assets	-	0.1	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	0.3	-	-	0.1%	-	-	-	-	-
Payments for financial assets	0.0	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Total	100.3	114.6	105.2	115.5	4.8%	100.0%	134.9	138.2	145.3	8.0%	100.0%
Proportion of total programme expenditure to vote expenditure	9.5%	10.7%	10.9%	11.8%	-	-	13.1%	12.9%	12.8%	-	-

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 5 active recreation programmes in 2016/17.
- Inspire lifelong physical activity by providing mass sport participation opportunities to 11 700 community members in 2016/17.
- Increase learners' access to sport at schools by supporting the national school sport championship for 22 500 learners over the medium term.
- Support the provision of sport and recreation mass participation opportunities in all 9 provinces by providing management and financial support through the mass participation and sport development conditional allocation 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.
- *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.

Expenditure trends and estimates

Table 40.7 Active Nation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million											
Programme Management: Active Nation	0.2	1.7	2.8	3.2	152.2%	0.3%	3.6	3.8	4.2	8.8%	0.5%
Active Recreation	0.9	1.0	–	–	-100.0%	0.1%	1.1	1.1	1.2	–	0.1%
Community Sport	43.2	97.6	80.0	62.0	12.8%	11.8%	56.3	59.2	63.6	0.9%	9.0%
School Sport	25.6	8.9	16.3	30.6	6.2%	3.4%	32.1	32.8	33.8	3.3%	4.8%
Provincial Sport Support and Coordination	469.6	497.6	525.6	533.2	4.3%	84.4%	555.7	585.8	618.4	5.1%	85.5%
Total	539.5	606.7	624.8	629.0	5.3%	100.0%	648.7	682.8	721.2	4.7%	100.0%
Change to 2015 Budget estimate				0.4			(10.6)	(16.7)	(18.9)		
Economic classification											
Current payments	37.4	75.5	63.7	59.2	16.5%	9.8%	54.5	56.5	60.0	0.4%	8.6%
Compensation of employees	6.1	6.6	7.4	12.8	28.3%	1.4%	11.7	11.3	12.1	-1.8%	1.8%
Goods and services	31.4	68.9	56.4	46.4	13.9%	8.5%	42.9	45.2	47.9	1.0%	6.8%
of which:											
Advertising	20.6	1.1	7.2	1.2	-61.5%	1.3%	1.2	1.2	1.3	3.6%	0.2%
Communication	0.3	0.5	0.3	1.0	51.8%	0.1%	1.1	1.1	1.1	4.6%	0.2%
Contractors	1.1	7.1	11.7	16.8	147.0%	1.5%	13.6	13.8	13.7	-6.7%	2.2%
Transport provided: Departmental activity	1.0	0.5	–	1.4	9.8%	0.1%	1.4	1.5	1.5	3.7%	0.2%
Travel and subsistence	5.5	8.4	4.5	14.0	36.7%	1.3%	17.4	18.6	19.7	12.2%	2.6%
Venues and facilities	2.2	49.3	26.8	8.9	59.3%	3.6%	5.0	5.7	7.0	-7.7%	1.0%
Transfers and subsidies	502.1	531.3	561.0	569.8	4.3%	90.2%	594.2	626.3	661.2	5.1%	91.4%
Provinces and municipalities	469.6	497.6	525.6	533.2	4.3%	84.4%	555.7	585.8	618.4	5.1%	85.5%
Non-profit institutions	32.4	33.7	35.3	36.6	4.1%	5.8%	38.5	40.4	42.8	5.3%	5.9%
Households	–	–	0.1	–	–	–	–	–	–	–	–
Total	539.5	606.7	624.8	629.0	5.3%	100.0%	648.7	682.8	721.2	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	51.2%	56.5%	64.6%	64.1%	–	–	63.1%	63.5%	63.5%	–	–

Table 40.7 Active Nation 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Non-profit institutions											
Current	32.4	33.7	35.3	36.6	4.1%	5.8%	38.5	40.4	42.8	5.3%	5.9%
Various sport federations	0.2	–	–	–	-100.0%	–	–	–	–	–	–
loveLife	32.2	33.7	35.3	36.6	4.3%	5.7%	38.5	40.4	42.8	5.3%	5.9%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	469.6	497.6	525.6	533.2	4.3%	84.4%	555.7	585.8	618.4	5.1%	85.5%
Mass participation and sport development grant	469.6	497.6	525.6	533.2	4.3%	84.4%	555.7	585.8	618.4	5.1%	85.5%

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 through a scientific support programme annually 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 4 approved major events during 2016/17.
- Promote sport tourism to South Africa by showcasing sport tourist opportunities in South Africa at selected major sporting events, such as the Rio 2016 Olympic and Paralympic Games.
- Inspire a winning nation and produce role models by hosting 4 events that acknowledge achievements in the sport and recreation sector in 2016/17 (the South African Sports Awards, the Ministerial Outstanding Sports Performance Accolades, the Andrew Mlangeni Green Jacket Awards, and Honouring Women in Sport Awards).

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.
- *Major Events Support* coordinates and manages government's support services for hosting identified major events in South Africa. This subprogramme also uses national and international sporting events to showcase South Africa as a destination of choice in terms of sports tourism.
- *Recognition Systems* provides opportunities to acknowledge past and present sporting achievements.

Expenditure trends and estimates

Table 40.8 Winning Nation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R million											
Programme Management: Winning Nation	1.8	–	–	–	-100.0%	0.3%	2.2	2.3	2.4	–	1.9%
Scientific Support	48.6	51.7	40.4	49.8	0.8%	27.9%	59.3	59.6	61.4	7.2%	64.1%
Major Events Support	224.9	157.8	18.1	4.8	-72.3%	59.4%	10.8	11.8	14.0	43.2%	11.5%
Recognition Systems	17.1	21.9	24.7	21.0	7.1%	12.4%	18.9	19.8	21.0	–	22.5%
Total	292.5	231.4	83.1	75.6	-36.3%	100.0%	91.1	93.5	98.7	9.3%	100.0%
Change to 2015 Budget estimate				(16.6)			(3.9)	(6.2)	(1.5)		

Table 40.8 Winning Nation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R million											
Current payments	61.1	53.4	52.2	46.9	-8.4%	31.3%	59.9	60.7	64.0	10.9%	64.5%
Compensation of employees	1.9	3.9	2.6	3.8	25.9%	1.8%	4.4	4.5	4.7	7.6%	4.9%
Goods and services	59.2	49.5	49.6	43.1	-10.0%	29.5%	55.5	56.2	59.3	11.2%	59.7%
of which:											
Administrative fees	–	–	–	0.1	–	–	0.7	0.7	0.8	88.4%	0.7%
Advertising	0.6	0.3	0.8	0.4	-12.8%	0.3%	1.4	1.3	1.4	54.3%	1.3%
Laboratory services	–	1.9	–	3.2	–	0.7%	3.9	4.1	4.3	10.6%	4.3%
Contractors	36.7	37.7	6.2	31.6	-4.9%	16.4%	32.1	33.1	33.8	2.3%	36.4%
Travel and subsistence	5.9	4.1	4.9	1.5	-37.2%	2.4%	8.2	8.7	10.0	90.3%	7.9%
Venues and facilities	9.1	4.6	26.1	5.0	-18.3%	6.6%	7.3	6.2	6.8	11.2%	7.0%
Transfers and subsidies	231.3	178.0	30.9	28.6	-50.2%	68.7%	31.2	32.8	34.7	6.6%	35.5%
Provinces and municipalities	123.1	120.0	–	–	-100.0%	35.6%	–	–	–	–	–
Departmental agencies and accounts	13.9	14.0	18.5	19.8	12.6%	9.7%	21.9	23.0	24.3	7.1%	24.8%
Non-profit institutions	94.4	44.0	12.4	8.8	-54.6%	23.4%	9.3	9.8	10.4	5.6%	10.7%
Total	292.5	231.4	83.1	75.6	-36.3%	100.0%	91.1	93.5	98.7	9.3%	100.0%
Proportion of total programme expenditure to vote expenditure	27.7%	21.6%	8.6%	7.7%	–	–	8.9%	8.7%	8.7%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	13.9	14.0	18.5	19.8	12.6%	9.7%	21.9	23.0	24.3	7.1%	24.8%
South African Institute for Drug-Free Sport	13.9	14.0	18.5	19.8	12.6%	9.7%	21.9	23.0	24.3	7.1%	24.8%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	123.1	120.0	–	–	-100.0%	35.6%	–	–	–	–	–
2013 Africa Cup of Nations host city operating grant	123.1	–	–	–	-100.0%	18.0%	–	–	–	–	–
2014 African Nations Championship host city operating grant	–	120.0	–	–	–	17.6%	–	–	–	–	–
Non-profit institutions											
Current	94.4	44.0	12.4	8.8	-54.6%	23.4%	9.3	9.8	10.4	5.6%	10.7%
South African Sports Confederation and Olympic Committee	10.4	8.0	12.4	8.8	-5.3%	5.8%	9.3	9.8	10.4	5.6%	10.7%
2013 Africa Cup of Nations: Local organising committee	84.0	–	–	–	-100.0%	12.3%	–	–	–	–	–
2014 African Nations Championship: Local organising committee	–	36.0	–	–	–	5.3%	–	–	–	–	–

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 and to non-governmental organisations. 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 40.9 Sport Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2012/13	2015/16	2016/17	2017/18	2018/19		
R million											
Programme Management: Sport Support	2.9	3.4	3.3	3.0	1.1%	2.3%	4.5	4.7	5.2	20.5%	3.0%
International Relations	4.7	3.4	10.8	6.4	10.4%	4.7%	2.1	2.3	2.7	-24.7%	2.3%
Sport and Recreation Service Providers	109.9	109.0	134.7	144.6	9.6%	92.9%	130.9	137.9	145.1	0.1%	94.8%
Total	117.5	115.8	148.9	154.0	9.4%	100.0%	137.6	144.9	153.1	-0.2%	100.0%
Change to 2015 Budget estimate				20.8			(1.0)	(0.6)	0.8		
Economic classification											
Current payments	18.0	11.1	42.1	36.0	26.1%	20.0%	13.3	14.3	15.0	-25.4%	13.3%
Compensation of employees	9.9	7.8	10.5	12.7	8.9%	7.6%	7.5	8.4	8.6	-12.2%	6.3%
Goods and services	8.1	3.3	31.6	23.2	42.2%	12.3%	5.7	6.0	6.3	-35.2%	7.0%
of which:											
Communication	0.2	1.1	0.3	0.4	20.2%	0.4%	0.4	0.4	0.4	4.8%	0.3%
Contractors	-	(0.4)	3.8	3.5	-	1.3%	0.8	0.9	0.9	-36.5%	1.0%
Consumables: Stationery, printing and office supplies	0.0	0.2	0.5	0.3	96.0%	0.2%	0.2	0.2	0.2	-8.1%	0.1%
Travel and subsistence	4.9	0.5	9.6	6.3	8.7%	4.0%	2.3	2.3	2.4	-28.1%	2.3%
Operating payments	0.6	0.3	5.2	1.2	26.8%	1.4%	0.3	0.4	0.6	-22.5%	0.4%
Venues and facilities	2.0	1.4	3.9	3.3	19.1%	2.0%	1.5	1.6	1.7	-20.5%	1.4%
Transfers and subsidies	99.6	104.7	106.8	118.1	5.8%	80.0%	124.3	130.5	138.1	5.4%	86.7%
Departmental agencies and accounts	5.1	7.7	7.9	10.5	27.0%	5.8%	11.0	11.6	12.3	5.4%	7.7%
Non-profit institutions	94.5	97.0	98.9	107.6	4.4%	74.2%	113.3	118.9	125.8	5.4%	79.0%
Total	117.5	115.8	148.9	154.0	9.4%	100.0%	137.6	144.9	153.1	-0.2%	100.0%
Proportion of total programme expenditure to vote expenditure	11.2%	10.8%	15.4%	15.7%	-	-	13.4%	13.5%	13.5%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5.1	7.7	7.9	10.5	27.0%	5.8%	11.0	11.6	12.3	5.4%	7.7%
Boxing South Africa	5.1	7.7	7.9	10.5	27.0%	5.8%	11.0	11.6	12.3	5.4%	7.7%
Non-profit institutions											
Current	94.5	97.0	98.9	107.6	4.4%	74.2%	113.3	118.9	125.8	5.4%	79.0%
Various sport federations	94.5	97.0	98.9	107.6	4.4%	74.2%	113.3	118.9	125.8	5.4%	79.0%

Programme 5: Sport Infrastructure Support

Programme purpose

Regulate and manage the provision of sport and recreation facilities.

Objectives

- Optimise access to sport and recreation facilities by mandating all 9 provinces to submit accurate facility audits annually, and use these audits to lobby municipalities to provide facilities where they are needed.
- Assist municipalities to comply 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. This subprogramme also assists municipalities to ensure that 2010 FIFA World Cup stadiums are well maintained and optimally used.
- *Sport and Recreation Facility Planning* lobbies for, and facilitates and coordinates the provision of sport and recreation facilities by municipalities and other relevant institutions.

Expenditure trends and estimates

Table 40.10 Sport Infrastructure Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R million												
Programme Management: Infrastructure Support	1.0	-	-	-	-100.0%	4.9%	2.2	2.3	2.4	-	12.5%	
Sport and Recreation Facility Management	0.1	1.9	2.7	4.3	236.4%	44.3%	11.4	10.3	10.9	35.7%	66.6%	
Sport and Recreation Facility Planning	3.2	2.7	2.2	2.4	-8.2%	50.9%	2.7	3.0	3.4	11.9%	20.9%	
Total	4.3	4.6	4.9	6.8	16.6%	100.0%	16.3	15.6	16.7	35.0%	100.0%	
Change to 2015 Budget estimate				(2.9)			6.0	4.7	6.7			
Economic classification												
Current payments	4.3	4.4	4.9	6.8	16.6%	99.1%	16.3	15.6	16.7	35.0%	100.0%	
Compensation of employees	2.5	2.1	2.3	2.1	-6.4%	43.7%	7.8	7.4	8.2	57.7%	46.1%	
Goods and services	1.7	2.3	2.7	4.7	39.5%	55.4%	8.4	8.2	8.5	22.0%	53.9%	
of which:												
Communication	0.0	0.0	0.0	0.2	73.0%	1.5%	0.2	0.2	0.2	4.0%	1.6%	
Contractors	1.0	0.2	2.4	3.4	48.2%	34.0%	5.7	5.0	4.8	12.9%	34.2%	
Travel and subsistence	0.3	2.0	0.2	1.0	43.0%	16.7%	1.9	2.2	2.5	36.7%	13.7%	
Training and development	-	-	-	-	-	-	0.4	0.6	0.8	-	3.2%	
Operating payments	0.0	0.0	-	0.1	89.9%	0.7%	0.1	0.1	0.1	2.2%	0.7%	
Payments for capital assets	-	0.2	-	-	-	0.9%	-	-	-	-	-	
Buildings and other fixed structures	-	0.2	-	-	-	0.9%	-	-	-	-	-	
Total	4.3	4.6	4.9	6.8	16.6%	100.0%	16.3	15.6	16.7	35.0%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.5%	0.7%	-	-	1.6%	1.5%	1.5%	-	-	

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 2016/17 is R13.5 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 2016/17 is R27.8 million.

